

FULL APEX (HOLDINGS) LIMITED

(Incorporated in Bermuda)

Third Quarter Financial Statements For Period Ended 30 September 2017

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

Consolidated statement of profit or loss and other comprehensive income for the three months and nine months ended 30 September 2017

	Quarter ended		Group			
	3Q2017 RMB'000	3Q2016 RMB'000	+/- %	9M2017 RMB'000	9M2016 RMB'000	+/- %
Revenue	288,075	241,925	19.1	854,466	783,867	9.0
Cost of sales	<u>(257,831)</u>	<u>(230,707)</u>	11.8	<u>(775,902)</u>	<u>(746,848)</u>	3.9
Gross profit	30,244	11,218	169.6	78,564	37,019	112.2
Other income and gains	1,009	17,603	(94.3)	1,487	18,360	(91.9)
Selling and distribution costs	(3,267)	(2,967)	10.1	(9,000)	(8,604)	4.6
Administrative expenses	(12,649)	(12,052)	5.0	(33,142)	(31,924)	3.8
Other operating expenses	(1,025)	(22,536)	(95.5)	(1,633)	(21,533)	(92.4)
Finance costs	<u>(9,291)</u>	<u>(7,760)</u>	19.7	<u>(25,059)</u>	<u>(21,589)</u>	16.1
Profit/(Loss) before income tax	5,021	(16,494)	NM	11,217	(28,271)	NM
Income tax expense	(976)	(732)	33.3	(2,080)	(2,022)	2.9
Profit/(Loss) for the period	<u>4,045</u>	<u>(17,226)</u>	NM	<u>9,137</u>	<u>(30,293)</u>	NM
Profit/(Loss) for the period attributed to: Owners of the Company	<u>4,045</u>	<u>(17,226)</u>	NM	<u>9,137</u>	<u>(30,293)</u>	NM
Profit/(Loss) for the period	4,045	(17,226)	NM	9,137	(30,293)	NM
Total comprehensive income for the period	<u>4,045</u>	<u>(17,226)</u>	NM	<u>9,137</u>	<u>(30,293)</u>	NM
Total comprehensive income for the period attributable to: Owners of the Company	<u>4,045</u>	<u>(17,226)</u>	NM	<u>9,137</u>	<u>(30,293)</u>	NM

NM = not meaningful

Consolidated statement of profit or loss and other comprehensive income for the three months and nine months ended 30 September 2017 (Continued)

	Quarter ended		Group			
	3Q2017 RMB'000	3Q2016 RMB'000	+/- %	9M2017 RMB'000	9M2016 RMB'000	+/- %
Dividend income	-	-	NM	-	1	(100.0)
Interest income	22	21	4.8	143	81	76.5
Gains on disposal of property, plant and equipment	-	192	(100.0)	-	192	(100.0)
Fai value gains on financial assets at fair value through profit or loss	49	7	600.0	50	10	400.0
Gain on disposal of a subsidiary	-	16,816	(100.0)	-	16,816	(100.0)
Sale of scrap products	938	427	119.7	1,294	1,120	15.5
Rental income	-	140	(100.0)	-	140	(100.0)
Other income and gains	<u>1,009</u>	<u>17,603</u>	(94.3)	<u>1,487</u>	<u>18,360</u>	(91.9)
Net foreign exchange losses	<u>1,025</u>	<u>22,536</u>	(95.5)	<u>1,633</u>	<u>21,533</u>	(92.4)
Other operating expenses	<u>1,025</u>	<u>22,536</u>	(95.5)	<u>1,633</u>	<u>21,533</u>	(92.4)
Interest expenses	9,291	7,760	19.7	25,059	21,589	16.1
Depreciation and amortisation	16,726	23,721	(29.5)	50,387	61,200	(17.7)

NM = not meaningful

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 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Property, plant and equipment	654,539	703,497	-	-
Prepaid land lease payments	79,564	80,993	-	-
Interests in subsidiaries	-	-	153,021	153,021
Deferred tax assets	9,281	9,281	-	-
Prepayments	4,893	4,978	-	-
	<u>748,277</u>	<u>798,749</u>	<u>153,021</u>	<u>153,021</u>
CURRENT ASSETS				
Inventories	433,760	393,044	-	-
Trade and bills receivables	408,480	413,929	-	-
Deposits, prepayments and other receivables	160,717	165,279	91	121
Financial assets at fair value through profit or loss	102	52	-	-
Amounts due from subsidiaries	-	-	469,260	469,622
Amounts due from brokers	22	22	-	-
Cash and bank balances	23,591	20,253	32	32
	<u>1,026,672</u>	<u>992,579</u>	<u>469,383</u>	<u>469,775</u>
CURRENT LIABILITIES				
Trade and bills payables	21,192	14,570	-	-
Accruals, deposits received and other payables	37,037	22,537	679	927
Interest-bearing borrowings	612,354	659,058	-	-
Current tax liabilities	9,587	9,521	-	-
	<u>680,170</u>	<u>705,686</u>	<u>679</u>	<u>927</u>
NET CURRENT ASSETS	<u>346,502</u>	<u>286,893</u>	<u>468,704</u>	<u>468,848</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,094,779</u>	<u>1,085,642</u>	<u>621,725</u>	<u>621,869</u>
NET ASSETS	<u>1,094,779</u>	<u>1,085,642</u>	<u>621,725</u>	<u>621,869</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	915,467	906,330	442,413	442,557
TOTAL EQUITY	<u>1,094,779</u>	<u>1,085,642</u>	<u>621,725</u>	<u>621,869</u>

