



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

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**DIFFERENCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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The Board of Directors of Foreland Fabrictech Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) refers to the Company’s announcement entitled “Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2013 (“FY2013”)” (“FY2013 Results Announcement”) released on 1 March 2014.

Subsequent to the release of FY2013 Results Announcement, the audit of the Company and the Group consolidated financial statements has been completed. Pursuant to Rule 704 (5) of the SGX-ST Listing Manual, the following sections presents the differences between unaudited and audited full year financial statements for financial year ended 31 December 2013.

By order of the Board

Tsoi Kin Chit  
Executive Chairman  
7 August 2014

**A. Consolidated Statement of Comprehensive Income**  
**Group**

	<b>FY2013 Audited RMB'000</b>	<b>FY2013 Unaudited RMB'000</b>	<b>Difference RMB'000</b>	<b>Note</b>
Revenue	106,184	106,184		
Cost of sales	(115,370)	(115,370)		
Gross (loss)/profit	<u>(9,186)</u>	<u>(9,186)</u>		
Other income	2,613	2,613		
Selling and distribution expenses	(2,901)	(2,901)		
Administrative expenses	(20,271)	(21,187)	916	Note 1
Other expenses	(535,412)	(222,496)	(312,916)	Note 2
(Loss)/profit before tax	<u>(565,157)</u>	<u>(253,157)</u>		
Taxation credit/(expense)	6,695	-	6,695	Note 3
Net (loss)/profit, representing total Comprehensive (loss)/income for the Period attributable to shareholders	<u>(558,462)</u>	<u>(253,157)</u>	(305,305)	Note 4

**Note:**

- 1) The decrease in administrative expense of RMB 0.9 million was mainly due to reversal of accrual for performance share scheme. Subsequent to year end the Board decided not to award any share under the scheme.
- 2) The increase in other expense of RMB 312.9 million was mainly due to provision for claim by a customer of RMB 283.0 million and additional impairment of property, plant and equipment of RMB29.9 million.

Pursuant to the Company's announcement dated 6 May 2014, the Group has entered into settlement agreement with respect to a claim by a customer. Under the settlement agreement, the amount of settlement was RMB 283.0 million.

According to the fair value less costs of disposal determined professional valuer for property, plant and equipment. As a result of the review, an impairment loss of RMB246.2 million was recognised under other expenses, which was RMB 29.9 million more than the unaudited figure as per management estimation.

- 3) In view of the provision for claim by a customer and impairment loss of property, plant and equipment, the Group has reversed the deferred tax liability as the Company is able to control the timing of the reversal of this temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- 4) As a result of the adjustments set out in notes 1 to 3 above, the Group's net loss has increased from RMB 253.2 million to RMB 558.5 million

**B. Statements of Financial Position**

	Group			Company			Note
	31 December 2013			31 December 2013			
	Audited RMB'000	Unaudited RMB'000	Difference RMB'000	Audited RMB'000	Unaudited RMB'000	Difference RMB'000	
<b>Non-current assets</b>							
Property, plant and equipment	95,500	125,423	(29,923)	-	-		Note 2
Investment in subsidiaries	-	-		61,113	240,540	(179,427)	Note 5
	95,500	125,423		61,113	240,540		
<b>Current assets</b>							
Inventories	1,508	1,508		-	-		
Trade receivables	38,814	38,814		-	-		
Other receivables	5,905	5,905		-	-		
Amount due from a subsidiary	-	-		90	90		
Dividend receivable from a subsidiary	-	-		-	43,712	(43,712)	Note 5
Cash and cash equivalents	292,435	292,435		106	106		
	338,662	338,662		196	43,908		
<b>Total assets</b>	<b>434,162</b>	<b>464,085</b>		<b>61,309</b>	<b>284,448</b>		
<b>Non-current liability</b>							
Deferred tax liability	-	6,695	(6,695)	-	-		Note 3
<b>Current liabilities</b>							
Trade payables	26,803	26,803		-	-		
Other payables and accruals	294,741	12,664	282,077	929	1,845	(916)	Note 1&2
	321,544	39,467		929	1,845		
<b>Total liabilities</b>	<b>321,544</b>	<b>46,162</b>		<b>929</b>	<b>1,845</b>		
<b>Net assets</b>	<b>112,618</b>	<b>417,923</b>		<b>60,380</b>	<b>282,603</b>		
<b>Equity attributable to equity holder of the Company</b>							
Share capital	206,765	206,765		206,765	206,765		
Share premium	74,349	74,349		74,349	74,349		
Capital reserve	1,463	1,463		-	-		
General reserve fund	56,069	56,069		-	-		

Merger reserve	(18,906)	(18,906)	-	-
Revenue reserve	<u>(207,122)</u>	<u>98,183</u>	<u>(220,734)</u>	<u>1,489</u>
<b>Total equity</b>	<u><u>112,618</u></u>	<u><u>417,923</u></u>	<u><u>60,380</u></u>	<u><u>282,603</u></u>

**Note:**

- 5) Subsequent to year end, management performed an impairment test for the investment in subsidiary, Fulian Knitting Co., Ltd (“Fulian”) and the amount due from this subsidiary, as Fulian incurred losses and declining revenue during the financial year. An impairment loss in value of investment of RMB179,427,000 (2012: nil) and allowance for doubtful receivable of RMB43,712,000 (2012: nil) were recognised.