



## Apex-Pal International Ltd.

### Half Year Financial Statement And Dividend Announcement

#### 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.

#### INCOME STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2009

	Group		Increase/ (Decrease) %
	Half-year ended 30 June		
	2009 \$'000	2008 \$'000	
Revenue	44,181	47,233	(6.5)
Cost of sales	(13,220)	(14,234)	(7.1)
Gross profit	30,961	32,999	(6.2)
Other operating income	791	183	332
Administrative expenses	(17,420)	(20,718)	(15.9)
Other operating expenses	(13,153)	(12,921)	1.8
Finance cost	(119)	(70)	70
Profit (Loss) before income tax	1,060	(527)	NA
Income tax income (expense)	20	(12)	NA
Profit (Loss) after income tax	1,080	(539)	NA
Attributable to:			
Equity holders of the company	1,102	(523)	NA
Minority interests	(22)	(16)	NA
	1,080	(539)	NA

A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF COMPREHENSIVE INCOME FOR SIX MONTHS ENDED 30 JUNE 2009**

	Group		Increase/ (Decrease) %
	Half-year ended 30 June		
	2009 \$'000	2008 \$'000	
Net profit (loss) for the period	1,080	(539)	NA
Other comprehensive income/expenses:	-	-	
Currency translation differences	30	27	11.1
<b>Total comprehensive income for the period</b>	<b>1,110</b>	<b>(512)</b>	<b>NA</b>
Attributable to:			
Equity holders of the Company	1,132	(496)	NA
Minority interests	(22)	(16)	NA
<b>Total comprehensive income for the period</b>	<b>1,110</b>	<b>(512)</b>	<b>NA</b>

Profit (Loss) before income tax is determined after charging (crediting) the following:

	Group	
	Half-year ended 30 June	
	2009 \$'000	2008 \$'000
Depreciation	2,166	1,893
Write-off of payables incurred by overseas subsidiaries which have ceased operations	(542)	-
Gain on disposal of plant and equipment	-	17
Interest income	13	20

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	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	4,520	2,672	2,392	1,001
Trade receivables	930	1,103	815	999
Other receivables and prepayments	6,652	14,926	4,949	13,066
Inventories	1,787	1,551	1,499	1,266
<b>Total current assets</b>	<b>13,889</b>	<b>20,252</b>	<b>9,655</b>	<b>16,332</b>
<b>Non-current assets:</b>				
Due from subsidiaries	-	-	5,743	4,857
Property, plant and equipment	19,171	18,962	15,994	15,314
Intangible asset	905	914	-	-
<b>Total non-current assets</b>	<b>20,076</b>	<b>19,876</b>	<b>21,737</b>	<b>20,171</b>
<b>Total assets</b>	<b>33,965</b>	<b>40,128</b>	<b>31,392</b>	<b>36,503</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	8,365	11,953	7,246	10,357
Other payables	2,794	4,396	1,829	2,063
Due to subsidiaries	-	-	35	35
Income tax (receivable) / payable	(92)	93	20	54
Current portion of finance lease	-	1	-	-
Bank loans	10,043	11,940	10,043	11,940
<b>Total current liabilities</b>	<b>21,110</b>	<b>28,383</b>	<b>19,173</b>	<b>24,449</b>
<b>Non-current liabilities:</b>				
Deferred taxation	586	586	516	516
<b>Total non-current liabilities</b>	<b>586</b>	<b>586</b>	<b>516</b>	<b>516</b>
<b>Capital and reserves:</b>				
Share capital	10,736	10,736	10,736	10,736
Reserves	1,549	417	967	802
Equity attributable to equity holders of the company	12,285	11,153	11,703	11,538
Minority interests	(16)	6	-	-
<b>Total equity</b>	<b>12,269</b>	<b>11,159</b>	<b>11,703</b>	<b>11,538</b>
<b>Total liabilities and equity</b>	<b>33,965</b>	<b>40,128</b>	<b>31,392</b>	<b>36,503</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
6,843	3,200	5,191	6,750

**Amount repayable after one year**

As at 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**Details of any collateral**

