CIRCULAR DATED 9 SEPTEMBER 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY

If you are in any doubt in relation to this Circular as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Foreland Fabrictech Holdings Limited ("**Company**"), you should forward this Circular, the Notice of Special General Meeting and the Proxy Forms enclosed herewith immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to such purchaser or transferee.

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

FORELAND FABRICTECH HOLDINGS LIMITED

(Company Registration Number: 39151)
(Incorporated in Bermuda)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED APPOINTMENT OF FOO KON TAN LLP AS AUDITORS OF THE COMPANY AND THE PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Forms	:	28 September 2016 at 9.00 a.m.
Date and time of Special General Meeting	:	30 September 2016 at 9.00 a.m.
Place of Special General Meeting	:	Cassia Room, Level 2 Metropolitan YMCA 60 Stevens Road Singapore 257854

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

"**AGM**"	Annual general meeting of the Company
"**ACRA**"	The Accounting and Corporate Regulatory Authority of Singapore
"**Act**" or "**Bermuda Companies Act**"	The Companies Act 1981 of Bermuda, as amended or modified from time to time
"**Audit Committee**"	The audit committee of the Company, comprising Mr. Seah Chee Wei and Mr. Wu Geng
"**Auditors**"	The auditors of the Company for the time being
"**Baker Tilly**"	Baker Tilly TFW LLP
"**Baker Tilly Professional Clearance Letter**"	Has the meaning ascribed to it in **Section 2.5** of this Circular
"**Baker Tilly Section 89(3A) Statement**"	Has the meaning ascribed to it in **Section 2.4** of this Circular
"**Board**"	The board of directors of the Company as at the date of this Circular
"**Bye-laws**"	The bye-laws of the Company as amended, supplemented or modified for the time being
"**CDP**"	The Central Depository (Pte) Limited
"**Circular**"	This circular to Shareholders dated 9 September 2016 in relation to the Proposed Change of Auditors and the Proposed Adoption of the Share Issue Mandate
"**Company**"	Foreland Fabrictech Holdings Limited
"**Depositor Proxy Form**"	Has the meaning ascribed to it in **Section 7.2** of this Circular
"**Director**"	The director of the Company as at the date of this Circular and the term "**Directors**" shall be construed accordingly
"**Disclaimer of Opinion**"	Has the meaning ascribed to it in **Section 2.5** of this Circular

"**FKT Consent Letter**"	Has the meaning ascribed to it in **Section 2.5** of this Circular
"**Foo Kon Tan**"	Foo Kon Tan LLP
"**FY2013**"	Financial year ended 31 December 2013
"**FY2013 Financial Statements**"	The financial statements of the Group for FY2013
"**Group**"	Collectively, the Company and its Subsidiaries
"**Listing Manual**"	Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"**Member Proxy Form**"	Has the meaning ascribed to it in **Section 7.1** of this Circular
"**Memorandum**"	The memorandum of association of the Company
"**Notice of SGM**" or "**Notice**"	The notice of the SGM as set out on page 14 of this Circular
"**Ordinary Resolutions**"	The ordinary resolutions as set out in the Notice of SGM and the term "**Ordinary Resolution**" shall be construed accordingly
"**Proposed Adoption of the Share Issue Mandate**"	The proposed adoption of the Share Issue Mandate
"**Proposed Appointment of Auditors**"	The proposed appointment of Foo Kon Tan as auditors of the Company
"**Proxy Form**"	The Depositor Proxy Form and the Member Proxy Form in respect of the SGM, as attached to this Circular
"**SGM**" or "**Special General Meeting**"	The Special General Meeting of the Company to be convened on 30 September 2016 at 9.00 a.m., notice of which is set out in the Notice of SGM on page 14 of this Circular
"**SGX-ST**"	Singapore Exchange Securities Trading Limited
"**Shareholders**"	Registered holders of Shares in the register of members of the Company
"**Share Issue Mandate**"	The proposed general mandate to allot and issue new Shares and convertibles securities in the capital of the Company, details of which are set out in **Section 3** of this Circular

