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News Release
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APEX-PAL POSTS 25.8% GROWTH IN REVENUE TO \$83.8M

- **Sakae Sushi continues to be key contributor to sales and profits as Group races to grow it into a global brand**
- **Overseas growth jumps 170% to \$11.5 million**
- **Group declares final dividend of 1 cent per share**

Singapore, 21 February 2008 – SGX-Listed Apex-Pal International Ltd (the “Group” or “Apex-Pal”), a food and beverage (F&B) company that manages the Sakae Sushi chain of restaurants amongst others, today reported revenue growth of 25.8% to \$83.8 million for the year ended 31 December 2007.

2. In FY 2007, the Group’s turnover strengthened by \$17.2 million, fuelled mainly by strong sales growth of Sakae Sushi, both locally and overseas, as well as a the excellent reception of the newly launched Sakae Teppanyaki, which is poised to be grown into another winning brand.

3. On the home front, the Group added another five Sakae Sushi outlets and launched a call centre enabling it to make islandwide delivery. This will help meet increasing local demand and further strengthened its leadership position locally. To realize its vision of building Sakae Sushi into a global brand, the Group expanded aggressively, venturing into new territories including Hong Kong, Chengdu, Penang and Selangor and planting 11 outlets overseas. It also became one of the first local food and beverage company to set foot on the Big Apple, New York City. Efforts have paid off with contributions from overseas jumping 170% to \$11.5 million from \$4.3 million previously. This can be attributed mainly to strong growth in Malaysia and China.

4. Sakae Teppanyaki, a new food concept offering ‘live’ teppanyaki seafood, at the best value has received very good response since its first outlet opened at Century Square in January last year. Another five outlets were opened during the year to cater to the strong demand.

5. While sales remained strong, profits were weighed down by a sharp rise in costs and expenses. During the year, the cost of sales, administrative expenses and other operating expenses rose 32.4%, 34.7% and 34.0% respectively as the Group geared up for further expansion on a global basis. Gross profit margin decreased from 73.1% in FY 2006 to 71.6% in FY 2007 due to increase in food costs. The lower gross profit contribution was further negated by rising salary costs, rental and utilities expenses, professional fees related to the Thai Village Voluntary Conditional Offer and costs incurred by newly start-up overseas subsidiaries. As the majority of the overseas outlets were opened towards the end of 2007, they were unable to contribute immediately to the Group's revenue. As a result, profit before tax for the Group dropped 48.0% to \$3.5 million.

6. Based on the latest full year results, earnings per share was 1.59 cents, compared to 3.74 cents in 2006, while net tangible assets per share was 11.55 cents compared to 14.45 cents previously. To reward shareholders for their support, the Group has proposed a final tax-exempt 1-tier dividend of 1 cent per share, for FY 2007.

7. "Last year, we launched five new brands – Sakae Teppanyaki, Hei Sushi, Sakae@Campus, Sakae Pizza and award-winning Sho-U and opened 28 new outlets worldwide. We also took the brave step of going into New York because the US is a key market for any global F&B brand. While it has been challenging and we have learnt lessons in our Big Apple venture, we have confidence that this is a key stepping stone that will help us realize our vision of **Think Sushi, Think Sakae**, just like McDonald's is to hamburgers and Starbucks is to coffee. While the expenses have gone up and eroded our bottomline in the short term, they are deemed necessary investments for the Group's future growth," said Mr Douglas Foo, Chairman and CEO of Apex-Pal.

8. He added, "Moving forward, we will continue to tap on the strong brand equity of Sakae Sushi. We have full confidence that our expansion efforts will pay off in the coming year, buoyed by an increasing global craze for healthy Japanese food. We are also exploring emerging markets including Vietnam and the Middle East and niche markets like Mongolia. In addition, the new brands we have established will enable us to tap new market segments in the local F&B scene including the *halal* and fine-dining segments as well as reach out to schooling children."

This release is to be read in conjunction with the financial results on SGXNet.

About Apex-Pal International Ltd

Apex-Pal is a homegrown leader in providing innovative food and beverage solutions. With more than a decade of experience under its belt, the Group constantly breaks new grounds offering Singapore a taste of international dining through brands including Sakae Sushi, Sakae@Campus, Sakae Teppanyaki, Sakae Pizza, Hei Sushi, Sho-U, Crepes & Cream and Uma Uma Men. It is supported by Nouvelle Events, the only specialist caterer in Singapore that offers an award winning and unique patented portable *kaiten* (conveyor belt) *sushi* experience. In addition, the Group is involved in franchising its brands, food import and distribution as well as business-to-business supplies.

Listed on the Singapore Exchange since 2003, Apex-Pal manages more than 80 outlets in Singapore, Indonesia, Thailand, China, Malaysia, the Philippines, Hong Kong and United States. The Group remains committed to global growth by exploring new emerging markets such as the Middle East, Hungary, Mongolia and Vietnam. In FY 2006, Apex-Pal achieved a record profit before tax of S\$6.7million on the back of a strong turnover of S\$66.6million.

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