

PENGUIN INTERNATIONAL LIMITED



ANNUAL REPORT 2024

PENGUIN



passion
BEYOND BOUNDARIES

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02 STANDING STRONG



04 STAYING AHEAD



06 PURSUING GROWTH

THE FUTURE IS





standing strong

Penguins embody resilience, thriving in the most unforgiving conditions — enduring extreme low temperatures and battling relentless winds. Yet, they stand firm, unwavering against nature's fiercest trials. Their quiet strength and tenacity in the face of adversity continue to inspire us all.

At Penguin International Limited, we, too, have weathered formidable challenges, standing resolute against the headwinds of change and uncertainty. Like the steadfast penguin, we have met every trial with courage and determination — emerging stronger, bolder, and ready to forge ahead.

staying ahead

In the vast ocean, penguins dive deeper than any other aquatic bird, adapting effortlessly to immense pressure and accessing resources beyond the reach of their competitors. This natural ability to push limits and stay ahead reflects our relentless drive to innovate and lead in a challenging industry.

Our integrated expertise in designing, building, owning and operating high-speed aluminium ships allows us to navigate uncertainty, seize new opportunities, and remain resilient in the face of competition. Our commitment to sustainability fuels our journey forward — like the steadfast penguin, we are prepared for the future, constantly evolving, and always a step ahead.



A detailed oil painting of a colony of King penguins in a lush, sun-dappled forest. In the foreground, two penguins stand prominently, facing right with their heads tilted upwards. They have white bodies, black heads, and bright orange-yellow chests. Behind them, several other penguins are visible, some standing and others in flight. The background is filled with dense, textured foliage in shades of green, yellow, and brown, with sunlight filtering through the canopy. The overall style is impressionistic and vibrant.

pursuing growth

Penguins are natural navigators, traversing vast landscapes in search of sustenance, yet always finding their way back with precision. Their innate sense of direction ensures they never lose sight of their purpose, even in the most featureless terrain.

At Penguin International Limited, we embody this same clarity and determination. As we push the boundaries of high-speed craft design, we remain steadfast in our pursuit of growth — developing cutting-edge, low-to-zero-emission vessels that drive sustainable progress. Guided by our core values and expertise, we chart a bold course forward, embracing innovation while staying true to who we are.

WELCOME TO THE HOME OF THE FLEX!



Penguin Shipyard International in Singapore: A hub of bespoke aluminium shipbuilding, ship repair, as well as special conversions and upgrades.

PENGUIN IS A SINGAPOREAN HOMEGROWN, PUBLICLY LISTED DESIGNER, BUILDER, OWNER AND OPERATOR OF HIGH-SPEED ALUMINIUM CRAFT, RANGING FROM STANDARDISED STOCK VESSELS TO COMPLEX BESPOKE DESIGNS.

GO AHEAD.
FLEX YOUR FLEET!



Penguin's headquarters at 21 Tuas Road in Singapore.

As designers and builders, we have delivered more than 300 aluminium vessels to ship owners around the world, including over 300 of our proprietary-designed Flex crewboats and Flex Fighter security boats.

As owners and operators, we manage our own fleet of crewboats, passenger ferries and workboats that serve charterers around the world. Our vessels are jointly developed by our integrated in-house shipbuilding and ship management teams in Singapore, backed by more than two decades of experience. We undertake a variety of build-for-stock and build-to-order projects, including fire fighting search-and-rescue vessels, patrol boats, security vessels, offshore crewboats, windfarm crew transfer vessels and passenger ferries. Whether you are a ship owner or a charterer, you will enjoy peace of mind with the Penguin brand, which stands for integrity, professionalism and mutual respect.

For more information on sales and charters, please visit www.penguin.com.sg or email psa@penguin.com.sg (for sales) and chartering@penguin.com.sg (for charters).

THE FLEX FAMILY
OUR RANGE OF HIGH-SPEED COMMERCIAL CRAFT

	ENGINE POWER (BHP)	PAX CAPACITY (seats)	CARGO DECK (sqm)	FUEL CAPACITY (kL)
MULTI-ROLE OFFSHORE CREWBOATS				
	4350	72*	110	80
	4350	70*	100	82
SECURITY BOATS				
	4350	7	93	82
PASSENGER FERRIES				
	2900	285 - 360	-	12
WINDFARM CREW TRANSFER VESSELS				
	2762 - 3352	24*	120	35

Notes
* Full business class seating arrangement

CORPORATE
PROFILE



Penguin is a Singaporean homegrown, publicly listed designer, builder, owner and operator of high-speed aluminium craft, ranging from standardised stock vessels to complex bespoke designs.

Through a group of wholly owned, integrated subsidiaries, we own and operate a fleet of crewboats, passenger ferries and workboats, and we design and build a variety of high-speed craft at our shipyards in Singapore and Batam, Indonesia. These include fire fighting search-and-rescue vessels, patrol boats, security vessels, offshore crewboats, windfarm crew transfer vessels and passenger ferries. Our business is backed by a strong balance sheet and led by an experienced hands-on management team. We are committed to maintaining a high standard of public accountability, corporate governance and social responsibility. We stand for integrity, professionalism and mutual respect.

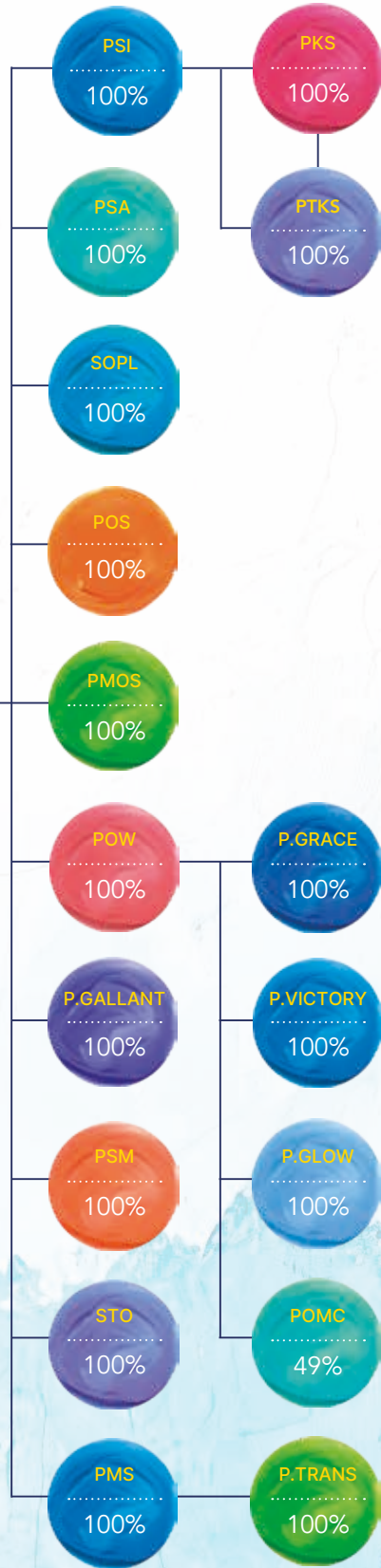


Penguin's PT. Kim Seah Shipyard Indonesia in Batam: One of the world's largest dedicated aluminium shipbuilders.

CORPORATE
STRUCTURE



As at
1 January 2025



PIL	Penguin International Limited
PSI	Penguin Shipyard International Pte Ltd
PSA	Penguin Shipyard Asia Pte Ltd
SOPL	Swissco Offshore (Pte.) Ltd
POS	Pelican Offshore Services Pte Ltd
PMOS	Penguin Marine Offshore Services Pte Ltd
POW	Pelican Offshore Worldwide Pte Ltd
P.GALLANT	POS Gallant Pte Ltd
PSM	Pelican Ship Management Services Pte Ltd
STO	Soon Tian Oon Pte Ltd
PMS	Penguin Marine Services Pte Ltd
PKS	PKS Shipyard Pte Ltd
PTKS	PT. Kim Seah Shipyard Indonesia
P.GRACE	POS Grace Pte Ltd
P.VICTORY	POS Victory Pte Ltd
P.GLOW	POS Glow Pte Ltd
POMC	Pelican Offshore Malaysia Corp
P.TRANS	Penguin Transporter Pte Ltd
FFSMS	Flex Fleet Ship Management Services L.L.C
FFSB	Flex Fleet Sdn Bhd
VMS	Victory Marine Services Sdn Bhd

A JOINT LETTER FROM OUR CHAIRMAN AND OUR MANAGING DIRECTOR



MR. JEFFREY HING
Executive Chairman

MR. JAMES THAM
Managing Director

DEAR FELLOW SHAREHOLDERS,

We are pleased to report that Penguin International Limited turned in a strong set of results for FY2024, with Group revenue rising 27.8% year-on-year to \$235.8 million, gross profit up 60.1% to \$84.5 million and net profit after tax up 112.2% to \$35.5 million.

As at 31 December 2024, cash, bank balances and fixed deposits stood at \$34.0 million and bank loans, primarily used to fund yard development and fleet expansion, totalled \$50.5 million (27.8% short term), versus \$26.8 million and \$44.4 million (28.7% short term) respectively a year earlier.

In FY2024, Penguin's core aluminium shipbuilding, ship repair and vessel chartering businesses were buoyed by a rise in higher-value activities across various business segments, as the Penguin brand found a foothold in new markets in the Middle East and Europe, supported by improved demand in offshore energy (crewboats and Crew Transfer Vessels or CTVs) and tourism (ferries).

From FY2023 to FY2024, our shipbuilding and ship repair revenue grew 28.2% to \$187.7 million, while vessel chartering revenue rose 26.1% to \$48.1 million.

PASSION BEYOND BOUNDARIES IN SHIPBUILDING

On the shipbuilding front, we managed to raise the quality of our earnings by securing and successfully executing larger, more-complex newbuild projects.

These include our largest ships ever built – two diesel-powered 56-metre, 35-knot passenger-cum-vehicle ferries for a Middle Eastern owner – and the market's most complex windfarm CTVs – two hybrid-electric 34-metre catamarans for a European owner.

That these large, complex projects were executed on time, safely, within budget and to the full satisfaction of two highly discerning world-class ship owners, is a testament to the proven capability of Penguin as a designer and builder of bespoke, high-spec aluminium commercial vessels.

In this space, customers tend to value professionalism, competency and experience over just raw pricing.

We are confident of securing more of such high-value shipbuilding projects in FY2025 and beyond, while

“*Passion beyond boundaries powers our pursuit*”

maintaining production of our proprietary stock vessels that are sold off-the-shelf.

PASSION BEYOND BOUNDARIES IN CREWBOAT CHARTERING

On the crewboat chartering front – which is the largest subset of our Group vessel charters. As at 31 December 2024, we have 15 crewboats operating on time charter in Southeast Asia, 7 in the Middle East and 4 in Africa.

We see higher quality of earnings and more opportunities outside Southeast Asia for our crewboats.

In FY2024, we added 6 crewboats to our fleet, compared with 5 the previous year.

We intend to continue expanding our fleet of crewboats (while introducing new and unique features) in FY2025 and beyond.

PASSION BEYOND BOUNDARIES IN CUSTOMER EXPERIENCE

It is worth highlighting that four years ago, we had no crewboat on charter in the Middle East, and three years ago, we had none in Africa.

Back then, we were known in these regions primarily as only a ship designer and shipbuilder, which of course is not a bad thing in itself.

In recent times, however, drawing on our own experience operating crewboats since 1997, we have expanded our crewboat charters into the Middle East and Africa.

Today, customers that used to think of Penguin only as a shipyard now also recognise and appreciate our other proven capability as a ship owner.

As a ship owner, the biggest benefit of having your own shipyard is the ability to offer charterers bespoke solutions that are faster (and often better) than just ship owners.

In Penguin, this in-house synergy is never taken for granted. In fact, it speaks volumes about the leadership and the strong collective culture between Penguin's shipbuilding and ship management teams, because the two sides typically come with competing interests.

This unique strength of Penguin as a fully integrated designer-builder-owner-operator is also borne out in Singapore, where in FY2024 we completed the first full year of commercial operation of Penguin's Electric Dream ship-and-shore electrification project.

Over the year, our three fully electric ferries shuttled more than half a million people safely and silently between Pasir Panjang Ferry Terminal and Shell's Energy and Chemicals Hub on the island of Pulau Bukom.

By replacing three conventional diesel-powered ferries on this route, we also eliminated more than 6,000 tons of CO2 from the skies over Singapore last year.

PASSION BEYOND BOUNDARIES IN OUR KEY MARKETS

As evidenced above, Penguin's strategic diversification across product segments and geographical markets in recent years is bearing more fruit, as the Penguin brand gains new ground globally, bolstered by healthy, recurring demand for the Group's shipbuilding and crewboat chartering services.

In FY2024, some two-thirds of Penguin's shipbuilding revenue was contributed by repeat customers, a share that will likely increase this financial year as some of our new customers have already placed repeat orders while others are in talks to do so.

For the third year running, Europe is Penguin's largest market, with a 27.9% share of Group revenue (\$65.7 million, offshore wind) in FY2024, with Middle East coming in a close second with a 24.6% share (\$58.1 million, offshore oil & gas and tourism).

Offshore energy growth in both regions is continuing to drive demand for newbuilds and charters, with no near-term signs of abatement.

Furthermore, governments in the Middle East are now starting to implement their own decarbonisation policies that incentivise maritime electrification and hybridisation.

A JOINT LETTER FROM OUR CHAIRMAN AND OUR MANAGING DIRECTOR (CONT'D)



Penguin's three fully electric ferries and three rapid DC chargers at Pulau Bukom.

This trend resonates well with Penguin's proven track record in designing, building and operating low-to-zero emission vessels.

In FY2024, Singapore came in third in Group revenue ranking, with a share of 17.4% (\$41.1 million), as Penguin Shipyard in Tuas undertook a record volume of newbuilding, repair and maintenance projects (with more capacity to spare).

Notably, Penguin last year commenced construction of the first of two high-speed fire fighting search-and-rescue vessels for delivery in 2Q2025 to the Singapore Civil Defence Force, which became a repeat customer following a competitive tender.

For the first time in over a decade, Africa is not in Penguin's top three revenue ranking (13.4% share or \$31.7 million in FY2024), although demand for Flex Fighters remains healthy. We currently operate 4 crewboats on charter in West Africa, as well as maintenance bases in Takoradi, Ghana, and Port Harcourt, Nigeria. Rankings aside, we are confident that Mother Africa will continue to deliver us her market bounties year after year.

PASSION BEYOND BOUNDARIES IN SUSTAINABLE GROWTH

In FY2024, we continued to implement new pragmatic decarbonisation solutions for our businesses, including the hybridisation of our own crewboats and the solarisation of our own shipyard in Tuas, which has significantly reduced our carbon footprint and energy costs.

As we look ahead to FY2025, we are hopeful as we remain committed to our long-term sustainability goals, which are centred on economic resilience, decarbonisation, safety and workplace wellness.

Above all, we prioritise people and safety over profit and we believe that our diversity is our strength.

On behalf of the Penguin Board of Directors, we would like to express our heartfelt gratitude to all our stakeholders, including our shareholders, employees, directors, clients, bankers, vendors and project partners for their steadfast support. With our collective passion, let us breach more boundaries together!