"**Shares**"	Ordinary shares in the capital of the Company
"**Subsidiaries**"	All the subsidiaries of the Company comprising: (a) Fulian Knitting Co., Ltd., the principal activity of which is manufacturing and selling of functional and normal fabrics and provision of fabric processing services; and (b) Fortune Luck International Enterprise Limited which is inactive
"**Substantial Shareholders**"	A person who has an interest in the Shares which is not less than 5% of the voting shares
"**%**" or "**per cent**"	Percentage or percentum

The terms "depositor" and "depository register" shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Bermuda Companies Act, the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Bermuda Companies Act, the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Where any word or expression is defined in this Circular, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

FORELAND FABRICTECH HOLDINGS LIMITED

(Company Registration Number: 39151)
(Incorporated in Bermuda)

Board of Directors
Yang Meng Yang (Executive Chairman)
Seah Chee Wei (Independent Director)
Wu Geng (Independent Director)

Registered Office
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

9 September 2016

To: The Shareholders of **FORELAND FABRICTECH HOLDINGS LIMITED**

Dear Sir/Madam

(1) PROPOSED APPOINTMENT OF AUDITORS

(2) PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE

1. INTRODUCTION

The Board proposes to convene an SGM on 30 September 2016 at 9.00 a.m. at Cassia Room, Level 2, Metropolitan YMCA, 60 Stevens Road, Singapore 257854 to seek Shareholders' approval in relation to:

(a) the proposed appointment of Foo Kon Tan as auditors of the Company; and

(b) the proposed adoption of the Share Issue Mandate to comply with the requirements under Rule 806(2) of the Listing Manual.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Appointment of Auditors and Proposed Adoption of the Share Issue Mandate and to seek the approval of Shareholders for the Ordinary Resolutions as set out in the Notice of SGM.

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any statements or opinions made in this Circular.

2. PROPOSED APPOINTMENT OF AUDITORS

2.1 Rationale for the Proposed Appointment of Auditors

The Company's former auditors, Baker Tilly, did not seek re-appointment at the Company's last AGM held on 29 August 2014. Baker Tilly informed Foo Kon Tan in its letter dated 23 August 2016 that as described in the Disclaimer of Opinion for the FY2013 Financial Statements, they were not able to obtain sufficient appropriate audit evidence to provide a

basis for an audit opinion and they did not express an opinion on the FY2013 Financial Statements, and consequently, they did not seek such re-appointment at the Company's last AGM.

As mentioned in the Company's annual report for FY2013, the Company had been making efforts to identify and appoint other suitable candidates as new Auditors of the Company as soon as practicable.

Subsequent to the conclusion of the AGM held on 29 August 2014, the Company had been actively sourcing for quotes from a number of audit firms. In addition, the Company announced on 22 January 2015 the appointment of BDO LLP as an independent reviewer to perform a review of the following:

(a) to perform an independent assessment of the customer's claim and review the circumstances leading to the settlement agreement between a subsidiary of the Company and the customer;

(b) to verify balances of the subsidiary's bank balance(s) and fixed deposit(s) totalling RMB292,298,353 at the banks in the PRC as at 31 December 2013; and

(c) to establish if the impairment loss of RMB223,139,000 (charged to the Company's profit and loss account in 2013), the investment in the subsidiary and the amount due from the subsidiary with carrying values of RMB61,113,000 and RMB nil respectively were fairly stated as at 31 December 2013.

The independent review took nearly 18 months to complete, before the findings of the independent review were announced by the Company on 25 May 2016.

Since the previous AGM, the Company had approached four (4) CPA firms in Singapore, including Foo Kon Tan, to accept appointment as external auditors of the Company. Each CPA firm had requested for the final review report in order to perform an assessment based on the firm's internal control procedures on taking on the role as auditors of the Company. Eventually, save for Foo Kon Tan, the other three (3) aforementioned audit firms did not indicate their acceptance of the appointment as auditors of the Company.

