FULL APEX (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

ENTRY INTO FRAMEWORK SALE AND PURCHASE AGREEMENT

---

1. INTRODUCTION

The Board of Directors of Full Apex (Holdings) Limited (***Company***) is pleased to announce that on 15 June 2015, the Company has entered into a framework sale and purchase agreement (***Framework Agreement***) with ОсОО"САНЬ ШАНЬ ЮАНЬ" (三山源有限公司) (***Seller***) and Zhang Daofu (***Guarantor***), to acquire 13.61% (***Sale Shares***) of the issued and paid up share capital of ОсОО"ЮЖНЫЙ ДЕРРИК" (南德里克有限公司) (***Target***) from the Seller (***Proposed Acquisition***).

The Company, the Seller and the Guarantor are collectively known as the ***Parties***, and individually, a ***Party***.

2. INFORMATION ON THE TARGET AND THE SALE SHARES

The Target is a company incorporated in Kyrgyzstan. The Seller owns 70.0% of the Target while ОАО"КЫРГЫЗНЕФТЕГАЗ" (吉尔吉斯国际石油天然气公司) owns the remaining 30.0% of the Target. The Sale Shares are legally and beneficially owned by the Seller. If and when the Proposed Acquisition is complete, the Company will own 13.6% of the Target and the Sale Shares will be held by an investment holding subsidiary to be formed by the Company.

The Seller is an independent third party and not related to any of the directors or controlling shareholders of the Company.

The Target is in the business of oil production and exploration, and has the production and exploration rights for the site "Malisu III" located in the Kyrgyz Republic (***Mine Site***). The Mine Site covers an area of 23.41 square kilometres, of which the Target has production rights for 8.52 square kilometres, and exploration rights for 14.9 square kilometres.

For the year ended 31 December 2014, the net asset value of the Target was RMB15.5 million. The revenue and net profit before tax of the Target was RMB 3.6 million and RMB1.6 million respectively.

3. SALIENT TERMS OF THE FRAMEWORK AGREEMENT

<u>Consideration</u>

The consideration for the Proposed Acquisition of the Sale Shares is SGD8,441,671 (***Consideration***), to be satisfied by the issue and allotment of 140,694,520 ordinary shares (***Shares***) at an issue price of SGD0.06 for each Share, credited as fully paid, in the Company, to the Seller (***Consideration Shares***) upon completion of the Proposed Acquisition.

The Consideration was arrived on a willing-buyer, willing-seller basis, taking into account (i) the current proven and probable geographical reserve of crude oil as guaranteed by the Guarantor; and (ii) the net asset value of the Target.

The Consideration Shares shall be issued at SGD0.06 per share, and represent 16.0% and 13.8% of the Company's current and enlarged issued and paid up share capital respectively.

Implementation Agreements

Pursuant to the Framework Agreement, the Parties have also agreed to enter into the sale and purchase implementation agreement and a shareholders' agreement (collectively, the ***Implementation Agreements***) within one (1) month from the date of the Framework Agreement. In the event of any conflict between the Framework Agreement and the Implementation Agreements, the parties agree that the Implementation Agreements shall prevail.

The Company will make the relevant announcement upon signing of the Implementation Agreements.

The Implementation Agreements will include the following key terms:

(a) The Seller shall grant the Buyer an option to purchase the remaining shares in the Target held by the Seller at the same price of each Sale Share as reflected by the Consideration, exercisable until 31 October 2016;

(b) The Seller and Guarantor shall provide warranties that the proven and probable geographical reserve of crude oil, as determined by an independent third party expert to be agreed upon between the Parties in accordance with the PRMS (The Petroleum Resources Management System), in the Mine Site shall not be less than 56 million barrels and 150 million barrels respectively;

(c) All usual terms and conditions customary for transactions of a similar nature, including but not limited to the usual representations, warranties and covenants, pre-completion covenants, minority protection rights, as well as indemnity provisions;

(d) The Buyer shall have the right to appoint the financial controller and the treasurer of the Target;

(e) The Target shall not have any contingent or hidden debts and/or liabilities; and

(f) Conditions precedent to completion of the Proposed Acquisition.

Conditions Precedent

The conditions precedent for the completion of the Proposed Acquisition shall be set out in detail in the Implementation Agreements. Notwithstanding the generality of this paragraph, the Proposed Acquisition shall be conditional upon:

(a) The Parties entering into the Implementation Agreements within one (1) month from the date of the Framework Agreement;

(b) The Company being reasonably satisfied with the results of the legal, financial, tax, technical and business due diligence to be conducted on the Target;

(c) The Seller providing the Company with the audited financial statements of the Target for the period up to 31 December 2014;

(d) All parties receiving all required approvals and consents (and/or waivers) as may be required for the Proposed Acquisition (including but not limited to governmental authorities, the Singapore Exchange Securities Trading Limited (***SGX-ST***) and/or other third party organisations);

(e) There being no occurrence of any event that will, in the opinion of the Company, result in a material adverse change to the Target; and

(f) Any other conditions precedent as the Company may require as a result of its due diligence on the Target.

The Parties agree to use all reasonable endeavours to assist and cooperate to ensure the fulfilment of all conditions precedent for the completion of the Proposed Acquisition.

In the event the conditions precedent set out in the Implementation Agreements are not fulfilled (or otherwise waived) within three (3) months from the date of the Framework Agreement, the Framework Agreement shall terminate automatically.

Completion

On completion of the Proposed Acquisition, the Seller shall ensure that the Sale Shares are transferred, free from all encumbrances, to the Company (or its nominee) and the Company shall ensure that the Consideration Shares are issued, credited as fully paid, to the Seller (or its nominee).