MR. JEFFREY HING
Executive Chairman

MR. JAMES THAM
Managing Director

BOARD OF DIRECTORS



MR. JEFFREY HING YIH PEIR
Executive Chairman

Mr. Hing was appointed Chairman of Penguin on 24 February 2010 and re-designated as Executive Chairman on 28 April 2011. As Chairman, he is responsible for the development and strategic direction of Penguin, managing the quality, quantity and timeliness of the information flow between Management and the Board, as well as ensuring compliance with Penguin's guidelines on corporate governance.

Prior to his appointment as Chairman, he served as Non-Executive Director from February 2009. He was last re-elected in April 2023. Mr. Hing was appointed a member of the Nominating Committee on 28 April 2015.

Mr. Hing has more than 30 years of experience in the marine and offshore industry in a variety of roles including finance and administration, business development and management. He is the founder and managing director of Trinity Offshore Pte. Ltd., a Singapore-based owner-operator of offshore support/utility vessels.

He sits on the board of Marco Polo Marine Ltd as a Non-Executive Director.

As an experienced entrepreneur in the marine and offshore industry, Mr. Hing brings to Penguin his business acumen and his global network of industry contacts. An accountant by training, Mr. Hing has served in various roles as auditor, accountant, senior executive and director of diversified corporations.



MR. JAMES THAM TUCK CHOONG
Managing Director

Mr. Tham was appointed Managing Director on 1 October 2008 and was last re-elected on 28 April 2022. He was previously the Chief Operating Officer and an Executive Director from August 2008, responsible for strategic business development, focusing on key overseas markets, mergers and acquisitions, as well as investor relations. Mr. Tham joined Penguin in November 2006 as its Business Development Director.

Prior to joining Penguin, Mr. Tham served in a variety of roles in the offshore oil and gas industry. He previously worked as a Petroleum Correspondent with Upstream, the international oil and gas newspaper; a Business Development Manager with New York-based Seacor Holdings Inc.; and later served as a Corporate Advisor to the group, as well as to several independent petroleum exploration companies in the region.

Mr. Tham also serves on the Industry Advisory Committee (IAC) for the Singapore Institute of Technology-Newcastle University's Naval Architecture and Marine Engineering Degree Programme. Mr. Tham holds a Bachelor of Science Degree in Journalism and a Bachelor of Business Administration Degree.

BOARD OF DIRECTORS



MS. JOANNA TUNG MAY FONG
Finance and Administration Director

Ms. Tung was appointed Finance and Administration Director in May 2008 and last re-elected on 28 April 2022. She is responsible for the Group's accounting and finance, corporate reporting, management information system and human resources functions.

Ms. Tung joined the Group in 2000 as an Accountant, and was promoted to Group Financial Controller in 2006, and subsequently Finance and Administration Director in 2008. Her duties and responsibilities have, over the years, been expanded to include management of Penguin's accounting and finance activities, as well as corporate reporting and related Group administration.

Prior to joining Penguin, she served as an accountant in a broad range of industries, including electronics and transportation. She was also a regional internal auditor at a major Japanese MNC. Ms. Tung is a member of the Institute of Singapore Chartered Accountants and holds the ACCA professional qualification.



MR. WINSTON KWEK CHOON LIN
Lead Independent Director

Mr. Kwek was appointed a Director of Penguin International Limited on 29 April 2021. He serves as the Lead Independent Director, a member of the Audit and Risk Committee and Chairman of both the Remuneration and Nominating Committees. Mr Kwek was an independent director on the board of BH Global Corporation Limited, a company listed on the SGX.

Specialising in international trade and shipping law since 1991, Mr. Kwek is experienced in maritime issues and is a partner in the international Trade and Shipping Practice Group in Rajah & Tann Singapore LLP. Since 2000, he has been nominated by various established legal publications as one of the leading lawyers in the region, especially in areas of shipping and maritime law, and was appointed by the Singapore Academy of Law in 2019 as a Senior Accredited Specialist on its inaugural panel of Maritime and Shipping Specialists. In 2020, Mr. Kwek was appointed as a Specialist Mediator (Shipping) by the Singapore International Mediation Centre; and in 2022 was admitted as a Fellow of both the Chartered Institute of Arbitrators and Singapore Institute of Arbitrators and an Accredited Maritime Arbitrator by the Singapore Chamber of Maritime Arbitration. In 2023, Mr. Kwek was recognised as one of Asia's Super 50 Dispute Lawyers by Asian Legal Business and in 2024 was appointed to the inaugural panel of Maritime Mediators jointly by the Singapore Chamber of Maritime Arbitration and Singapore International Mediation Centre.

Mr. Kwek graduated with a Bachelor of Law (Honours) from the National University of Singapore in 1990 and was called to the Singapore Bar in March 1991. Between 2003 and 2016, he was an Adjunct Associate Professor in the Faculty of Law at the National University of Singapore, teaching the Law of Marine Insurance.



MR. HENRY TAN SONG KOK
Independent Director

Mr. Henry Tan was appointed as Director of Penguin International Limited on 1 July 2021. He is the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committees. He is the Group CEO & Chief Innovation Officer of CLA Global TS Group, as well as a Director on the global board of CLA Global Limited. Mr. Tan currently sits as an independent director on the boards of Asia Vets Holdings Ltd, BH Global Corporation Limited and Trans-China Automotive Holdings Limited, companies listed on the SGX.

Mr. Tan is a member of AFA Working Committee 2 of ASEAN Federation of Accountants, Council Member of Singapore-Jiangsu Cooperation Council (SJCC), Member of the Green Skills Committee's Sub-Workgroup on Sustainability Reporting and Assurance and he is also an Accredited Senior Director of Singapore Institute of Directors. He was previously on the EXCO and served as Treasurer of Singapore Fintech Association, and ASEAN Federation of Accountants, President of Spirit of Enterprise, Chapter President of Entrepreneurs' Organisation, Council Member of Institute Singapore Chartered Accountants ("ISCA") and Chairman of Nanyang Business School Alumni Advisory Board. He is also formerly Chairman of Education Subcommittee on Sustainability Reporting of ISCA and a committee member of the ISCA Sustainability and Climate Change Committee.

Mr. Tan holds a Bachelor of Accountancy (First Class Honours) from National University of Singapore. He also attended the Advanced Executive Management Development Program at Beijing Tsinghua University. He is a Fellow of the ISCA, Institute of Chartered Accountants of Australia and New Zealand, CPA Australia, Insolvency Practitioners Association of Singapore Limited and Singapore Institute of Directors. Additionally, he holds the ASEAN CPA designation and the ISCA Financial Forensic Professional Credential. He is also an Associate Member of Singapore Institute of Internal Auditors and Singapore Chartered Tax Professionals. Mr. Tan is a Chartered Valuer and Appraiser and sits as a Council Member of the Institute of Valuers and Appraiser, Singapore and he is an Global Fintech Institute Industry Fellow. He is an Approved Liquidator registered with the Accounting & Corporate Regulatory Authority (ACRA) and a licensed Insolvency Practitioner by Ministry of Law.

BOARD OF DIRECTORS



MR. KEITH TAN KENG SOON
Non-Independent Non-Executive Director

Mr. Keith Tan was appointed as a Non-Independent Non-Executive Director of Penguin on 9 June 2021 and sits as a member of the Audit and Risk and Remuneration Committees.

He is the Chairman of the Dymon Asia Private Equity Investment Committee and a founding partner of Dymon Asia Capital, one of the largest asset management companies in Singapore. Prior to Dymon, he was a Director at Abax Global Capital, a special situations hedge fund based in Hong Kong, where he originated, structured and executed investment transactions across Asia. During his career, Mr. Tan was also a member of the Executive Committee of Standard Chartered Bank (China), Legal Representative and Branch Manager of Standard Chartered Bank's Shanghai Branch. Mr Tan currently sits as a Non-Executive Non-Independent Director of Amara Holdings Limited.

Mr. Tan graduated with a 2nd Class Honours in Banking and Finance from Nanyang Technological University. He is a Council Member as well as the Vice Chairman of the International Affairs Committee of the 61st Council of Singapore Chinese Chamber Commerce & Industry. He is the Patron of the Chong Pang Citizens' Consultative Committee and a member of The Yellow Ribbon Fund Main Committee.

KEY MANAGEMENT PERSONNEL



MR. LAW CHWAN YAW
Group Financial Controller
Penguin International Limited

Mr. Law was appointed Group Financial Controller in November 2008.

He is responsible for the Group's finance, accounting and risk management functions. Mr. Law joined the Penguin Group as an Accountant in May 2001 and was later promoted to Group Accountant in August 2006, and then Group Finance Manager in July 2008, before being appointed to his current position.

Mr. Law is a member of the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants. He graduated from the University of Malaya in 1996 with a Bachelor of Accounting Honours degree.



MR. GEORGE PHILIP
General Manager, Group Commercial and Fleet
Penguin International Limited

Mr. George Philip joined the Penguin Group in June 2011 as a Management Trainee in its Ship Management Department.

He joined the Group's Commercial Department in November 2016 and was promoted to his current position of General Manager, Group Commercial and Fleet, in January 2022.

Mr. George Philip possesses over a decade of experience in fleet operations in Southeast Asia, Africa and the Middle East.

Mr. George Philip is a graduate from the University of Southern California with a Bachelor of Science in Management.



MR. JOEL LEE WEI KHAI
General Manager, Group Shipbuilding and Repair
Penguin Shipyard International Pte Ltd

Mr. Lee joined the Penguin Group in October 2016 as Project Manager of Penguin Shipyard International Pte Ltd, with primary responsibility over the Singapore Civil Defence Force fireboats project.

In January 2022, he was promoted to his current position of General Manager, Group Shipbuilding and Repair, overseeing both our Singapore and Batam shipyards.

Mr. Lee possesses more than 20 years of experience in the marine industry, including eight years with the Republic of Singapore Navy, as well as managerial roles in shipyards in Singapore and China.

Mr. Lee is a graduate from the National University of Singapore with an Honours Degree in Mechanical Engineering.

KEY MANAGEMENT PERSONNEL



MR. CHEOW MUN KEONG
General Manager
Flex Fleet Sdn Bhd

Mr. Cheow joined the Penguin Group in Singapore in March 2014 as Technical Executive at Pelican Ship Management Services Pte Ltd. In October 2014, he was transferred to Penguin's newly established Malaysian ship management unit, Flex Fleet Sdn Bhd, to serve as a Technical Superintendent for the Group's fleet of crewboats in Malaysia.

Mr. Cheow was promoted to Fleet Manager in May 2016, and subsequently to his current position of General Manager of Flex Fleet Sdn Bhd in April 2017.

Mr. Cheow holds a Diploma in Marine Engineering and a combined First and Second Class Engineer's Certificate from Malaysia Maritime Academy.



MR. PHILIP CHAN BAN ENG
General Manager
PT. Kim Seah Shipyard Indonesia

Mr. Chan was appointed Deputy General Manager of the Group's Batam shipyard, PT. Kim Seah Shipyard Indonesia, in November 2013.

In January 2023, he was promoted to his current position of General Manager of the Group's Batam shipbuilding subsidiary, PT. Kim Seah Shipyard Indonesia.

With more than 40 years of shipbuilding experience, Mr. Chan is responsible for all production activities in Batam, including production planning, project management and quality control.

Prior to joining the Penguin Group, Mr. Chan had worked as a Production Manager at a Singapore-based aluminium shipyard for close to two decades.

Mr. Chan holds a Diploma in Business Efficiency and Productivity in Production Management from Singapore's NPB Institute for Productivity Training, as well as an Advanced Craft Certificate in Shipbuilding from City and Guilds of London Institute.

CORPORATE MILESTONES

- 1972

Penguin's founder Mr. Heng Kheng Seng sets up a sole proprietorship to operate ferries between Singapore and its offshore islands
- 1976

Penguin is incorporated as a private limited company
- 1995

Penguin builds its first aluminium vessel
- 1997

Penguin goes public on the Singapore Stock Exchange

Pelican is set up to own and operate crewboats
- 2006

Debut of Flex-36 crewboat
- 2012

Debut of Flex Fighter security boat
- 2013

50th Flex crewboat delivered
- 2014

Debut of Flex-40 crewboat and Flex Ferry
- 2015

100th Flex crewboat delivered
- 2016

Debut of Flex-42X and Flex-25 CAT crewboats
- 2019

Delivered two fire fighting search-and-rescue vessels to the Singapore Civil Defence Force

150th crewboat delivered
- 2020

Ten ferries delivered to the Australian state of New South Wales
- 2021

Awarded LowCarbonSG status by Carbon Pricing Leadership Coalition Singapore
- 2022

Delivered Singapore's first hybrid-electric patrol boat, MPA Guardian, to the Maritime and Port Authority of Singapore
- 2023

Penguin Refresh - the first of three fully electric ferries developed by Penguin - commences a long-term charter with Shell Singapore
- 2024

Completion of first full year of operation of Penguin's Electric Dream ship-and-shore electrification project

Full solarisation of Penguin Shipyard International in Tuas



OPERATING AND FINANCIAL REVIEW

HIGHLIGHTS OF FY2024

In FY2024, Penguin’s core aluminium shipbuilding, ship repair and vessel chartering businesses were buoyed by a rise in higher-value activities across various business segments, as the Penguin brand found a foothold in new markets in Europe and the Middle East, supported by improved demand in offshore energy and tourism.

In FY2024, Group revenue rose 27.8% year-on-year to \$235.8 million, while gross profit rose 60.1% to \$84.5 million and net profit after tax increased by 112.2% to \$35.5 million.

	FY2024 (\$'000)	FY2023 (\$'000)	+ / (-) (%)
Shipbuilding, ship repair and maintenance revenue	187,695	146,419	28.2%
Vessel chartering revenue	48,149	38,176	26.1%
Total revenue	235,844	184,595	27.8%
Cost of sale	(151,336)	(131,816)	14.8%
Gross profit	84,508	52,779	60.1%
Net profit after tax	35,530	16,740	112.2%



"Penguin Recharge": Cruising at 21 knots and recharging in less than 8 minutes.

As at 31 December 2024, cash, bank balances and fixed deposits stood at \$34.0 million and bank loans, primarily used to fund yard development and fleet expansion, totalled \$50.5 million (27.8% short term), versus \$26.8 million and \$44.4 million (28.7% short term) respectively a year earlier.

The increase in revenue was led by shipbuilding activities, namely the construction of a fireboat for a Singaporean owner, windfarm vessels for a Swedish owner and large car-cum-passenger ferries (RoPax) for a Middle Eastern owner, as well as sales of a few Flex Fighter armoured security vessels to owners in West Africa.

The increase in administrative expenses was due mainly to higher personnel costs arising from an increase in headcount and wages, which was in line with an increase in shipbuilding, ship repair and vessel chartering activities.

The increase in other operating expenses was due mainly to higher marine insurance cost and sundry cost arising from more vessels being added to the Group’s growing fleet.

On the vessel chartering front, FY2024 saw the first full year of operations for the Group’s three Electric Dream ferries and three rapid shore charters in Singapore, which contributed to the higher full-year vessel chartering revenue. To date, the three fully electric ferries have transported more than 500,000 people between Pasir Panjang Ferry Terminal and Pulau Bukom, with minimal downtime.

