

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

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income

Group	Three months ended 30 June			Six months ended 30 June		
	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	Change %	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	Change %
Continuing operations						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other income	83	-	N.M	83	-	N.M
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	(685)	(490)	40	(1,759)	(771)	128
Other operating expenses	(81,863)	-	N.M	(81,863)	-	N.M
Loss before tax	(82,465)	(490)	16,730	(83,539)	(771)	10,735
Taxation	-	-	-	-	-	-
Loss after tax from continuing operations	(82,465)	(490)	16,730	(83,539)	(771)	10,735
Discontinued operation						
Loss after tax from discontinued operation	-	(2,936)	(100)	(2,389)	(7,374)	(68)
Net loss, representing total comprehensive loss for the period attributable to shareholders	(82,465)	(3,426)	2,307	(85,928)	(8,145)	955

- 1(a)(ii) **The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:**

Loss before income tax is determined after charging/(crediting) the following:

Group	Three months ended 30 June			Six months ended 30 June		
	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	Change %	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	Change %
Continuing operations						
Depreciation of property, plant and equipment	4	-	N.M	7	-	N.M
Foreign exchange loss/ (gain)	(24)	(1)	2,280	124	(3)	N.M
Loss on disposal of a subsidiary	81,863	-	N.M	81,863	-	N.M

<u>Group</u>	<u>Three months ended</u>			<u>Six months ended</u>		
	<u>30 June</u>			<u>30 June</u>		
	<u>2017</u>	<u>2016</u>	Change %	<u>2017</u>	<u>2016</u>	Change %
<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>		<u>(Unaudited)</u>		
	<u>RMB'000</u>	<u>RMB'000</u>		<u>RMB'000</u>	<u>RMB'000</u>	
Discontinued operation						
Amortisation of land use rights	-	123	(100)	123	246	(50)
Depreciation of property, plant and equipment	-	1,709	(100)	1,366	3,382	(60)
Foreign exchange loss	-	1	(100)	-	1	(100)
Gain on disposal of property, plant and equipment	-	-	-	-	(130)	(100)
Inventories written-off	-	-	-	107	-	N.M
Interest income	-	-	-	-	(1)	(100)

Discontinued operations

On 9 May 2018, the Company announced that it may have loss control over its wholly-owned subsidiary, Fulian Knitting Co., Limited ("Fulian"). The Company will make further announcement as and when there are material development in this regard.

	<u>Three months ended</u>			<u>Six months ended</u>		
	<u>30 June</u>			<u>30 June</u>		
	<u>2017</u>	<u>2016</u>	Change %	<u>2017</u>	<u>2016</u>	Change %
<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>		<u>(Unaudited)</u>		
	<u>RMB'000</u>	<u>RMB'000</u>		<u>RMB'000</u>	<u>RMB'000</u>	
Revenue	-	3,052	(100)	87	6,868	(99)
Cost of sales	-	(3,895)	(100)	(166)	(9,676)	(98)
Gross profit	-	(843)	(100)	(79)	(2,808)	(97)
Other income	-	-	-	-	131	(100)
Selling and distribution expenses	-	(103)	(100)	(35)	(218)	(84)
Administrative expenses	-	(1,990)	(100)	(2,168)	(4,479)	(52)
Other operating expenses	-	-	-	(107)	-	N.M
Loss before tax	-	(2,936)	(100)	(2,389)	(7,374)	(68)
Taxation	-	-	-	-	-	-
Net loss from discontinued operation	-	(2,936)	(100)	(2,389)	(7,374)	(68)

