

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda)

Half-Year and Second Quarter Financial Statements For Period Ended 30 June 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			Group		
	2Q2016 RMB'000	2Q2015 RMB'000	+ /(-) %	1H2016 RMB'000	1H2015 RMB'000	+ /(-) %
Revenue (Note 1)	277,633	295,802	(6.1)	541,942	547,661	(1.0)
Cost of sales	(264,811)	(263,041)	0.7	(516,141)	(483,422)	6.8
GROSS PROFIT (Note 2)	12,822	32,761	(60.9)	25,801	64,239	(59.8)
Other income and gains (Note 3)	1,449	(392)	NM	1,760	222	NM
Selling and distribution costs (Note 4)	(2,374)	(4,617)	(48.6)	(5,637)	(8,174)	(31.0)
Administrative expenses	(10,315)	(11,380)	(9.4)	(19,872)	(22,067)	(9.9)
Other operating expenses (Note 5)	-	(1,415)	(100.0)	-	(8,336)	(100.0)
Finance costs (Note 6)	(7,122)	(9,695)	(26.5)	(13,829)	(17,088)	(19.1)
(LOSS)/PROFIT BEFORE INCOME TAX	(5,540)	5,262	(205.3)	(11,777)	8,796	(233.9)
Income tax expense	(565)	(2,430)	(76.7)	(1,290)	(3,692)	(65.1)
(LOSS)/PROFIT FOR THE PERIOD	(6,105)	2,832	(315.6)	(13,067)	5,104	(356.0)
(Loss)/Profit for the period attributable to: Owners of the Company	(6,105)	2,832	(315.6)	(13,067)	5,104	(356.0)
	<u>(6,105)</u>	<u>2,832</u>	<u>(315.6)</u>	<u>(13,067)</u>	<u>5,104</u>	<u>(356.0)</u>

1(a)(ii) Statement of comprehensive income

	Group			Group		
	2Q2016 RMB'000	2Q2015 RMB'000	+ /(-) %	1H2016 RMB'000	1H2015 RMB'000	+ /(-) %
(Loss)/Profit for the period	(6,105)	2,832	(315.6)	(13,067)	5,104	(356.0)
Total comprehensive income for the period	(6,105)	2,832	(315.6)	(13,067)	5,104	(356.0)
Total comprehensive income for the period attributable to: Owners of the Company	(6,105)	2,832	(315.6)	(13,067)	5,104	(356.0)
	<u>(6,105)</u>	<u>2,832</u>	<u>(315.6)</u>	<u>(13,067)</u>	<u>5,104</u>	<u>(356.0)</u>

NM = not meaningful

1(a)(iii) The accompanying notes to the financial statements form an integral part of the financial statements

	Group			Group		
	2Q2016 RMB'000	2Q2015 RMB'000	+/(-) %	1H2016 RMB'000	1H2015 RMB'000	+/(-) %
Dividend income	1	-	100.0	1	-	100.0
Interest income	24	73	(67.1)	60	456	(86.8)
Net foreign exchange gains/(losses)	992	(1,238)	180.1	1,003	(1,606)	162.5
Fair value (losses)/gains on financial assets at fair value through profit or loss	(2)	-	(100.0)	3	3	-
Sale of scrap products	434	773	(43.9)	693	1,369	(49.4)
Other income and gains	1,449	(392)	NM	1,760	222	NM
Fair value losses on derivative financial instruments (Note 5)	-	1,415	(100.0)	-	8,336	(100.0)
Other operating expenses	-	1,415	(100.0)	-	8,336	(100.0)
Interest expenses (Note 6)	7,122	9,695	(26.5)	13,829	17,088	(19.1)
Depreciation and amortisation	18,652	23,834	(21.7)	37,479	48,083	(22.1)

NM = not meaningful

A. Notes

1. The decrease in revenue was due mainly to lower sales from the polyethylene terephthalate ("PET") bottles business. With the closing down of the Group's PET bottle plants in Shenzhen and Tianjin in 4Q2015, sales contribution from PET bottles business decreased by 67% in 2Q2016 as compared to 2Q2015. However, sales contribution of PET bottles only accounted for 18.9% of total turnover in 2Q2015.
2. The overall decrease in gross profit in 2Q2016 was due mainly to a significant erosion of gross margin in the PET resin business.
3. The increase in other income and gains was due to the increase in net foreign exchange gains.
4. The decrease in selling and distribution costs of 2Q2016 was due mainly to decrease of distribution expenses for PET preforms with the closing down of the Group's PET bottle plants in Shenzhen and Tianjin in 4Q2015.
5. Other operating expenses represent the fair value losses incurred in commodity future contracts taken to hedge principal raw material requirements of the Group against confirmed orders received during the period.
6. The decrease in finance costs was due mainly to lower effective interest rate.

