

# ApEX-PAL

INTERNATIONAL Ltd.

## Apex-Pal International Ltd.

Full Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2006.

### 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 2006

	Group		Increase/
	2006	2005	(Decrease)
	\$'000	\$'000	%
Revenue	66,645	51,905	28.4%
Cost of sales	(17,955)	(14,589)	23.1%
Gross profit	48,690	37,316	30.5%
Other operating income	363	166	118.7%
Administrative expenses	(27,272)	(20,597)	32.4%
Other operating expenses	(15,083)	(12,139)	24.3%
Finance cost	(1)	(3)	(66.7%)
Profit before income tax	6,697	4,743	41.2%
Income tax expense	(1,616)	(1,059)	52.6%
Profit after income tax	5,081	3,684	37.9%

Profit before income tax is determined after charging the following:

	Group	
	2006	2005
	\$'000	\$'000
Amortisation of intangible assets	4	14
Allowance for doubtful trade receivables	4	73
Foreign currency exchange adjustment loss	15	14
Loss on disposal of plant and equipment	85	263

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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	10,148	10,681	8,634	9,578
Trade receivables	1,187	786	1,156	778
Other receivables and prepayments	4,228	3,150	3,294	2,620
Inventories	798	569	748	547
<b>Total current assets</b>	<b>16,361</b>	<b>15,186</b>	<b>13,832</b>	<b>13,523</b>
<b>Non-current assets:</b>				
Subsidiaries	-	-	184	184
Due from subsidiaries	-	-	3,253	2,139
Property, plant and equipment	12,433	4,623	11,053	3,921
Intangible asset	-	4	-	4
<b>Total non-current assets</b>	<b>12,433</b>	<b>4,627</b>	<b>14,490</b>	<b>6,248</b>
<b>Total assets</b>	<b>28,794</b>	<b>19,813</b>	<b>28,322</b>	<b>19,771</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	3,591	2,877	3,142	2,509
Other payables	2,855	2,002	2,379	1,910
Due to subsidiaries	-	-	32	6
Income tax payable	1,404	1,069	1,400	1,063
Current portion of finance lease	8	-	-	-
<b>Total current liabilities</b>	<b>7,858</b>	<b>5,948</b>	<b>6,953</b>	<b>5,488</b>

<b>Non-current liabilities:</b>				
Deferred taxation	411	289	400	280
Finance lease	10	-	-	-
<b>Total non-current liabilities</b>	<b>421</b>	<b>289</b>	<b>400</b>	<b>280</b>
<b>Capital and reserves:</b>				
Issued capital	10,736	4,260	10,736	4,260
Share premium	-	2,876	-	2,876
Currency translation reserve	(44)	(45)	-	-
Accumulated profits	9,823	6,485	10,233	6,867
<b>Total equity</b>	<b>20,515</b>	<b>13,576</b>	<b>20,969</b>	<b>14,003</b>
<b>Total liabilities and equity</b>	<b>28,794</b>	<b>19,813</b>	<b>28,322</b>	<b>19,771</b>

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

**Amount repayable in one year or less, or on demand**

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
8	-	-	-

**Amount repayable after one year**

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
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 2006 is \$23,000.

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	
	2006 \$'000	2005 \$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	6,697	4,743
Adjustments for:		
Depreciation expense	2,166	1,689
Amortisation of intangible assets	4	14
Loss on disposal of property, plant and equipment	85	263
Allowance for doubtful trade receivables	4	73
Interest expense	1	3
Interest income	(199)	(82)
Operating profit before working capital changes	8,758	6,703
Trade receivables	(405)	94
Other receivables and prepayments	(1,078)	(714)
Inventories	(229)	59
Trade payables	714	102
Other payables	853	706
Cash generated from operations	8,613	6,950
Interest paid	(1)	(3)
Interest received	199	82
Income tax paid	(1,159)	(688)
Net cash from operating activities	7,652	6,341
<b>Cash flows used in investing activities:</b>		
Proceeds on disposal of property, plant and equipment	44	86
Purchase of property, plant and equipment	(10,132)	(1,820)
Net cash used in investing activities	(10,088)	(1,734)
<b>Cash flows from (used in) financing activities:</b>		
Increase in finance lease	18	-
Proceeds from issue of placement shares net of expenses	3,600	-
Dividends paid	(1,743)	(852)
Net cash from (used in) financing activities	1,875	(852)
Net effect of exchange rate changes in consolidating subsidiaries	28	(44)
Net (decrease) increase in cash	(533)	3,711
Cash and bank balances at beginning of year	10,681	6,970
Cash and bank balances at end of year	10,148	10,681

