

FULL APEX (HOLDINGS) LIMITED
(Incorporated in Bermuda)
(Company Registration Number 31906)

Background Information

On 10 November 2016, Pan-Asia PET Resin (Guangzhou) Co., Ltd. (the “Pan Asia”), a wholly-owned subsidiary of Full Apex (Holdings) Limited (the “Company”) and the leading investor and manufacturer of Polyethylene Terephthalate (“PET”) resin in the People’s Republic of China (the “PRC”), has entered into a Memorandum of Understanding (the “NICDP MOU”) with National Industrial Clusters Development Program of the Kingdom of Saudi Arabia (the “Kingdom”), to explore the possibility of conducting a feasibility study for establishing manufacturing facilities for Purified Terephthalic Acid (“PTA”), PET and other polyester products at Jazan Economic City (“JEC”) in the Kingdom (the “Project”). By entering into the NICDP MOU, both parties agree to work together in exploring viability of the investment opportunity in the Project. For more details, please refer to a separate announcement released by the Company on 14 November 2016. The feasibility studies on the Project are in progress.

Poly (Hong Kong) Holdings Limited (“Poly”), a subsidiary of China Poly Group Corporation and an independent third party incorporated in Hong Kong, has expressed strong interest to participate in the Project. The Project is part of the “Saudi Arabia leg” of the Economic Belt and Silk Road strategy initiated by the PRC.

Memorandum of Understanding (“MOU”)

The Board of Directors of the Company and its subsidiaries (collectively referred to as the “Group”) is pleased to announce that Favour Development Limited (“FDL”), the intermediate holding company of Pan Asia and a wholly-owned subsidiary of the Company, has entered into a MOU with Poly on 17 March 2017.

By entering into the MOU, FDL and Poly will establish a strategic partnership to work together in exploring viability of:

- establishing a full polyester product chain manufacturing facilities for PTA (annual capacity of 2.5 million tons), PET (annual capacity of 0.9 million tons), Polybutylene Terephthalate (“PBT”) (annual capacity of 0.2 million tons), Thin Film (annual capacity of 0.2 million tons), and Pre Oriented Yarn/Partially Oriented yarn (“POY”)/Fully Drawn Yarn (“FDY”) (annual capacity of 0.2 million tons) alongside the ancillary facilities at JEC. The mentioned capacities are indicative where final capacities will be determined by the final approval of the Kingdom government; and

- the possibility of re-development of Pan Asia factory and land in China

This MOU is a non-binding expression of both parties and is not expected to have any material impact on the Group's consolidated earnings per share and net tangible assets per share for the financial year ending 31 December 2017.

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

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

By Order of the Board

Guan Lingxiang

Executive Chairman

Date: 20 March 2017