

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda)

(Company Registration Number 31906)

Background Information

With the initiative of Economic Belt and Road development strategy, the People's Republic of China ("PRC") government encourages domestic companies to increase foreign investments. On 19 January 2016, the Kingdom of Saudi Arabia ("KSA") government and the PRC government entered into a framework agreement to strengthen the mutual cooperation related to the Economic Belt and Silk Road Initiatives.

On 25 April 2016, the KSA government launched "Saudi Vision 2030" plan. This plan is to reduce KSA's dependence on oil and rely on alternatives diverse economy and the development of service sectors.

Pan-Asia PET Resin (Guangzhou) Co., Ltd. (the "Pan Asia"), a wholly-owned subsidiary of Full Apex (Holdings) Limited (the "Company") is the leading investor and manufacturer of Polyethylene Terephthalate ("PET") resin in the PRC. The National Industrial Clusters Development Program of KSA (the "Program") is mandated to lead the development of the polymers and chemical industry in KSA. As invited by the Program, Pan Asia would like to explore the investment opportunities at Jazan Economic City ("JEC") in KSA.

Memorandum of Understanding ("MOU")

The Board of Directors of the Company and its subsidiaries (collectively referred to as the "Group") is pleased to announce that Pan Asia has entered into a MOU with the Program on 10 November 2016. By entering into the MOU, Pan Asia will explore the possibility of conducting a feasibility study for establishing manufacturing facilities for Purified Terephthalic Acid ("PTA") (annual capacity of 2.5million tons), PET (annual capacity of 0.9million tons), Polybutylene Terephthalate ("PBT"), Thin Film, Pre Oriented Yarn/Partially Oriented yarn ("POY"), Fully Drawn Yarn ("FDY") and staple fibers alongside the ancillary facilities at JEC (the "Project").

The mentioned capacities are indicative where final capacities will be determined by the study of the Project, provided that the intent is to convert the majority of the PTA produced at JEC to maximise the value addition.

By entering into the MOU, both parties agree to work together in exploring viability of the investment opportunity in the Project.

This MOU is a non-binding expression of both Parties. Neither the execution of this MOU by Pan Asia nor the performance by Pan Asia of any matters described in the MOU constitutes any obligation or firm commitment by Pan Asia to implement any investment in KSA.

The MOU is not expected to have any material impact on the Group's consolidated earnings per share and net tangible assets per share for the financial year ending 31 December 2016.

The Company will make further announcements relating to the above transaction when appropriate.

Saved as disclosed above, none of the Directors or substantial shareholders of the Company has any direct or indirect interest in the above-mentioned transaction.

By Order of the Board

Guan Lingxiang
Executive Chairman
Date: 14 November 2016