

APEX-PAL INTERNATIONAL LTD.

MEMORANDUM OF UNDERSTANDING

The Board of Directors of Apex-Pal International Ltd. (the "Company") wishes to announce that the Company has on 15 January 2007 signed a memorandum of understanding with Mr Victor Lewin, a Russian counterpart, to form a joint venture company in Singapore for the purpose of operating Sakae Sushi restaurants in Moscow, Russia.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above-mentioned transaction.

By Order of the Board of Directors

Douglas Foo Peow Yong
Director
17 January 2007