

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda)

FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2015

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		
	1Q2015 RMB'000	1Q2014 RMB'000	+/(-) %
Revenue (Note 1)	251,859	311,130	(19.1)
Cost of sales	(220,381)	(338,290)	(34.9)
GROSS PROFIT/(LOSS) (Note 2)	31,478	(27,160)	NM
Other income and gains	614	360	70.6
Selling and distribution costs (Note 3)	(3,557)	(6,779)	(47.5)
Administrative expenses	(10,687)	(12,638)	(15.4)
Other operating expenses (Note 4)	(6,921)	(3,132)	121.0
Finance costs (Note 5)	(7,393)	(6,197)	19.3
PROFIT/(LOSS) BEFORE INCOME TAX	3,534	(55,546)	NM
Income tax expense	(1,262)	(278)	354.0
PROFIT/(LOSS) FOR THE PERIOD	2,272	(55,824)	NM
Profit/(Loss) for the period attributable to:			
Owners of the Company	2,272	(55,574)	NM
Non-controlling interests	-	(250)	NM
	2,272	(55,824)	NM

1(a)(ii) Statement of Comprehensive income

	Group		
	1Q2015 RMB'000	1Q2014 RMB'000	+/(-) %
Profit/(Loss) for the period	2,272	(55,824)	NM
Other comprehensive income for the period:			
Exchange losses on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	-	-	-
Total comprehensive income for the period	2,272	(55,824)	NM
Total comprehensive income for the period attributable to:			
Owners of the Company	2,272	(55,574)	NM
Non-controlling interests	-	(250)	NM
	2,272	(55,824)	NM

NM = not meaningful

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

	Group		
	1Q2015 RMB'000	1Q2014 RMB'000	+/(-) %
Interest income	383	158	142.4
Net foreign exchange losses	(368)	(672)	(45.2)
Fair value gain/(losses) on financial assets at fair value through profit or loss	3	(1)	NM
Sale of scrap products	596	875	(31.9)
Other income and gains	614	360	70.6
Fair value losses on derivative financial instruments (Note 4)	6,921	3,132	121.0
Other operating expenses	6,921	3,132	121.0
Interest expenses	7,393	6,197	19.3
Depreciation and amortisation	24,249	24,758	(2.1)

NM = not meaningful

A. Notes

1. The decrease in revenue was due mainly to a decrease in sales from the polyethylene terephthalate ("PET") resin business resulting from a decrease in sales volume and lower selling prices.
2. In 1Q2014, there was a write-down of inventories to net realisable value which amounted to RMB50.5 million resulting from the continuing decline in raw material prices. There was no write-down of inventories in 1Q2015. Therefore, the gross margin has increased from gross loss of 8.7% to gross profit of 12.5%.
3. As a result of the decline in sales volume, the selling and distribution costs and transportation costs decreased.
4. 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.
5. The increase in finance costs was due mainly to higher 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 was 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	
	31 Mar 2015 RMB'000	31 Dec 2014 RMB'000	31 Mar 2015 RMB'000	31 Dec 2014 RMB'000
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Property, plant and equipment	1,140,128	1,163,500	-	-
Prepaid land lease payments	86,902	87,608	-	-
Interests in subsidiaries	-	-	153,021	153,021
Prepayments	5,279	5,322	-	-
	<u>1,232,309</u>	<u>1,256,430</u>	<u>153,021</u>	<u>153,021</u>
CURRENT ASSETS				
Inventories	423,815	371,341	-	-
Trade and bills receivables	364,693	419,079	-	-
Deposits, prepayments and other receivables	112,207	134,211	86	115
Financial assets at fair value through profit or loss	39	36	-	-
Amounts due from subsidiaries	-	-	471,759	471,968
Current tax recoverable	997	1,153	-	-
Amounts due from brokers (Note 1)	30	1,335	-	-
Cash and bank balances	67,949	63,463	32	32
	<u>969,730</u>	<u>990,618</u>	<u>471,877</u>	<u>472,115</u>
CURRENT LIABILITIES				
Trade and bills payables	174,267	75,443	-	-
Accruals, deposits received and other payables	32,665	21,386	1,511	1,597
Derivative financial instruments (Note 2)	-	10,681	-	-
Interest-bearing borrowings	341,736	490,302	-	-
Current tax liabilities	12,346	10,829	-	-
	<u>561,014</u>	<u>608,641</u>	<u>1,511</u>	<u>1,597</u>
NET CURRENT ASSETS	<u>408,716</u>	<u>381,977</u>	<u>470,366</u>	<u>470,518</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,641,025</u>	<u>1,638,407</u>	<u>623,387</u>	<u>623,539</u>
NON-CURRENT LIABILITIES				
Interest-bearing borrowings	195,304	194,958	-	-
Deferred tax liabilities	37,615	37,615	-	-
	<u>232,919</u>	<u>232,573</u>	<u>-</u>	<u>-</u>
NET ASSETS	<u>1,408,106</u>	<u>1,405,834</u>	<u>623,387</u>	<u>623,539</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	1,228,794	1,226,522	444,075	444,227
	<u>1,408,106</u>	<u>1,405,834</u>	<u>623,387</u>	<u>623,539</u>
NON-CONTROLLING INTERESTS	-	-	-	-
TOTAL EQUITY	<u>1,408,106</u>	<u>1,405,834</u>	<u>623,387</u>	<u>623,539</u>

