

Circular dated 12 April 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Full Apex (Holdings) Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Special General Meeting and the Proxy Form to the purchaser or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



FULL APEX (HOLDINGS) LIMITED
(Incorporated in Bermuda on 5 April 2002)
Registration No.: 31906

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED RENEWAL
OF THE SHARE PURCHASE MANDATE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form:- 26 April 2016 at 9:15 a.m.

Date and time of Special General Meeting:- 28 April 2016 at 9:15 a.m.
(or as soon as following the conclusion or adjournment of the Annual General Meeting to be held at 9:00 a.m. on the same day and at the same place)

Place of Special General Meeting:- Kingfisher Room 3, Level 1, Seletar Country Club, 101 Seletar Club Road Singapore 798273

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or it is otherwise stated:-

| | | |
|-------------------------------------|---|--|
| “Act” | : | The Companies Act 1981 of Bermuda, as amended or modified from time to time |
| “AGM” | : | Annual General Meeting of the Company to be held on 28 April 2016 |
| “Board” | : | The board of Directors of the Company |
| “Bye-Laws” | : | The Bye-laws of the Company, as amended or modified from time to time |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Circular” | : | This Circular to Shareholders dated 12 April 2016 |
| “2015 Circular” | : | The Circular to Shareholders dated 13 April 2015 |
| “Companies Act” | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time |
| “Company” | : | Full Apex (Holdings) Limited |
| “Controlling Shareholder” | : | A person who (a) holds directly or indirectly 15% or more of the total votes attached to all the voting shares in the Company or, (b) in fact exercises control over the Company |
| “control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company |
| “Council” | : | Securities Industry Council |
| “Directors” | : | The directors of the Company as at the date of this Circular |
| “LPS” | : | Losses per Share |
| “FY” | : | Financial year ended or ending, as the case may be, 31 December |
| “Group” | : | The Company and its subsidiaries |
| “HK\$” | : | Hong Kong Dollar |
| “Independent Director” | : | An independent non-executive Director of the Company |
| “Latest Practicable Date” | : | 30 March 2016, being the latest practicable date prior to the printing of this Circular |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “NTA” | : | Net tangible assets |
| “Securities Account” | : | Securities account maintained by a Depositor with CDP, but not including securities sub-accounts maintained with a Depository Agent |
| “Securities and Futures Act” | : | Securities and Futures Act, Chapter 289 of Singapore |

DEFINITIONS

| | | |
|---------------------------|---|--|
| “SGM” | : | The Special General Meeting of the Company to be convened on 28 April 2016, notice of which is given on pages N-1 to N-2 of this Circular |
| “2015 SGM” | : | The Special General Meeting of the Company held on 29 April 2015 |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “SGX-ST Listing Rules” | : | The listing rules of the SGX-ST as set out in the SGX-ST Listing Rules, as amended or modified from time to time |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “Share Purchase Mandate” | : | The proposed mandate to enable the Company to purchase or otherwise acquire its shares, the terms of which are set out on pages 5 to 19 of this Circular |
| “Shareholders” | : | Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares |
| “Substantial Shareholder” | : | A substantial shareholder as defined under Section 81 of the Companies Act |
| “Take-over Code” | : | The Singapore Code on Take-overs and Mergers |
| “Trading Day” | : | A day on which the Shares are traded on the SGX-ST |
| “%” | : | Per centum or percentage |
| “S\$” | : | Singapore dollar |
| “RMB” | : | Renminbi |

The following exchange rates which are used throughout this Circular are for information purpose only, unless otherwise stated:

(i) RMB1.00 = SGD0.2116

(ii) S\$1.00 = RMB4.7259

No representation is made that any amount in RMB or S\$ could have been or could be converted at the above rate or at any other rates or at all.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall include corporations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, the Companies Act, the SGX-ST Listing Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Act, the Companies Act, the SGX-ST Listing Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

LETTER TO SHAREHOLDERS

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda on 5 April 2002)
Registration No: 31906

Board of Directors:-

Mr Guan Lingxiang (Chairman and Managing Director)
Ms Liang Huiying (Executive Vice Chairman)
Mr Wang Yunying (Executive Director)
Mr Chng Hee Kok (Independent Director)
Mr Tan Tew Han (Independent Director)