As a result, the Company has taken close to two (2) years after the conclusion of the last AGM to identify Foo Kon Tan as its proposed Auditors (subject to Shareholders' approval).

In consultation with the Audit Committee, and after having taken into consideration, amongst others, the above circumstances and the following factors:

(i) the adequacy of the resources of the various audit firms it had approached;

(ii) fee quotations provided by them;

(iii) the experience in auditing PRC companies and audit engagements of the various audit firms;

(iv) the number and expertise of the supervisory and professional staff who will be assigned to the audit of the consolidated financial statements of the Group; and

(v) each audit firm's proposed audit arrangements for the Group,

the Board is of the opinion that Foo Kon Tan is best suited to meet the existing needs and audit requirements of the Group, in particular, to undertake the audit of the Group for the financial years ended 31 December 2014 and 31 December 2015.

Having considered the above circumstances and the resources, set-up and experience of Foo Kon Tan specified in **Section 2.2** of this Circular, the Board, with the concurrence of the Audit Committee, proposes to appoint Foo Kon Tan as auditors of the Company.

In addition, the Audit Committee noted that the Accounting and Corporate Regulatory Authority of Singapore has introduced the Audit Quality Indicators ("**AQI**") Disclosure Framework in 2016, enabling audited committees of listed entities to evaluate and select their auditors based on such indicators. Following Shareholders' approval of the Proposed Appointment of Auditors, the Audit Committee intends to voluntarily adopt the AQI framework and obtain the AQI data from Foo Kon Tan as part of the Audit Committee's process of evaluating Foo Kon Tan's re-appointment as Auditors of the Company for the following financial year.

In the event that Resolution 1 set out in the Notice of SGM is passed, following Shareholders' approval of the Proposed Appointment of Auditors, Foo Kon Tan will be appointed as Auditors of the Company and its Subsidiaries to hold office until the conclusion of the next AGM, at which time they may seek re-appointment at the AGM.

2.2 Information on Foo Kon Tan

Founded in 1968, Foo Kon Tan provides holistic one-stop business and advisory solutions to discerning clients. Today, Foo Kon Tan is the brand name under which Foo Kon Tan, Chartered Accountants of Singapore and its associated companies provide a full range of assurance, tax and advisory services to help clients navigate the ever changing dynamics of the business and regulatory environments in domestic as well as global markets. Foo Kon Tan is a principal member of HLB International, a network of independent professional accounting firms and business advisers founded in 1969 with its headquarters in London.

Mr. Yeo Boon Chye ("**Mr. Yeo**") is the engagement partner of Foo Kon Tan who will be assigned to the audit of the Group. As the senior partner and the head of assurance, Mr. Yeo has more than 25 years of experience in the profession. Being trained in assurance and investigations, he has vast experience and hands-on expertise in various aspects of the assurance and business advisory practice, particularly in investigative assurance, due diligence and independent business reviews. He has also assisted many clients in setting up operations in the region, particularly in the People's Republic of China (PRC). Mr. Yeo is a Fellow of the Association of Chartered Certified Accountants (ACCA) UK and a member of the Institute of Singapore Chartered Accountants (ISCA). From 2006-2013, he was a member of ISCA's Financial Statements Review Committee and Auditing and Assurance Standards Committee.

For more information on Foo Kon Tan, please visit www.fookontan.com.

2.3 Compliance with Rules 712 and 715 of the Listing Manual

The Audit Committee has reviewed and deliberated, and after taking into consideration the suitability of Foo Kon Tan and compliance with the Listing Manual Rules, has recommended the Proposed Appointment of Auditors.

The Directors have taken into account the Audit Committee's recommendation and considered various factors including, *inter alia*, the adequacy of the resources and experience of Foo Kon Tan, the audit engagement partner assigned to the audit, the other audit engagements of Foo Kon Tan, the size and complexity of the Group, the number and experience of supervisory and professional staff assigned to audit the Group, and are of the opinion that Foo Kon Tan will be able to meet the audit requirements of the Group.