- B.**
- i. There was no material investment income during the period.
 - ii. There were no write-off for bad debts and stock obsolescence and no impairment in value of investments.
 - iii. There were no material disposals of property, plant and equipment during the period.

- iv. There were no exceptional items and extraordinary items during the period.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 Jun 2016 RMB'000	31 Dec 2015 RMB'000	30 Jun 2016 RMB'000	31 Dec 2015 RMB'000
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Property, plant and equipment	766,045	802,119	-	-
Prepaid land lease payments	84,138	85,492	-	-
Interests in subsidiaries	-	-	153,021	153,021
Deferred tax assets	1,067	1,067	-	-
Prepayments	5,065	5,150	-	-
	<u>856,315</u>	<u>893,828</u>	<u>153,021</u>	<u>153,021</u>
CURRENT ASSETS				
Inventories (Note 1)	436,354	326,887	-	-
Trade and bills receivables	366,828	387,729	-	-
Deposits, prepayments and other receivables	158,643	149,993	58	115
Financial assets at fair value through profit or loss	29	26	-	-
Amounts due from subsidiaries	-	-	470,419	471,137
Amounts due from brokers (Note 2)	24	24	-	-
Cash and bank balances	21,971	65,766	32	32
	<u>983,849</u>	<u>930,425</u>	<u>470,509</u>	<u>471,284</u>
CURRENT LIABILITIES				
Trade and bills payables (Note 3)	18,883	116,720	-	-
Accruals, deposits received and other payables	21,222	19,862	1,094	1,260
Interest-bearing borrowings	662,085	536,582	-	-
Current tax liabilities	10,529	10,529	-	-
	<u>712,719</u>	<u>683,693</u>	<u>1,094</u>	<u>1,260</u>
NET CURRENT ASSETS	<u>271,130</u>	<u>246,732</u>	<u>469,415</u>	<u>470,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,127,445</u>	<u>1,140,560</u>	<u>622,436</u>	<u>623,045</u>
NET ASSETS	<u>1,127,445</u>	<u>1,140,560</u>	<u>622,436</u>	<u>623,045</u>
EQUITY				
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY				
Share capital	184,319	184,319	184,319	184,319
Treasury shares	(5,007)	(5,007)	(5,007)	(5,007)
Reserves	948,133	961,248	443,124	443,733
TOTAL EQUITY	<u>1,127,445</u>	<u>1,140,560</u>	<u>622,436</u>	<u>623,045</u>

Notes:

1. The increase in inventories was due mainly to higher raw material purchase for PET resin production in 2Q2016 for the coming peak season in summer.
2. Amounts due from brokers represent deposits in the commodity brokers' trust account relating to the commodity future contracts.

3. The decrease in trade and bills payables was due mainly to the Group drawn down short term bank loans from PRC banks to purchase raw materials instead of bills in 2Q2016.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
662,085	-	536,582	-