Registered Office:-

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

12 April 2016

To: The Shareholders of Full Apex (Holdings) Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Special General Meeting

The Directors propose to convene a SGM to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the aforesaid proposal, and to seek Shareholders' approval in respect of the same at the SGM to be held on 28 April 2016 at 9:15 a.m. (or as soon as following the conclusion or adjournment of the AGM to be held at 9:00 a.m. on the same day and at the same place) at Kingfisher Room 3, Level 1, Seletar Country Club, 101 Seletar Club Road Singapore 798273. The notice of the SGM is set out on pages N-1 to N-2 of this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Company's existing Share Purchase Mandate was approved by the Shareholders at the 2015 SGM. The Share Purchase Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2015 SGM and will expire on the date of the forthcoming AGM, which will be held on 28 April 2016 immediately preceding the SGM to be held on the same date. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate to continue to authorise the Company to purchase or acquire its own Shares.

2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:-

- (i) In managing the business of the Group, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.

LETTER TO SHAREHOLDERS

- (ii) The Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy. To the extent that the Company has capital and surplus fund which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (iii) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

The Share Purchase Mandate, if renewed, will give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit described in paragraph 2.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

2.3 Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate, if renewed at the SGM, are substantially the same as previously approved by Shareholders at the 2015 SGM and are summarised below:-

2.3.1 Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding any treasury shares held by the Company) as at the date of the SGM at which the renewal of the Share Purchase Mandate is approved.

For illustrative purposes only, on the basis of 879,340,752 issued Shares as at the Latest Practicable Date and excluding 4,137,000 Shares held in treasury as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the SGM, not more than 87,934,075 Shares (representing 10% of the issued Shares, and excluding the Shares held in treasury as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the SGM, at which the renewal of the Share Purchase Mandate is approved, up to:-

- (a) the conclusion of the next AGM of the Company or the date by which such AGM is required to be held; or
- (b) the date on which the Share purchases have been carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by ordinary resolution of the Company,

whichever is the earlier.

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2.3.3 Manner of Share Purchases

Purchases or acquisitions of Shares may be made by way of:

- (a) **“Market Purchases”** - Market Purchases refer to purchases of Shares by the Company transacted through the SGX-ST’s trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose.
- (b) **“Off-Market Purchases”** - Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders.

The Directors may impose such terms and conditions, which are consistent with the proposed Share Purchase Mandate, the SGX-ST Listing Rules and the Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under the Act, an equal access scheme must satisfy all the following conditions:-

- (i) offer for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offer made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares; and (3) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable).

In making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:-

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share purchase;
- (d) the consequences, if any, of Share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share purchases or acquisitions, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any share purchases or acquisitions made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as defined hereinafter),

in either case, excluding related expenses of the purchase or acquisition (the “**Maximum Purchase Price**”).

For the above purposes:-

“**Average Closing Price**” means (a) the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the date of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and (b) deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“**Day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Purchase Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share. When Shares purchased or acquired by the Company are cancelled and not held as treasury shares, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company.

2.5 Treasury Shares

Under the Act, a company may, if authorised by its memorandum of association or bye-laws, purchase its own shares to be held as treasury shares, for cash or any other consideration. If a company holds shares as treasury shares, the Company shall be entered in the register of members as the member holding the shares but the Company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) of the Company's assets shall be paid or made to the Company in respect of shares held by the Company as treasury shares.

No acquisition by a company of its own shares to be held as treasury shares may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the Company is, or after the acquisition would be, unable to pay its liabilities as they become due.

LETTER TO SHAREHOLDERS

A company that acquires its own shares to be held as treasury shares may:-

- (a) hold all or any of the shares;
- (b) dispose of or transfer all or any of the shares for cash or other consideration; or
- (c) cancel all or any of the shares.

The Company may transfer any treasury shares for the purpose of or pursuant to an employee share option or award scheme. The number of shares held as treasury shares cannot at any time exceed 10% of the total issued Shares.

