PENGUIN INTERNATIONAL LIMITED

(Company Registration Number: 197600165Z)

MEMORANDUM OF UNDERSTANDING

The Board of Directors of Penguin International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has today, entered into a Memorandum of Understanding ("**MoU**") with strategic project partners, BOS Offshore & Marine Pte Ltd ("**BOS**" which is a subsidiary of BH Global Corporation Ltd), Danfoss, Durapower Technology (Singapore) Pte Ltd ("**Durapower**") and Bureau Vitas Marine (Singapore) Pte Ltd ("**BV**") for the joint design, development and construction of Singapore's first plug-in hybrid electric fast launch.

The scope of cooperation includes integrating hybrid electric solutions, testing and certification. The know-how generated will support Singapore's push towards the adoption of hybrid electric propulsion systems for its maritime industry.

Under the MoU, the five parties will contribute their respective expertise into the collaborative relationship:

1. Penguin will design, construct and commission a newbuild hybrid launch boat installed with a system developed by BOS. Penguin will own and operate the vessel on commercial routes. The vessel is expected to be delivered in 1Q/2Q2020.
2. BOS will provide technical and commercial expertise in the development of commercially viable Plug-in Parallel Hybrid Electric Propulsion Systems ("**BOS EP System**") for small-to-medium sized vessels for operation in and around Singapore.
3. Danfoss and Durapower will support the testing and integration of their power drive trains and energy storage systems respectively with the BOS EP System.
4. BV will review and endorse test facilities and procedures necessary towards certification of the BOS EP System. The hybrid launch will be classed by BV as a hybrid vessel.

The MoU is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the current financial year.

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the above matter other than through their shareholding interests in the Company.

BY ORDER OF THE BOARD

James Tham Tuck Choong
Managing Director
11 February 2020