



FORELAND FABRICTECH HOLDINGS LIMITED

(Incorporated in Bermuda with Company Registration No. 39151)

RESPONSE TO SGX QUERY ON ANNOUNCEMENT OF QUARTERLY RESULTS FOR THE PERIOD ENDED 31 MARCH 2013

The Board of Directors of Foreland Fabrictech Holdings Limited (“the Company”, together with its subsidiaries, “the Group”) wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX”) in connection with the announcement made by the Company on 6 May 2013, with regard to the quarterly results for the period ended 31 March 2013.

Query

The Company disclosed on page 8 of the Company’s 1Q 2013 results that “during 1Q 2013 there was no production as we were relocating our existing production facilities.” However, this was not disclosed in paragraph 10 of the Company’s FY2012 results which was announced on 28 February 2013 that the Company had ceased the production in 1Q 2013. Under the disclosure requirements in paragraph 10 of Appendix 7.2, the Company is required to disclose the factors or events that will affect the Company in the next reporting period and the next 12 months. As this is considered as a material information, please explain why the Company did not disclose this material development which resulted in the 99% falling of the revenue from RMB 161.9 million to only RMB 1 million in 1Q 2013. And in this respect, it was disclosed that the revenue of RMB 1 million arose from the sale of the existing inventory as at 31 December 2012. Please advise when the Board became aware of the cessation of production and why it did not consider this material information for disclosure in paragraph 10 of its FY2012 results. As this development is considered as material, please advise why the Board did not deem it is necessary to disclose this information before or at any time during the period from January to March 2013.

Company’s response to Query

In early January 2013, the Company was aware that the Group’s production was significantly affected during the course of relocation. On 9 January 2013, we have also disclosed in our profit guidance that “the shift in existing production facilities has significantly affected the Group’s production” and “the shift is expected to be completed towards the end of 1Q 2013 or in 2Q 2013”.

As the fact that the production was significantly affected during 1Q 2013 in the course of relocation was already disclosed and announced on 9 January 2013, and therefore, the Company did not repeat this information in the FY2012 results announcement which was announced on 28 February 2013.

During a Board meeting at the end of February 2013, the Board was aware that the production had stopped during the course of relocation and decided to issue another update after the preliminary management accounts for February 2013 was ready. On 14 March 2013, we

therefore disclosed in our profit guidance that “production has stopped during the course of relocation” and “a significant drop in revenue” was expected.

By Order of the Board

Tsoi Kin Chit
Executive Chairman
29 May 2013