N.M – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	30/06/2017 (Unaudited) RMB'000	31/12/2016 (Unaudited) RMB'000	30/06/2017 (Unaudited) RMB'000	31/12/2016 (Unaudited) RMB'000
Non-current assets				
Land use rights	-	21,126	-	-
Property, plant and equipment	32	61,086	32	39
Investment in subsidiaries	-	-	9	61,113
	<u>32</u>	<u>82,212</u>	<u>41</u>	<u>61,152</u>
Current assets				
Inventories	-	261	-	-
Trade receivables	-	12,376	-	-
Other receivables	20	78	-	-
Amount due from a subsidiary	-	-	115	49
Cash and cash equivalents	27	91	20	22
	<u>47</u>	<u>12,806</u>	<u>135</u>	<u>71</u>
Total assets	<u>79</u>	<u>95,018</u>	<u>176</u>	<u>61,223</u>
Current liabilities				
Trade payables	-	363	-	-
Other payables and accruals	7,400	16,048	7,347	5,599
Total liabilities	<u>7,400</u>	<u>16,411</u>	<u>7,347</u>	<u>5,599</u>
Net current liabilities	<u>(7,353)</u>	<u>(3,605)</u>	<u>(7,212)</u>	<u>(5,528)</u>
Net assets	<u>(7,321)</u>	<u>78,607</u>	<u>(7,171)</u>	<u>55,624</u>
Equity attributable to equity holders of the Company				
Share capital	206,765	206,765	206,765	206,765
Share premium	74,349	74,349	74,349	74,349
Capital reserve	-	1,463	-	-
General reserve fund	-	56,069	-	-
Merger reserve	-	(18,906)	-	-
Revenue reserve	(288,435)	(241,133)	(288,285)	(225,490)
Total equity	<u>(7,321)</u>	<u>78,607</u>	<u>(7,171)</u>	<u>55,624</u>

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**
- (A) the amount repayable in one year or less, or on demand;**
 - (B) the amount repayable after one year;**
 - (C) whether the amounts are secured or unsecured; and**
 - (D) details of any collaterals.**

The directors are not aware of the Group's borrowing, debt securities and collaterals except as follows:

The Company noted 26 courts proceedings against Fulian in the legal due diligence report on Fulian dated 9 May 2018. At the same time, the Company had announced its loss control on Fulian.

The Company received judgement of Quanzhou People's Court dated 6 August 2014, required that the Company, Fulian, Mr. Tsoi Kin Chit, Mr. Cai Fengquan, and 泉州星皓机械有限公司 within 10 days from the date of the court judgement to repay Ms. Hong Youling the principal loan amount of RMB7 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 People's 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 RMB71,580 payable to Quanzhou People's 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.

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

In additions, a court enforcement notice received from Fujian Jinjiang People's Court required the Company and Fulian to fulfil the following obligations:

1. To perform the obligations as enforced in the legal documents;
2. Double payment of the interest charged and/or late payment charges incurred for late payment of the loan amount; and
3. Payment of legal costs incurred for the issuance of the notice. 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.

The above-mentioned matters were announced in the Company's announcement dated on 9 May 2018, 9 July 2018 and 16 July 2018.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

Group	Three months ended 30 June		Six months ended 30 June	
	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000	2017 (Unaudited) RMB'000	2016 (Unaudited) RMB'000
Cash flows from operating activities				
Loss before income tax				
- Continuing operations	(82,465)	(490)	(83,539)	(771)
- Discontinued operation	-	(2,936)	(2,389)	(7,374)
Adjustment for:				
Amortisation of land use rights	-	123	123	246
Depreciation for property, plant and equipment	4	1,709	1,373	3,382
Gain on disposal of property, plant and equipment	-	-	-	(130)
Inventories written-off	-	-	107	-
Loss on disposal of a subsidiary	81,863	-	81,863	-
Interest income	-	-	-	(1)
Waiver of debt due to Fulian	(83)	-	(83)	-
Operating cash flows before movements in working capital	(681)	(1,594)	(2,545)	(4,648)
Inventories	-	49	154	(19)
Trade receivables	-	1,196	1,513	4,646
Other receivables	1	(1)	(2)	218
Trade payables	-	(104)	(287)	(408)
Other payables and accruals	694	463	1,135	141
Cash generated from/ (used in) operations	14	9	(32)	(70)
Interest income	-	-	-	1
Net cash generated from/ (used in) operating activities	14	9	(32)	(69)
Cash flows from investing activities				
Proceed from disposal of property, plant and equipment	-	-	-	130
Disposal of a subsidiary, net cash outflow	(32)	-	(32)	-
Net cash (used in)/ generated from investing activities	(32)	-	(32)	130
Net (decrease)/ increase in cash and cash equivalents	(18)	9	(64)	61
Cash and cash equivalent at the beginning of the period/year	45	216	91	164
Cash and cash equivalent at the end of the period/year	27	225	27	225