In addition, Foo Kon Tan is registered with ACRA.

2.4 Requirements under Bermuda Law

Section 89(3) of the Bermuda Companies Act provides that a person, other than an incumbent auditor, shall not be capable of being appointed auditor at a general meeting of a company unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than 21 days before the general meeting; and the company shall send a copy of any such notice to the incumbent auditor, and shall give notice thereof to the members of the company, either by advertisement in an appointed newspaper in Bermuda or in any other mode provided by the bye-laws of the company, not less than 7 days before the general meeting. However, the foregoing requirements may be waived by a written notice from the incumbent auditor to the secretary of the company. The Bye-laws contain a similar requirement. The Company has received a letter dated 23 August 2016 from Baker Tilly waiving the requirements of Section 89(3) of the Bermuda Companies Act.

Section 89(3A) of the Bermuda Companies Act provides that no person shall accept appointment or consent to be appointed as auditor of a company if he is replacing an auditor who has resigned, been removed or whose term of office has expired or is about to expire, or who has vacated office, until he has requested and received from that auditor a written statement of the circumstances and the reasons why, in that auditor's opinion, he is to be replaced. Section 89(3B) of the Bermuda Companies Act provides that notwithstanding Section 89(3A) of the Bermuda Companies Act, a person may accept appointment or consent to be appointed as auditor of a company, if 15 days after making the request referred to Section 89(3A), he does not receive a written statement as requested.

Section 89(12) of the Bermuda Companies Act states that an appointment as auditor of a person who has not requested a written statement from the former auditor under Section 89(3A) of the Bermuda Companies Act is voidable by a resolution of the shareholders at a general meeting.

Accordingly, Foo Kon Tan has confirmed to the Company in writing that they have requested on 18 August 2016 and received from Baker Tilly a written statement pursuant to and in accordance with Section 89(3A) of the Bermuda Companies Act ("**Baker Tilly Section 89(3A) Statement**").

2.5 Confirmation pursuant to Rule 1203(5) of the Listing Manual

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) (i) the former Auditors, Baker Tilly, have issued a letter dated 12 August 2016 ("**Baker Tilly Professional Clearance Letter**") which referred Foo Kon Tan to the basis for disclaimer of opinion ("**Disclaimer of Opinion**") contained in their independent auditor's report dated 5 August 2014 with respect to the financial statements of the Group for FY2013 ("**FY2013 Financial Statements**") for information that would be relevant to Foo Kon Tan in accepting nomination as Auditors of the Company and confirmed that save for the aforementioned, they are not aware of any professional reasons why Foo Kon Tan should not accept appointment as the new Auditors of the Company; and

(ii) the Board has also obtained the written consent from Foo Kon Tan on 29 August 2016 to act as auditors of the Company, subject to the approval of the Shareholders at the forthcoming SGM ("**FKT Consent Letter**");

(b) having noted that the former Auditors, Baker Tilly, had retired more than 12 months prior to the date of this Circular, the Company confirms that there were no disagreements with them on accounting treatments within the last 12 months prior to the date of their retirement as Auditors of the Company, notwithstanding that Baker Tilly had issued the Disclaimer of Opinion for the FY2013 Financial Statements;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders, which has not been disclosed in this Circular;

(d) the specific reasons for the Proposed Appointment of Auditors are as disclosed in **Section 2.1** of this Circular; and

(e) the Board and the Audit Committee confirm that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Foo Kon Tan as the auditors.

For completeness, with regard to the Disclaimer of Opinion referred to in paragraph (a) above, a copy of the basis for the Disclaimer of Opinion has been extracted and attached to the Appendix of this Circular. Shareholders are advised to read the contents of the Appendix of this Circular in conjunction with the FY2013 Financial Statements and the Company's annual report for FY2013 in their entirety.