2.6 Source of Funds

The Company intends to use its internal resources to finance its purchase or acquisition of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

Under the Act, a purchase of Shares may only be funded out of the capital paid-up on the Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purposes of the purchase, and the premium payable (if any) on the purchase must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's Share premium account before the Shares are purchased. However, no purchase by the Company of its Shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company, is or after the purchase, would be unable to pay its liabilities as they become due.

2.7 Reporting Requirements

The SGX-ST Listing Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day of purchase of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer. Such announcement shall include details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, prices paid for the total number of shares purchased, the purchase price per share or the highest and lowest prices paid per share for the shares purchased to date and the number of issued shares after purchase, in the form prescribed under the SGX-ST Listing Rules.

While the SGX-ST Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares during the period of two weeks immediately preceding the announcement of the Company's first three quarters results and one month immediately preceding the announcement of the annual (full-year) results respectively.

LETTER TO SHAREHOLDERS

2.8 Listing Status of the Shares

The Company is required under Rule 723 of the SGX-ST Listing Rules to ensure that at least 10% of its total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) are held in the hands of the public. The “public”, as defined in the SGX-ST Listing Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the SGX-ST Listing Rules) of such persons.

As at the Latest Practicable Date, there are 144,391,958 Shares in the hands of the public (as defined above), representing 16.42% of the issued Share capital of the Company. Assuming that the Company purchase the maximum 87,934,075 Shares, it will result in 56,457,883 Shares (representing 6.42% of the issued Share capital of the Company) being held in the hands of the public.

The Company will monitor the above and ensure that it does not exercise the Share Purchase Mandate to an extent that will adversely affect the listing status of the Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading.

2.9 Implications under the Take-over Code

Under the Take-over Code, a person will be required to make a general offer for a public company if:-

- (a) he acquires 30% or more of the voting rights of the Company; or
- (b) he holds between 30% and 50% of the voting rights of the Company and he increases his voting rights in the Company by more than 1% in any six-month period.

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:-

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other.

For this purpose, ownership or control of at least 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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Under Appendix 2 of the Take-Over Code, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights in the Company of such Directors and their concert parties:-

- (a) increase to 30% or more; or
- (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than 1% in any period of six months.

A Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company increase to 30% or more, or if the voting rights of such Shareholder fall between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

As at the Latest Practicable Date, the Substantial Shareholders deemed to be acting in concert (namely, Guan Lingxiang, Liang Huiying and Full Excellent Limited) collectively hold 64.39% of the Company's voting rights and there will not be an obligation on the said Substantial Shareholders (namely, Guan Lingxiang, Liang Huiying and Full Excellent Limited) to make a mandatory offer under Rule 14 of the Take-Over Code by reason only of the exercise in full by the Company of the Share Purchase Mandate.

Assuming that as at the Latest Practicable Date, the Company purchase the maximum 10% (or 87,934,075) of the Company's Shares, the voting rights of the said Substantial Shareholders (namely, Guan Lingxiang, Liang Huiying and Full Excellent Limited) will be increased to 71.54%. Accordingly, there will not be an obligation on the part of the said Substantial Shareholders (namely, Guan Lingxiang, Liang Huiying and Full Excellent Limited) to make a mandatory offer under Rule 14 of the Take-Over Code by reason only of the exercise in full by the Company of the Share Purchase Mandate.

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-Over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Purchase Mandate are advised to consult their professional advisers and/or the Council before they acquire any Shares in the Company during the period when the proposed Share Purchase Mandate is in force.

Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in section 4 of this Circular.

2.10 No Share Purchases in the Previous 12 Months

The Company has not made any Share purchases in the 12 months preceding the date of this Circular.

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3. FINANCIAL EFFECTS

The Company may purchase or acquire its Shares out of capital or, from its distributable profits.

