
Flooding at Longlife Plant caused by torrential rain

The Board of Directors (the “**Board**”) of Pharmesis International Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce that torrential rain which hit Gulin county yesterday has caused flash flooding at one of its manufacturing facilities located in Gulin county, Luzhou City, Sichuan Province, Peoples’ Republic of China (“PRC”) (“Longlife Plant”).

All employees are safe from the hazards caused by the torrential rain, and the majority of the production facilities at Longlife Plant were not affected. However, the flash flood has damaged some of the production equipment and inventory and resulted in temporary work stoppages at the Longlife Plant. The management is currently trying to assess the full impact of the flooding on its production lines at its Longlife Plant and plans to resume production as soon as possible. The Group's insurance company has been notified and will be assessing the claim and damages in due course.

The Board wishes to highlight that whilst the impact assessment of the flooding at the Longlife Plant is being carried out, it envisages that production at Longlife Plant will be temporarily disrupted and will resume after the production equipment are repaired.

BY ORDER OF THE BOARD

Wu Xuedan
Executive Director and Chief Executive Officer
9 September 2019