Notes

1. Amounts due from brokers represent deposits in the commodity brokers' trust account relating to the commodity future contracts.
2. Derivative financial instruments represent the fair value of commodity future contracts entered in 1Q2014 for hedge against principal raw material requirements of the Group.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
341,736	-	304,148	186,154

Amount repayable after one year

As at 31/3/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
195,304	-	194,958	-

Details of any collateral

The Group's bank loans bear interest ranging from 2% to 8% per annum. As at 31 March 2015, the Group's secured borrowings was supported by cross-guarantees executed by the Company and/or certain subsidiaries of the Company.

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

	Group	
	1Q2015 RMB'000	1Q2014 RMB'000
Cash flows from operating activities		
Profit/(loss) before income tax	3,534	(55,546)
Adjustments for:		
Interest income	(383)	(158)
Fair value (gain)/losses on financial assets at fair value through profit or loss	(3)	1
Interest expenses	7,393	6,197
Amortisation of prepaid land lease payments	706	647
Depreciation	23,543	24,111
Fair value losses on derivative financial instruments	6,921	3,132
Write-down of inventories to net realisable value	-	50,500
	<hr/>	<hr/>
Operating profit before working capital changes	41,711	28,884
(Increase)/Decrease in inventories	(52,474)	98,749
Decrease in trade and bills receivables	54,386	67,430
Decrease in deposits, prepayments and other receivables	7,812	24,991
Increase in trade and bills payables	98,824	31,208
Increase/(Decrease) in accruals, deposits received and other payables	9,676	(1,270)
	<hr/>	<hr/>
Cash generated from operations	159,935	249,992
Income tax paid	(584)	(2,192)
	<hr/>	<hr/>
Net cash generated from operating activities	159,351	247,800
Cash flows from investing activities		
Purchases of property, plant and equipment	(171)	(36,904)
Bank interest received	383	158
Decrease in margin deposits placed with brokers	18,436	2,847
Settlement of derivative financial instruments	(17,602)	(5,856)
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	1,046	(39,755)
Cash flows from financing activities		
Increase in pledged bank deposits	(13,156)	(14,797)
Proceeds from interest-bearing borrowings	136,920	225,507
Repayments of interest-bearing borrowings	(285,486)	(339,783)
Interest paid	(8,650)	(10,758)
	<hr/>	<hr/>
Net cash used in financing activities	(170,372)	(139,831)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(9,975)	68,214
Cash and cash equivalents at 1 January	56,186	91,281
Effect of foreign exchange rate changes, net	-	-
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	46,211	159,495
	<hr/>	<hr/>
Analysis of balances of cash and cash equivalents		
Amounts due from brokers	30	4,945
Cash on and bank balances	67,949	192,439
Less: restricted deposits (Note 1)	(21,768)	(37,889)
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	46,211	159,495
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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								Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Capital reserves	Statutory reserves	Foreign translation reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 Jan 2014	184,319	(5,007)	318,742	1,492	105,761	(1,880)	855,467	1,458,894	26,084	1,484,978
Loss for the period, representing total comprehensive income for the period	-	-	-	-	-	-	(55,574)	(55,574)	(250)	(55,824)
Transfer to statutory reserves	-	-	-	-	100	-	(100)	-	-	-
At 31 Mar 2014	184,319	(5,007)	318,742	1,492	105,861	(1,880)	799,793	1,403,320	25,834	1,429,154
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