Apart from the new ferry charter, the Group also put more crewboats to work around the world, resulting in a rise in vessel charter revenue from \$38.2 million in FY2023 to \$48.1 million in FY2024.

In addition to the above, there was a year-on-year decrease in other operating expenses that arose mostly from a net foreign exchange gain of \$2.0 million in FY2024, compared to a net foreign exchange loss of \$1.4 million in FY2023.

In FY2024, the Group wrote off a trade receivable of \$1.4 million, following the Group’s termination of a shipbuilding contract for two security boats, due to a customer default. The completed vessels, which are now under the Group’s ownership, are being marketed for sale.



Just another day in the office in Takoradi, Ghana.



Penguin’s first Flex Fighter X, the first armoured security vessel based on its Flex-42X platform.



M/V Impresser, a modern hybrid CTV built for Europe.

OPERATING AND FINANCIAL REVIEW



Penguin's Flex-42X crewboats berthed against the setting sun in Malaysia.

The Group has also made a provision for expected credit loss of \$595,000 under a general provision arising from an impairment assessment on trade receivables.

Following from the above, the Group posted a higher net profit after tax of \$35.5 million in FY2024, up 112.2% from FY2023.

OUTLOOK FOR FY2025

Offshore Energy continues to be the main demand driver for Penguin's shipbuilding and vessel chartering services.

Buoyed by reported long-term investments in greenfield and brownfield projects for both wind and petroleum, Management expects this demand to continue.

Demand for maritime security - a unique subset of the petroleum industry in West Africa - remains robust, particularly outside of Penguin's core Nigerian market, where Penguin's Flex Fighter design appears to have become the industry standard.

On the decarbonisation front, Penguin is hopeful of growing its renewable footprint, following the success of its Electric Dream project in Singapore.

Over the last 12 months, the Company has built two hybrid crewboats for charter and solarised its shipyard in Tuas. Management is committed to continuing with its decarbonisation journey.

Against this backdrop, rising costs of materials and labour, longer equipment delivery lead times and foreign exchange fluctuations will continue to weigh on the Group's performance.

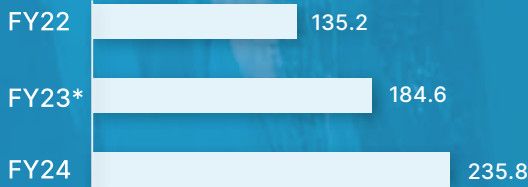


Penguin's wholly owned PT. Kim Seah Shipyard Indonesia in Batam, Asia's largest aluminum shipbuilder.

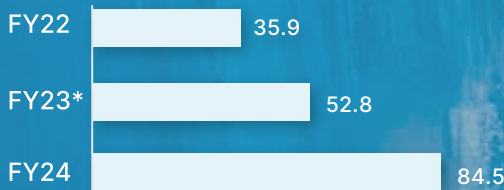
KEY FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER 2024

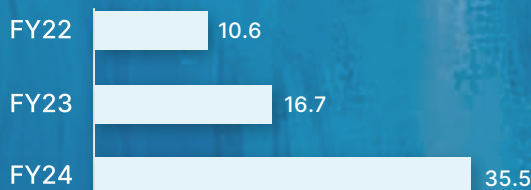
REVENUE (\$'M)



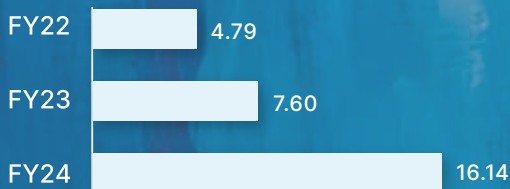
GROSS PROFIT (\$'M)



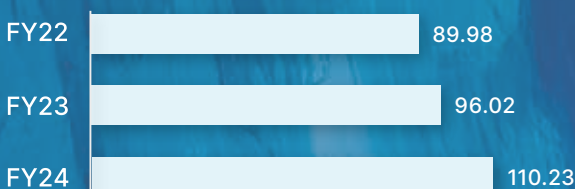
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS (\$'M)



EARNINGS PER SHARE (SGD CENTS)



NET ASSET VALUE PER SHARE (SGD CENTS)



*For comparison, the revenue and gross profit for year ended 31 December 2023 have been reclassified. The sale of spares of \$2,183,000 and related costs of \$1,688,000 for the year ended 31 December 2023 that was previously classified as other income has been reclassified to revenue and cost of sales to provide a more meaningful comparison of the nature of service.

CORPORATE INFORMATION

DIRECTORS

Jeffrey Hing Yih Peir
James Tham Tuck Choong
Joanna Tung May Fong
Winston Kwek Choon Lin
Henry Tan Song Kok
Keith Tan Keng Soon

COMPANY SECRETARIES

Heng Michelle Fiona
Tan Ching Chek

REGISTERED OFFICE

21 Tuas Road
Singapore 638489

BANKERS

DBS Bank Ltd
Standard Chartered Bank
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay tower
Singapore 098632

AUDITORS

PKF-CAP LLP
6 Shenton Way OUE Downtown 1 #38-01
Singapore 068809
Partner in charge: Chew Wei Jim
(Since financial year ended 31 December 2024)

CORPORATE GOVERNANCE REPORT

Penguin International Limited (the “**Company**”) is committed to maintaining high corporate governance standards and sound corporate practices within the Company and its subsidiaries (the “**Group**”) to ensure that effective self-regulation practices are in place to enhance corporate performance and accountability. This report outlines the Company’s main corporate governance practices with reference to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”).

The Board of Directors (the “**Board**”) is pleased to confirm that for the financial year ended 31 December 2024, the Company has adhered to the principles and provisions as set out in the Code and where the Company’s practices vary from any of the provisions of the Code, this is stated with an explanation of the reason for the variation and how the practices it has adopted are consistent with the intent of the relevant principle and/or provisions.

BOARD MATTERS

BOARD’S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

As at the date of this Annual Report, the Board comprises six directors, of whom two are independent directors and there is one non-executive director. The composition of the Board and Board committee members are as follows:

	Board	Audit & Risk Committee “AC”	Nominating Committee “NC”	Remuneration Committee “RC”
Jeffrey Hing Yih Peir	Executive Chairman	-	Member	-
James Tham Tuck Choong	Managing Director	-	-	-
Joanna Tung May Fong	Finance and Administration Director	-	-	-
Winston Kwek Choon Lin	Lead Independent & Non-executive Director	Member	Chairman	Chairman
Keith Tan Keng Soon	Non-Independent & Non-executive Director	Member	-	Member
Henry Tan Song Kok	Independent & Non-executive Director	Chairman	Member	Member

Note: Mr Leow Ban Tat stepped down as an Independent & Non-executive Director on 27 April 2024

Details of the directors’ qualifications, background and working are set out under the “**Board of Directors**” section of this Annual Report.

Rule
210(5)(c)

Rule
1207(10B)

CORPORATE
GOVERNANCE REPORT (CONT'D)

The Board oversees the business affairs of the Group, sets strategic directions, approves budgets and reviews the Group's performance. The Board is collectively responsible for the long-term success of the Group. Each director exercises his independent judgement to act in good faith and in the best interest of the Group for the creation of long-term value for shareholders. The Board works with Management to achieve this objective and Management remains accountable to the Board. The directors also shape the culture and the strategic direction of the Group by adopting appropriate "tone-from-the-top" in meetings attended by key management personnel.

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company, as soon as practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and recuse himself and refrain from participating in discussions regarding a transaction or proposed transaction in which he has an interest or is conflicted, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he shall abstain from voting in relation to the conflict-related matters.

Board Orientation, Training and Updates

Directors understand the Group's business as well as their directorship duties.

The Board strives to ensure that incoming new directors are given proper guidance and orientation (including on-site visits to the Group's operational facilities) to familiarise them with the Group's business, operations, financial performance and key management staff of the Group as well as corporate governance practices upon their appointment to facilitate the effective discharge of their duties. A formal letter is sent to each new director, upon his appointment, setting out the director's statutory duties and obligations.

A newly-appointed director with no prior experience as a director of a company listed on Singapore Exchange Securities Trading Limited ("SGX-ST"), will be required to attend the Mandatory Training conducted by institutions such as Singapore Institute of Directors ("SID"), Institute of Singapore Chartered Accounts and SAC Capital at the Company's expense in order to acquire the relevant knowledge of what is expected of a director of a listed issuer, which is a mandatory requirement under the Listing Rules of the SGX-ST, unless the NC is of the view that such training is not required because the director has other relevant experience. They will also be encouraged to attend at the Company's expense, courses relating to the Singapore regulatory environment and audit essentials.

All directors have the opportunity to visit the Group's operational sites and to meet Management to gain a better understanding of the Group's business operations. They are also encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are relevant to the Group through the extension of opportunities for participation in relevant training courses, seminars and workshops where applicable, at the Company's expense.

Directors are regularly updated on the business activities of the Group and regulatory and industry specific environments in which the Group operates during the Board meetings. Whilst changes to regulations and accounting standards are monitored closely by Management, the Board as a whole, is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and accounting standards. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the directors are circulated to the Board so that they are kept up-to-date on pertinent matters relating to the relevant regulatory requirements and their key changes such as listing rules, corporate governance, risk management, financial reporting standards and the Companies Act 1967 (the "Act"). Appropriate external trainings will be arranged where necessary.

Provision
1.1

Provision
1.1

Provision
1.2

Provision
1.2

Provision
1.6

CORPORATE
GOVERNANCE REPORT (CONT'D)

All Board members have completed the mandated sustainability training course organised by SID to gain a better understanding of Environmental, Social and Governance, climate-related risks and opportunities for businesses, as required under the enhanced SGX sustainability reporting rules.

Principal Duties of the Board

In addition to its statutory duties, the principal functions of the Board are to:

- a) supervise the overall management of the business and affairs of the Group and approve the Group's corporate and strategic policies and direction;
- b) formulate and approve the Group's financial objectives and monitor its performance such as reviewing and approving of results announcements and approving of annual financial statements;
- c) approve the Group's annual budgets, major funding proposals, investment/ divestment proposals and corporate or financial restructuring;
- d) oversee the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;
- e) ensure that necessary financial and human capital resources are available for the Group to meet its objectives;
- f) review and endorse the framework of remuneration for the Board and key management personnel as recommended by the RC;
- g) approve the nominations to the Board of Directors and appointment of key management personnel, as recommended by the NC;
- h) consider sustainability issues e.g. environmental and social factors, as part of its strategic formulation; and

assume responsibility for corporate governance and compliance with the Act and the rules and requirements of relevant regulatory bodies.

Matters Requiring Board Approval

The Board has adopted a set of internal guidelines on matters requiring board approval. Matters that are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, proposing of dividends, annual budgets, significant legal and financial issues, announceable matters, interested person transactions, appointment of directors and key management staff and other matters as may be considered by the Board from time to time.

Delegation to Board Committees

The Board has delegated specific responsibilities to three committees namely, the AC, the NC and the RC to assist in the execution of its responsibilities. Each committee has its own written terms of reference which clearly sets out its objectives, duties, powers and responsibilities and which has been amended to be in line with the Code. All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of all Board Committees have been circulated to the Board so that directors are aware of and are kept updated as to the proceedings and matters discussed during the Committee meetings.

While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

Provision
1.3

Provision
1.4

CORPORATE
GOVERNANCE REPORT (CONT'D)

Attendance at Board and Committee Meetings

Directors attend and actively participate in Board and Board Committee meetings. The Board conducts regular scheduled meetings at least three times a year. The Board and the Board Committees meet based on a meeting schedule planned in advance of each financial year so as to ensure maximum attendance by all participants. Ad-hoc meetings are convened when circumstances require. The Company's Constitution provides for the directors to attend meetings via telephonic or video conference means. Between board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for directors' approval together with supporting memoranda to enable the directors to make informed decisions.

All the directors recorded a 100% attendance rate for all meetings of the Board and Board Committees during the financial year ended 31 December 2024 ("FY2024") as follows:

Meetings of:	Board	AC	NC	RC
No. of Meetings held:	3	3	1	1
Name of Director:	Attended	Attended	Attended	Attended
Jeffrey Hing Yih Peir	3	-	1	-
James Tham Tuck Choong	3	-	-	-
Tung May Fong	3	-	-	-
¹ Leow Ban Tat	1	1	1	1
Winston Kwek Choon Lin	3	3	1	1
² Keith Tan Keng Soon	3	2	-	-
³ Henry Tan Song Kok	3	3	-	1

¹ Leow Ban Tat stepped down as a Director, NC Chairman, AC and RC member on 27 April 2024
² Keith Tan Keng Soon was appointed as an AC and RC member on 27 April 2024
³ Henry Tan Song Kok was appointed as a NC member on 27 April 2024

In addition to the above, the non-executive directors had met with the internal auditors and external auditors without the presence of the executive directors or Management at least once in 2024.

During FY2024, the non-executive directors also met amongst themselves and/or with the executive directors and the management team on an ad hoc basis to approve and/or discuss specific issues or matters relating to the Group. Such informal discussion and meetings are not included in the above table.

Multiple Board Representations

All directors are required to declare their board representations. The NC reviews the multiple board representations held by the directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Group.

Provision
1.5
Provision
1.6

Provision
1.5

Provision
10.5

Provision
1.5

CORPORATE
GOVERNANCE REPORT (CONT'D)

The NC has assessed that each director in the Company is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments. The NC also took into consideration the Company's existing practice of directors being assessed by each other as an additional check and balance on the performance of individual directors and that a director should have self-responsibility to determine whether he is able to discharge his duties properly and effectively as a director when taking on additional listed company board seats.

The NC is of the view that, the issue relating to multiple board representations should be left to the judgement and discretion of each director. The NC noted that based on the attendance at Board and Board Committee meetings during the financial year, all directors were able to participate in all the meetings to carry out their duties as a director of the Company.

Access to Information

Board members are provided with quarterly management reports and from time to time, they are furnished with all relevant information on material events and transactions to enable them to be fully cognisant of the decisions and actions of the Company's Executive Management. Detailed board papers are prepared for each Board meeting. The board papers include sufficient information from Management on financial, business and corporate issues and are normally circulated in advance of each meeting to enable the directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The directors are also regularly updated on the business activities of the Group and when there are significant developments or events relating to the Group's business operations. Board members have separate and independent access to Management and Management has access to the directors for guidance or exchange of views outside of the formal environment of the Board meetings.

The directors have separate and independent access to Management and the Company Secretary at all times and they have been provided with the phone numbers and e-mail particulars of the Company Secretary. Each director has the right to seek independent legal and other professional advice (where necessary), at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil her/his duties and responsibilities as a Director.

The Company Secretary attends all Board meetings and ensures Board procedures are followed. The Company Secretary is also responsible to ensure that established procedures and all relevant statutes and regulations that are applicable to the Company are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

BOARD COMPOSITION & GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Annual Report, there are six directors on the Board, of whom two are independent directors and there is a non-independent, non-executive director. Independent directors comprise at least one-third of the Board and their independence is assessed and reviewed annually by the NC. The NC conducted its annual review of directors' independence and was satisfied that the Company complied with Rule 210(5)(c) of the Listing Manual of SGX-ST.

There are no alternate directors on the Board.

