



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

RESULTS OF THE INDEPENDENT REVIEW REPORT

Unless otherwise mentioned, capitalized terms shall have definitions as ascribed in previous announcements of the Company dated 28 August 2014 and 22 January 2015.

1. BACKGROUND

On 5 August 2014, the former auditors of the Company, Messrs Baker Tilly TFW LLP, issued a disclaimer of opinion on the audited financial statements of the Group for the financial year ended 31 December 2013 ("FY2013 Audited Report"). The matters which were disclaimed by the former auditors are:

- (i) Compensation Claim;
- (ii) Cash and cash equivalents of the subsidiary Fulian;
- (iii) Going Concern;
- (iv) Investment in subsidiary and amount due from subsidiary.

A number of queries were also raised by SGX to the Company in connection with the FY2013 Audited Report.

On 22 January 2015, the Company appointed Messrs BDO LLP ("BDO") to carry out an independent review ("Independent Review") in respect of the following matters:

A. Compensation Claim

To perform an independent assessment of the customer's claim and review the circumstances leading to the settlement agreement between Fulian and the customer.

B. Cash And Cash Equivalents Of Fulian

To verify balances of Fulian's bank balance(s) and fixed deposit(s) totaling RMB 292,298,353 at the banks in the PRC as at 31 December 2013.

C. Investment in Subsidiary and Amount due from Subsidiary

To establish if the impairment loss of RMB 223,139,000 (charged to the Company's profit and loss account in 2013), the Investment in Subsidiary and the Amount due from Subsidiary with carrying values of RMB 61,113,000 and RMB nil respectively were fairly stated as at 31 December 2013.

2. RELEASE OF THE BDO REPORT AND EXECUTIVE SUMMARY

BDO has completed the Independent Review and has submitted the full report on their findings (the “BDO Report”) to SGX-ST, the Audit Committee and Board of the Company. BDO has prepared an Executive Summary of the report, which is attached to this Announcement. The Executive Summary sets out a detailed summary of all of the facts, key findings and recommendations of BDO.

3. RECOMMENDATIONS OF BDO AND NEXT STEPS

The Board is carefully studying the findings of the BDO Report and is committed to carry out the recommendations made by BDO. The Board will update the shareholders on the actions which the Company will take consequently.

By Order of the Board

Tsoi Kin Chit
Executive Chairman
25 May 2016