2.6 Audit Committee's Recommendation

The Audit Committee has reviewed the Proposed Appointment of Auditors and recommends the change of Auditors to Foo Kon Tan after taking into account the suitability and independence of Foo Kon Tan to meet the audit requirements of the Company, the various factors set out in **Section 2** of this Circular and compliance with the requirements of the Listing Manual.

3. PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE

3.1 Introduction

The share issue mandate of the Company authorising the Directors to allot and issue new Shares in the capital of the Company in accordance with the provisions under Rule 806 of the Listing Manual was last obtained at the AGM held on 29 August 2014 and had since expired.

Accordingly, the Directors propose to obtain Shareholders' approval at the SGM for the Proposed Adoption of the Share Issue Mandate to authorise the Directors to:

(a) allot and/or issue further shares whether by way of rights, bonus or otherwise (including shares as may be issued pursuant to any Instrument (as defined below) made or granted by the Directors; and/or

(b) make or grant offers, agreements or options (collectively referred to as "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit.

3.2 Rationale for the Proposed Adoption of the Share Issue Mandate

A general share issue mandate pursuant to Rule 806 of the Listing Manual, if granted by Shareholders, will empower the Directors to issue and allot Shares and/or convertible securities within the express limits of the mandate during the validity of such mandate, without seeking any further approval from Shareholders.

A general (as opposed to a specific) approval for the Directors to issue Shares and/or convertible securities of the Company under the Share Issue Mandate will enable the Company to act quickly and take advantage of market conditions.

3.3 Limits of the Share Issue Mandate

The aggregate number of Shares that may be issued pursuant to the Share Issue Mandate (including Shares to be issued pursuant to any Instrument but excluding shares which may be issued pursuant to any adjustments ("**Adjustments**"), which Adjustment shall be made in compliance with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company), shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) as at the time of passing of the resolution at the SGM ("**Issued**

Shares"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of Issued Shares (excluding treasury shares).

Subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authority), the total number of Issued Shares (excluding treasury shares) shall be based on the total Issued Shares (excluding treasury shares) as at the time of passing of the resolution at the SGM, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding;

(b) new Shares arising from exercising share options or vesting of share awards outstanding and/or subsisting as at the date of SGM, provided the share options or share awards (as the case may be) were granted in compliance with the provisions of the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

Additionally, in exercising the authority to issue Shares, the Company will comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and all applicable legal requirements under the Bermuda Companies Act and the Bye-laws for the time being of the Company.

3.4 Validity period of the Share Issue Mandate

The Share Issue Mandate, which is to be tabled as an ordinary resolution at the SGM, if approved by Shareholders, shall take force and effect from the effective date of the SGM. The Share Issue Mandate shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required to be held by law or the Bye-laws of the Company, whichever is earlier, unless prior thereto, the Share Issue Mandate is carried out to the full extent mandated or the Share Issue Mandate is revoked or varied by the Company in a general meeting.

4. INTERESTS OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS

4.1 Proposed Appointment of Auditors

Save as disclosed in this Circular and other than through their respective shareholdings in the Company, none of the Directors, or as far as the Company is aware, the Substantial Shareholders, have any interest, direct or indirect, in the Proposed Appointment of Auditors.

4.2 Proposed Adoption of the Share Issue Mandate

As at the date of this Circular, the interests of the Directors and Substantial Shareholders based on the register of Directors and register of Substantial Shareholders, respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Yang Meng Yang	–	–	160,619,700	29.5[(1)]
Seah Chee Wei	–	–	–	–
Wu Geng	–	–	–	–
Substantial Shareholders (other than the Directors)				
Huang Wen	160,619,700	29.5	–	–
Tsoi Kin Chit	54,000,000	9.9	–	–

Note:

(1) Yang Meng Yang, the Executive Director and Executive Chairman of the Company, is deemed interested in the 160,619,700 Shares in the capital of the Company held directly by Huang Wen, his spouse.

None of the Directors and to the best of the Directors' knowledge, none of the Substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Adoption of the Share Issue Mandate, other than that arising from their respective shareholdings and/or directorships, as the case may be, in the Company.

