



Apex-Pal International Ltd.

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2007.

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.

Profit and Loss Statement for the financial year ended 31 December 2007

	Group		Increase/
	2007	2006	(Decrease)
	\$'000	\$'000	%
Revenue	83,838	66,645	25.8%
Cost of sales	(23,776)	(17,955)	32.4%
Gross profit	60,062	48,690	23.4%
Other operating income	391	363	7.7%
Administrative expenses	(36,738)	(27,272)	34.7%
Other operating expenses	(20,213)	(15,083)	34.0%
Finance cost	(17)	(1)	1,600%
Profit before income tax	3,485	6,697	(48.0%)
Income tax expense	(1,224)	(1,616)	(24.3%)
Profit after income tax	2,261	5,081	(55.5%)

Profit before income tax is determined after charging the following:

	Group	
	2007	2006
	\$'000	\$'000
Amortisation of intangible assets	-	4
Allowance for doubtful trade receivables	-	4
Foreign currency exchange adjustment loss	4	15
Loss on disposal of plant and equipment	85	85

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

	Group		Company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets:				
Cash and bank balances	4,930	10,148	1,559	8,634
Trade receivables	1,019	1,187	903	1,156
Other receivables and prepayments	6,028	4,234	4,450	3,301
Inventories	1,057	798	872	748
Total current assets	13,034	16,367	7,784	13,839
Non-current assets:				
Subsidiaries	-	-	184	184
Due from subsidiaries	-	-	10,112	3,253
Property, plant and equipment	18,516	12,433	12,880	11,053
Total non-current assets	18,516	12,433	23,176	14,490
Total assets	31,550	28,800	30,960	28,329
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities:				
Trade payables	8,228	3,591	6,499	3,142
Other payables	3,029	2,861	2,390	2,386
Due to subsidiaries	-	-	35	32
Income tax payable	996	1,404	985	1,400
Current portion of finance lease	9	8	-	-
Short-term loans	2,300	-	2,300	-
Total current liabilities	14,562	7,864	12,209	6,960

Non-current liabilities:				
Deferred taxation	589	411	516	400
Finance lease	1	10	-	-
Total non-current liabilities	590	421	516	400
Capital and reserves:				
Issued capital	10,736	10,736	10,736	10,736
Share premium	-	-	-	-
Currency translation reserve	(32)	(44)	-	-
Accumulated profits	5,694	9,823	7,499	10,233
Total equity	16,398	20,515	18,235	20,969
Total liabilities and equity	31,550	28,800	30,960	28,329

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

Amount repayable in one year or less, or on demand

As at 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
9	2,300	8	-

Amount repayable after one year

As at 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1	-	10	-

Details of any collateral

During the financial period, the Group acquired motor vehicle under finance lease. The carrying value of motor vehicle as at 31 December 2007 is \$17,000.

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	
	2007	2006
	\$'000	\$'000
Cash flow from operating activities:		
Profit before income tax	3,485	6,697
Adjustments for:		
Depreciation expense	3,223	2,166
Amortisation of intangible assets	-	4
Loss on disposal of property, plant and equipment	85	85
Allowance for doubtful trade receivables	-	4
Interest expense	17	1
Interest income	(130)	(199)
Operating profit before working capital changes	6,680	8,758
Trade receivables	168	(405)
Other receivables and prepayments	(1,794)	(1,078)
Inventories	(259)	(229)
Trade payables	4,637	714
Other payables	168	853
Cash generated from operations	9,600	8,613
Interest paid	(17)	(1)
Interest received	130	199
Income tax paid	(1,454)	(1,159)
Net cash from operating activities	8,259	7,652
Cash flows used in investing activities:		
Proceeds on disposal of property, plant and equipment	13	44
Purchase of property, plant and equipment	(9,477)	(10,105)
Net cash used in investing activities	(9,464)	(10,061)
Cash flows from financing activities:		
Finance lease payments	(8)	(9)
Proceeds from borrowings	2,300	-
Proceeds from issue of placement shares, net of expenses	-	3,600
Dividends paid	(6,390)	(1,743)
Net cash (used in) from financing activities	(4,098)	1,848
Net effect of exchange rate changes in consolidating subsidiaries	85	28
Net decrease in cash	(5,218)	(533)
Cash and bank balances at beginning of year	10,148	10,681
Cash and bank balances at end of year	4,930	10,148

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	Share premium	Currency translation reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at January 1, 2006	4,260	2,876	(45)	6,485	13,576
Adjustment arising from abolition of par value of shares	2,876	(2,876)	-	-	-
Issue of shares, net of expenses	3,600	-	-	-	3,600
Currency translation differences	-	-	1	-	1
Net profit for the year	-	-	-	5,081	5,081
Dividend paid	-	-	-	(1,743)	(1,743)
Balance at December 31, 2006	10,736	-	(44)	9,823	20,515
Currency translation differences	-	-	12	-	12
Net profit for the year	-	-	-	2,261	2,261
Dividend paid	-	-	-	(6,390)	(6,390)
Balance at December 31, 2007	10,736	-	(32)	5,694	16,398
Company					
Balance at January 1, 2006	4,260	2,876	-	6,867	14,003
Adjustment arising from abolition of par value of shares	2,876	(2,876)	-	-	-
Issue of shares, net of expenses	3,600	-	-	-	3,600
Net profit for the year	-	-	-	5,109	5,109
Dividend paid	-	-	-	(1,743)	(1,743)
Balance at December 31, 2006	10,736	-	-	10,233	20,969
Net profit for the year	-	-	-	3,656	3,656
Dividend paid	-	-	-	(6,390)	(6,390)
Balance at December 31, 2007	10,736	-	-	7,499	18,235

- 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.**

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

- 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, 2006.