Amount repayable after one year

As at 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

The Group's bank loans bear interest ranging from 2% to 8% per annum. As at 30 June 2016, the Group's secured borrowings was supported by pledge of certain prepaid land lease payments (i.e. leasehold land) and buildings of the Group, and/or cross-guarantees executed by the Company and/or certain subsidiaries of the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	2Q2016 RMB'000	2Q2015 RMB'000	1H2016 RMB'000	1H2015 RMB'000
Cash flows from operating activities				
(Loss)/Profit before income tax	(5,540)	5,262	(11,777)	8,796
Adjustments for:				
Interest income	(24)	(73)	(60)	(456)
Fair value losses/(gains) on financial assets at fair value through profit or loss	2	-	(3)	(3)
Interest expenses	7,122	9,695	13,829	17,088
Amortisation of prepaid land lease payments	648	707	1,354	1,413
Depreciation	18,004	23,127	36,125	46,670
Fair value losses on derivative financial instruments	-	1,415	-	8,336
Net foreign exchange gains from translation of borrowings	-	-	111	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating profit before working capital changes	20,212	40,133	39,579	81,844
(Increase)/Decrease in inventories	(16,760)	35,443	(109,467)	(17,031)
(Increase)/Decrease in trade and bills receivables	(14,540)	(31,631)	20,901	22,755
(Increase)/Decrease in deposits, prepayments and other receivables	(11,585)	(3,121)	(8,451)	4,691
(Decrease)/Increase in trade and bills payables	(57,722)	29,540	(97,837)	128,364
Increase in accruals, deposits received and other payables	10,544	6,496	3,449	16,172
	<hr/>	<hr/>	<hr/>	<hr/>
Cash (used in)/generated from operations	(69,851)	76,860	(151,826)	236,795
Income tax paid	(565)	(1,320)	(1,290)	(1,904)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(70,416)	75,540	(153,116)	234,891
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Cash flows from investing activities				
Purchases of property, plant and equipment	(253)	(47)	(276)	(218)
Bank interest received	24	73	60	456
Decrease in margin deposits placed with brokers	-	-	-	18,436
Settlement of derivative financial instruments	-	(1,415)	-	(19,017)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(229)	(1,389)	(216)	(343)
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Cash flows from financing activities				
Decrease/(Increase) in pledged bank deposits	24,426	(17,466)	19,454	(30,622)
Proceeds from interest-bearing borrowings	154,808	133,480	344,823	270,400
Repayments of interest-bearing borrowings	(97,660)	(141,365)	(220,012)	(426,851)
Payments for acquisition of additional interest in subsidiaries	-	(887)	-	(887)
Interest paid	(9,139)	(9,203)	(15,226)	(17,853)
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Net cash generated from/(used in) financing activities	72,435	(35,441)	129,039	(205,813)
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Net increase/(decrease) in cash and cash equivalents	1,790	38,710	(24,293)	28,735
Cash and cash equivalents at beginning of period	13,876	46,211	40,007	56,186
Effect of foreign exchange rate changes, net	-	-	(48)	-
Cash and cash equivalents at end of period	<hr/>	<hr/>	<hr/>	<hr/>
	15,666	84,921	15,666	84,921
	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of balances of cash and cash equivalents				
Amounts due from brokers	24	24	24	24
Cash on hand and at banks	21,971	124,131	21,971	124,131
Less: restricted deposits (Note 1)	(6,329)	(39,234)	(6,329)	(39,234)
	<hr/>	<hr/>	<hr/>	<hr/>
	15,666	84,921	15,666	84,921

Notes:

1. Restricted deposits refer to amounts placed with the Group's PRC banks for issue of bank acceptance bills to the Group's suppliers.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Equity attributable to the owners of the Company								Total Equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserves RMB'000	Statutory reserves RMB'000	Foreign translation reserves RMB'000	Retained profits RMB'000	Total RMB'000	
At 1 Jan 2015	184,319	(5,007)	318,742	1,492	106,841	(1,880)	801,327	1,405,834	1,405,834
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	2,272	2,272	2,272
Transfer to statutory reserves	-	-	-	-	380	-	(380)	-	-
At 31 Mar 2015	184,319	(5,007)	318,742	1,492	107,221	(1,880)	803,219	1,408,106	1,408,106
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	2,832	2,832	2,832
Transfer to statutory reserves	-	-	-	-	740	-	(740)	-	-
At 30 Jun 2015	184,319	(5,007)	318,742	1,492	107,961	(1,880)	805,311	1,410,938	1,410,938
At 1 Jan 2016	184,319	(5,007)	318,742	1,492	108,511	(325)	532,828	1,140,560	1,140,560
Loss for the period	-	-	-	-	-	-	(6,962)	(6,962)	(6,962)
Exchange losses on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	-	-	-	-	-	(48)	-	(48)	(48)
Total comprehensive income for the period	-	-	-	-	-	(48)	(6,962)	(7,010)	(7,010)
Transfer to statutory reserves	-	-	-	-	230	-	(230)	-	-
At 31 Mar 2016	184,319	(5,007)	318,742	1,492	108,741	(373)	525,636	1,133,550	1,133,550
Loss for the period	-	-	-	-	-	-	(6,105)	(6,105)	(6,105)
Total comprehensive income for the period	-	-	-	-	-	-	(6,105)	(6,105)	(6,105)
Transfer to statutory reserves	-	-	-	-	170	-	(170)	-	-
At 30 Jun 2016	184,319	(5,007)	318,742	1,492	108,911	(373)	519,361	1,127,445	1,127,445