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

<u>Group</u>	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	General reserve fund RMB'000	Merger reserve RMB'000	Revenue reserve RMB'000	Total RMB'000
Balance at 1 January 2016	206,765	74,349	1,463	56,069	(18,906)	(224,512)	95,228
Loss and total comprehensive loss for the period	-	-	-	-	-	(4,719)	(4,719)
Balance at 31 March 2016	206,765	74,349	1,463	56,069	(18,906)	(229,231)	90,509
Loss and total comprehensive loss for the period	-	-	-	-	-	(3,426)	(3,426)
Balance at 30 June 2016	<u>206,765</u>	<u>74,349</u>	<u>1,463</u>	<u>56,069</u>	<u>(18,906)</u>	<u>(232,657)</u>	<u>87,083</u>
Balance at 1 January 2017	206,765	74,349	1,463	56,069	(18,906)	(241,133)	78,607
Loss and total comprehensive loss for the period	-	-	-	-	-	(3,463)	(3,463)
Balance at 31 March 2017	206,765	74,349	1,463	56,069	(18,906)	(244,596)	75,144
Loss for the period	-	-	-	-	-	(82,465)	(82,465)
Deconsolidation of a subsidiary	-	-	(1,463)	(56,069)	18,906	38,626	-
Comprehensive income	-	-	-	-	-	-	-
Loss and total comprehensive loss for the period	-	-	(1,463)	(56,069)	18,906	(43,839)	(82,465)
Balance at 30 June 2017	<u>206,765</u>	<u>74,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(288,435)</u>	<u>(7,321)</u>

Statement of Changes in Equity

Company	Share capital RMB'000	Share premium RMB'000	Revenue reserve RMB'000	Total RMB'000
Balance at 1 January 2016	206,765	74,349	(222,320)	58,794
Loss and total comprehensive loss for the period	-	-	(281)	(281)
Balance at 31 March 2016	206,765	74,349	(222,601)	58,513
Loss and total comprehensive loss for the period	-	-	(489)	(489)
Balance at 30 June 2016	<u>206,765</u>	<u>74,349</u>	<u>(223,090)</u>	<u>58,024</u>
Balance at 1 January 2017	206,765	74,349	(225,490)	55,624
Loss and total comprehensive loss for the period	-	-	(1,089)	(1,089)
Balance at 31 March 2017	206,765	74,349	(226,579)	54,535
Loss and total comprehensive loss for the period	-	-	(61,706)	(61,706)
Balance at 30 June 2017	<u>206,765</u>	<u>74,349</u>	<u>(288,285)</u>	<u>(7,171)</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of aggregate number of treasury shares and subsidiary holdings held against the total number of share outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Company	
	Number of ordinary shares	Issued and paid-up share capital US\$'000
At 1 January 2016 and 30 June 2017	<u>544,395,199</u>	<u>27,220</u>

There were no outstanding convertibles issued or treasury shares held and subsidiary holdings of the Company as at 30 June 2017 and 31 December 2016 respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	At 30 June 2017 (Unaudited)	At 31 December 2016 (Unaudited)
Total number of issued shares (excluding treasury shares)	<u>544,395,199</u>	<u>544,395,199</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There was certain new and revised Singapore Financial Reporting Standards ("FRS") that have been issued and are effective for accounting periods beginning on or after 1 January 2017. The adoption of these new/revised FRS, where applicable, has no material impact on the consolidated financial statements for the year ended 31 December 2017. Apart from the new/revised FRS, the accounting policies and methods of computation applied are consistent with the most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Three months ended 30 June		Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Continuing operations				
Net loss (RMB'000)	(82,465)	(490)	(83,539)	(771)
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	544,395	544,395	544,395	544,395
Loss per share (RMB cents)				
- Basic	(15.15)	(0.09)	(15.35)	(0.14)

The calculation of the diluted earnings per share is based on the Group's net loss attributable to shareholders and the weighted average number of ordinary shares in issue for the relevant period/year. Diluted earnings per share is not presented because there is no potential dilutive ordinary share existing during the financial period/year.

