

APEX-PAL INTERNATIONAL LTD.

PROPOSED PLACEMENT OF 14,200,000 NEW ORDINARY SHARES IN THE CAPITAL OF APEX-PAL INTERNATIONAL LTD. (THE "COMPANY")

Further to the announcement of the Company on 16 May 2006 in relation to the proposed placement of 14,200,000 new ordinary shares in the capital of the Company (the "**New Shares**") to Novena Holdings Limited at an issue price of S\$0.256 for each New Share (the "**Placement**"), the Board of Directors of the Company wishes to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has granted approval in-principle (the "**Approval In-Principle**") for the listing and quotation of the New Shares on the Singapore Exchange Securities Trading Limited - Dealing and Automated Quotation System.

The Approval In-Principle is subject to:

- (a) the submission of a written undertaking from the Company to the SGX-ST that it will make periodic announcements (via SGXNET) on the utilisation of the Placement proceeds as and when the funds from the Placement are materially disbursed and it will provide a status report on the use of the Placement proceeds in the Company's annual report; and
- (b) compliance with the SGX-ST's listing requirements and guidelines.

The Approval In-Principle is not to be taken as an indication of the merits of the Placement, the New Shares, the Company or the Company's subsidiaries.

BY ORDER OF THE BOARD

Submitted by Phyllis Phua, Company Secretary on 26 May 2006 to the SGX.