Provision
1.6

Provision
1.7

Rule
210(5)(c)

CORPORATE
GOVERNANCE REPORT (CONT'D)

To discharge its oversight responsibilities, the Board must be an effective board which can lead and control the business of the Group. There is a process of refreshing the Board progressively over time so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board’s deliberations.

Board Independence

Under Provision 2.1 of the Code, an “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. The NC and the Board took into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Rule 210(5)(d) and the Code’s Practice Guidance (“**Practice Guidance**”), that are relevant in determining a director’s independence and considered whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the interest of the Group. A director will not be considered independent if he is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years or if he has any immediate family members who is employed by the Company or any of its related corporations for the past three (3) financial years and whose remuneration is determined by the RC or if he has been a director of the Company for an aggregate period of more than nine years. Such director may continue to be independent until the conclusion of the next annual general meeting of the Company.

The composition of the Board and independence of each director is assessed and reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience to govern and manage the Group’s affairs.

Each independent director is required to provide an annual confirmation of his independence based on the guidelines set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The Board will determine, taking into account the views of the NC, whether a director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect or could affect the director’s judgement.

The Board, with the assistance of NC, assesses the independence of each director on an annual basis. The relevant factors considered by the NC are independence in character and judgement, as well as relationships or circumstances, which are likely to affect, or would appear to affect the director’s judgement. Particular attention is given to reviewing and assessing the independence of any director who has served on the Board beyond nine years from the date of appointment, if there are any. The Board is of the view that all independent directors remain independent in the exercise of their judgement on Board matters.

The Board also recognises that independent directors may over time develop significant insights in the Group’s business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the independent directors must be based on their substance of their professionalism, integrity and objectivity.

The NC conducted its annual review of the directors’ independence and is satisfied that the Company complies with Guideline 2.1 of the Code and Rule 210(5)(c) of the Listing Manual of SGX-ST which requires independent directors to consist of at least one-third of the Board.

The independent directors have each abstained from all NC and Board deliberations and decisions relating to their continued independence.

CORPORATE
GOVERNANCE REPORT (CONT'D)

Proportion of Non-executive Independent Directors

Although Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman is not independent, the NC and the Board are of the opinion that there is an appropriate level of independence as the Board is able to exercise objective judgment independently from Management as all key issues and strategies are thoroughly reviewed and discussed by all Board members and constructively challenged by the independent directors as well as the non-executive director. The NC and the Board are of the view that the independence of directors must be based on the substance of their professionalism, integrity and objectivity and not merely based on form such as the number of independent directors that must make up a majority of the Board.

No individual or small group of individuals dominate the decisions of the Board.

As at the date of this Annual Report, non-executive directors constitute at least half of the Board. There are three Executive Directors compared to three non-executive directors, two of whom are independent directors. There is also a Lead Independent Director and all Board Committees are chaired by independent directors. Therefore, the NC is of the view that the Board has sufficient independent elements and its composition is appropriate to facilitate effective decision making and to aid in development of the Group’s strategic processes, review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance and operations, as an appropriate check and balance.

The non-executive directors have constructively challenged and helped management develop proposals on business strategies for the Company and the Group, taking into consideration the long-term interests of the Group and its stakeholders. Their views and opinions provide different perspectives to the Group’s business. The non-executive directors also reviewed the performance of management in achieving agreed goals and objectives for the Company and the Group, and monitored the reporting of performance and ensures objectivity in such deliberations.

The Company is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive directors who are independent and free of any material business or financial connection with the Company.

Board Size and Board Diversity

The NC is of the view that the size of the Board and its board committees is appropriate taking into account the nature and scope of the Group’s operations, the core competency and broad range of industry knowledge and business experience of the directors to govern and contribute to the effectiveness and success of the Group. The NC reviews the size of the Board as well as opportunities to refresh the Board from time to time. The Company recognises and embraces the benefits of diversity of experience, age, gender, skill sets, industry discipline, tenure of service, and ethnicity on the Board (“**Board Diversity**”) and views Board Diversity as an essential element to support the attainment of its strategic objectives and sustainable development.

The Company’s Board Diversity Policy sets out its approach to achieve diversity on the Board. In terms of the Board’s composition, the Company seeks to have a Board that comprises directors who, as a group, not only provide an appropriate balance and have diversity of professional experience, skills and industry knowledge and independence but also of other aspects such as gender, age, tenure of service and other relevant factors so as to avoid groupthink and foster constructive debate. Gaps identified, if any, will be considered in determining the optimum composition of the Board, and where possible, will be balanced appropriately. Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

CORPORATE
GOVERNANCE REPORT (CONT'D)

The current Board composition reflects the Company’s commitment to Board diversity. The Board comprises directors from different backgrounds and whose core competencies, qualifications, skills and experience are extensive. The Board, as a group, provides an appropriate balance and diversity of skills and experience including accounting and financial, legal and business management expertise and collectively possess the necessary core competence to lead and govern the Group effectively. Each director provides a valuable network of industry contacts which are considered essential to the Group and is appointed on the strength of his calibre, experience and stature.

In 2024, the directors were between the ages of 52 to 69 and served on the Board for different tenures. To ensure gender representation, the Company has one female director on the Board. In terms of board independence, with a strong element of oversight on the Board, there are two independent non-executive directors and one non-independent non-executive director out of a total of six directors.

The non-executive directors, led by the Lead Independent Director, meet and communicate on a need-be basis without the Management’s presence to discuss matters such as the Group’s financial performance, corporate governance initiatives, board processes, succession planning and the remuneration of the executive directors and key management personnel. The non-executive directors provide feedback to the Board as appropriate.

Details of the directors’ qualifications, background and working experience are set out under the “**Board of Directors**” section of this annual report.

The Company aims to achieve a diversity of gender, skills and experience, and any other relevant aspects of diversity.

The Board is of the view that the current Board composition is of an appropriate size and already comprises directors who, as a group, provide the appropriate balance and mix, with a rich collective experience that spans the marine and offshore industry, accounting and finance, business and management, human resources, legal affairs, risk management, strategic planning, auditing, among other industry-specific expertise. The directors were able to engage in constructive debates and were vocal in expressing their independent opinions on subjects under discussion at meetings and in the email exchanges. This mitigates groupthink and fosters constructive debate, that supports the Company and the Group in the pursuit of its strategic objectives and its sustainable development.

The Board composition enables management to benefit from a diverse and objective external perspective on issues raised before the Board. The directors as a Group provide the appropriate balance and mix of skills, knowledge experience and other aspects of diversity including the following:

Diversity of the Board (as at the date of this Annual Report)		
Core Competencies	Number of Directors	Proportion of Board
- Accounting or finance	4	66.67%
- Business management	4	66.67%
- Legal and corporate governance	2	33.33%
- Relevant Industry Knowledge or experience	4	66.67%
- Strategic planning experience	3	50.00%

Provision
2.4

Provision
2.5

Rule 710A(1)

Rule 710A(2)

CORPORATE
GOVERNANCE REPORT (CONT'D)

The tenure of each independent director is monitored closely every year so that the process for Board renewal is reviewed and considered ahead of any independent director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence. The tenure of service of independent directors as at 31 December 2024 was as follows:

Years of service	Number of IDs as at the date of this Annual Report	Proportion of IDs
4 years or less	2	100%

Mr Leow Ban Tat, an independent director, who served an aggregate period of nine years on the Board stepped down from the Board on 27 April 2024 to facilitate Board renewal. The Board is on the lookout for suitable candidates to shortlist for consideration and appointment, if appropriate.

There is no age limit fixed for directors of the Company as weight should be given to suitable candidates with repute and experience notwithstanding their age and the Company will endeavour to promote age diversity when considering the composition of board members for any board appointment. At the same time, the Company continues to value the contribution of its members regardless of age.

Age as at the date of this Annual Report	Number of Directors	Proportion of Board
Between 50 to 54 years	3	50.00%
Between 55 to 59 years	1	16.67%
Between 60 to 64 years	1	16.67%
Between 65 to 69 years	1	16.67%

In support of gender diversity, the Board Diversity Policy requires the NC to include female candidates in the pool for new director appointments, targeting at least one female director on the Board. This goal has been met, with one female out of the six current board members.

The NC has not set further targets for Board diversity as it may detract from the more fundamental principle that a candidate must be of the right fit and must meet the relevant needs and vision of the Company and the Board. However, the NC and Board will continue to consider how to further enhance diversity on its Board as the scope and nature of the operations of the Company and the requirements of the business change and/or develop over time. Any progress made towards achieving the aforesaid board diversity will be disclosed in the Company’s future annual report(s) as appropriate.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- (i)

annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (ii)

annual evaluation by the directors with a view to understanding the range and level of expertise that may potentially be lacking on the Board.

CORPORATE
GOVERNANCE REPORT (CONT'D)

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors. The NC and Board does not intend pursuant to the Board Diversity Policy to appoint persons as directors by reason of their gender, age, ethnicity etc as token representatives on the Board or simply to meet quotas. In the Board's view, the fundamental principle is that the candidate must be of the right fit, taking into account the needs and future plans of the Group's businesses, and must meet the relevant needs and vision of the Board and the Company at the material time.

In view of the foregoing, the NC and Board are satisfied that the Board Diversity Policy is adequate and that the current Board members is sufficiently diverse and serve the needs and plans of the Company, in accordance with Rule 710A of the SGX-ST Listing Manual.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Executive Chairman and the Managing Director are separate individuals and are not related. Their roles are segregated to ensure an appropriate balance and separation of power and authority, increased accountability and clear division of responsibilities.

Provision
3.1 and Rule
1207(10A)

Mr Jeffrey Hing Yih Peir, the Executive Chairman is responsible for the strategic direction of the Group, the workings of the Board and communicating the performance of the Company and the Group to the Board and shareholders. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations among and between them and management. Mr James Tham Tuck Choong, the Managing Director, with the assistance of a team of key management personnel, is responsible for the day-to-day management of the Group and executing the Group's strategies and policies.

Provision
3.2

The Board has no dissenting view on the Chairman and Managing Director's Joint Letter to Shareholders for the year under review.

Lead Independent Director

To enhance the independence of the Board, Mr. Winston Kwek Choon Lin, the Lead Independent Director, provides a non-executive perspective and contributes to a balance of viewpoints on the Board. He is the principal liaison on board issues between the non-executive directors and the executive directors. The Lead Independent Director will be available to shareholders with concerns or issues when contact through the normal channels with the Chairman, the Managing Director or the Finance & Administration Director has failed to provide satisfactory resolution or when there is a conflict of interest in such contact.

Provision
3.3

No queries or requests on any matters which required the Lead Independent Director's attention were received in FY2024.

CORPORATE
GOVERNANCE REPORT (CONT'D)

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Composition and Role

As at the date of this Annual Report, the NC comprises the following three directors, which includes the Lead Independent Director who is also the NC Chairman. The majority of the NC members are independent directors:-

Provision
1.4

Winston Kwek Choon Lin¹ (Chairman)
Henry Tan Song Kok²
Jeffrey Hing Yih Peir

Provision
4.2
Rule 1207(10B)

¹ Mr Winston Kwek Choon Lin was appointed NC Chairman on 27 April 2024 in place of Mr Leow Ban Tat who stepped down as a Director and NC Chairman on 27 April 2024.
² Mr Henry Tan Song Kok was appointed a member of the NC on 27 April 2024

The NC is guided by written terms of reference approved by the Board and its principal functions are to establish a formal and transparent process on matters relating to and including:

Provision
4.1

- (a) making recommendations to the Board on relevant matters relating to:
 - (i) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
 - (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and directors;
 - (iii) the review of training and professional development programmes for the Board and its directors;
 - (iv) the appointment and re-appointment of directors (including alternate directors, if any);
- (b) determining annually, and as and when circumstances require, if a director is independent, and providing its views to the Board in relation thereto for the Board's consideration;
- (c) where a director or proposed director has multiple board representations, deciding whether the director is able to and has been adequately carrying out his duties as a director taking into consideration the director's number of listed company board representations and other principal commitments.

Nomination and selection of Directors

All new appointments and selection of directors are reviewed and proposed by the NC. The NC will first identify the knowledge, skills, experience and background of the candidate being considered for appointment to the Board. Suitable candidates for Board membership are then identified through, inter alia, recommendations from current Board members, searches conducted by external search consultants or the SID and other referrals. The selection criterion includes integrity, diversity of competencies, expertise, industry experience and financial literacy. The NC and the Board will interview short-listed candidates before discussing and approving the final appointment. For existing directors who retire and stand for re-election, the NC will make recommendations for the re-nomination of such directors, if they are eligible, based on the evaluation of these directors.

Provision
4.3

CORPORATE
GOVERNANCE REPORT (CONT'D)

The directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to Regulation 92 of the Company's Constitution, one-third of the directors are to retire from office by rotation and be subject to re-election at the Annual General Meeting ("AGM") of the Company. In addition, Regulation 98 requires a newly appointed director to submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation at least once every three years.

Key information of each director is set out on pages 15 to 18 of this Annual Report and the dates of their initial appointment and last re-appointment/re-election are set out below:

Name of Director	Date of initial appointment	Date of last re-appointment/ re-election
Jeffrey Hing Yih Peir	2 February 2009	27 April 2023
James Tham Tuck Choong	15 August 2008	28 April 2022
Joanna Tung May Fong	2 May 2008	23 April 2024
Winston Kwek Choon Lin	29 April 2021	27 April 2023
Keith Tan Keng Soon	9 June 2021	23 April 2024
Henry Tan Song Kok	1 July 2021	23 April 2024

Mr James Tham Tuck Choong and Mr Winston Kwek Choon Lin are due for retirement by rotation pursuant to Regulation 92 of the Company's Constitution at the coming 2025 AGM. The NC has reviewed and having assessed their suitability, has recommended that Mr James Tham Tuck Choong and Mr Winston Kwek Choon Lin, being eligible, and who have offered themselves up for re-election, be re-elected. The Board has accepted NC's recommendation and is recommending the same for shareholders' approval at the 2025 AGM. Each of the retiring directors has abstained from all NC and Board deliberations and decisions relating to their re-election.

Additional information relating to the directors seeking re-election is set out on pages 142 to 144 of the Annual Report, in accordance with Rule 720(6) of the Listing Manual of the SGX-ST.

Continuous review of Directors' independence

The NC is charged with determining annually, and as and when circumstances require, the independence of each independent director, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST.

As described under the section on Board Independence, the Board after taking into consideration the views of the NC, is of the view that the independent directors, namely Mr Leow Ban Tat, Mr Winston Kwek Choon Lin and Mr Henry Tan Song Kok are independent and that no individual or small group of individuals dominate the Board's decision making.

Rule 720(5)

Provision
4.4

CORPORATE
GOVERNANCE REPORT (CONT'D)

Directors' time commitments

The NC endeavours to ensure that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. As part of the assessment of the performance of each individual director, there is consideration of whether sufficient time and attention has been given by the director to the affairs of the Company. The NC is satisfied that all directors were able to and have adequately carried out their duties as a director of the Company for FY2024.

The NC also believes that contributions from each director may be reflected in other ways other than merely the reporting of attendances at the Board and Board Committees meetings as well as the frequency of such meetings. A director would have been appointed on the strength of his experience and his potential to contribute to the proper guidance of the Group and its business. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his/her contributions, which can be in many forms, including Management's access to him/her for guidance or exchange of views outside the formal environment of the Board.

