



Fabchem China Limited

PROFIT WARNING

The Board of Directors (the “Board”) of Fabchem China Limited (the “Group”) wishes to caution our shareholders that the Group’s revenue and profit are expected to be lower for the third quarter of FY2016, i.e. the period from 1 October 2015 to 31 December 2015 (“3Q2016”), as compared to the corresponding quarter in the previous financial year (“3Q2015”).

On 21 October 2015, an explosion occurred at an unrelated booster production plant in Shandong Province, Linyi City, Pingyi County, which resulted in 9 casualties and 2 injured.

As a precautionary measure, the authorities require all commercial explosives manufacturers in Shandong Province to temporarily cease all production of commercial explosive products until 30 October 2015 for safety inspections. After 30 October 2015, the production of commercial explosive products can commence except for booster production which will continue to cease production pending the safety inspection and clearance by the authorities before resumption of production.

Due to the above-mentioned incidents, there will be a negative impact on the Group’s financial performance for 3Q2016 and for the financial year ending 31 March 2016 (“FY2016”). The management will continue to closely monitor the situation and update shareholders on a timely basis.

This profit warning is based on a preliminary review of the unaudited financial results of the Group. Further details of the Group’s performance will be disclosed when it has finalised its unaudited financial results for 3Q2016. Details of the Group’s results in 3Q2016 are expected to be released on or before 12 February 2016. In the meantime, shareholders of the Group and potential investors are advised to exercise caution when dealing in the shares of the Group.

By Order of the Board

Sun Bowen
Managing Director
30 October 2015