Where the purchase of Shares is made out of distributable profits, such purchase (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and shareholders' funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

The Company will use internal resources to finance the purchases of its Shares. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Purchase Mandate on the Company's consolidated NTA and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

For illustrative purposes only, assuming that the Share Purchase Mandate is effective 1 January 2016 and the Company has at the Latest Practicable Date purchased 87,934,075 Shares (representing 10% of its issued Shares at the Latest Practicable Date, excluding 4,137,000 Shares held in treasury as at the Latest Practicable Date), the financial effects of the purchase of 87,934,075 Shares by the Company pursuant to the Share Purchase Mandate by way of:-

- (a) purchases made entirely out of capital and held as treasury shares;
- (b) purchases made entirely out of capital and cancelled;
- (c) purchases made entirely out of distributable profits and held as treasury shares; and
- (d) purchases made entirely out of distributable profits and cancelled,

LETTER TO SHAREHOLDERS

on the audited financial statements of the Group and the Company for FY2015, are set out below.

(a) Purchases made entirely out of capital and held as treasury shares

| (RMB'000) | Group | | | Company | | |
|---------------------------------------|-----------------------|--|--|-----------------------|--|--|
| | Before Share purchase | After Share purchase assuming Market Purchase ⁽⁵⁾ | After Share purchase assuming Off-Market Purchase ⁽⁶⁾ | Before Share purchase | After Share purchase assuming Market Purchase ⁽⁵⁾ | After Share purchase assuming Off-Market Purchase ⁽⁶⁾ |
| Share capital | 184,319 | 184,319 | 184,319 | 184,319 | 184,319 | 184,319 |
| Share premium | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 |
| Shareholders' funds | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| NTA | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| Current assets | 930,425 | 913,014 | 912,135 | 471,284 | 453,873 | 452,994 |
| Current liabilities | 683,693 | 683,693 | 683,693 | 1,260 | 1,260 | 1,260 |
| Working capital | 246,732 | 229,321 | 228,442 | 470,024 | 452,613 | 451,734 |
| Total borrowings | 536,582 | 536,582 | 536,582 | – | – | – |
| Cash and cash equivalents | 40,007 | 22,596 | 21,717 | 32 | – | – |
| Loss after tax and minority interests | (266,829) | (266,829) | (266,829) | (494) | (494) | (494) |
| Number of Shares ('000) | 879,341 | 791,407 | 791,407 | 879,341 | 791,407 | 791,407 |
| Treasury shares | (5,007) | (22,418) | (23,297) | (5,007) | (22,418) | (23,297) |
| Financial Ratios | | | | | | |
| NTA per Share (cents) ⁽¹⁾ | 129.7 | 141.9 | 141.8 | 70.9 | 76.5 | 76.4 |
| Basic LPS (cents) ⁽²⁾ | (30.34) | (33.72) | (33.72) | (0.06) | (0.06) | (0.06) |
| Net gearing (times) ⁽³⁾ | 0.44 | 0.46 | 0.46 | 0.00 | 0.00 | 0.00 |
| Return on equity (%) ⁽⁴⁾ | (20.96%) | (21.10%) | (21.11%) | (0.08%) | (0.08%) | (0.08%) |

Notes:-

- (1) NTA per Share equals NTA divided by number of Shares.
- (2) Basic LPS equals loss after tax and minority interests divided by the weighted average number of Shares in issue.
- (3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Return on equity equals loss after tax and minority interest divided by average shareholders' funds.
- (5) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.042 (equivalent to RMB0.198) for one Share, which is 5% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,693,231 (equivalent to RMB17,410,947).
- (6) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.044 (equivalent to RMB0.208) for one Share, which is 10% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,869,099 (equivalent to RMB18,290,288).
- (7) Assuming that the Company purchase the maximum 87,934,075 Shares, it will result in 56,457,883 Shares (representing 6.42% of the issued share capital of the Company) being held in the hands of the public. The Company will monitor the above and ensure that it does not exercise the Share Purchase Mandate to an extent that will adversely affect the listing status of the Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading.