The Company	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 Jan 2015	184,319	(5,007)	318,742	125,485	623,539
Loss for the period, representing total comprehensive income for the period	-	-	-	(152)	(152)
At 31 Mar 2015	184,319	(5,007)	318,742	125,333	623,387
Loss for the period, representing total comprehensive income for the period	-	-	-	(45)	(45)
At 30 Jun 2015	184,319	(5,007)	318,742	125,288	623,342
At 1 Jan 2016	184,319	(5,007)	318,742	124,991	623,045
Loss for the period, representing total comprehensive income for the period	-	-	-	(376)	(376)
At 31 Mar 2016	184,319	(5,007)	318,742	124,615	622,669
Loss for the period, representing total comprehensive income for the period	-	-	-	(233)	(233)
At 30 Jun 2016	184,319	(5,007)	318,742	124,382	622,436

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During 2Q2016, in order to fulfill the Minimum Trading Price Requirement of SGX, the Company has proposed a consolidation of every twenty existing ordinary shares with a par value of HK\$0.20 each in the authorised and issued capital of the Company into one consolidated share with a par value of HK\$4.00 in the authorised and issued capital of the Company, fractional entitlements to be disregarded. The proposed share consolidation was passed in a Special General Meeting held on 28 April 2016 and completed on 30 May 2016.

As at 30 June 2016, the Company's authorised capital was HK\$2,000,000,000 divided into 500,000,000 ordinary shares of HK\$4.00 each (31 December 2015: HK\$2,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.20 each).

The Company's issued and paid-up capital was HK\$176,695,550 (31 December 2015: HK\$176,695,550) divided into 44,173,887 ordinary shares of HK\$4.00 each (31 December 2015: 883,477,752 ordinary shares of HK\$0.20 each).

As at 30 June 2016, the Company had 206,850 treasury shares (31 December 2015: 4,137,000 treasury shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	30 Jun 2016	31 Dec 2015
Total number of issued shares (excluding treasury shares)	43,967,037	879,340,752

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sale, transfer, disposal, cancellation and/or use of treasury shares during the period.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current financial period, the Group has applied all of the new standards, amendments and interpretations (the "new IFRSs") issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretation Committee (the "IFRIC") of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2016. The adoption of these new/revised IFRSs does not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	2Q2016	Group		1H2015 (Adjusted)
		2Q2015 (Adjusted)	1H2016	
(Losses)/Earnings per ordinary share for the period based on net profit/(loss) attributable to the owners of the Company:				
(i) Based on the weighted average number of ordinary shares on issue (RMB cents)	(13.89)	6.44	(29.72)	11.61
(ii) On a fully diluted basis (RMB cents)	N/A	N/A	N/A	N/A

Basic (losses)/earnings per share for 1H2016 is calculated based on the Group's net losses attributable to the owners of the Company of RMB13,067,000 (1H2015: net earnings attributable to the owners of the Company of RMB5,104,000) divided by the weighted average number of 43,967,037 ordinary shares of HK\$4.00 each in issued during the period (1H2015: 43,967,037 ordinary shares of HK\$4.00 each adjusted after effect of consolidation).

Basic (losses)/earnings per share for 2Q2016 is calculated based on the Group's net losses attributable to the owners of the Company of RMB6,105,000 (2Q2015: net earnings attributable to the owners of the Company of RMB2,832,000) divided by the weighted average number of 43,967,037 ordinary shares of HK\$4.00 each in issued during the period (2Q2015: 43,967,037 ordinary shares of HK\$4.00 each adjusted after effect of consolidation).

Diluted earnings per share for 1H2016 and 1H2015 have not been presented as there is no potential dilutive ordinary share in existence during the period.

Diluted earnings per share for 2Q2016 and 2Q2015 have not been presented as there is no potential dilutive ordinary share in existence during the period.

