

**HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED
30/06/2007**

PART 1 – 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.

Group Income Statements	30/06/07	30/06/06	Change
	S\$'000	S\$'000	%
Revenue	26,343	34,819	(24.3)
Less Cost of sales	(20,801)	(28,694)	(27.5)
Gross Profit	5,542	6,125	(9.5)
Financial income	461	290	59.0
Financial expense	(111)	(358)	(69.0)
Distribution expenses	(736)	(1,870)	(60.6)
Administrative expenses	(2,294)	(2,211)	3.8
Profit before tax	2,862	1,976	44.8
Income tax expense	(199)	(167)	19.2
Profit for the period	2,663	1,809	47.2
Attributable to :			
Equity holders of the company	2,663	1,818	46.5
Minority interests	-	(9)	n.m
	2,663	1,809	47.2

Note

n.m – not meaningful

Notes to Income Statement	30/06/2007	30/06/2006
	S\$'000	S\$'000
<u>Staff Costs</u>		
Staff costs including directors	1,593	1,446
Contributions to defined contribution plan	107	100
	1,700	1,546
<u>Financial Income</u>		
Interest from non-related companies	163	89
Foreign exchange transaction gains	-	131
Other Income	298	70
	461	290
<u>Finance Costs</u>		
Interest expense to non-related companies	96	358
Foreign exchange transaction losses	15	-
	111	358
<u>Depreciation & amortization</u>		
Depreciation expense	340	345
	340	345

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		
	S\$'000		%	S\$'000		%
	30/06/07	31/12/06	Change	30/06/07	31/12/06	Change
Cash and cash equivalents	8,859	9,950	(11.0)	2,466	3,916	(37.0)
Trade and other receivables	8,005	6,871	16.5	3,862	3,667	5.3
Inventories	6,203	4,915	26.2	5,656	4,106	37.7
Total current assets	23,067	21,736	6.1	11,984	11,689	2.5
Investment in associate	8	8	-	-	-	-
Investment in subsidiaries	-	-	-	3,877	3,877	-
Available-for-sale investment	8	8	-	8	8	-
Property, plant and equipment	3,013	3,026	(0.4)	1,648	1,673	(1.5)
Goodwill	409	409	-	-	-	-
Deferred tax assets	117	81	44.4	-	-	-
Total non-current assets	3,555	3,532	0.7	5,533	5,558	(0.4)
Total assets	26,622	25,268	5.4	17,517	17,247	1.6
Short-term borrowings	918	-	n.m	1,217	300	305.7
Trade and other payables	3,369	4,676	(28.0)	2,015	2,865	(29.7)
Current tax payables	524	500	4.8	32	32	-
Current portion of long-term borrowings	1,863	1,883	(1.1)	1,863	1,883	(1.1)
Total current liabilities	6,674	7,059	(5.5)	5,127	5,080	0.9
Deferred tax liabilities	170	170	-	141	141	-
Long-term borrowings	154	1,078	(85.7)	154	1,078	(85.7)
Total non-current liabilities	324	1,248	(74.0)	295	1,219	(75.8)
Total liabilities	6,998	8,307	(15.8)	5,422	6,299	(13.9)
Equity attributable to equity holders of the parent						
Share capital	6,606	6,606	-	6,606	6,606	-
Retained earnings	13,018	10,355	25.7	5,489	4,342	26.4
Total equity	19,624	16,961	15.7	12,095	10,948	10.5
Total liabilities and equity	26,622	25,268	5.4	17,517	17,247	1.6

n.m – not meaningful

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

Amount repayable in one year or less, or on demand

As at 30.06.07		As at 31.12.06	
Secured	Unsecured	Secured	Unsecured
-	S\$2,781,000	-	S\$1,883,000

Amount repayable after one year

As at 30.06.07		As at 31.12.06	
Secured	Unsecured	Secured	Unsecured
-	S\$154,000.00	-	S\$1,078,000

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

	2007	2006
	\$'000	\$'000
Cash flow from operating activities :		
Profit for the period	2,663	1,809
Adjustments for:-		
Income tax expense	199	167
Depreciation expenses	340	345
Interest income	(163)	(89)
Interest expense	96	358
Operating profit before working capital	3,135	2,590
Trade and other receivables	(1,134)	(5,236)
Inventories	(1,288)	(423)
Trade and other payables	(1,307)	11,518
Cash (used in) / generated from operations	(594)	8,449
Income tax paid	(211)	(68)
Net cash (used in) / from operating activities	(805)	8,381
Cash flows from investing activities:		
Interest Received	163	89
Acquisition of property, plant and equipment	(327)	(317)
Net cash (used in) investing activities	(164)	(228)
Cash flows from financing activities :		
Interest expense paid	(96)	(358)
Payment in finance leases	-	(5)
Decrease in borrowings	(26)	(5,165)
Minority contribution to capital	-	314
Net cash (used in) financing activities	(122)	(5,214)
Net effect of exchange rate changes in consolidating subsidiaries	-	(75)
Net (decrease) / increase in cash	(1,091)	2,864
Cash at beginning of period	9,950	6,820
Cash at end of period	8,859	9,684