5. DIRECTORS' RECOMMENDATIONS

5.1 Ordinary Resolution – Proposed Appointment of Auditors

Having considered the rationale and benefits of the Proposed Appointment of Auditors and the Audit Committee's recommendation, the Directors are of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Appointment of Auditors at the SGM.

5.2 Ordinary Resolution – Proposed Adoption of the Share Issue Mandate

Having considered and reviewed the information and rationale for the Proposed Adoption of the Share Issue Mandate, the Directors are of the opinion that the Share Issue Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Adoption of the Share Issue Mandate at the SGM.

6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 17 to 19 of this Circular, will be held on 30 September 2016 at 9.00 a.m. at Cassia Room, Level 2, Metropolitan YMCA, 60 Stevens Road, Singapore 257854 for the purposes of considering and, if thought fit, passing with or without any modification, the Ordinary Resolutions set out in the Notice of SGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Lodgment of Proxies

Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote at the SGM on their behalf should complete, sign and return the proxy form attached to the Notice of SGM ("**Member Proxy Form**") in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore Share Registrar, Boardroom Corporate Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM or any adjournment thereof. The completion and return of the Member Proxy Form by a Shareholder will not preclude him from attending the SGM and voting in person at the SGM in place of his proxy if he wishes to do so. Only Shareholders whose names are entered on the Register of Members of the Company and who are entitled to attend and vote at a general meeting of the Company will receive a proxy form with this Circular. A proxy need not be a Shareholder of the Company.

7.2 Depositors

Depositors who are individuals and who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any proxy form. Depositors who are individuals and who are unable to attend the SGM personally and wish to appoint a nominee to attend and vote on their behalf, and Depositors who are not individuals, will find attached to the Notice of SGM a proxy form ("**Depositor Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore Share Registrar, Boardroom Corporate Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM or any adjournment thereof. The completion and return of the Depositor Proxy Form by a Depositor will not preclude him from attending and voting in person at the SGM in place of his nominee if he wishes to do so.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Appointment of Auditors, the Proposed Adoption of the Share Issue Mandate the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the office of the Company's Singapore Share Registrar, Boardroom Corporate Advisory Services Pte. Ltd., 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 during normal business hours on any weekday (except public holidays) from the date hereof up to and including the date of the SGM:–

(a) the Memorandum and Bye-laws of the Company for the time being;

(b) the annual report by the Company in respect of FY2013;

(c) Baker Tilly Section 89(3A) Statement;

(d) Baker Tilly Professional Clearance Letter; and

(e) FKT Consent Letter.

BY ORDER OF THE BOARD
FORELAND FABRICTECH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORELAND FABRICTECH HOLDINGS LIMITED
(Incorporated in Bermuda)

We were engaged to audit the accompanying financial statements of Foreland Fabrictech Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 7 to 35 which comprise the statements of financial position of the Group and the Company as at 31 December 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Compensation claim

   The financial statements of the Group recorded a provision for claim of RMB282,992,774 on the statement of financial position at 31 December 2013, and an expense in the statement of comprehensive income of RMB282,992,774 for the financial year.

   As disclosed in Note 19, this provision was made with respect to a claim made by a customer of a subsidiary, Fulian Knitting Co., Ltd ("Fulian") against Fulian for alleged breach of contract and supply of defective textile products ("customer claim"). Subsequent to the end of the reporting period, Fulian entered into a settlement agreement with the customer and the amount agreed of RMB282,992,774 was paid.

   Management had relied on a legal advisor in the People's Republic of China ("PRC") ("Legal Advisor") for legal advice with respect to this customer claim, and the compensation amount for the customer claim was based on an appraisal report issued by a PRC accounting firm ("Accountant").