The following reflects the data used in the basic and diluted earnings per share computations:

	Group			
	2Q2016	2Q2015 (Adjusted)	1H2016	1H2015 (Adjusted)
Weighted average number of ordinary shares for basic earnings per share	43,967,037	43,967,037	43,967,037	43,967,037
Effect of dilution:				
Share options	N/A	N/A	N/A	N/A
Adjusted weighted average number of ordinary shares for diluted earnings per share	N/A	N/A	N/A	N/A

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group			Company		
	30 Jun 2016	31 Dec 2015 (Adjusted)	+/(-)%	30 Jun 2016	31 Dec 2015 (Adjusted)	+/(-)%
Net asset value ("NAV") attributable to the owners of the Company per ordinary share (RMB cents)	2,564.3	2,594.1	(1.1)	1,415.7	1,415.7	-

The NAV per share attributable to the owners of the Company as at 30 June 2016 have been calculated based on 43,967,037 ordinary shares of HK\$4.00 each (31 December 2015: 43,967,037 ordinary shares of HK\$4.00 each adjusted after effect of consolidation).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Group Performance

2Q2016 versus 2Q2015

Compared with 2Q2015, Group revenue decreased by 6.1% or RMB18.2 million from RMB295.8 million to RMB277.6 million, due mainly to lower sales from the PET bottles business. In 4Q2015, a major customer for the PET bottle plant in Tianjin was shut down. The same customer for the PET bottle plant in Shenzhen has also shifted some of its production to other location and as a result, its purchase orders to the PET bottle plant in Shenzhen decreased significantly. The Company was of the view that it was not viable to operate the Shenzhen bottle plant with such reduced level of purchase orders. Therefore, the Group closed down the PET bottle plants in Tianjin and Shenzhen at end of 2015. With the closing down of the PET bottle plants in Shenzhen and Tianjin, sales contribution from the PET bottles business decreased by 67% in 2Q2016 as compared to 2Q2015. However, sales contribution of PET bottles only accounted for 18.9% of total turnover in 2Q2015.

The overall decrease in gross profit in 2Q2016 was due mainly to a significant erosion of gross margin in the PET resin business.

Profit before income tax decreased by RMB10.8 million, from RMB5.3 million to a loss before income tax of RMB5.5 million. Profit after tax decreased by RMB8.9 million, from RMB2.8 million to a loss after tax of RMB6.1 million.

Net profit attributable to the owners of the Company decreased by RMB8.9 million from RMB2.8 million to a net loss of RMB6.1 million.

Although the Group suffered a loss in 2Q2016, the Group still generated positive EBITDA amounted to RMB20.2 million in the current period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As the Group's customers are in a consumer-based industry, demand for the Group's products will be adversely affected by the moderation in the economic growth in the PRC and the resultant reduction in discretionary consumer spending power. This has a direct impact on the Group's key customers.

The Group will continue efforts to increase sales of its PET resin business as appropriate, in order to fully utilise its production capacity to improve operational efficiency and reduce unit costs. The current production capacity of PET resin business was running at between 50% to 60%. Gross profit margins will continue to be under pressure due to weak demand as economic growth continues to moderate.

The Group continues to be vulnerable to the volatility oil prices which would have an impact on principal raw materials used by the Group.

On 22 June 2016, the Company announced that it has entered into a sale and purchase agreement with an independent third party to dispose all of its equity interest in its wholly-owned subsidiary Qingdao Full Apex Packing Vessel Co., Ltd. The disposal is expected to be

completed by end of September 2016 and would expect to have an estimated gain on disposal of approximately RMB16.0 million.

As at 31 December 2015, the Company missed the payment of one instalment of the syndicated loan of RMB28.3 million. Overdue interests were paid in April 2016. However, the Company is in the process of rectifying the situation and negotiating with the bankers to restructure the payment terms for the remaining amount of the syndicated loan. The Company is also in negotiation with other non-syndicated loan bankers to restructure the existing bank facilities. Some of the syndicated loan bankers have appointed an IFA as part of the negotiation process.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for the quarter ended 30 June 2016.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. If the Group has obtained a general mandate from shareholders for Interested person transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for IPTs. There were no IPTs during the year.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

18. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year and second quarter ended 30 June 2016 to be false or misleading in any material aspect.

19. Confirmation by the Company in compliance with Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured the undertakings (in the format set out in Appendix 7.7) from all its Directors and Executive Officers.

For and on behalf of the
Board of Directors of
FULL APEX (HOLDINGS) LIMITED

(Signed)
Guan Lingxiang
Executive Chairman

(Signed)
Liang Huiying
Director

12/8/2016