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

Amount repayable in one year or less, or on demand

As at 30/9/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
612,354	-	659,058	-

Amount repayable after one year

As at 30/9/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

The Group's bank borrowings bear interest ranging from 3% to 8% per annum. As at 30 September 2017, the Group's secured borrowings were 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			
	Quarter ended 3Q2017 RMB'000	3Q2016 RMB'000	Nine months ended 9M2017 RMB'000	9M2016 RMB'000
Cash flows from operating activities				
Profit/(Loss) before income tax	5,021	(16,494)	11,217	(28,271)
Adjustments for:				
Interest income	(22)	(21)	(143)	(81)
Amortisation of prepaid land lease payments	403	766	1,429	2,120
Depreciation	16,323	22,955	48,958	59,080
Fair value gains on financial assets at fair value through profit or loss	(49)	(7)	(50)	(10)
Interest expenses	9,291	7,760	25,059	21,589
Gains on disposal of property, plant and equipment	-	(192)	-	(192)
Net foreign exchange losses arising from translation of borrowings	-	21,218	-	21,329
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Operating profit before working capital changes	30,967	35,985	86,470	75,564
(Increase)/Decrease in inventories	(2,750)	13,206	(40,716)	(96,261)
(Increase)/Decrease in trade and bills receivables	(16,442)	19,203	5,449	40,104
(Increase)/Decrease in deposits, prepayments and other receivables	(8,773)	(10,838)	4,647	(19,289)
Increase/(Decrease) in trade and bills payables	7,120	(7,303)	6,622	(105,140)
Increase/(Decrease) in accruals, deposits received and other payables	4,105	(3,726)	7,636	(277)
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Cash generated from/(used in) operations	14,227	46,527	70,108	(105,299)
Income tax paid	(460)	(566)	(2,014)	(1,856)
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Net cash generated from/(used in) operating activities	13,767	45,961	68,094	(107,155)
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Cash flows from investing activities				
Purchases of property, plant and equipment	-	(561)	-	(837)
Proceeds from disposals of property, plant and equipment	-	900	-	900
Proceeds from disposal of subsidiary #	-	23,800	-	23,800
Bank interest received	22	21	143	81
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Net cash generated from investing activities	22	24,160	143	23,944
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Cash flows from financing activities				
(Increase)/Decrease in pledged bank deposits	(4,248)	782	(2,740)	20,236
Proceeds from interest-bearing borrowings	129,750	95,460	444,257	440,283
Repayments of interest-bearing borrowings	(152,014)	(149,768)	(490,961)	(369,780)
Payments for acquisition of additional interests in subsidiaries	-	(6,171)	-	(6,171)
Interest paid	(6,234)	(7,401)	(18,195)	(22,627)
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Net cash (used in)/generated from financing activities	(32,746)	(67,098)	(67,639)	61,941
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Net (decrease)/increase in cash and cash equivalents	(18,957)	3,023	598	(21,270)
Cash and cash equivalents at beginning of period	33,690	15,666	14,135	40,007
Effect of foreign exchange rate changes, net		7,473	-	7,425
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Cash and cash equivalents at end of period	14,733	26,162	14,733	26,162
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Analysis of balances of cash and cash equivalents				
Amount due from brokers	22	24	22	24
Cash and bank balances	23,591	31,685	23,591	31,685
Less: Pledged bank deposits*	(8,880)	(5,547)	(8,880)	(5,547)
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	14,733	26,162	14,733	26,162
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Notes:

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

Proceeds from disposal of subsidiary was previously included in "Cash flows from financing activities".

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.