	Three months ended 30 June		Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Discontinued operation				
Net loss (RMB'000)	-	(2,936)	(2,389)	(7,374)
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	544,395	544,395	544,395	544,395
Loss per share (RMB cents)				
- Basic	-	(0.54)	(0.44)	(1.35)

The calculation of the diluted earnings per share is based on the Group's net loss attributable to shareholders and the weighted average number of ordinary shares in issue for the relevant period/year. Diluted earnings per share is not presented because there is no potential dilutive ordinary share existing during the financial period/year.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2017 (Unaudited)	31/12/2016 (Unaudited) (Restated)	30/06/2017 (Unaudited)	31/12/2016 (Unaudited) (Restated)
Net asset value (RMB'000)	(7,321)	78,607	(7,171)	55,624
Number of shares at the end of the period ('000)	544,395	544,395	544,395	544,395
Net asset value per share (RMB per share)	(0.01)	0.14	(0.01)	0.10

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

The Group has no revenue in 2Q2017.

The other income in 2Q2017 mainly are waiver of debts owing to Fulian.

The administrative expenses in 2Q2017 mainly are the expenses comprise office daily expenses, directors' fees, staff costs, and professional expenses such as audit fees, secretarial fees, listing fees for month of April 2017 to June 2017.

The other operating expenses of RMB81,863,000 in 2Q2017 mainly are the loss on disposal of investment in Fulian.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Financial Position - the Group

Land use rights decreased by 100% as at 30 June 2017 mainly due to deconsolidation of Fulian's land use rights for the financial period.

Property, plant and equipment decreased by RMB61.1 million due to deconsolidation of property, plant and equipment in Fulian, and depreciation charges for the Company's fixed assets for the financial period.

Inventories decreased by RMB0.3 million as at 30 June 2017 due to deconsolidation of Fulian's inventories.

Trade receivables decreased by RMB12.4 million or 100% from RMB12.4 million as at 31 December 2016 to Nil as at 30 June 2017 due to deconsolidation of Fulian's trade receivables.

Other receivables decreased by 74% or RMB0.06 million from RMB0.08 million as at 31 December 2016 to RMB0.02 million due to deconsolidation of Fulian's other receivables.

Trade payables decreased by RMB0.3 million or 100% from RMB0.4 million as at 31 December 2016 to Nil as at 30 June 2017 due to deconsolidation of Fulian's trade payables.

Other payables and accruals decreased by RMB8.6 million or 54% from RMB16.0 million to RMB7.4 million as at 31 December 2016 and 30 June 2017 respectively, due to deconsolidation of other payables and accruals in Fulian.

Statement of Financial Position - the Company

Property, plant and equipment decreased by 18% in 30 June 2017 due to depreciation charges for the financial period.

Investment in subsidiaries has significantly dropped from RMB61.1million to RMB9,000 due to disposal of investment in Fulian.

The amount due from a subsidiary increased by RMB66,000 from RMB49,000 as at 31 December 2016 to RMB115,000 as at 30 June 2017 due to financial support given to Suncere International Pte. Ltd.

Other payables and accruals increased by RMB1.7 million or 31%, from RMB6.0 million as at 31 December 2016 to RMB7.3 million as at 30 June 2017, due to advance from director, accruals for directors' remuneration and fees, professional expenses, and staff costs for the financial period.

As at 30 June 2017, the Group and the Company has net liabilities of RMB7.3 million and RMB7.2 million respectively.

In 2Q2017, the Group's net cash generated from operating activities of RMB14,000, which mainly arose from change in working capital of RMB695,000, offset by operating loss before change in working capital of RMB681,000.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company has not previously disclosed any forecast or a prospect statement to shareholders.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Company is currently in an insolvent financial position. The Company is exploring various options and is in discussion with major shareholder and potential investors. The Group intends to shift our focus onto alternative industries and will actively explore suitable investment opportunities and options. Any material developments in this regard will be updated to shareholders in due course.

- 11. Dividend**

(a) Current Financial Period Reported On

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for 2Q2017.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not obtain any general mandate from its shareholders for IPTs.

- 14. Confirmation that the Issure had procured undertaking from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 15. Negative assurance confirmation on interim financial results under Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the unaudited second quarter financial results for the period ended 30 June 2017 to be false or misleading in any material respect.

By Order of the Board

Huang Min
Executive Chairman and Executive Director

29 November 2018