- 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
<b>Group</b>					
Balance at January 1, 2005	4,260	2,876	(27)	3,653	10,762
Currency translation differences	-	-	(18)	-	(18)
Net profit for the period	-	-	-	3,684	3,684
Dividend paid	-	-	-	(852)	(852)
Balance at December 31, 2005	4,260	2,876	(45)	6,485	13,576
Adjustment arising from abolition of par value of shares	2,876	(2,876)	-	-	-
Issuance of new shares	3,635	-	-	-	3,635
Share issue expenses	(35)	-	-	-	(35)
Currency translation differences	-	-	1	-	1
Net profit for the period	-	-	-	5,081	5,081
Dividend paid	-	-	-	(1,743)	(1,743)
Balance at December 31, 2006	10,736	-	(44)	9,823	20,515
<b>Company</b>					
Balance at January 1, 2005	4,260	2,876	-	3,636	10,772
Net profit for the period	-	-	-	4,083	4,083
Dividend paid	-	-	-	(852)	(852)
Balance at December 31, 2005	4,260	2,876	-	6,867	14,003
Adjustment arising from abolition of par value of shares	2,876	(2,876)	-	-	-
Issuance of new shares	3,635	-	-	-	3,635
Share issue expenses	(35)	-	-	-	(35)
Net profit for the period	-	-	-	5,109	5,109
Dividend paid	-	-	-	(1,743)	(1,743)
Balance at December 31, 2006	10,736	-	-	10,233	20,969

- 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.**

Pursuant to the Companies (Amendment) Act 2005 effective from 30 January 2006, the concept of authorised share capital and par value has been abolished. Consequently, any amount standing to the credit of the Company's share premium account as at 30 January 2006 were transferred to the Company's share capital as at that date.

On 23 March 2006, the Company issued 21,300,000 new ordinary shares in the capital of the Company on the basis of one (1) Bonus Share for every five (5) existing ordinary shares in the capital of the Company held by the shareholders of the Company. The 21,300,000 new ordinary shares were admitted to the Official List of the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System on 27 March 2006.

On 8 June 2006, the Company issued 14,200,000 new ordinary shares in the capital of the Company at an issue price of S\$0.256 for each new share. The 14,200,000 new ordinary shares were admitted to the Official List of the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System on 9 June 2006.

- 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 group and the company have adopted all the applicable new/revised FRS and Interpretations of Financial Reporting Standards ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on January 1, 2006. The adoption of the new/revised FRS and INT FRS does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

- 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.**

	31/12/2006	31/12/2005
Earnings per ordinary share for the period		
(a) Based on weighted average number of ordinary shares in issue	3.74 cents	2.88 cents
(b) On a fully diluted basis	3.74 cents	2.88 cents

(i) In accordance with FRS 33 "Earnings Per Share", the earnings per ordinary share for year ended 31 December 2005 was adjusted retrospectively and computed based on the share capital of 127,800,000 ordinary shares after taking into account the bonus share issue on 23 March 2006.

(ii) The earnings per ordinary share for year ended 31 December 2006 was computed based on the weighted average of 135,853,151 ordinary shares.

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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Net asset value per ordinary share based on issued share capital as at the end of period reported on:	14.45 cents	10.62 cents	14.77 cents	10.95 cents

(i) The net asset value per ordinary share for the year ended 31 December 2005 was adjusted retrospectively and computed based on the share capital of 127,800,000 ordinary shares after taking into account the bonus share issue on 23 March 2006.

(ii) The net asset value per ordinary share for year ended 31 December 2006 was computed based on the share capital of 142,000,000 ordinary shares

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 28.4% from \$51.9 million to \$66.6 million for the year ended 31 December 2006. This was mainly attributable to the increase in revenue from the F&B Business. The Group had set up 9 new Sakae Sushi outlets at The Frontier Community Club, Compass Point, CFP Building, White Sands, Park Mall, CityLink Mall, The Atrium @ Orchard,

Hougang Point and Downtown East in Singapore. The no. of new Sakae Sushi outlets set up in Malaysia and China in 2006 is 1 and 4 respectively.

Gross profit contribution for the Group remains stable at approximately 73.1%.