The listed company directorships and principal commitments of each director are disclosed on pages 15 to 18 of the Annual Report.

The NC does not encourage the appointment of alternate directors and none of the directors has an alternate director.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC, has with the approval of the Board, established performance criteria and evaluation procedures for evaluation and assessment of the effectiveness and performance of the Board, the Committees as well as the contribution by the Chairman and for each individual director. The NC evaluates and assesses the effectiveness of the Board taking into consideration appropriate performance criteria and upon its recommendation, the Board makes a formal annual assessment of its effectiveness as a whole, its board committees and each director.

Each director submits an assessment of the Board and the Board Committees, and a peer assessment of each of the other directors to assess the contributions by the Chairman and each individual director to the effectiveness of the Board. These detailed forms assess directors in various different areas and competencies, including their attendance and contributions at meetings, preparedness for meetings etc. The evaluation of the Board and the Board Committees focus on a set of performance criteria approved by the Board which includes the size and composition of the Board, Board independence, the Board's access to information and Board's accountability, and Board Committee performance in relation to discharging their responsibilities as set out in their respective terms of reference. The responses are collated by the external Company Secretary and a consolidated report is submitted to the Board. The responses are then discussed by the Board to determine the areas for improvement and enhancement of the effectiveness of the Board and its Board Committees.

Following the review in FY2024, the Board is of the view that the Board and its Board Committees operate effectively and that each director is contributing to the overall effectiveness of the Board and its Board Committees.

No external consultant was involved in the Board evaluation process in FY2024.

Provision
4.5

Provision
5.1

Provision
5.2

CORPORATE
GOVERNANCE REPORT (CONT'D)

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES AND
LEVEL AND MIX OF REMUNERATION

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Composition and Role

As at the date of this Annual Report, the RC comprises the following three directors, all of whom are non-executive and the majority are independent, including the RC Chairman: -

Winston Kwek Choon Lin (Chairman)
Henry Tan Song Kok
Keith Tan Keng Soon¹

Provision
1.4
Provision
6.2
Rule 1207(10B)

¹ Mr Keith Tan Keng Soon was appointed as RC Member on 27 April 2024 in place of Mr Leow Ban Tat who stepped down as a Director and RC member on 27 April 2024.

The RC is guided by written terms of reference approved by the Board and its principal responsibilities are:

Provision
6.1

- (a) reviewing and making recommendations to the Board on:

(i) a framework of remuneration for the Board and key management personnel; and
(ii) the specific remuneration packages for each director as well as for the key management personnel,

and in doing so the RC considers all aspects of remuneration, including termination terms, to ensure they are fair;
- (b) reviewing the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service;
- (c) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Company that could affect his or her independence and objectivity; and
- (d) reviewing annually the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year.

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. No director or member of the RC is involved in deciding his or her own remuneration.

Provision
6.3

The RC has explicit authority to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters when necessary. During the financial year, the RC did not engage the service of an external remuneration consultant.

Provision
6.4

CORPORATE
GOVERNANCE REPORT (CONT'D)

Remuneration Framework

The Group adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and each individual's performance, which is based on the criteria of the respective key performance indicators allocated to the individual. Staff appraisals are conducted at least once a year. The key performance indicators include the Company's profitability and other financial and operational indicators as determined by the Board.

Provision
7.1

The RC reviews, for recommendation to the Board, the specific remuneration packages of Executive Directors and key management personnel as well as subsequent increments and performance bonuses where these payments are discretionary. There are appropriate and meaningful measures in place for the purposes of assessing the performance of Executives Directors and key management personnel and their respective remuneration packages are based on the performance of the Group and the individual. Each Executive Director has a separate service agreement with the Company and they do not receive Directors' fees.

Non-executive directors are paid Directors' fees, which consist of a basic retainer fee as director and an additional fee for serving on any of the Board Committees. The fees take into consideration the knowledge and expertise of each individual non-executive director, the responsibilities vested upon them and the effort and time commitment required from the non-executive directors given the complexities of the business and the business structure.

Provision
7.2

The Board concurred with the RC that the proposed directors' fees for the year ended 31 December 2024 are appropriate and not excessive, taking into consideration the level of contributions by the non-executive directors and factors such as effort and time spent for serving on the board and board committees, as well as the responsibilities and obligations of the non-executive directors. The payment is subject to approval of the shareholders at each AGM. No individual director is involved in deciding his own remuneration.

In performing its function, the RC endeavours to establish an appropriate remuneration policy to attract, retain and motivate key management personnel and Executive Directors, while at the same time ensuring that the reward in each case takes into account, individual performance as well as corporate performance. The corporate and individual performance-related elements of remuneration are designed to align the interests of Executive Directors and key management personnel with those of shareholders and other stakeholders and to promote the long-term success of the Group.

Provision
7.3

The Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duty.

Except as disclosed in the Directors' Statement and Financial Statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of the Executive Chairman, Managing Director or any director or controlling shareholder subsisted at the end of the financial year or had been entered into since the end of the previous financial year.

CORPORATE
GOVERNANCE REPORT (CONT'D)

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Group's remuneration policy is to provide remuneration packages which are appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

In the assessment of the individual performance of Executive Directors, the factors assessed includes the individual's contribution in connection to the risk management of the Group, including the individual's contribution in identifying, assessing, managing, monitoring and reviewing the Group's risks. The Executive Directors do not receive Directors' fees. The Executive Directors and key management personnel had met their respective key performance indicators in respect of FY2024.

The names, amounts and breakdown of remuneration of each non-executive director during FY2024 are disclosed below.

	Directors' Fees		Salary	Bonus	Other benefits
	\$		\$	\$	\$
Non-Executive Directors ¹					
Leow Ban Tat ²	20,000	(100%)	-	-	-
Winston Kwek Choon Lin	62,000	(100%)	-	-	-
Henry Tan Song Kok	66,667	(100%)	-	-	-
Keith Tan Keng Soon	50,333	(100%)	-	-	-

⁽¹⁾ For the non-executive directors, their remuneration is paid solely in the form of Directors' fees to be approved by shareholders at each annual general meeting of the Company.

⁽²⁾ Mr Leow Ban Tat stepped down as a non-executive independent director, NC Chairman and a member of the RC and AC on 27 April 2024.

Rule 1207(10D) of the Listing Manual of the SGX-ST provides that the names, amounts and breakdown of remuneration paid to each individual director and the CEO by the issuer and its subsidiaries should be disclosed in the annual report. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. Accordingly, the remuneration of the Executive Directors (which includes the Managing Director) are disclosed below, and the remuneration of the non-executive directors are disclosed above.

Provision
8.1

Provision
8.1(a)

CORPORATE
GOVERNANCE REPORT (CONT'D)

	Directors' Fees		Salary ⁽²⁾		Allowance		Bonus ⁽²⁾		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
Executive Directors ⁽¹⁾										
Jeffrey Hing Yih Peir	-	-	229,824	38	-	-	380,922	62	610,746	100
James Tham Tuck Choong	-	-	458,832	36	36,000	3	761,639	61	1,256,471	100
Joanna Tung May Fong	-	-	392,832	45	-	-	477,325	55	870,157	100

⁽¹⁾ There are no termination, retirement and post-employment benefits granted to the Executive Directors. There are also no stock options, share-based incentives and awards, and other long-term incentives granted to the Executive Directors, and they do not receive Directors' Fees.

⁽²⁾ The amounts shown are inclusive of employer's statutory contributions to the Singapore Central Provident Fund.

Key Management Personnel

Details of remuneration and benefits (in bands of S\$250,000) of the top five key management personnel (who are not directors or the CEO) for the financial year ended 31 December 2024 are set out below:-

Remuneration Band	No. of Key Management Personnel
Between \$250,000 and \$500,000	3
Below \$250,000	2

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that as the remuneration packages are confidential and sensitive in nature, full disclosure of the specific remuneration of each of the five top key management personnel (who are not directors or the CEO) is not in the best interest of the Company. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in, the competitive pressures in the talent market and the irrevocable negative impact such disclosure may have on the Group and which would place the Group in a competitively disadvantageous position.

Given the challenging industry conditions, the Company's view on the disclosure in aggregate of the total remuneration paid to these key management personnel is not in the best interest of the Company in light of the competitive business environment that the Group operates in as well as the competitive pressures in the talent market.

Notwithstanding the above, the Company is of the view that the intent of Principle 8 of the 2018 Code was met, and the remuneration information as disclosed above will be sufficient for shareholders to have an adequate appreciation of the remuneration of the key management personnel and wishes to maintain confidentiality of remuneration in the interest of maintaining good morale and a strong spirit of teamwork within the Group.

The profiles of the top 5 key management personnel are found on pages 19 to 20 of this Annual Report.

Mr Jeffrey Hing Yih Peir, who is the Executive Chairman, is a substantial shareholder of the Company. His remuneration is as described above.

Mr. Tung Tak Wai, who is the brother of Executive Director, Ms. Joanna Tung May Fong, is an employee in a managerial position in the Company. His remuneration was between \$150,000 and \$200,000 for the financial year ended 31 December 2024.

Provision
8.1(b)

Provision
8.2

CORPORATE
GOVERNANCE REPORT (CONT'D)

All forms of remuneration and other payments and benefit (if any), paid by the Company and its subsidiaries/ subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements to directors and key management personnel of the Company are disclosed in the tables above.

The Company does not have any employee share option scheme.

ACCOUNTABILITY & AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and the AC assumes the duties and responsibilities of the risk management function to specifically address these issues. With the assistance of an external consultant, the Group established an Enterprise Risk Management (“**ERM**”) framework to enable the Group to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks, including financial, operational, compliance and information technology controls. To promote risk awareness among employees at all levels, the Group has put in place an ERM policy that elaborates on the ERM framework, process and governance.

For the financial year under review, assurance has been received from:

- (a) the Managing Director and Finance Director that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and
- (b) the Managing Director and other key management personnel who are responsible regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board recognises the need and is responsible for maintaining a system of internal controls and processes to safeguard shareholders' investments and the Group's assets. The AC monitors the effectiveness of the internal control systems and procedures and risk management systems. During the year, the Board and AC reviewed the effectiveness of the Company's internal control procedures and risk management systems.

The Group promotes the standardisation of policies, processes and control procedures throughout its operations and has upgraded from the SAP Accounting Software System to the Workday platform system in 2024 to improve its operational processes.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. While acknowledging their responsibility for the system of internal controls, the Directors recognise that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or mis-statements, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Provision
8.3

Rule
1207(16)

Provision
9.1

Provision
9.2

CORPORATE
GOVERNANCE REPORT (CONT'D)

Based on the internal controls established and maintained by the Group, work performed by internal audit team, and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's framework of internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective to provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value.

Rule
1207(10) and
610(5)

AUDIT AND RISK COMMITTEE

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

The AC comprises the following three members, all of whom are non-executive and a majority of whom (including the AC Chairman) are independent directors:

Provision
1.4;
Provision
10.2;
Rule 1207(10B)

Henry Tan Song Kok (Chairman)
Winston Kwek Choon Lin
Keith Tan Keng Soon¹

¹ Mr Keith Tan Keng Soon was appointed as an AC member on 27 April 2024 in place of Mr Leow Ban Tat who stepped down as a Director and AC member on 27 April 2024.

AC Composition and Role

The profiles of each AC members are set out on pages 16 to 18 of this Annual Report. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management knowledge, expertise and experience to discharge their responsibilities properly.

Provision
10.2

None of the AC members are former partners or directors of, or have any financial interests in, the Company's existing auditing firm or auditing corporation.

Provision
10.3

The role of the AC is to assist the Board in overseeing the adequacy of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditor as well as their independence.

Provision
10.1

The AC is guided by written terms of reference approved by the Board and its duties include:

Provision
10.1

CORPORATE
GOVERNANCE REPORT (CONT'D)

- (a)

reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b)

reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (c)

reviewing the assurance from the Managing Director and the Finance Director on the financial records and financial statements;
- (d)

making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e)

reviewing the adequacy, effectiveness, independence, scope and results of the Company's external audit;
- (f)

reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;
- (g)

reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on and that the company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (h)

deciding on the appointment, termination and remuneration of the head of the internal audit function, as the primary reporting line of the internal audit function is to the AC;
- (i)

meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually;
- (j)

reviewing and recommending the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (k)

reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and Management's response thereto, discussing such matters with the external auditor and, at an appropriate time, reporting the matter to the Board;
- (l)

carrying out the functions set out in Section 201B of the Companies Act;
- (m)

with reference to the Practice Guidance, having explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions; and
- (n)

reporting to the Board the significant issues and judgements that the AC considered in relation to the financial statements, and how these issues were addressed.

CORPORATE
GOVERNANCE REPORT (CONT'D)

The AC has been given full access and obtained the co-operation from the Management of the Company. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Quarterly (where applicable), half year and full year results are reviewed by the AC prior to their submission to the Board as are interested person transactions that fall within the scope of Chapter 9 of the Listing Manual of the SGX-ST.

Internal Audit

The primary reporting line of the internal audit function is to the AC, which also approves the hiring, removal, evaluation and compensation of the internal auditors. The internal audit function is outsourced to Crowe Horwath First Trust Risk Advisory Pte Ltd, an external professional firm. They have been tasked to conduct regular audits of internal control systems of the Group's companies, recommend necessary improvements and enhancements, and report to the AC. The AC reviews and approves the annual internal audit plan. The internal auditor has unrestricted access to documents, records and personnel, including the AC and has appropriate standing within the Company.

Provision
10.4;
Rule 719(1)

The AC is satisfied that the internal audit function is independent, effective and adequately resourced to perform its function and is staffed by suitably qualified and experienced professionals.

Rule
1207(10C)

The internal audit was carried out in accordance with the Standards for the Professional Practice of Internal Auditing. The internal audit process includes, inter alia, the identification of key risk areas and a consideration of the controls managing such risks.

External Auditors

The Company's external auditor is PKF-CAP LLP ("**PKF**"), an accounting firm registered with ACRA.

The external auditor has full access to the AC which can conduct or authorise investigations into any matters within its terms of reference. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

The AC confirms that it has reviewed the nature and extent of all audit and non-audit services performed by the external auditor in FY2024, to establish if their independence and objectivity had in any way been compromised. PKF did not provide any non-audit services in FY2024. The audit fees payable to PKF for FY2024 are disclosed on page 89 of this Annual Report.

Rule
1207(6)(b)

The AC has also reviewed and confirmed that PKF is a suitable audit firm to meet the Company's audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, PKF's other audit engagements, size and complexity of the Penguin Group, the number and experience of supervisory and professional staff assigned to the audit. Accordingly, the AC has recommended to the Board the re-appointment of PKF as External Auditor of the Group for the year ending 31 December 2025. PKF has been engaged to audit the accounts of the Company and its Singapore-incorporated subsidiaries. The accounts of the significant foreign-incorporated subsidiaries are audited by PKF member firms in the respective countries.

Rules 712 and
715

The AC was satisfied that the Company's external auditors and the audit engagement partner assigned to the audit had adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST.