Nil

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

	<b>Group</b>	
	<b>Half-year ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities:</b>		
Profit (Loss) before income tax	1,060	(527)
Adjustments for:		
Depreciation expense	2,166	1,893
Gain on disposal of property, plant and equipment	-	(17)
Interest expense	119	70
Interest income	(13)	(20)
Operating cash flows before movements in working capital	3,332	1,399
Trade receivables	173	149
Other receivables and prepayments	8,274	(2,858)
Inventories	(236)	(168)
Trade payables	(3,588)	669
Other payables	(1,602)	(1,274)
Cash (used in) generated from operations	6,353	(2,083)
Interest paid	(165)	(70)
Interest received	13	20
Income tax paid	(119)	(543)
Net cash (used in) from operating activities	6,082	(2,676)
<b>Investing activities:</b>		
Proceeds on disposal of property, plant and equipment	-	20
Purchase of property, plant and equipment	(2,366)	(7,582)
Net cash used in investing activities	(2,366)	(7,562)
<b>Financing activities:</b>		
Finance lease payments	(1)	(4)
(Repayments of) Proceeds from borrowings	(1,897)	10,172
Acquisition of shares by minority interest shareholder	-	50
Dividends paid	-	(1,420)
Net cash from (used in) from financing activities	(1,898)	8,798
Net effect of exchange rate changes in consolidating subsidiaries	30	26
Net decrease in cash	1,848	(1,414)
Cash and bank balances at beginning of year	2,672	4,930
Cash and bank balances at end of year	4,520	3,516

**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.**

	Issued capital	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Minority interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
Balance at January 1, 2008	10,736	(32)	5,694	16,398	-	16,398
Issue of shares to minority interest shareholder	-	-	-	-	50	50
Total comprehensive income for the period	-	27	(523)	(496)	(16)	(512)
Dividend paid	-	-	(1,420)	(1,420)	-	(1,420)
Balance at June 30, 2008	10,736	(5)	3,751	14,482	34	14,516
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Balance at January 1, 2009	10,736	(109)	526	11,153	6	11,159
Total comprehensive income for the period	-	30	1,102	1,132	(22)	1,110
Balance at June 30, 2009	10,736	(79)	1,628	12,285	(16)	12,269
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<b>Company</b>						
Balance at January 1, 2008	10,736	-	7,499	18,235	-	18,235
Total comprehensive income for the period	-	-	613	613	-	613
Dividend paid	-	-	(1,420)	(1,420)	-	(1,420)
Balance at June 30, 2008	10,736	-	6,692	17,428	-	17,428
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Balance at January 1, 2009	10,736	-	802	11,538	-	11,538
Total comprehensive income for the period	-	-	165	165	-	165
Balance at June 30, 2009	10,736	-	967	11,703	-	11,703

**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.**

There were no changes in the Company's share capital.

**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.**

	<b>30/06/2009</b>	<b>31/12/2008</b>
Total no. of issued shares (excluding treasury shares)	142,000,000	142,000,000

**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.**

Not applicable.

**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 Company'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.**

The Company has followed the same accounting policies and methods of computation in the financial statements for the current period with those adopted in the most recent audited financial statements for the financial year ended December 31, 2008.

**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.**

Not applicable.

**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.**

	<b>30/06/2009</b>	<b>30/06/2008</b>
Earnings per ordinary share for the period		
(a) Based on weighted average number of ordinary shares in issue (cents)	0.78	(0.37)
(b) On a fully diluted basis (cents)	0.78	(0.37)

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 financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
Net asset value per ordinary share based on issued share capital as at the end of period (cents)	8.64	7.90	8.24	8.13

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.**

Group turnover for the six months ended 30 June 2009 was \$44 million, down from \$47 million in the prior corresponding period. This constitutes a decrease of 6.5% and is largely due to the Group's efforts to consolidate its operations and non-profitable business units were shut down or restructured during the current financial period.

Gross profit margin was 70.1% for the six months ended 30 June 2009 as compared to 69.9% in the prior corresponding period.

Other operating income rose to \$0.8 million as compared to \$0.2 million and this was mainly attributed to monies received via the Jobs Credit scheme introduced by the Government in year 2009.

Administrative expenses declined 15.9% due to several cost-cutting measures implemented by the Group, which includes salary revision and restructuring of duties for improved efficiency. Included in administrative expenses is a net gain of \$0.5 million due to write-off of payables owed to creditors by overseas subsidiaries which have ceased operations.

As a result of the above factors, the Group reported profit after tax of \$1.08 million for the six months ended 30 June 2009 as compared to net loss after tax of \$0.5 million in the prior corresponding period.

The Group's other receivables decreased by \$8.2 million as at 30 June 2009 as compared to 31 December 2008, represented by the balance proceeds from the sale of One Irving Road which was collected during the current financial period.

Bank loans decreased \$1.9 million due to repayments of \$3.6 million which was slightly offsetted by additional debt of \$1.7m incurred to finance its expansion and construction of the new operational headquarters.

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

No forecast or prospect statement has been issued previously.

**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.**

The Group expects operating conditions in the F&B industry to remain challenging in this economic downturn. We will continue to manage these challenges to retain our competitiveness by improving operational efficiencies and at the same time explore new market opportunities cautiously. The Group will continue to grow and build on the Sakae brand globally.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No.

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

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

No.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

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

Not applicable.

**13. Confirmation Pursuant to Rule 705(4) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the six months ended 30 June 2009 presented in this announcement, to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Douglas Foo Peow Yong  
Chairman  
13 August 2009