	Equity attributable to the owners of the Company							
	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 equity RMB'000
The Group								
At 1 Jan 2016	184,319	(5,007)	318,742	1,492	108,511	(325)	532,828	1,140,560
Loss for the period	-	-	-	-	-	-	(13,067)	(13,067)
Exchange losses on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	-	-	-	-	-	(48)	-	(48)
Total comprehensive income for the period	-	-	-	-	-	(48)	(13,067)	(13,115)
Transfer to statutory reserves	-	-	-	-	400	-	(400)	-
At 30 Jun 2016	184,319	(5,007)	318,742	1,492	108,911	(373)	519,361	1,127,445
Loss for the period	-	-	-	-	-	-	(17,226)	(17,226)
Exchange losses on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	-	-	-	-	-	1,908	-	1,908
Total comprehensive income for the period	-	-	-	-	-	1,908	(17,226)	(15,318)
Transfer to statutory reserves	-	-	-	-	220	-	(220)	-
At 30 Sep 2016	184,319	(5,007)	318,742	1,492	109,131	1,535	501,915	1,112,127
At 1 Jan 2017	184,319	(5,007)	318,742	1,492	109,281	3,768	473,047	1,085,642
Loss for the period	-	-	-	-	-	-	5,092	5,092
Total comprehensive income for the period	-	-	-	-	-	-	5,092	5,092
Transfer to statutory reserves	-	-	-	-	550	-	(550)	-
At 30 Jun 2017	184,319	(5,007)	318,742	1,492	109,831	3,768	477,589	1,090,734
Loss for the period	-	-	-	-	-	-	4,045	4,045
Exchange losses on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	4,045	4,045
Transfer to statutory reserves	-	-	-	-	660	-	(660)	-
At 30 Sep 2017	184,319	(5,007)	318,742	1,492	110,491	3,768	480,974	1,094,779

The Company	Equity attributable to the owners of 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 2016	184,319	(5,007)	318,742	124,991	623,045
Loss for the period	-	-	-	(609)	(609)
Total comprehensive income for the period	-	-	-	(609)	(609)
At 30 Jun 2016	184,319	(5,007)	318,742	124,382	622,436
Loss for the period	-	-	-	(34)	(34)
Total comprehensive income for the period	-	-	-	(34)	(34)
At 30 Sep 2016	184,319	(5,007)	318,742	124,348	622,402
At 1 Jan 2017	184,319	(5,007)	318,742	123,815	621,869
Loss for the period	-	-	-	(124)	(124)
Total comprehensive income for the period	-	-	-	(124)	(124)
At 30 Jun 2017	184,319	(5,007)	318,742	123,691	621,745
Loss for the period	-	-	-	(20)	(20)
Total comprehensive income for the period	-	-	-	(20)	(20)
At 30 Sep 2017	184,319	(5,007)	318,742	123,671	621,725

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

As at 30 September 2017, 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 2016: HK\$2,000,000,000 divided into 500,000,000 ordinary shares of HK\$4.00 each).

The Company's issued and paid-up capital was HK\$176,695,550 (31 December 2016: HK\$176,695,550) divided into 44,173,887 ordinary shares of HK\$4.00 each (31 December 2016: 44,173,887 ordinary shares of HK\$4.00 each).

As at 30 September 2017, the Company had 206,850 treasury shares (31 December 2016: 206,850 treasury shares).

As at 30 September 2017, there were no subsidiary holdings (31 December 2016: Nil).

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.

	30 Sep 2017	As at 31 Dec 2016
Total number of issued shares (excluding treasury shares)	43,967,037	43,967,037

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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

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 2016.

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 new IFRSs which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2017. 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

	Group			
	3Q2017	3Q2016	9M2017	9M2016
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)	9.20	(39.18)	20.78	(68.90)
(ii) On a fully diluted basis (RMB cents)	N/A	N/A	N/A	N/A

N/A – Not applicable

Basic earnings/(losses) per ordinary share for the third quarter (“3Q”) and the nine months (“9M”) ended 30 September 2017 is calculated based on the profit attributable to the owners of the Company of approximately RMB4,045,000 and RMB9,137,000, respectively (3Q2016 and 9M2016: net losses attributable to the owners of the Company of RMB17,226,000 and RMB30,293,000, respectively) divided by the weighted average of 43,967,037 ordinary shares in issue (excluding treasury shares) for 3Q2017 and 9M2017 (3Q2016 and 9M2016: 43,967,037 ordinary shares in issue (excluding treasury shares)).

There were no potential ordinary shares in existence for 3Q2017, 9M2017, 3Q2016 and 9M2016 and accordingly, no diluted earnings/(losses) per share are presented.

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

	The Group			The Company		
	30 Sep 2017	31 Dec 2016	+/(-)%	30 Sep 2017	31 Dec 2016	+/(-)%
Net asset value (“NVA”) attributable to the owners of the Company per ordinary share (RMB)	24.90	24.69	0.84	14.14	14.14	-

The NAV per share attributable to the owners of the Company as at 30 September 2017 have been calculated based on 43,967,037 shares in issue, excluding treasury shares (31 December 2016: 43,967,037 shares in issue (excluding treasury shares)).