Rule 712

CORPORATE
GOVERNANCE REPORT (CONT'D)

The Company has also complied with Rule 715 which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

AC's Activities in FY 2024

Provision 1.4 of the Code recommends, *inter alia*, that a summary of the AC's activities be disclosed in the annual report. The AC performs the functions specified in Section 201B of the Act, the Listing Manual of the SGX-ST and the Code. The AC met three times during FY2024. The AC reviewed and approved the internal audit plan for execution.

In FY2024, the internal and external auditors conducted audits that involve testing the effectiveness of the material internal controls systems in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors were reported to the AC.

The AC also reviewed the effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors. The systems of internal controls and risk management are continually being refined by Management, the AC and the Board.

The AC has met with the internal and external auditors separately without the presence of Management for the year in review. In addition, updates on changes in accounting standards and treatment are prepared by the external auditor and circulated to the members of the AC periodically for information.

Whistle Blowing Policy

The Company has put in place a Whistle-Blowing Policy for the Penguin Group. The Policy serves to encourage and provide a channel for employees, shareholders, clients, consultants, vendors, contractors and sub-contractors to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The arrangement also ensures independent investigation of such matters and appropriate follow-up actions.

The AC is responsible for oversight and monitoring of whistleblowing and the AC reviews all whistleblowing complaints, if any, at its quarterly meetings to ensure independence, thorough investigation and appropriate follow-up actions are taken. The Company is committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistleblowing in good faith. The details of the Whistle-Blowing Policy are available on the Company's website. During FY2024, there was no incident of concern reported to the AC.

Significant financial statement reporting matters

The significant issues considered by the AC in relation to financial statements during the year ended 31 December 2024 are detailed below, alongside the actions taken by the AC to address these issues.

Significant matters considered	How these issues were addressed by the AC
Assessment of impairment of vessels	The AC considered the approach and methodology used by management in assessing the fleet of vessels which was subjected to an impairment test.

Rule 715

Provision
1.4

Provision
10.5

CORPORATE
GOVERNANCE REPORT (CONT'D)

The AC discussed the above with the external auditors and reviewed the reasonableness of key assumptions and methodologies used by management as well as by the independent valuer, and was satisfied that these were appropriate.

The external auditors have included the assessment of impairment of property, plant and equipment as a key audit matter in their report for the year ended 31 December 2024. This is in pages 56 to 57 of the Annual Report.

Revenue recognition measured based on the input method

The AC considered the approach and methodology applied to the revenue recognition for its shipbuilding contracts which is measured based on the input method to the satisfaction of a performance obligation.

The AC discussed the above with the external auditors and reviewed the reasonableness of estimates and methodology used by management, and was satisfied that these were appropriate.

The external auditors have included revenue recognition using the percentage-of-completion method as a key audit matter in their report for the year ended 31 December 2024. This is in page 57 of the Annual Report.

Assessment of impairment of trade receivables

The AC considered the approach and methodology used by management in assessing the collectability of its trade receivables based on credit loss model to determine if impairment of any of its trade receivables will be required.

The AC discussed the above with the external auditors and reviewed the reasonableness of key assumptions and methodologies used by management and was satisfied that these were appropriate.

The external auditors have included the assessment of impairment of trade receivables as a key audit matter in their report for the year ended 31 December 2024. This is in page 58 of the Annual Report.

Assessment of Tax Recoverable

In assessing the additional tax assessed on the overseas subsidiary for the years 2018 and 2019, the AC considered Management's approach and assumptions as well as the advice from the subsidiary's external tax professional firm.

The AC discussed the above with the external auditors and reviewed the reasonableness of key assumptions and the approach adopted by management including counsel from external tax professional firm who has advised that it has become virtually certain that an inflow of economic benefits will arise in respect of the recoverability of the tax paid to the tax authorities, and accordingly the tax recoverable is recognised.

The external auditors have included their assessment of provision for taxation as a key audit matter in their report for the year ended 31 December 2024. This is at page 58 of the Annual Report.

SHAREHOLDERS' RIGHTS AND ENGAGEMENT
SHAREHOLDER RIGHTS, CONDUCT OF SHAREHOLDERS MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

CORPORATE
GOVERNANCE REPORT (CONT'D)

Conduct of General Meetings and Interaction with Shareholders

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders. All shareholders are informed through notices of general meetings sent by post and such notices are also advertised in the Business Times and made available on the SGX-ST's website.

All registered shareholders of the Company are invited and encouraged to attend and vote at general meetings. At the general meeting, shareholders have the opportunity to vote in person or by proxy and will be informed of voting procedures.

Participation of shareholders is encouraged at the AGM through the open question and answer session. The directors and Management will be available to address any queries or concerns on matters relating to the Company at general meetings of shareholders and the external auditor will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

All Directors attended the AGM that was held in a wholly physical format on 23 April 2024, which was the only general meeting held during the financial year.

The Board has developed several channels, such as the Group's website, email or fax, for shareholders who are not able to attend the AGM to contribute their feedback and inputs regarding the Company and its operations.

Every matter requiring shareholders' approval is proposed as a separate resolution on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled" the Company will explain the reasons and material implications in the notice of meeting. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Proxy forms are sent with the Notice of meeting to all shareholders. Except for a shareholder who is a Relevant Intermediary as defined under Section 181(6) of the Act, a shareholder may appoint up to two proxies to attend and vote on his behalf at the general meeting through proxy forms deposited 72 hours before the meeting.

As authentication of shareholder identity information is a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. The Company will take into account measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

To promote greater transparency and effective participation, the Company conducts the voting of all its resolutions by poll at all general meetings. Upon the conclusion of the general meetings, the detailed voting results, including the total number of votes cast for or against each resolution tabled, are announced at the general meetings and via SGX-ST's website.

The Company published the minutes of its AGM held in 2024 on SGXNet and the Company's corporate website including responses to questions raised by shareholders in advance of the 2024 AGM. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and the responses from the Board, Management and auditors.

Provision
11.1

Provision
11.1
Provision
11.3

Provision
11.2

Provision
11.4

Provision
11.5

CORPORATE
GOVERNANCE REPORT (CONT'D)

Dividend Policy

The Company has not formally instituted a dividend policy. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operations and cash flows, the ability of the Company's subsidiaries to make dividend payments to the Company, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time. The declaration and payment of any dividend will be recommended by the Directors and the final dividend (if any) will be subject to approval by shareholders.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with shareholders and the investment community is maintained through regular dissemination of information such as announcements on half-yearly and full year results, press releases on the SGXNet and the Company's corporate website. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed in a comprehensive, accurate and timely basis via SGXNet especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Although the Company does not have an investor relations policy, it has an Investor Relations Section on its corporate website where shareholders and other stakeholders may contact the Company with feedback or questions and there are procedures in place for following up and responding to stakeholders' queries as soon as applicable.

The Company values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible.

General meetings have been and are still the principal forum for dialogue with shareholders. Shareholders' views are sought at general meetings and shareholders are given the opportunity to air their views and ask the directors and management questions regarding the Company and the Group.

The Company is committed to treating all shareholders fairly and equitably and keep all shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares on a timely basis.

Provision
11.6

Provision
12.1
Provision
12.2
Provision
12.3

Provision
12.2

CORPORATE
GOVERNANCE REPORT (CONT'D)

MANAGING STAKEHOLDERS RELATIONSHIPS
ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company values input from all of its stakeholder groups and uses a variety of channels and platforms, including the Company's website www.penguin.com.sg, to engage with them as well as receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Company considers material.

Provision
13.1

The Company's efforts on sustainability are focussed on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators, shareholders and vendors. More details are set out in the standalone Sustainability Report for FY2024 that will be released on SGXNet by 30 April 2025.

Provision
13.2

The Company does not practice selective disclosure of material information. Price sensitive information is always announced to the SGX-ST through SGXNet after trading hours and in a timely manner. Financial results and annual reports are announced or issued to the SGX-ST within the mandatory periods and the annual reports are also made available on the Company's website – www.penguin.com.sg. The Company's website is updated regularly and contains various information on the Company and the Group and serves as an important resource for investors and all stakeholders.

Provision
13.3

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES

The Group has put in place an internal compliance code (the “**Compliance Code**”) which prohibits dealings in the securities of the Company by the Company, directors and employees while in possession of unpublished material price-sensitive information, and during the period beginning one month before the announcement of the half year and full year financial statements results and ending on the date of the announcement.

Rule
1207(19)(A)
and (C)

The Compliance Code discourages all the directors and employees of the Group to deal in securities on short-term considerations. Directors are required to report securities dealings within two business days of such dealings, to the Company Secretary, who will assist to make the necessary announcements via the SGXNet.

Directors and all officers are cautioned to observe insider trading regulations at all times.

Rule
1207(19)(B)

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts of the Company or any of its subsidiaries involving the interest of any director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Rule
1207(8)

CORPORATE
GOVERNANCE REPORT (CONT'D)

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that transactions with interested persons are undertaken on an arm's length basis and on normal commercial terms. The AC reviews on a quarterly basis all interested persons transactions to ensure that the prevailing Rules and regulations of the SGX-ST (in particular, Chapter 9 of the SGX-ST Listing Manual) are complied with.

Rule
1207(17)
1207(18)

The Group does not currently have in place a general mandate for interested person transactions. There were no interested person transactions of \$100,000 or more in FY2024.

OTHER DISCLOSURE REQUIREMENTS

There are no material developments after the preliminary announcement that would affect the performance of the Group.

CORPORATE SOCIAL RESPONSIBILITY

In the introduction to the 2018 Code, it is stated that companies that embrace the tenets of good governance, including accountability, transparency and sustainability, are more likely to engender investor confidence and achieve long-term sustainable business performance. The Board strives to align the Group's strategic policies and practices with leading standards in the Environmental, Social and Governance (ESG) themes. Details of the Group's sustainability practices, including the corporate social responsibility initiatives during FY2024 and material ESG factors, are set out in the Company's stand-alone Sustainability Report that will be released on SGXNET by 30 April 2025.

DIRECTORS’ STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Penguin International Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (a)

the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b)

at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are:

Jeffrey Hing Yih Peir
James Tham Tuck Choong
Joanna Tung May Fong
Winston Kwek Choon Lin
Henry Tan Song Kok
Keith Tan Keng Soon

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS’ INTERESTS IN SHARES AND DEBENTURES

The Director, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

Name of Director	Held in the name of Director			Deemed interest		
	At the beginning of financial year	At the end of the financial year	At 21 January 2025	At the beginning of financial year	At the end of the financial year	At 21 January 2025
The Company						
Penguin International Limited (Ordinary shares)						
Jeffrey Hing Yih Peir	–	–	–	195,765,603	195,765,603	195,765,603

DIRECTORS’ STATEMENT (CONT’D)

By virtue of Section 7 of the Companies Act 1967, Jeffrey Hing Yih Peir is deemed to have an interest in the ordinary shares of all the subsidiary companies at the beginning and at the end of the financial year.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

OPTIONS

No options to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries. There were no other unissued shares in the Company or its subsidiaries under option at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance.

AUDITOR

The auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

James Tham Tuck Choong
Director

Joanna Tung May Fong
Director

27 March 2025

INDEPENDENT AUDITOR’S STATEMENT

For the financial year ended 31 December 2024
Independent Auditor’s Report to the Members of Penguin International Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Penguin International Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 61 to 133.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

PKF-CAP LLP is a member of PKF global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

(i) Assessment of impairment of vessels

The carrying amount of the Group’s vessels as at 31 December 2024 amounted to approximately \$130 million as disclosed in Note 13 to the financial statements. For vessels with indication of impairment or impairment provision, the Group had performed impairment test to determine if there is impairment or write back of impairment on the vessels. To determine the recoverable amount of the vessels being tested, management had engaged an independent valuer to determine the fair value of the vessels. We identified this as a key audit matter as the estimation of the recoverable amount involved significant management judgement and estimation.

INDEPENDENT AUDITOR’S STATEMENT (CONT’D)

For the financial year ended 31 December 2024
Independent Auditor’s Report to the Members of Penguin International Limited

Key Audit Matters (Cont’d)

(i) Assessment of impairment of vessels (cont’d)

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We performed an evaluation of the Group’s policies and procedures to identify indicators for potential impairment of vessels.
- Checked that management’s impairment assessment covered those vessels with indicators of impairment.
- For vessels where the fair value was determined based on the value provided by an independent valuer, we evaluated the work of the independent valuer, considering the independence, objectivity and expertise of the independent valuer.
- Assessed the appropriateness of the valuation methodology and reasonableness of the assumption used by independent valuer.
- We also assessed the adequacy of the disclosure in the financial statements.

(ii) Revenue recognition measured based on the input method

The Group has shipbuilding revenue amounting to approximately \$92 million for the year ended 31 December 2024 which was recognised over time using the input method to measure the progress of satisfaction of the performance obligation.

The determination of the progress towards complete satisfaction of the performance obligation over time involved significant management judgement and estimates as these shipbuilding contracts were measured by reference to the actual completion rate based on actual inputs at reporting date over expected total inputs required to complete the project to derive the progress of the contract work completed.

Given the magnitude of the amount and that the determination of total expected inputs to satisfy the performance obligation required significant management judgement and estimates, we have identified this as a key audit matter.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We have reviewed the shipbuilding contracts recognised over time entered into by the Group in assessing the performance obligations identified by management and the satisfaction of those performance obligations.
- We have re-computed revenue recognised for the current financial year based on the respective progress of the entity in satisfying the performance obligation of the contract and traced these to the accounting records.
- We evaluated the appropriateness of management’s estimation process for the percentage completed at the reporting date through the following:
 - (a) We considered the level of competency, expertise and objectivity of the management personnel who performed the assessment;
 - (b) We assessed the objectiveness of the criteria employed by management in measuring the level of completion of the relevant activities;
 - (c) We tested the inputs used by management in determining the level of completion of the relevant activities of the shipbuilding contracts recognised over time;
 - (d) We tested the expected total inputs to the approved budget and subsequent revisions made throughout the project.
- We considered the adequacy of the Group’s disclosures in respect of revenue from shipbuilding contracts recognised over time.

INDEPENDENT AUDITOR’S STATEMENT (CONT’D)

For the financial year ended 31 December 2024
Independent Auditor’s Report to the Members of Penguin International Limited

Key Audit Matters (Cont’d)

(iii) **Assessment of impairment of trade receivables**

The trade receivables of the Group as at 31 December 2024 amounted to approximately \$50 million as disclosed in Note 18 to the financial statements. Management has performed an impairment review based on the expected credit loss (“ECL”) model and based on the review, there is no additional impairment required on trade receivables.

We identified this as a key audit matter as the assessment of the determination of ECL requires management to exercise significant judgement and estimation. In determining the credit quality and whether any significant increase in credit risk occurs, the standard requires both forward-looking and historical information to be considered.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We performed an evaluation of the Group's policies and procedures in assessing impairment of financial assets.
- We evaluated the impairment assessment performed by management through the following:
 - a) We assessed the credit risks of the debtors by analysing the payment history and receipts subsequent to year end of selected debtors and considered events or indicators which resulted in increase in credit risk of those debtors;
 - b) We evaluated the Group's parameters and assumptions used in the collective impairment model, and compared them with observable economic data, market information and industry trends.
- We discussed with management and checked the appropriateness of those key assumptions applied in management's impairment assessment, and compared them with available external evidence where appropriate. We also applied sensitivity testing of the underlying key assumptions.
- We also evaluated the adequacy of disclosure in the financial statements.

