

**FORELAND FABRICTECH HOLDINGS LIMITED**

(Incorporated in Bermuda with Company Registration No. 39151)

**RESPONSE TO SGX QUERIES ON THE COMPANY'S 2QFY2015 FINANCIAL STATEMENTS
ANNOUNCEMENT MADE ON 14 AUGUST 2015**

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 14 August 2015, with regard to the unaudited second quarter results for the financial period ended 30 June 2015 ("Results Announcement").

SGX Query

(1) We refer to page 8 of the Results Announcement. We note the Company's explanation that the "increase in trade receivable was mainly due to a decrease in business volume in 2Q 2015". Please explain how a decrease in business volume would result in an increase in trade receivable.

Company's response

The decrease in business volume in 2Q 2015 was mainly due to weakening business environment for the industry. Under such weak business environment, collection of receivables from customers were delayed which resulted in an increase in trade receivable.

By Order of the Board

Tsoi Kin Chit
Executive Chairman
19 August 2015