



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

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## **UPDATE ON CONSTRUCTION OF OUR NEW PRODUCTION FACILITY**

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The Board of Directors of Foreland Fabrictech Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) deems it appropriate to provide an update on the progress of the construction of the new production facility of the Company’s subsidiary, Fulian Knitting Co., Ltd (the “Andong Project”).

Major production premises of the Andong Project will be completed in the third quarter of the financial year 2010 as announced in December 2009. However, the Company expects the commencement of commercial production at the new production facility and the completion of staff dormitory will be delayed.

Essentially, the delay is due to the lack of approval by the local environmental authority for the environmental assessment of the whole Andong Industrial Area (the “Environmental Assessment”). It appears that the setback is caused by the recent spate of massive industrial pollution in the Fujian Province that has resulted in tighter scrutiny by the local environmental authority over its granting of approval for the Environmental Assessment. Our new production facility, located in the Andong Industrial Area, is inevitably subjected to such stricter and revised evaluation by the authority.

Accordingly, the Company shall temporarily put on hold the construction works of wastewater treatment facilities until the finalisation of the revised evaluation for the Environmental Assessment.

Furthermore, Fujian Province had a high frequency of rainfall for the first and second quarter of the financial year 2010, bringing the Province a volume of rainfall that far exceeded the usual amount in the same period. It has affected the overall progress of the construction and the completion of staff dormitory.

The Company will disclose further details from time to time as and when appropriate.