(iv) **Assessment of tax recoverable**

An overseas subsidiary of the Group has received notices of tax assessments following tax audits carried out on the subsidiary for the years 2018 and 2019. An additional tax payable of \$2.3 million was required based on the tax assessments received. The foreign subsidiary has paid the additional tax amount in FY2022.

Based on the advice from the subsidiary's external tax professional firm, management believes that it has become virtually certain that an inflow of economic benefits will arise in respect of the recoverability of the above tax paid to the tax authorities, and accordingly this has been recognised as tax recoverable in the financial statements as disclosed in Note 19.

We designed our audit procedures to be responsive to this risk. As part of our audit:

- We have inquired management and the representatives of the subsidiary’s external tax professional firm to understand the basis of their evaluation and assessment of the probability and magnitude of the tax recoverable relating to the tax appeal, and on the conclusion reached in accordance with SFRS(I) 1-37 – Provisions, Contingent Liabilities and Contingent Assets.
- We have obtained and reviewed the notice of tax assessments and any other correspondences issued to the subsidiary by the tax authorities.
- We have reviewed the audit working papers and discussed with the component auditor on its evaluation and conclusion reached in relation to this matter.
- We have assessed the adequacy of the disclosure in the financial statements.

INDEPENDENT AUDITOR’S STATEMENT (CONT’D)

For the financial year ended 31 December 2024
Independent Auditor’s Report to the Members of Penguin International Limited

Key Audit Matters (Cont’d)

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR’S STATEMENT (CONT’D)

For the financial year ended 31 December 2024
Independent Auditor’s Report to the Members of Penguin International Limited

Auditor’s Responsibilities for the Audit of the Financial Statements (cont’d)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor’s report is Chew Wei Jim.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

27 March 2025

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000 (Re-presented)
Revenue	4	235,844	184,595
Cost of sales		(151,336)	(131,816)
Gross profit		84,508	52,779
Other income	5	7,891	8,328
Marketing and distribution costs		(835)	(586)
Administrative expenses	6	(30,539)	(23,315)
Other operating expenses	7	(13,973)	(14,772)
Trade receivables written off		(1,378)	-
Reversal for expected credit loss		(595)	-
Results from operating activities		45,079	22,434
Finance costs	8	(2,823)	(2,415)
Finance income	8	1,247	1,469
Profit before tax	10	43,503	21,488
Income tax expense	11	(7,973)	(4,748)
Profit for the year		35,530	16,740
Attributable to:			
Owners of the Company		35,531	16,741
Non-controlling interests		(1)	(1)
Profit for the year		35,530	16,740
Earnings per share (cents per share)			
- Basic	12	16.14	7.60
- Diluted	12	16.14	7.60

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	2024 \$'000	2023 \$'000 (Re-presented)
Profit for the year	35,530	16,740
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Net effect of exchange differences arising from quasi capital loan to subsidiaries (Note 32)	2,842	(1,920)
Foreign currency translation	(285)	1,006
	2,557	(914)
Items that will not be reclassified subsequently to profit or loss		
Changes in fair value of equity investment at FVOCI (Note 15)	729	2,428
	729	2,428
Other comprehensive income for the year, net of tax	3,286	1,514
Total comprehensive income for the year	38,816	18,254
Attributable to:		
Owners of the Company	38,817	18,255
Non-controlling interests	(1)	(1)
Total comprehensive income for the year	38,816	18,254

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2024

	Note	Group 2024 \$'000 (Re-presented)		Company 2024 \$'000 (Re-presented)	
Non-current assets					
Property, plant and equipment	13	172,807	163,267	1,101	311
Right-of-use assets	28	8,812	8,516	–	–
Investment in subsidiaries	14	–	–	99,858	99,858
Other investments	15	13,114	12,385	13,114	12,385
Intangible asset	16	78	78	–	–
Trade receivables	18	7,970	12,815	–	–
Other receivables	19	1,285	2,718	–	–
		204,066	199,779	114,073	112,554
Current assets					
Inventories	17	69,857	61,433	–	–
Trade receivables	18	41,757	41,358	5,037	8,206
Other receivables and deposits	19	26,827	36,101	223	997
Contract assets	26	22,297	5,188	15,821	–
Prepayments		3,272	2,351	179	147
Derivatives	21	952	286	952	286
Loans to subsidiaries	20	–	–	82,592	112,423
Fixed deposits	22	7,322	6,741	3,916	3,475
Cash and bank balances	22	26,661	20,020	1,688	2,482
		198,945	173,478	110,408	128,016
		4,201	–	–	–
		203,146	173,478	110,408	128,016
Assets classified as held for sale					
Current liabilities					
Trade payables	23	11,583	9,135	9	5
Other payables and accruals	24	31,329	34,855	4,171	2,883
Provisions	25	2,200	1,347	–	–
Contract liabilities	26	41,586	51,535	–	19,009
Derivatives	21	693	160	585	160
Provision for income tax		6,982	3,191	922	1,020
Lease liabilities	28	1,579	899	–	–
Term loans	27	14,034	12,758	8,072	9,114
Deposits from subsidiaries	20	–	–	48,496	43,529
		109,986	113,880	62,255	75,720
Net current assets		93,160	59,598	48,153	52,296

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS (CONT'D)

As at 31 December 2024

		Group		Company	
	Note	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
		(Re-presented)		(Re-presented)	
Non-current liabilities					
Deferred tax liabilities	30	8,211	6,190	688	213
Provisions	25	2,167	2,181	–	–
Lease liabilities	28	7,695	7,948	–	–
Term loans	27	36,464	31,655	14,264	16,797
		54,537	47,974	14,952	17,010
Net assets		242,689	211,403	147,274	147,840
Share capital	31	94,943	94,943	94,943	94,943
Retained earnings		150,246	122,245	47,217	48,512
Other reserves	32	(2,492)	(5,778)	5,114	4,385
		242,697	211,410	147,274	147,840
Non-controlling interests		(8)	(7)	–	–
Total equity		242,689	211,403	147,274	147,840

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

Group	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Sub-total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Opening balance at 1 January 2024	94,943	(5,778)	122,245	211,410	(7)	211,403
Profit for the year	–	–	35,531	35,531	(1)	35,530
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	2,842	–	2,842	–	2,842
Foreign currency translation	–	(285)	–	(285)	–	(285)
Change in fair value of equity investment at FVOCI	–	729	–	729	–	729
Other comprehensive income for the year, net of tax	–	3,286	–	3,286	–	3,286
Total comprehensive income for the year	–	3,286	35,531	38,817	(1)	38,816
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(7,530)	(7,530)	–	(7,530)
Total contributions by and distributions to owners	–	–	(7,530)	(7,530)	–	(7,530)
Closing balance at 31 December 2024	94,943	(2,492)	150,246	242,697	(8)	242,689

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2024

Group	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Sub-total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Opening balance at 1 January 2023	94,943	(7,292)	110,458	198,109	(6)	198,103
Profit for the year	–	–	16,741	16,741	(1)	16,740
<u>Other comprehensive income</u>						
Net effect of exchange differences arising from quasi capital loan to subsidiaries	–	(1,920)	–	(1,920)	–	(1,920)
Foreign currency translation	–	1,006	–	1,006	–	1,006
Change in fair value of equity investment at FVOCI	–	2,428	–	2,428	–	2,428
Other comprehensive income for the year, net of tax	–	1,514	–	1,514	–	1,514
Total comprehensive income for the year	–	1,514	16,741	18,255	(1)	18,254
<u>Contributions by and distributions to owners</u>						
Dividends paid	–	–	(4,954)	(4,954)	–	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)	–	(4,954)
Closing balance at 31 December 2023	94,943	(5,778)	122,245	211,410	(7)	211,403

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2024

Company	Share capital	Other reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
2024				
Opening balance at 1 January 2024	94,943	4,385	48,512	147,840
Profit for the year	–	–	6,235	6,235
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	–	729	–	729
Total comprehensive income for the year	–	729	6,235	6,964
<u>Contributions by and distributions to owners</u>				
Dividends paid	–	–	(7,530)	(7,530)
Total contributions by and distributions to owners	–	–	(7,530)	(7,530)
Closing balance at 31 December 2024	94,943	5,114	47,217	147,274

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2024

	Share capital \$'000	Other reserve \$'000	Retained earnings \$'000	Total equity \$'000
Company				
2023				
Opening balance at 1 January 2023	94,943	1,957	42,505	139,405
Profit for the year	–	–	10,961	10,961
Other comprehensive income				
Change in fair value of equity investment at FVOCI	–	2,428	–	2,428
Total comprehensive income for the year	–	2,428	10,961	13,389
Contributions by and distributions to owners				
Dividends paid	–	–	(4,954)	(4,954)
Total contributions by and distributions to owners	–	–	(4,954)	(4,954)
Closing balance at 31 December 2023	94,943	4,385	48,512	147,840

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Operating activities			
Profit before tax		43,503	21,488
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		17,940	14,821
Gain on disposal of property, plant and equipment		(4,357)	(5,728)
Property, plant and equipment cost used in conversion works on third party vessels		306	–
Property, plant and equipment written off		1	–
Interest expense		2,659	2,128
Interest income		(1,247)	(1,469)
Trade receivables written off		1,378	–
Provision for expected credit loss		595	–
Reversal of impairment of property, plant and equipment		(26)	(1,713)
Provision for employee retirement benefits		(15)	(69)
Net fair value (gain)/loss on derivatives		(133)	312
Provision for warranty claims on shipbuilding contracts, net		1,111	1,668
Currency alignment		(701)	(95)
Operating cash flows before changes in working capital		61,014	31,343
Inventories		(24,486)	(15,950)
Trade receivables		2,474	(19,171)
Other receivables, deposits and prepayments		10,041	(17,437)
Contract assets		(17,109)	(645)
Trade payables		2,448	(22,529)
Other payables and accruals		(3,526)	4,080
Provisions		(258)	(1,022)
Contract liabilities		(9,949)	35,481
Cash flows generated from/(used in) operations		20,649	(5,850)
Interest paid		(2,659)	(2,128)
Interest received		1,247	1,469
Income taxes paid, net		(2,487)	(2,407)
Net cash flows generated from/(used in) operating activities		16,750	(8,916)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

For the financial year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Investing activities			
Proceeds from disposal of property, plant and equipment		12,848	26,152
Additions to property, plant and equipment		(19,882)	(19,582)
Net cash flows (used in)/generated from investing activities		(7,034)	6,570
Financing activities			
Proceeds from term loans		25,260	26,472
Repayment of term loans		(19,110)	(5,954)
Dividends paid		(7,530)	(4,954)
Payment of principal portion of lease liabilities		(1,546)	(1,230)
Increase in pledged deposits with licensed bank		(592)	(4,521)
Net cash flows (used in)/generated from financing activities		(3,518)	9,813
Net increase in cash and cash equivalents			
		6,198	7,467
Effect of exchange rate changes on cash and cash equivalents		433	(206)
Cash and cash equivalents at 1 January		19,786	12,525
Cash and cash equivalents at 31 December	22	26,417	19,786

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1. CORPORATE INFORMATION

Penguin International Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 21 Tuas Road, Singapore 638489.

The principal activities of the Company are to act as: (i) owners and operators of passenger ferries, (ii) designers and builders of search-and-rescue vessels, and (iii) investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. MATERIAL ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS (I)”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) which are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any material effect on the financial statements of the Group.

2.3 *Standards issued but not yet effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 Jan 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: Classification and Measurement of Financial Instruments	1 Jan 2026
Annual Improvements to SFRS(I) Volume 11	1 Jan 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 Jan 2027
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations (cont'd)

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

The accounting policy for goodwill is set out in Note 2.8. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Foreign Currency (cont'd)

(a) Transactions and balances (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold buildings	6 - 30 years
Vessels	5 - 20 years
Machinery and equipment	3 - 15 years
Office equipment	3 - 10 years
Motor vehicles	5 years
Deferred drydocking expenditure	4 years

Assets under construction included in property, plant and equipment are not depreciated as these are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Deferred drydocking expenditure is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation of deferred drydocking expenditure begins when drydocking is completed and the vessels are available for use.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of non-financial assets (cont'd)

The Group bases its impairment calculation on market valuations, recent comparable sales, detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

(ii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

(iii) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iv) Fair value through other comprehensive income ("FVOCI")

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset at FVOCI that is an equity instrument, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in retained earnings. On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement (cont'd)

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to profit or loss for the year.

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of financial assets (cont'd)

For trade and other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on specific identification basis.
- Parts and spares: purchase costs on first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Where there is an increase in net realisable value in subsequent periods, the amount of reversal of any write-down of inventories is recognised in the profit or loss in the period in which the reversal occurs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs required to make the sale.

Work-in-progress in relation to uncompleted vessels and repairs and maintenance projects are stated at cost.

Cost includes all direct materials and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies and tools. Provision is made for anticipated losses on completed contracts, if any, when the possibility of losses is ascertained.

2.16 Contract balances

Contract balances comprise contract assets and contract liabilities presented separately in the balance sheets.

Contract assets

Contract assets are recognised when shipbuilding progress has been made based on the percentage of completion in excess of consideration received and progress billings made. Contract assets are subsequently transferred to receivables when progress billings have been made.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.16 Contract balances (cont'd)

Contract liabilities

Contract liabilities are recognised when progress on shipbuilding has been made based on the percentage of completion in deficit of consideration received and progress billings made. Contract liabilities are subsequently offset when progress on shipbuilding have been made.

A net position of contract asset or contract liability is determined for each contract.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Liquidated damages

Provision for liquidated damages is made in respect of anticipated claims from customers on contracts of which deadlines are overdue or not expected to be completed on time in accordance with contractual obligations. The utilisation of provisions is dependent on the timing of claims.

Foreseeable losses

Provision for foreseeable losses is made for anticipated losses on uncompleted contracts, if any, when the possibility of loss is ascertained.

Onerous contracts

Provision for onerous contract is recognised when the expected benefits from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.18 Provisions (cont'd)

Warranty provisions

Provision for warranty-related costs are recognised when the product is sold in accordance to the terms stipulated in shipbuilding contracts and in respect of anticipated claims from customers. Initial recognition is based on historical experience. The initial estimate of warranty-related cost is revised annually.

Restoration costs

Provision for restoration costs arose on construction of production facilities on leasehold buildings which are required to be reinstated to their original condition at the end of lease term. Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of leasehold buildings. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate. Changes in estimated future costs or in the discount rate applied are added to or deducted from the cost of leasehold buildings.

2.19 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(b) Defined employee retirement benefits

The Group provides provision for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees of a subsidiary, as required under the Indonesian Labour Law No. PP35/2021. The said additional provisions, which are unfunded, are estimated using actuarial calculations based on the report prepared by an independent firm of actuary.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Interest on the defined benefit liability
- Re-measurements of defined benefit liability

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 *Employee benefits (cont'd)*

(b) *Defined employee retirement benefits (cont'd)*

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the defined benefit liability. Interest on the defined benefit liability is recognised as expense in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

The Group's right-of-use assets are presented in Note 28.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 *Leases (cont'd)*

As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 28.