The Company	Share capital	Treasury shares	Share premium	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 Jan 2014	184,319	(5,007)	318,742	126,378	624,432
Loss for the period, representing total comprehensive income for the period	-	-	-	(133)	(133)
At 31 Mar 2014	184,319	(5,007)	318,742	126,245	624,299
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

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 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.

As at 31 March 2015, the Company's authorised capital was 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 2014: HK\$176,695,550) divided into 883,477,752 ordinary shares (31 December 2014: 883,477,752 ordinary shares) of HK\$0.20 each.

As at 31 March 2015, the Company had 4,137,000 treasury shares (31 December 2014: 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	
	31 Mar 2015	31 Dec 2014
Total number of issued shares (excluding treasury shares)	879,340,752	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 auditing standard or practice.

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 a 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 2014.

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 2015. 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	1Q2015	1Q2014
Earnings/(Losses) 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)	0.26	(6.32)
(ii) On a fully diluted basis (RMB cents)	N/A	N/A

Basic earnings per share for 1Q2015 is calculated based on the Group's net profit attributable to the owners of the Company of RMB2,272,000 (1Q2014: net loss attributable to the owners of the Company of RMB55,574,000) divided by the weighted average number of 879,340,752 ordinary shares (1Q2014: 879,340,752 ordinary shares) of HK\$0.20 each in issue during the period.

Diluted earnings per share for 1Q2015 and 1Q2014 was not 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	
	1Q2015	1Q2014
Weighted average number of ordinary shares for basic earnings per share	879,340,752	879,340,752
Effect of dilution:		
Share options	N/A	N/A
Adjusted weighted average number of ordinary shares for diluted earnings per share	N/A	N/A

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group			Company		
	31 Mar 2015	31 Dec 2014	+/(-) %	31 Mar 2015	31 Dec 2014	+/(-) %
Net asset value ("NAV") attributable to the owner of the Company per ordinary share (RMB cents)	160.1	159.9	0.1	70.9	70.9	-

The NAV per share attributable to the owners of the Company as at 31 March 2015 have been calculated based on 879,340,752 ordinary shares (31 December 2014: 879,340,752 ordinary shares) of HK\$0.20 each.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) 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; and**
- (b) 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

1Q2015 versus 1Q2014

Compared with 1Q2014, Group revenue decreased by 19.1% or RMB59.2 million from RMB311.1 million to RMB251.9 million, due mainly to lower sales from the PET resin business. Both sales volume and unit prices of PET resin saw a decline.

In 1Q2014, there was a write-down of inventories to net realisable value which amounted to RMB50.5 million (which is reflected in cost of sales) resulting from the continuing decline in raw material prices. There was no write-down of inventories in 1Q2015. Therefore, the gross margin has increased from gross loss of 8.7% to gross profit of 12.5%.

Profit before income tax increased by RMB59.0 million from loss of RMB55.5 million to profit of RMB3.5 million. Profit after tax increased RMB58.1 million from loss after tax of RMB55.8 million to profit after tax of RMB2.3 million.

Net profit attributable to the owners of the Company was RMB2.3 million, against 1Q2014 net loss attributable to the owners of the Company of RMB55.6 million.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

NIL.

(b)(i) Amount per share:

NIL.

(b)(ii) Corresponding Period of the Immediately Preceding Financial Year

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

NIL.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend was declared for the quarter ended 31 March 2015.

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 period.

- 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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

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

(Signed)
Guan Lingxiang
Executive Chairman

(Signed)
Liang Huiying
Director

15/5/2015