   In a board of directors' meeting held on 22 January 2014, the independent directors of the Company who held office on that date and who are also the Audit Committee members on that date, had a difference in opinion with Management on the handling of the claim and had required the appointment of another reputable audit firm and reputable law firm to conduct an independent re-assessment of the customer claim. All 3 independent directors who held office on 22 January 2014 had subsequently resigned as directors of the Company because of differences in opinion with Management in relation to the handling of the customer claim. The customer claim was settled subsequent to the end of the reporting period without an independent re-assessment of the customer claim as required by the independent directors and Audit Committee members.

   We were not able to obtain sufficient appropriate evidence as required by SSA 500 Audit Evidence to satisfy ourselves as to the reliability of the evidence provided by the Legal Advisor and the Accountant which was relied upon by Management for this customer claim.

   Accordingly, we were not able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the provision for customer claim and the corresponding expense are fairly stated in the Group's financial statements for the financial year ended 31 December 2013.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORELAND FABRICTECH HOLDINGS LIMITED (cont'd)
(Incorporated in Bermuda)

Basis for Disclaimer of Opinion (cont'd)

2. Cash and cash equivalents of Fulian

   We have not been able to obtain appropriate audit evidence to satisfy ourselves with regards to bank balance and fixed deposits of Fulian totalling RMB292,298,353 as included in the Group's cash and cash equivalents at 31 December 2013.

3. Going Concern

   During the financial year, the Group reported declining revenue, net cash outflows from operating activities, and incurred losses of RMB558 million. The settlement of the customer claim subsequent to the end of the reporting period as disclosed in Note 19 utilised substantially the Group's cash and cash equivalents as reported at 31 December 2013. At 31 December 2013, the Company's current liabilities exceeded its current assets by RMB0.7 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group and Company's ability to continue as a going concern.

   As disclosed in Note 2(t), Management has prepared a cash flow forecast in their assessment of the Group and Company's ability to continue as a going concern and is of the view that the use of the going concern assumption in the preparation of the Group and Company's financial statements is appropriate. We were not able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the reliability of Management's assessment, and assumptions used by Management in their forecast. The appropriateness of the use of the going concern assumption is dependent on the ability of the Group and Company to generate sufficient level of revenue and profit from their operations and sufficient cash flows for their requirements in the next twelve months.

   If the Group and Company are unable to continue in operational existence for the foreseeable future, and the Group and Company are unable to discharge its liabilities in the normal course of business, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial positions. In addition, the Group and Company may have to provide for further liabilities that might arise, and to reclassify non-current assets as current assets. No such adjustments have been made to the financial statements.

4. Investment in subsidiary and amount due from subsidiary

   The investment in subsidiary and amount due from the subsidiary are carried in the Company's statement of financial position at 31 December 2013 after deducting impairment loss totalling RMB223,139,000 based on impairment test performed by Management. We were not able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the impairment loss of RMB223,139,000 charged to the Company's profit or loss, and the investment in subsidiary and amount due from subsidiary with carrying values of RMB61,113,000 and RMB nil respectively in the Company's statement of financial position are fairly stated at 31 December 2013.

Disclaimer of Opinion
Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

5 August 2014

FORELAND FABRICTECH HOLDINGS LIMITED

(Company Registration Number: 39151)
(Incorporated in in Bermuda)

*All capitalised terms contained herein shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the circular to shareholders of the Company dated 9 September 2016 ("**Circular**").*

NOTICE IS HEREBY GIVEN that a Special General Meeting ("**SGM**") of Foreland Fabrictech Holdings Limited (the "**Company**") will be held at Cassia Room, Level 2, Metropolitan YMCA, 60 Stevens Road, Singapore 257854, on 30 September 2016 at 9.00 a.m. to transact the following business:

RESOLUTION 1: ORDINARY RESOLUTION

PROPOSED APPOINTMENT OF AUDITORS

THAT:–

(a) Foo Kon Tan, having consented to act, be and are hereby appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be agreed between the Directors and Foo Kon Tan ("**Proposed Appointment of Auditors**"), and

(b) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Appointment of Auditors and/or this Ordinary Resolution.

RESOLUTION 2: ORDINARY RESOLUTION

PROPOSED ADOPTION OF THE SHARE ISSUE MANDATE

That pursuant to the Bye-laws of the Company and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to:

(a) allot and/or issue further shares whether by way of rights, bonus or otherwise (including shares as may be issued pursuant to any Instrument (as defined below) made or granted by the Directors; and/or

(b) make or grant offers, agreements or options (collectively referred to as "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**") at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued pursuant any Instrument, made or granted pursuant to this Resolution but excluding shares which may be issued pursuant to any adjustments ("**Adjustments**"), which Adjustment shall be made in compliance with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company), shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (3) below), at the time of passing of this Resolution;

(2) provided that the aggregate number of Shares to be issued other than on a pro-rata basis pursuant to such authority (including shares issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (3) below);

(3) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraphs (1) and (2) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:

    (i) new Shares arising from the conversion or exercise of any convertible securities;

    (ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with the provisions of the Listing Manual; and

    (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

(4) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws of the Company; and

(5) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

BY ORDER OF THE BOARD

Tan Chee How
Company Secretary Singapore
9 September 2016

Explanatory notes:

(1) **In respect of Ordinary Resolution 1:**

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) (i) the former Auditors, Baker Tilly, have issued a letter dated 12 August 2016 ("**Baker Tilly Professional Clearance Letter**") which referred Foo Kon Tan to the basis for disclaimer of opinion ("**Disclaimer of Opinion**") contained in their independent auditor's report dated 5 August 2014 with respect to the financial statements of the Group for FY2013 ("**FY2013 Financial Statements**") for information that would be relevant to Foo Kon Tan in accepting nomination as Auditors of the Company and confirmed that save for the aforementioned, they are not aware of any professional reasons why Foo Kon Tan should not accept appointment as the new Auditors of the Company; and

(ii) the Board has also obtained the written consent from Foo Kon Tan on 29 August 2016 to act as auditors of the Company, subject to the approval of the Shareholders at the forthcoming SGM ("**FKT Consent Letter**");

(b) having noted that the former Auditors, Baker Tilly, had retired more than 12 months prior to the date of this Circular, the Company confirms that there were no disagreements with them on accounting treatments within the last 12 months prior to the date of their retirement as Auditors of the Company, notwithstanding that Baker Tilly had issued the Disclaimer of Opinion for the FY2013 Financial Statements;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders, which has not been disclosed in this Circular;

(d) the specific reasons for the Proposed Appointment of Auditors are as disclosed in **Section 2.1** of this Circular; and

(e) the Board and the Audit Committee confirm that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Foo Kon Tan as the auditors.

For completeness, with regard to the Disclaimer of Opinion referred to in paragraph (a) above, a copy of the basis for the Disclaimer of Opinion has been extracted and attached to the Appendix of the Circular. Shareholders are advised to read the contents of the Appendix of this Circular in conjunction with the FY2013 Financial Statements and the Company's annual report for FY2013 in their entirety.

(2) **In respect of Ordinary Resolution (2)**

The proposed Resolution 2 above, if passed, will empower the Directors of the Company from the date of this Meeting until the conclusion of next Annual General Meeting, or the date by which the next Annual General Meeting is required by law or by the Bye-Laws of the Company to be held, or when varied or revoke by the Company in general meeting, whichever is the earlier, to allot and issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

Notes:

(1) With the exception of The Central Depository (Pte) Limited. ("the **Depository**") who may appoint more than two proxies, a shareholder of the Company entitled to attend and vote at the SGM who holds two or more shares is entitled to appoint no more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

(2) Where a form of proxy appoints more than one proxy (including the case where such appointment results from a nomination by the Depository), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(3) A corporation which is a shareholder of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the SGM.

(4) To be valid, the instrument appointing a proxy or proxies, or nominating a proxy or proxies on behalf of the Depository together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of the Company's Singapore Share Registrar, Boardroom Corporate Advisory Services Pte. Ltd., 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof. Detailed instructions can be found on the Proxy Form(s).

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**", (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.