LETTER TO SHAREHOLDERS

(b) Purchases made entirely out of capital and cancelled

| (RMB'000) | Group | | | Company | | |
|---------------------------------------|-----------------------|--|--|-----------------------|--|--|
| | Before Share purchase | After Share purchase assuming Market Purchase ⁽⁵⁾ | After Share purchase assuming Off-Market Purchase ⁽⁶⁾ | Before Share purchase | After Share purchase assuming Market Purchase ⁽⁵⁾ | After Share purchase assuming Off-Market Purchase ⁽⁶⁾ |
| Share capital | 184,319 | 170,250 | 170,250 | 184,319 | 170,250 | 170,250 |
| Share premium | 318,742 | 315,400 | 314,521 | 318,742 | 315,400 | 314,521 |
| Shareholders' funds | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| NTA | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| Current assets | 930,425 | 913,014 | 912,135 | 471,284 | 453,873 | 452,994 |
| Current liabilities | 683,693 | 683,693 | 683,693 | 1,260 | 1,260 | 1,260 |
| Working capital | 246,732 | 229,321 | 228,442 | 470,024 | 452,613 | 451,734 |
| Total borrowings | 536,582 | 536,582 | 536,582 | – | – | – |
| Cash and cash equivalents | 40,007 | 22,596 | 21,717 | 32 | – | – |
| Loss after tax and minority interests | (266,829) | (266,829) | (266,829) | (494) | (494) | (494) |
| Number of Shares ('000) | 879,341 | 791,407 | 791,407 | 879,341 | 791,407 | 791,407 |
| Treasury shares | (5,007) | (5,007) | (5,007) | (5,007) | (5,007) | (5,007) |
| Financial Ratios | | | | | | |
| NTA per Share (cents) ⁽¹⁾ | 129.7 | 141.9 | 141.8 | 70.9 | 76.5 | 76.4 |
| Basic LPS (cents) ⁽²⁾ | (30.34) | (33.72) | (33.72) | (0.06) | (0.06) | (0.06) |
| Net gearing (times) ⁽³⁾ | 0.44 | 0.46 | 0.46 | 0.00 | 0.00 | 0.00 |
| Return on equity (%) ⁽⁴⁾ | (20.96%) | (21.10%) | (21.11%) | (0.08%) | (0.08%) | (0.08%) |

Notes:-

- (1) NTA per Share equals NTA divided by number of Shares.
- (2) Basic LPS equals loss after tax and minority interests divided by the weighted average number of Shares in issue.
- (3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Return on equity equals loss after tax and minority interest divided by average shareholders' funds.
- (5) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.042 (equivalent to RMB0.198) for one Share, which is 5% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,693,231 (equivalent to RMB17,410,947).
- (6) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.044 (equivalent to RMB0.208) for one Share, which is 10% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,869,099 (equivalent to RMB18,290,288).
- (7) Assuming that the Company purchase the maximum 87,934,075 Shares, it will result in 56,457,883 Shares (representing 6.42% of the issued share capital of the Company) being held in the hands of the public. The Company will monitor the above and ensure that it does not exercise the Share Purchase Mandate to an extent that will adversely affect the listing status of the Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading

LETTER TO SHAREHOLDERS

(c) Purchases made entirely out of distributable profits and held as treasury shares

| (RMB'000) | Group | | | Company | | |
|---------------------------------------|-----------------------|--|--|-----------------------|--|--|
| | Before Share Purchase | After Share Purchase assuming Market Purchase ⁽⁵⁾ | After Share Purchase assuming Off-Market Purchase ⁽⁶⁾ | Before Share Purchase | After Share Purchase assuming Market Purchase ⁽⁵⁾ | After Share Purchase assuming Off-Market Purchase ⁽⁶⁾ |
| Share capital | 184,319 | 184,319 | 184,319 | 184,319 | 184,319 | 184,319 |
| Share premium | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 |
| Shareholders' funds | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| NTA | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| Current assets | 930,425 | 913,014 | 912,135 | 471,284 | 453,873 | 452,994 |
| Current liabilities | 683,693 | 683,693 | 683,693 | 1,260 | 1,260 | 1,260 |
| Working capital | 246,732 | 229,321 | 228,442 | 470,024 | 452,613 | 451,734 |
| Total borrowings | 536,582 | 536,582 | 536,582 | – | – | – |
| Cash and cash equivalents | 40,007 | 22,596 | 21,717 | 32 | – | – |
| Loss after tax and minority interests | (266,829) | (266,829) | (266,829) | (494) | (494) | (494) |
| Number of Shares ('000) | 879,341 | 791,407 | 791,407 | 879,341 | 791,407 | 791,407 |
| Treasury shares | (5,007) | (22,418) | (23,297) | (5,007) | (22,418) | (23,297) |
| Financial Ratios | | | | | | |
| NTA per Share (cents) ⁽¹⁾ | 129.7 | 141.9 | 141.8 | 70.9 | 76.5 | 76.4 |
| Basic LPS (cents) ⁽²⁾ | (30.34) | (33.72) | (33.72) | (0.06) | (0.06) | (0.06) |
| Net gearing (times) ⁽³⁾ | 0.44 | 0.46 | 0.46 | 0.00 | 0.00 | 0.00 |
| Return on equity (%) ⁽⁴⁾ | (20.96%) | (21.10%) | (21.11%) | (0.08%) | (0.08%) | (0.08%) |