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

	Group		Company	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Share Capital				
Balance at beginning of period	6,606	6,581	6,606	6,581
Transfer from share premium	-	25	-	25
Balance at end of period	6,606	6,606	6,606	6,606
Share Premium				
Balance at beginning of period	-	25	-	25
Transfer to share capital	-	(25)	-	(25)
Balance at end of period	-	-	-	-
Revenue Reserves				
Balance at beginning of period	10,355	3,390	4,342	2,918
Profit for the period	2,663	6,965	1,147	1,424
Balance at end of period	13,018	10,355	5,489	4,342
Translation Reserves				
Balance at beginning of period	-	(174)	-	-
Foreign currencies translation differences	-	(299)	-	-
Disposal of subsidiaries	-	473	-	-
Balance at end of period	-	-	-	-
Total equity	19,624	16,961	12,095	10,948

The ordinary shares carry no right to fixed income.

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.

During the financial period ended 30 June 2007, 32,906,250 ordinary shares were issued as bonus shares on the basis of 1 for 4 ordinary shares held.

As at 30 June 2007, no share options were issued.

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.

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.

Yes.

5. If there were 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 company for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	30.06.07	30.06.06
(i) Based on number of ordinary shares in issue	1.62 cents	1.10 cents
(ii) On a fully diluted basis	1.62 cents	1.10 cents

Note:

Earnings per share ("EPS") is calculated based on number of ordinary shares of 164,531,250.

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

	Group		Company	
	30.06.07	31.12.06	30.06.07	31.12.06
Net asset value per ordinary share based on number of shares in issue at end of period	11.93 cents	12.89 cents	7.35 cents	8.32 cents

Note:

Net asset value per share is calculated based on number of ordinary shares of 164,531,250 (2006: 131,625,000)

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 period reported on.**

The Group achieved a net profit of S\$2.66 million for the half year ended 30 June 2007, an increase of 47.2% as compared to the profit for the corresponding period last year. This was mainly attributable to:

- i. improved profit margin of lubricant business;
- ii. significant increases of profit from two subsidiaries, i.e. GB Chemical with a net profit of S\$0.51m and AP Energy & Resources of S\$0.22m.

Decline in Group's revenue (24.3%) was due to reduction in volume of base oil trading as compared to the previous corresponding period. This is in line with Group's strategy of focusing on more profitable segment of manufacturing business. However, AP Energy & Resources recorded a revenue of S\$1.16m for the period (FY2006: Nil), whereas the revenue of GB Chemical has grown by 35%.

Decrease in finance expenses was because of lower bank interest rates. Decrease in distribution cost was due to lower freight charges as a result of lower volume of trading activities.

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

Financial results are in line with previous announcement.

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.

- (i) The overall business environment of lubricant industry is now better than that of FY2006, this will enable the Company to expand its customer base and improve its bottom line.
- (ii) In addition to the 5-year toll blending contract signed with SINOPEC on 6 June 2007, the Company has subsequently been appointed Agent for SINOPEC lubricants in Singapore (2007/2008). With these arrangements, the Company shall actively promote sales of marine lubricants in the region.
- (iii) The growing trends of business at our two wholly-owned subsidiaries, GB Chemical and AP Energy & Resources, are expected to continue.
- (iv) The management expects, barring unforeseen circumstances, the Group's performance for the second half of FY2007 to remain promising.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend was proposed.

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.

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

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

Not applicable.

BY ORDER OF THE BOARD

Dr. Ho Leng Woon
Chairman
07 August 2007

AP OIL INTERNATIONAL LIMITED

Registration No. 197502257M

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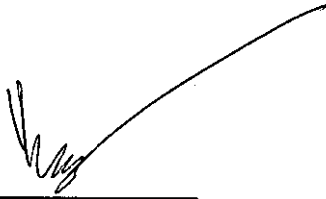
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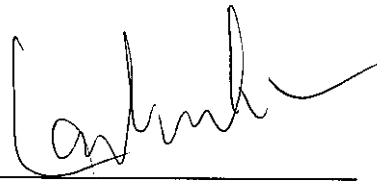
CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results for the period ended 30 June 2007 to be false or misleading.

On behalf of the Board of Directors



Dr Ho Leng Woon
Director



Lau Woon Chan
Director

Date: 7 August 2007