



FORELAND FABRICTECH HOLDINGS LIMITED
(Incorporated in Bermuda with Company Registration No. 39151)

BUSINESS UPDATE

In anticipation of the announcement of the unaudited financial results for the second quarter ended 30 June 2012 ("2Q 2012"), the Board of Directors of Foreland Fabrictech Holdings Limited (the "Company", and together with its subsidiaries, the "Group") deems it appropriate to provide a business update for the benefit of shareholders of the Company.

Generally, the weak economic sentiments as disclosed in the Group's last announcement on 7 May 2012 had led to a deteriorating business environment. In 2Q 2012, the Group has seen a slowdown in the textile industry. Both the demand and selling price for the high-grade textile products, including both apparel and umbrella products, have been pressured by the weak business conditions, which in turn impacted the Group's revenue and profits. It is anticipated that the Group will report a significantly lower net profit for 2Q 2012 than that of 2Q 2011.

Nevertheless, the Group will continue and strive to develop innovative and competitive products to enhance our profitability. New and/or improved products will be launched at timely intervals to meet/cater for the market demand. In addition, we will continue to actively seek other profitable opportunities for the Group and improve on operating efficiencies.

The Company will disclose further details when it announces its unaudited financial results for 2Q 2012 on or before 15 August 2012.

BY ORDER OF THE BOARD

Tsoi Kin Chit
Executive Chairman
17 July 2012