Notes:-

- (1) NTA per Share equals NTA divided by number of Shares.
- (2) Basic LPS equals loss after tax and minority interests divided by the weighted average number of Shares in issue.
- (3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Return on equity equals loss after tax and minority interest divided by average shareholders' funds.
- (5) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.042 (equivalent to RMB0.198) for one Share, which is 5% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,693,231 (equivalent to RMB17,410,947).
- (6) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.044 (equivalent to RMB0.208) for one Share, which is 10% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,869,099 (equivalent to RMB18,290,288).
- (7) Assuming that the Company purchase the maximum 87,934,075 Shares, it will result in 56,457,883 Shares (representing 6.42% of the issued share capital of the Company) being held in the hands of the public. The Company will monitor the above and ensure that it does not exercise the Share Purchase Mandate to an extent that will adversely affect the listing status of the Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading

LETTER TO SHAREHOLDERS

(d) Purchases made entirely out of distributable profits and cancelled

| (RMB'000) | Group | | | Company | | |
|---------------------------------------|-----------------------|--|--|-----------------------|--|--|
| | Before Share Purchase | After Share Purchase assuming Market Purchase ⁽⁵⁾ | After Share Purchase assuming Off-Market Purchase ⁽⁶⁾ | Before Share Purchase | After Share Purchase assuming Market Purchase ⁽⁵⁾ | After Share Purchase assuming Off-Market Purchase ⁽⁶⁾ |
| Share capital | 184,319 | 170,250 | 170,250 | 184,319 | 170,250 | 170,250 |
| Share premium | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 | 318,742 |
| Shareholders' funds | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| NTA | 1,140,560 | 1,123,149 | 1,122,270 | 623,045 | 605,634 | 604,755 |
| Current assets | 930,425 | 913,014 | 912,135 | 471,284 | 453,873 | 452,994 |
| Current liabilities | 683,693 | 683,693 | 683,693 | 1,260 | 1,260 | 1,260 |
| Working capital | 246,732 | 229,321 | 228,442 | 470,024 | 452,613 | 451,734 |
| Total borrowings | 536,582 | 536,582 | 536,582 | – | – | – |
| Cash and cash equivalents | 40,007 | 22,596 | 21,717 | 32 | – | – |
| Loss after tax and minority interests | (266,829) | (266,829) | (266,829) | (494) | (494) | (494) |
| No. of Shares ('000) | 879,341 | 791,407 | 791,407 | 879,341 | 791,407 | 791,407 |
| Treasury shares | (5,007) | (5,007) | (5,007) | (5,007) | (5,007) | (5,007) |
| Financial Ratios | | | | | | |
| NTA per Share (cents) ⁽¹⁾ | 129.7 | 141.9 | 141.8 | 70.9 | 76.5 | 76.4 |
| Basic LPS (cents) ⁽²⁾ | (30.34) | (33.72) | (33.72) | (0.06) | (0.06) | (0.06) |
| Net gearing (times) ⁽³⁾ | 0.44 | 0.46 | 0.46 | 0.00 | 0.00 | 0.00 |
| Return on equity (%) ⁽⁴⁾ | (20.96%) | (21.10%) | (21.11%) | (0.08%) | (0.08%) | (0.08%) |

