



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

BUSINESS UPDATE

In anticipation of the announcement of the unaudited financial results for the second quarter ended 30 June 2010 ("2Q 2010"), the Board of Directors of Foreland Fabrictech Holdings Limited (the "Company", and together with its subsidiaries, the "Group") deems it appropriate to provide a business update for the benefit of shareholders of the Company.

Generally, the demand in textile industry in 2Q 2010 remains weak since the last financial year. The weak demand for higher grade textile products which command a better profit margin and the increase in the proportion of sale of lower profit margin medium grade fabrics, had led to an overall decrease in our gross profit margin which impacted the Group's results. It is anticipated that the Group will report a significantly lower net profit for 2Q 2010 than that of 2Q 2009.

Nevertheless, the Group will strive to develop better and more competitive products to enhance our profitability. New and/or improved products will be launched at timely intervals to meet/cater for the market demand. In addition, we will continue to actively seek other profitable opportunities for the Group and improve on operating efficiencies.

The Company will disclose further details when it announces its unaudited financial results for 2Q 2010 on or before 15 August 2010.