

Magontec Limited

17 February 2020

**ASX Announcement**

**UPDATE – Coronavirus impact on Magontec's Chinese activities**

On 3 February 2020 Magontec Limited released a note advising shareholders that, following a directive from the Chinese Government, its factories at Xi'an in Shaanxi province and Golmud in Qinghai province would remain closed for a further week as Chinese Government and city authorities sought to limit the spread of the coronavirus.

The Golmud factory recommenced production on 9<sup>th</sup> February however the Xi'an factory was required to remain closed for a further 6 days. Both factories have now re-commenced operations.

As we noted in our previous release, a large proportion of the customers for these businesses are in China, although there are also customer groups in Japan and the USA. Most of our Chinese customers have also re-commenced operations.

While we have been able to maintain supply of material to customers in all jurisdictions through this period from inventories, there remain significant transportation limitations for Chinese freight companies associated with efforts to contain the virus and these have had an effect on our ability to supply in some instances.

While we currently expect the marginal impact on Magontec's financial results to be modest, it is evident that the effect of this event may have a rolling impact for some weeks to come.

**Nicholas Andrews, Executive Chairman of Magontec Limited has authorised the release of this document to the market on 3 February 2020**

*For more information please contact Nicholas Andrews on 0402 220 077*