Notes:-

- (1) NTA per Share equals NTA divided by number of Shares.
- (2) Basic LPS equals loss after tax and minority interests divided by the weighted average number of Shares in issue.
- (3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Return on equity equals loss after tax and minority interest divided by average shareholders' funds.
- (5) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.042 (equivalent to RMB0.198) for one Share, which is 5% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,693,231 (equivalent to RMB17,410,947).
- (6) Assumes that the Company purchases the 87,934,075 Shares at the Maximum Purchase Price of S\$0.044 (equivalent to RMB0.208) for one Share, which is 10% above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 87,934,075 Shares is S\$3,869,099 (equivalent to RMB18,290,288).
- (7) Assuming that the Company purchase the maximum 87,934,075 Shares, it will result in 56,457,883 Shares (representing 6.42% of the issued share capital of the Company) being held in the hands of the public. The Company will monitor the above and ensure that it does not exercise the Share Purchase Mandate to an extent that will adversely affect the listing status of the Shares on the SGX-ST and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect orderly trading

LETTER TO SHAREHOLDERS

As illustrated above, a summary of the financial effects of Share purchases are:-

- (i) increased net gearing ratios of the Group;
- (ii) increased NTA per Share of the Group and the Company;
- (iii) increased basic LPS of the Group and the Company; and
- (iv) decreased return on equity of the Group and the Company.

The financial effects set out on pages 13 to 16 are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding any Shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding any Shares held in treasury). In addition, the Company may cancel all or part of the Shares purchased or, dispose or hold all or, part of the Shares purchased in treasury.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in the Shares as recorded in the Company's Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:-

| Directors | Direct Interest | % ⁽³⁾ | Number of Shares | |
|----------------|-----------------|------------------|----------------------------|------------------|
| | | | Deemed Interest | % ⁽³⁾ |
| Guan Lingxiang | 168,624,650 | 19.18 | 397,546,418 ⁽¹⁾ | 45.21 |
| Liang Huiying | 99,371,250 | 11.30 | 466,799,818 ⁽¹⁾ | 53.09 |
| Wang Yunying | 10,224,791 | 1.16 | – | – |
| Chng Hee Kok | 550,000 | 0.06 | – | – |
| Tan Tew Han | – | – | 198,000 ⁽²⁾ | 0.02 |

Notes:

- (1) Guan Lingxiang and Liang Huiying who are spouses, are deemed to be interested in each other's shareholding in the Company. Guan Lingxiang and Liang Huiying are also deemed interested in all the shares registered in the name of Full Excellent Limited by virtue of their interest in Full Excellent Limited.
- (2) Deemed interest held by spouse.
- (3) The percentage of issued capital is calculated based on 879,340,752 issued Shares (excluding treasury shares) in the Company as at the Latest Practicable Date.

The interests of the Substantial Shareholders as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date as set out below:-

| Substantial Shareholders | Direct Interest | % ⁽³⁾ | Number of Shares | | Total | % |
|----------------------------|-----------------|------------------|----------------------------|------------------|-------------|-------|
| | | | Deemed Interest | % ⁽³⁾ | | |
| Full Excellent Limited | 298,175,168 | 33.91 | – | – | 298,175,168 | 33.91 |
| Guan Lingxiang | 168,624,650 | 19.18 | 397,546,418 ⁽¹⁾ | 45.21 | 566,171,068 | 64.39 |
| Liang Huiying | 99,371,250 | 11.30 | 466,799,818 ⁽¹⁾ | 53.09 | 566,171,068 | 64.39 |
| Pope Asset Management, LLC | – | – | 132,012,599 ⁽²⁾ | 15.01 | 132,012,599 | 15.01 |

LETTER TO SHAREHOLDERS

Notes:

- (1) Guan Lingxiang and Liang Huiying who are spouses, are deemed to be interested in each other's shareholding in the Company. Guan Lingxiang and Liang Huiying are also deemed interested in all the shares registered in the name of Full Excellent Limited by virtue of their interest in Full Excellent Limited.
- (2) Deemed interest held through Citibank Nominees Singapore Pte Ltd.
- (3) The percentage of issued capital is calculated based on 879,340,752 issued Shares (excluding treasury shares) in the Company as at the Latest Practicable Date.