Short-term leases and leases of low-value assets

The Group applies the short-term lease and lease of low-value assets recognition exemption to its leases of machinery and dormitories (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.21 *Assets classified as held for sale*

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Property, plant and equipment once classified as held for sale are not depreciated.

2.22 *Revenue*

Revenue is recognised when the Group satisfies a performance obligation, by transferring a promised good, service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

When the control of the produced good and rendered services is transferred over time to the customer, revenue is recognised over time (i.e. under the percentage of completion method).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

The Company transfers control over time when:

- It produces a good with no alternative use and the Company has an irrevocable right to payment (including a reasonable margin) for the work completed to date, in the event of termination of the contract for the convenience of the customer.
- It creates a good which is controlled by the customer as the good is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Company.

When none of the criteria stated above have been met, revenue is recognised at a point in time.

(a) Revenue from shipbuilding, ship repairs and maintenance

Revenue from shipbuilding is recognised either over time or at point in time depending on whether any of the above criteria for recognition of the revenue over time has been met. When any of the above criteria has been met, shipbuilding revenue is recognised over time based on the input method. Revenue from repairs/maintenance is recognised over time and at point in time.

The Group's shipbuilding revenue comprises (i) build-to-order and (ii) build-for-stock vessels.

- (i) Build-to-order projects typically refer to client-specific orders for customised vessels placed with the Group and formalised by shipbuilding contracts. Revenue from build-to-order projects is typically tied to discrete project milestones and recognised over time.
- (ii) Build-for-stock projects typically refer to generic vessel types built without orders that target niche markets identified by the Group. Sales of stock vessels are typically formalised by sale and purchase agreements. Revenue is typically recognised at point in time.

(b) Revenue from chartering

Revenue from chartering is recognised over time.

(c) Interest income

Interest income is recognised using the effective interest method.

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(c) **Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the balance sheet.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.27 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grant receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants related to income are presented as a credit in profit or loss, under "Other income".

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment of property, plant and equipment**

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use. Management determines recoverable amount based on fair value less costs to sell which is estimated by an independent valuer based on cost of construction and replacement of a similar asset.

The carrying amount of the Group's property, plant and equipment at 31 December 2024 was \$172,807,000 (2023: \$163,267,000).

Further details of the impairment assessment of property, plant and equipment are disclosed in Note 13 to the financial statements.

(b) **Revenue recognition using the percentage-of-completion method**

Revenue from shipbuilding contracts recognised using the percentage-of-completion ("POC") method, management will determine POC based on the input method to measure the stage of satisfaction of a performance obligation.

Actual costs (input) incurred pertaining to the vessels are matched against the budgeted costs to derive the POC of the vessel.

For the financial year ended 31 December 2024, the Group recorded revenue from shipbuilding contracts using the POC method amounting to \$91,701,000 (2023: \$52,711,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit losses of trade receivables and contract assets

The Group calculates ECLs for trade receivables and contract assets based on the Group's historical observed defaults rates and calibrate with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in Note 18 and Note 26 respectively.

3.2 Judgements made in applying accounting policies

In the process of applying the Group's and Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Impairment of non-financial assets

The Group and Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The determination of indicators of impairment requires judgement.

(b) Impairment of tax recoverable

Included in the Group's current other receivables is an amount of \$2,267,000 (2023: \$2,267,000) which pertains to tax recoverable from the tax authorities of an overseas subsidiary of the Group. Based on advice from the external tax professional firm, management has evaluated and exercised its judgement that it is virtually certain of recovering this amount from the tax authorities. Further details are disclosed in Note 19.

4. REVENUE

Revenue represents income derived from chartering, shipbuilding and ship repairs and maintenance, net of rebates and discounts. Intra-group transactions have been excluded from the Group's revenue.

	Group	
	2024	2023
	\$'000	\$'000
	(Re-presented)	
Chartering	48,149	38,176
Shipbuilding, ship repairs and maintenance	187,695	146,419
	235,844	184,595

Revenue of \$75,311,000 (2023: \$87,986,000) and \$160,533,000 (2023: \$96,609,000) are recognised at a point in time and over time respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

4. REVENUE (CONT'D)

Transaction price allocated to the remaining non-cancellable performance obligations

The aggregate amount of the transaction price allocated to the remaining non-cancellable performance obligation is \$193,107,000 (2023: \$266,313,000) and the Group expects to recognise this revenue within the next 10 years.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

5. OTHER INCOME

	Group	
	2024	2023
	\$'000	\$'000
	(Re-presented)	
Gain on disposal of property, plant and equipment	4,357	5,728
Scrap sales	402	347
Grant received	80	137
Reversal of impairment of property, plant and equipment	26	1,713
Dividend income	243	–
Conversion projects income relating to conversion works on third party vessels	2,112	–
Others	671	403
	7,891	8,328

6. ADMINISTRATIVE EXPENSES

	Group	
	2024	2023
	\$'000	\$'000
Included in administrative expenses are the following:		
Audit fees:		
- Auditor of the Company	(155)	(155)
- Other auditors	(21)	(14)
Depreciation of property, plant and equipment	(2,700)	(2,355)
Depreciation of right-of-use assets	(621)	(483)
Employee benefits expense (Note 9)	(21,578)	(15,672)
Legal and professional fees	(1,368)	(1,707)
Operating lease expense (Note 28(c))	(266)	(250)
Water and electricity	(480)	(496)
Transportation	(232)	(255)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

7. OTHER OPERATING EXPENSES

	Group	
	2024	2023
	\$'000	\$'000
Included in other operating expenses are the following:		
Depreciation of property, plant and equipment	(12,916)	(10,654)
Net foreign exchange gain/(loss)	2,021	(1,390)
Insurance expense	(2,214)	(1,907)

8. FINANCE COSTS/ FINANCE INCOME

	Group	
	2024	2023
	\$'000	\$'000
Bank charges	(99)	(76)
Interest expense on term loans	(2,312)	(1,864)
Interest expense on lease liabilities	(318)	(245)
Derivative loss	(94)	(204)
Others	–	(26)
	(2,823)	(2,415)
Interest income from short term deposits and bank balances	305	310
Interest income from customers under deferred payment arrangement	942	1,159
	1,247	1,469

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

9. EMPLOYEE BENEFITS EXPENSE

	Group	
	2024	2023
	\$'000	\$'000
Wages, salaries and bonuses	(32,246)	(22,723)
Central Provident Fund contributions	(2,842)	(2,293)
Other short-term benefits	(1,981)	(1,906)
	(37,069)	(26,922)
Included in profit or loss:		
Administrative expenses (Note 6)	(21,578)	(15,672)
Cost of sales	(12,894)	(11,073)
	(34,472)	(26,745)
Capitalised in balance sheet:		
Inventories	(2,597)	(177)
	(37,069)	(26,922)

The above employee benefits expense included key management personnel compensation (other than independent director fees) as disclosed in Note 33(b).

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2024	2023
	\$'000	\$'000
Inventories recognised as an expense in cost of sales (Note 17)	(128,078)	(111,458)
Provision for warranty claims, net (Note 25)	(1,111)	(1,668)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

11. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group	
	2024	2023
	\$'000	\$'000
Consolidated income statement:		
Current tax		
- Current year tax expense	(6,820)	(3,266)
- Over/(under) provision in respect of previous years	798	(100)
Deferred tax		
- Movement in temporary differences	(2,158)	(2,314)
- Over provision in respect of previous years	207	932
Income tax expense recognised in the consolidated income statement	(7,973)	(4,748)

Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 is as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit before taxation	43,503	21,488
Tax expense at the domestic rates applicable to profits in the countries where the Group operates	(9,005)	(4,043)
Tax effect of expenses not deductible	(1,077)	(1,846)
Tax effect of income not subject to tax	877	134
Over provision in respect of previous years	1,005	832
Effect of partial tax exemption and tax relief	111	95
Others	116	80
Income tax expense recognised in the consolidated income statement	(7,973)	(4,748)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2024	2023
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'000)	35,531	16,741
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share ('000)	220,170	220,170

13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings	Vessels	Machinery and equipment	Office equipment	Motor vehicles	Construction in progress	Deferred drydocking expenditure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
At 1 January 2023	34,369	138,493	20,802	5,700	594	12,240	2,055	214,253
Additions	1,293	35,000	4,737	188	235	103	1,131	42,687
Transfer	–	9,730	2,450	–	–	(12,180)	–	–
Disposals	–	(23,081)	(6)	(4)	(166)	–	–	(23,257)
Written off	–	–	(146)	(15)	–	–	–	(161)
Net exchange difference	(81)	(1,223)	(88)	(9)	–	–	(100)	(1,501)
At 31 December 2023 and 1 January 2024	35,581	158,919	27,749	5,860	663	163	3,086	232,021
Additions	230	29,476	2,112	1,400	8	1,545	1,172	35,943
Transfer	–	–	–	60	–	(60)	–	–
Reclass	(234)	–	234	–	–	–	–	–
Transfer to conversion work on third party vessels	–	–	(395)	–	–	–	–	(395)
Disposals	–	(11,078)	(6)	(2)	–	–	(142)	(11,228)
Written off	–	–	(25)	(23)	–	–	(724)	(772)
Transfer to asset held for sale	–	(13,742)	(68)	–	–	–	228	(13,582)
Net exchange difference	(314)	3,831	(95)	(3)	(1)	(2)	150	3,566
At 31 December 2024	35,263	167,406	29,506	7,292	670	1,646	3,770	245,553

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	Leasehold buildings \$'000	Vessels \$'000	Machinery and equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Construction in progress \$'000	Deferred drydocking expenditure \$'000	Total \$'000
Accumulated depreciation and impairment								
At 1 January 2023	8,479	33,352	11,983	5,187	582	–	1,223	60,806
Charge for the year	2,125	9,364	1,290	206	24	–	482	13,491
Write-back of impairment loss	–	(1,713)	–	–	–	–	–	(1,713)
Disposals	–	(2,577)	(6)	(4)	(166)	–	–	(2,753)
Written off	–	–	(146)	(15)	–	–	–	(161)
Net exchange difference	(72)	(706)	(46)	(7)	–	–	(85)	(916)
At 31 December 2023 and 1 January 2024	10,532	37,720	13,075	5,367	440	–	1,620	68,754
Charge for the year	2,153	10,985	1,931	500	47	–	646	16,262
Write-back of impairment loss	–	(26)	–	–	–	–	–	(26)
Transfer to conversion work on third party vessels	–	–	(88)	–	–	–	–	(88)
Disposals	–	(2,746)	(6)	(1)	–	–	–	(2,753)
Written off	–	–	(24)	(23)	–	–	(724)	(771)
Transfer to asset held for sale	–	(9,602)	(27)	–	–	–	248	(9,381)
Net exchange difference	(148)	854	(47)	(3)	(1)	–	94	749
At 31 December 2024	12,537	37,185	14,814	5,840	486	–	1,884	72,746
Net carrying amount								
At 31 December 2023	25,049	121,199	14,674	493	223	163	1,466	163,267
At 31 December 2024	22,726	130,221	14,692	1,452	184	1,646	1,886	172,807

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Vessels \$'000	Machinery and equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost					
At 1 January 2023	894	117	1,935	165	3,111
Additions	–	3	33	236	272
Disposals	–	–	(3)	(166)	(169)
At 31 December 2023 and 1 January 2024	894	120	1,965	235	3,214
Additions	–	60	1,077	–	1,137
Written off	–	–	(10)	–	(10)
At 31 December 2024	894	180	3,032	235	4,341
Accumulated depreciation					
At 1 January 2023	894	103	1,856	164	3,017
Charge for the year	–	6	36	13	55
Disposals	–	–	(3)	(166)	(169)
At 31 December 2023 and 1 January 2024	894	109	1,889	11	2,903
Charge for the year	–	6	294	47	347
Written off	–	–	(10)	–	(10)
At 31 December 2024	894	115	2,173	58	3,240
Net carrying amount					
At 31 December 2023	–	11	76	224	311
At 31 December 2024	–	65	859	177	1,101

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as security

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
The carrying amount of property, plant and equipment pledged to secure banking facilities	77,820	80,354	–	–

Impairment assessment of assets

During the year, the Group and the Company carried out a review of the recoverable amount of certain vessels which were underutilised. The recoverable amounts of the vessels were based on the valuations performed by an independent valuer.

As at reporting date, in respect of one of the vessels, there was a reversal of impairment loss previously recognised of \$26,000 (2023: \$1,713,000) as the recoverable amount of that vessel was being determined to be higher than its carrying amount based on a change in market demand and general market condition.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	34,403	34,403
Loan to subsidiary	84,340	84,340
Impairment losses	(18,885)	(18,885)
Total investment in subsidiaries	99,858	99,858

The loan to subsidiary (non-current) has been designated by the Company as part of the net investment in the subsidiaries. The amount is unsecured; bears interest of 5.02% to 5.69% (2023: 4.82% to 5.77%) per annum, and has no repayment terms and is repayable only when the cash flows of the subsidiary permit. The loan is denominated in Singapore Dollar.

	Company	
	2024 \$'000	2023 \$'000
An analysis of movement in impairment loss on investment in subsidiaries is as follows:		
At beginning of year	18,885	18,885
Allowance for impairment loss	-	-
At end of year	18,885	18,885

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Ownership interest held by the Company		
			2024	2023	
			%	%	
Held by the Company					
Penguin Shipyard International Pte Ltd ⁽¹⁾	Builders of Flex crewboats, passenger ferries and launches and provision of related repairs and maintenance services	Singapore	100	100	
Penguin Shipyard Asia Pte Ltd ⁽¹⁾	Builders of Flex crewboats, passenger ferries and launches	Singapore	100	100	
Pelican Offshore Services Pte Ltd ⁽¹⁾	Management and operation of Flex crewboats and fast supply intervention vessels	Singapore	100	100	
POS Gallant Pte Ltd ⁽⁴⁾	Dormant	Singapore	100	100	
Pelican Offshore Worldwide Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100	
Penguin Marine Services Pte Ltd ⁽¹⁾	Provision of project management services	Singapore	100	100	
Pelican Ship Management Servies Pte Ltd ⁽¹⁾	Provision of ship management and maintenance services	Singapore	100	100	
Soon Tian Oon Pte Ltd ⁽⁴⁾	Dormant	Singapore	100	100	
Penguin Marine Offshore Services Pte Ltd ⁽¹⁾	Management and operation of vessels	Singapore	100	100	
Swissco Offshore (Pte.) Ltd ⁽¹⁾	Provision of shipyard space	Singapore	100	100	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Principal activities	Country of incorporation	Ownership interest held by subsidiaries	
			2024	2023
			%	%
Held through subsidiaries				
PKS Shipyard Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
PT Kim Seah Shipyard Indonesia ⁽²⁾	Builders of Flex crewboats, passenger ferries and launches and provision of related repairs and maintenance services	Indonesia	100	100
POS Grace Pte Ltd ⁽¹⁾	Management and operation of Flex crewboats	Singapore	100	100
Pelican Offshore Malaysia Corp ^{(2) (3)}	Management and operation of Flex crewboats	Malaysia	49	49
Flex Fleet Sdn Bhd ⁽²⁾	Management and operation of Flex crewboats	Malaysia	100	100
Flex Fleet Ship Management Services L.L.C ