



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

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO COURT ENFORCEMENT NOTICE

The Board of Directors (“**Board**”) of Foreland Fabrictech Holdings Limited (“**Company**”, and together with its subsidiaries, “**Group**”) refer to the announcement released to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 May 2018 and 9 July 2018 in relation to the loss of control in subsidiary and court enforcement notice (“**Announcements**”). The Board would like to respond to the following queries raised by the SGX-ST on 12 July 2018 (each, a “**SGX Query**”) as follows:

Unless otherwise defined, capitalised terms and references used herein shall bear the same meaning ascribed to them in the Announcements.

SGX Query 1

On 9 July 2018, the Company announced that the Company and its wholly-owned subsidiary, Fujian Jinjiang Fulian Knitting Co., Ltd. (“**Fulian**”) had received a Court Enforcement Notice (“**Notice**”) from Fujian Jinjiang People’s Court (“**Court**”) arising from an undisclosed legal suit. The Company and Fulian are required to perform the obligations as enforced in the legal documents. Please disclose and provide details on the obligations.

Company’s Response to SGX Query 1

Based on the judgement of Quanzhou People’s Court (“**Quanzhou Court**”) dated 6 August 2014, the Company, Fulian, Mr. Tsoi Kin Chit, Mr. Cai Fengquan, and 泉州星皓机械有限公司 are required within 10 days from the date of the court judgement to repay Ms. Hong Youling the principal loan amount of RMB 7 million with interest (calculated based on four times the interest rate for the same type of loan obtained at the same period from People’s Bank of China from 18 May 2012 till the repayment date enforced by Quanzhou Court).

If the repayment of loan is not fulfilled within the stipulated timeframe, double payment of the interest charged and/or late payment charges incurred for late payment of the loan amount is payable by the Company, Fulian, Mr. Tsoi Kin Chit, Mr. Cai Fengquan, and 泉州星皓机械有限公司.

In addition, the case acceptance fee of RMB 71,580 payable to Quanzhou Court for handling the abovementioned judgement shall be borne by the Company, Fulian, Mr. Tsoi Kin Chit, Mr. Cai Fengquan, and 泉州星皓机械有限公司.

SGX Query 2

In relation to the “Double payment of the interest charged and/or late payment charges incurred for late payment of the loan amount”, please disclose the terms and outstanding amounts for the interest charged and late payment charges incurred.

Company’s Response to SGX Query 2

Please refer to the Company’s response to SGX Query 1 for the terms of the interest charged and late payment charges incurred.

The Company will only be informed of the interest amount and the late payment charges upon repayment of the loan amount at Quanzhou Court.

SGX Query 3

Please disclose the expenditure restrictions imposed by the Court.

Company’s Response to SGX Query 3

The expenditure restrictions imposed by the Court are as follows:

- a. Economy class or above for all modes of transportation, e.g. flight, train, ship
- b. High expenditure in star-rated hotel, night club, golf courses, etc.
- c. Purchase of real estate or high-end construction, expansion, renovation of houses
- d. Rental of high-end office building, hotel, apartment, etc for business operation
- e. Purchase of vehicles for non-business operations
- f. Travelling for vacation
- g. Child’s enrolment in private school
- h. Payment of high insurance premium for wealth management products
- i. Taking all classes of seats for high speed rail train, first class seats and above for other types of trains which are not necessary for daily expenditure and business operations
- j. Legal representative(s), main person-in-charge, the person-in-charge who has direct impact on the repayment of liabilities, actual controller are restricted to the abovementioned restrictions.

BY ORDER OF THE BOARD

Yang Meng Yang
Executive Director and Executive Chairman
16 July 2018