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the SGM.

6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held at Kingfisher Room 3, Level 1, Seletar Country Club, 101 Seletar Club Road Singapore 798273 on 28 April 2016 at 9:15 a.m. (or as soon as following the conclusion or adjournment of the AGM to be held at 9:00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, the Ordinary Resolution as set out in the Notice of SGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Appointment of Proxies

Shareholders (other than CDP) entitled to attend and vote at a meeting of the Company holding two or more Shares but who are unable to attend the SGM may appoint not more than two proxies to attend and vote at the SGM on their behalf. Such Shareholders should complete, sign and return the member proxy form attached to the notice of SGM (the "**Member Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Transfer Agent, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544, at least forty-eight (48) hours before the time fixed for the SGM. The completion and return of the Member Proxy Form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members and who are entitled to attend and vote at a general meeting of the Company will receive a Member Proxy Form with this Circular. A proxy need not be a Shareholder.

7.2 Depositors

Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not less than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any proxy form. Such depositors who are individuals and who are unable to attend the SGM personally and wish to appoint a nominee to attend and vote on their behalf as CDP's proxies, and such depositors who are not individuals, should complete, sign and return the depositor proxy form attached to this Circular (the "**Depositor Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Transfer Agent, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544, at least forty-eight (48) hours before the time fixed for the SGM. The completion and return of the Depositor Proxy Form by a depositor will not prevent him from attending and voting in person at the SGM as proxy of CDP in place of his nominee if he subsequently wishes to do so.

LETTER TO SHAREHOLDERS

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company Secretary at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 during normal business hours from the date of this Circular up to the date of the SGM:-

- (a) the Annual Report of the Company for FY2015;
- (b) the Memorandum of Association of the Company and the Bye-Laws; and
- (c) the 2015 Circular.

Yours faithfully
for and on behalf of the Board of Directors
of Full Apex (Holdings) Limited

Guan Lingxiang
Chairman and Managing Director

NOTICE OF SPECIAL GENERAL MEETING

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda on 5 April 2002)

Registration No: 31906

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of Full Apex (Holdings) Limited (the "**Company**") will be held at Kingfisher Room 3, Level 1, Seletar Country Club, 101 Seletar Club Road Singapore 798273 on 28 April 2016 at 9:15 a.m. (or as soon as following the conclusion or adjournment of the Annual General Meeting to be held at 9:00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

The Proposed Renewal of the Share Purchase Mandate

That:

- (1) for the purposes of the Companies Act 1981 of Bermuda and the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and pursuant to the Company's bye-laws, the Directors of the Company be and hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Purchase Price (as hereafter defined), whether by way of:-
 - (a) market purchase(s) ("**Market Purchases**") on the SGX-ST; and/or
 - (b) off-market purchase(s) ("**Off-Market Purchases**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act 1981 of Bermuda and the Listing Rules of the SGX-ST (the "**Share Purchase Mandate**");
- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-
 - (a) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required to be held; or
 - (b) the date on which the Share purchases have been carried out to the full extent mandated; or
 - (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by ordinary resolution of the Company.
- (3) The Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

NOTICE OF SPECIAL GENERAL MEETING

In this Resolution:

“Prescribed Limit” means 10% of the Shares (excluding treasury shares held by the Company) as at the date of passing of this Resolution; and **“Maximum Purchase Price”**, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as defined below) of the Shares; and

where:-

“Average Closing Price” means (1) the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the date of the Market Purchase or, as the case may be, the Day of the making of the offer (as defined below) pursuant to the Off-Market Purchase; and (2) deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“Day of the making of the offer” means the Day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Purchase Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

By Order of the Board

Chang Ai Ling
Company Secretary
12 April 2016

Notes:-

1. A Member is entitled to attend and vote at the Special General Meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. A Member being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act of Singapore) wishes to attend and vote at the Special General Meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544, at least forty-eight (48) hours before the time of the Special General Meeting.
3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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