- 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, Financial Position and Cash Flows

(A) Revenue

The Group's revenue increased by 19.1% or RMB46.2 million from RMB241.9 million in 3Q2016 to RMB288.1 million in 3Q2017, mainly due to increase both in sales volume and selling prices of our PET products. The sales of our key products, PET resin, amounted to 96% of our total revenue in 3Q2017 (3Q2016: 95%).

(B) Gross profit margin

The Group recorded a gross profit margin of 10.5% in 3Q2017, compared to 4.6% in 3Q2016. The overall increase in gross profit in 3Q2017 was due mainly to an increase in gross margin in the PET resin business, resulting from the general improvement in market conditions and a decrease in the raw material costs.

(C) Other income and gains

Other income and gains decreased by 94.3% in 3Q2017 compared to 3Q2016, mainly because there was no gain on disposal of a subsidiary in 3Q2017.

(D) Selling and distribution costs

In line with an increase in sales revenue, the Group incurred higher selling and distribution costs in 3Q2017 compared to 3Q2016.

(E) Other operating expenses

Other operating expenses decreased by 95.5% in 3Q2017 compared to 3Q2016, due to a decrease in net foreign exchange losses in 3Q2017.

(F) Finance costs

Finance costs increased by 19.7% in 3Q2017 compared to 3Q2016 mainly due to the increase in effective interest rate on bank borrowings.

(G) Income tax expense

A provision of 25% for PRC income tax was made for the respective profits of our subsidiaries in PRC in the consolidated financial statements of the Group in 3Q2017 (3Q2016: 25%).

(H) Profit for the period

Profit for the period increased by RMB39.4 million from loss of RMB30.3 million in 9M2016 to profit of RMB9.1 million in 9M2017, mainly because there was an increase in gross profit margin and also the reduction of the foreign exchange loss of RMB19.9 million in 9M2017.

(I) Inventories

The increase in inventories was mainly due to higher raw material purchases for the production of PET resin in 3Q2017.

(J) Deposits, prepayment and other receivables

The decrease in deposits, prepayment and other receivables in 3Q2017 was mainly due to a decrease in the deposits paid to suppliers.

(K) Accruals, deposits received and other payables

The increase in accruals, deposits and other payables in 3Q2017 was mainly due to an increase in accrued interest of RMB6.8 million and other expenses of RMB7.4 million.

(L) Cash flows

Positive cash flow of RMB0.6 million was generated in 9M2017 by the Group, arising mainly from the net cash generated from operations of RMB68.1 million, offset with the net cash used in financing activities of RMB67.6 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 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

There is a general improvement in the market environment, and the Group will maximise our production capacity and reduce unit costs. The current production of PET resin business was running at approximately 60% of full capacity.

However, the Group continues to face challenges such as the effect of our raw material costs from volatile oil prices.

The Group's bank borrowings totalling RMB262.1 million have been due for payment. The management has engaged a financial adviser to negotiate with the bankers to restructure the payment terms for the remaining amount of the syndicated loans and other bank loans and other existing banking facilities.

For the past one year, the Group has entered three Memoranda of Understanding ("MOUs") to enhance the group's performance and shareholders' value as follows:

First, on 10 November 2016, the Group entered into a 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, Polyethylene Terephthalate and other polyester products at Jazan Economic City ("JEC") in the Kingdom (the "Project"). By entering into the MOU, both parties agree to work together in exploring viability of the investment opportunity in the Project.

Second, on 16 March 2017, the Group also entered into a MOU ("RCJY MOU") for the above project with Royal Commission for Jubail and Yanbu of the Kingdom ("RCJY"). By entering into the RCJY

MOU, a plot of land in JEC has been tentatively and conditionally allocated to the Group for the purpose of building and operating above said factories.

Third, on 17 March 2017, the Group also entered into a MOU with Poly (Hong Kong) Holdings Limited ("Poly"), a subsidiary of China Poly Group Corporation and an independent third party incorporated in Hong Kong ("Poly MOU"). By entering into the Poly MOU, both parties agreed to establish a strategic partnership to work together in exploring viability of the Project in Saudi Arabia and the possibility of redevelopment of Pan Asia factory and land.

The management is in the progress of working with the relevant parties in respect of the above MOUs. The management believes those projects can enhance the overall financial performance of the Group. The Company will update the shareholders for the development of those plans when appropriate.

With effect from 5 June 2017, the Company has been placed on the Watch-list due to the financial and minimum trading price entry criteria of the Singapore Exchange Securities Trading Limited. The management will endeavour to meet the requirements of Rule 1314 of Listing Manual to be removed from the Watch List.

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 September 2017.

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. 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 third quarter ended 30 September 2017 to be false or misleading in any material aspect.

15. 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

Guan Lingxiang
Executive Chairman

Liang Huiying
Director

13 November 2017