The details of each Party's obligations on completion shall be set out in the Implementation Agreements.

Exclusivity

The Parties shall not, and shall ensure that each of their directors, key personnel, employees, agents and representatives shall not, from the date of the Framework Agreement to the completion of the Proposed Acquisition or the termination of the Framework Agreement (whichever is earlier), directly or indirectly, engage in any enquiries, negotiations or enter into any agreements or memorandums of understanding or otherwise, with any other parties (save for the Buyer). In the event the Seller, the Guarantor or the Target receives any such enquiries or offers, such Party shall inform the Buyer accordingly.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Company and its subsidiaries (***Group***) continues to engage in bottle-grade Polyethylene Terephthalate (***PET***) resin, PET preforms and PET bottles for carbonated beverage and corrugated paper packaging products. As disclosed in the annual report for the year ended 31 December 2014 (***FY2014***), the domestic consumer-based industry had faced a tough operational environment during FY2014 due to the moderation in economic growth in the People’s Republic of China (***PRC***) and lower demand by customers. The Company had incurred 46% decrease in revenue and a net loss attributable to the owners of the Company of RMB63.8 million. In view of the intense competition in the existing business in the PRC, the Group had always been seeking investment opportunities to broaden the revenue base of the Group.

The Proposed Acquisition will allow the Company to invest in the oil mining and exploration industry with the Target that has the necessary production rights for oil production, without changing its core business.

5. RELATIVE FIGURES FOR THE PROPOSED ACQUISITION

The relative figures computed on bases as set out in Rule 1006 of the Listing Manual of the SGX-ST based on the latest audited consolidated financial statements of the Group for FY2014 are as follows:

	(SGD)
Rule 1006(a) – Net asset value of the assets to be acquired, compared with the Group's net asset value.	0.15%(1)
Rule 1006(b) – Net profits attributable to the assets acquired, compared with the Group's consolidated net profits.	Not applicable(2)
Rule 1006(c) – Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	96.99%(3)
Rule 1006(d) – Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	16.00%(4)
Rule 1006(e) – Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves.	Not applicable

(1) Based on the Group’s latest audited net asset value of approximately RMB 1,405,834,000 as at 31 December 2014 and net asset value of the Sale Shares of RMB 2,107,627.

(2) The net profits attributable to the Sale Shares is RMB 211,119. The Group's loss before tax for FY2014 is RMB59,385,000.

(3) The Company's market capitalisation of approximately SGD50,386,225 was computed based on the Company's existing issued share capital of 879,340,752 Shares and the volume weighted average price of the Company's Shares of SGD0.0573 traded on the SGX-ST on 11 June 2015 (***Latest VWAP***), being the market day preceding the date of the Framework Agreement. The aggregate value of the consideration given was determined by the net asset value represented by the Consideration Shares of RMB1.60 (or approximately SGD0.347) per Consideration Share. Based on the Consideration and the issue price of SGD0.06 per Consideration Share (which represents a premium of 4.70% over the Latest VWAP), the relative figures for Rule 1006(c) will be 16.75%.

(4) The Company has 879,340,752 Shares in issue and is proposing to issue 140,694,520 Consideration Shares.

As the relative figures under Rule 1006 above exceed 20.00%, the Proposed Acquisition is a “major transaction” for the purposes of Chapter 10 of the Listing Manual.

However, based on the aggregate value of the Consideration and the issue price of the Consideration Shares, the relative figures under Rule 1006 above exceed 5.00% but will not exceed 20.00% and the Proposed Acquisition will therefore be a "discloseable transaction" for the purposes of Chapter 10 of the Listing Manual. The Company will be consulting with the SGX-ST and if required, the Company will convene a general meeting for Shareholders to consider the Proposed Acquisition.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 For illustrative purposes only, the financial effects of the Proposed Acquisition on the net tangible assets per share and earnings per share of the Group, based on the latest audited consolidated financial statements of the Group for FY2014 are set out below.

Effects on net tangible assets per share

Had the Proposed Acquisition been effected on 31 December 2014, the financial effect on the net tangible assets of the Group is as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
Net tangible assets	RMB 1,405.8 million	RMB 1,445.1 million
Number of issued shares	879.3 million Shares	1,020.0 million Shares
Net tangible assets per share	RMB 1.60 per Share	RMB 1.42 per Share

Effects on earnings per share

Had the Proposed Acquisition been effected on 1 January 2014, the financial impact on the Company’s earnings per share for the financial year ended 31 December 2014 is as follows:

	Before Proposed Acquisition	**After Proposed Acquisition**
Loss attributable to equity holders of the Company	RMB 63.8 million	RMB 63.8 million
Weighted average number of issued shares	879.3 million shares	1,020.0 million shares
Loss per share (cents)	RMB 7.26 cents	RMB 6.26 cents

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Group after completion of the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition. The Directors are also not aware of any substantial shareholders who have any interest, direct or indirect (other than their shareholdings in the Company), in the Proposed Acquisition.

8. SERVICE CONTRACTS

There are no directors who are proposed to be appointed to the Board of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Framework Agreement is available for inspection during normal business hours at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 for a period of three (3) months from the date of this announcement.

10. CAUTIONARY STATEMENT

As there is no assurance that the Proposed Acquisition is subject to the fulfilment of, *inter alia*, the conditions precedent set out above, and in particular, the entry into the Implementation Agreements. Accordingly, shareholders are advised to refrain from taking any action which may be prejudicial to their interests before seeking advice from their brokers, bank managers, solicitors or other professional advisers (as appropriate).

By Order of the Board
Guan Lingxiang
Executive Chairman
15 June 2015