- 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.**

	31/12/2007	31/12/2006
Earnings per ordinary share for the period		
(a) Based on weighted average number of ordinary shares in issue	1.59 cents	3.74 cents
(b) On a fully diluted basis	1.59 cents	3.74 cents

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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net asset value per ordinary share based on issued share capital as at the end of period reported on:	11.55 cents	14.45 cents	12.84 cents	14.77 cents

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 increased by 25.8% from \$66.6 million for the year ended 31 December 2006 to \$83.9 million for the year ended 31 December 2007. This was mainly attributable to the increase in revenue from opening new outlets. Revenue from overseas subsidiaries increased from \$4.3 million in FY 2006 to \$11.5 million in FY 2007. Gross profit margin decreased from 73.1% in FY 2006 to 71.6% in FY 2007 due to higher food costs.

Profit before tax decreased by 48.0% from \$6.7 million in FY 2006 to \$3.5 million in FY 2007. This was due mainly to rising salary costs, rentals, utilities, professional fees related to the Thai Village Voluntary Conditional Offer and operating losses incurred by start-up overseas subsidiaries.

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 had 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 especially with higher food costs, rentals and staff costs. We will continue to manage these challenges to retain our competitiveness, and at the same time explore new market opportunities.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent per share
Tax Rate	Tax exempt (1-Tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent per share
Tax Rate	Tax exempt (1-Tier)

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.5 cents per share
Tax Rate	Tax exempt (1-Tier)

(c) Date payable

Date of payment of dividend will be announced at a later date

(d) Books closure date

Notice of book closure will be announced at a later date.

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

Not applicable.

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

13. **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.**

	F&B Business	F&B Franchising	Total
Group	\$'000	\$'000	\$'000
2007			
Revenue:			
Sales	83,718	120	83,838
Results:			
Segment results	3,259	113	3,372
Interest expense			(17)
Interest income			130
Profit before income tax			3,485
Income tax expense			(1,224)
Net profit for the year			2,261
Other information:			
Capital expenditure	9,477	-	9,477
Depreciation	3,223	-	3,223
Allowance for doubtful trade receivables	-	-	-
Amortisation of intangible asset	-	-	-
2006			
Revenue:			
Sales	66,421	224	66,645
Results:			
Segment results	6,359	140	6,499
Interest expense			(1)
Interest income			199
Profit before income tax			6,697
Income tax expense			(1,616)
Net profit for the year			5,081
Other information:			
Capital expenditure	10,132	-	10,132
Depreciation	2,166	-	2,166
Allowance for doubtful trade receivables	4	-	4
Amortisation of intangible asset	-	4	4

2007			
Assets:			
Segment assets	29,843	596	30,439
Unallocated corporate assets			1,111
Total assets			31,550
Liabilities:			
Segment liabilities	13,552	15	13,567
Unallocated corporate liabilities			1,585
Total liabilities			15,152
2006			
Assets:			
Segment assets	22,148	487	22,635
Unallocated corporate assets			6,165
Total assets			28,800
Liabilities:			
Segment liabilities	6,455	15	6,470
Unallocated corporate liabilities			1,815
Total liabilities			8,285

	Revenue		Assets		Capital Expenditure	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2007	2006	2007	2006	2007	2006
Singapore	72,323	62,376	21,018	25,081	4,375	9,097
China	4,148	1,474	3,405	1,543	1,189	643
Indonesia	-	-	91	98	-	-
Malaysia	7,362	2,795	4,460	2,078	2,326	392
USA	5	-	2,576	-	1,587	-
Total	83,838	66,645	31,550	28,800	9,477	10,132

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

Please refer to Section 8 for commentary.

15. A breakdown of sales.

(A)	Group		
	Year Ended	Year Ended	Increase/
	31/12/2007	31/12/2006	(Decrease)
	\$'000	\$'000	%
(a) Revenue reported for first half year	38,781	30,720	26.2%
(b) Operating profit after income tax before deducting minority interests reported for first half year	2,166	2,373	(8.7%)
(c) Revenue reported for second half year	45,057	35,925	25.4%
(d) Operating profit after income tax before deducting minority interests reported for second half year	95	2,708	(96.5%)

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Final (Tax-exempt 1-tier)	1,420	1,420
Special (Tax-exempt 1-tier)	-	4,970
Total :	1,420	6,390

BY ORDER OF THE BOARD

Douglas Foo Peow Yong
Chairman
21/02/2008