The increase in other operating income is mainly due to increase in interest income from fixed deposits with banks of \$117,000 from \$82,000 in FY2005 to \$199,000 in FY2006.

The increase in administrative expenses from \$20.6 million for FY2005 to \$27.3 million for FY2006 is mainly due to increase in staff costs of \$5.4 million as new staff are recruited for the new outlets.

The increase in other operating expenses from \$12.1 million for FY2005 to \$15.1 million for FY2006 is mainly attributable to increase in rental, utilities and cleaning expenses as a result of new F&B outlets.

The Group's balance sheet remains healthy. The Group's property, plant and equipment increased to \$12.4 million as at 31 December 2006. The increase of \$7.8 million from \$4.6 million as at 31 December 2005 was mainly due to the purchase of industrial freehold land & building in Singapore in June 2006 for operational use..

**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 will continue to strengthen the Sakae Sushi brand name both locally and in overseas markets.

On 9 January 2007, the Company announced that, subject to the fulfillment of certain pre-conditions, it intends to make a voluntary conditional offer for all the issued ordinary shares in the share capital of Thai Village Holdings Ltd, other than those already owned, controlled or agreed to be acquired by the Group or their respective nominees, to expand its business into different food segments.

**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)

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.5 cents 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
Par value of shares	\$0.04
Tax Rate	20%

Name of Dividend	Special	
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	0.18 cent per share	0.42 cent per share
Par value of shares	\$0.04	\$0.04
Tax Rate	20%	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.**

	<b>F&amp;B Business</b>	<b>F&amp;B Franchising</b>	<b>Total</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2006</b>			
<b>Revenue:</b>			
Sales	66,421	224	66,645
<b>Results:</b>			
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
<b>Other information:</b>			
Capital expenditure	10,132	-	10,132
Depreciation	2,166	-	2,166
Allowance for doubtful trade receivables	4	-	4
Amortisation of intangible asset	-	4	4
<b>2005</b>			
<b>Revenue:</b>			
Sales	51,725	180	51,905
<b>Results:</b>			
Segment results	4,593	71	4,664
Interest expense			(3)
Interest income			82
Profit before income tax			4,743
Income tax expense			(1,059)
Net profit for the year			3,684
<b>Other information:</b>			
Capital expenditure	1,820	-	1,820
Depreciation	1,689	-	1,689
Allowance for doubtful trade receivables	73	-	73
Amortisation of intangible asset	-	14	14

<b>2006</b>			
<b>Assets:</b>			
Segment assets	22,142	487	22,629
Unallocated corporate assets			6,165
<b>Total assets</b>			<b>28,794</b>
<b>Liabilities:</b>			
Segment liabilities	6,449	15	6,464
Unallocated corporate liabilities			1,815
<b>Total liabilities</b>			<b>8,279</b>
<b>2005</b>			
<b>Assets:</b>			
Segment assets	13,965	301	14,266
Unallocated corporate assets			5,547
<b>Total assets</b>			<b>19,813</b>
<b>Liabilities:</b>			
Segment liabilities	4,830	49	4,879
Unallocated corporate liabilities			1,358
<b>Total liabilities</b>			<b>6,237</b>

	Revenue		Assets		Capital Expenditure	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2006	2005	2006	2005	2006	2005
Singapore	62,376	50,746	25,075	17,684	9,097	1,383
China	1,474	546	1,543	941	643	88
Indonesia	-	-	98	90	-	-
Malaysia	2,795	613	2,078	1,098	392	349
<b>Total</b>	<b>66,645</b>	<b>51,905</b>	<b>28,794</b>	<b>19,813</b>	<b>10,132</b>	<b>1,820</b>

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/	
	31/12/2006	31/12/2005	(Decrease)	
	\$'000	\$'000	%	
(a)	Revenue reported for first half year	30,720	24,585	25.0%
(b)	Operating profit after income tax before deducting minority interests reported for first half year	2,373	1,888	25.7%
(c)	Revenue reported for second half year	35,925	27,320	31.5%
(d)	Operating profit after income tax before deducting minority interests reported for second half year	2,708	1,796	50.8%

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 (Net)	-	1,022
Final (Tax-exempt 1-tier)	1,420	-
Special (Net)	-	184
Special (Tax-exempt 1-tier)	4,970	537
Total :	6,390	1,743

**BY ORDER OF THE BOARD**

Douglas Foo Peow Yong  
Chairman  
16/02/2007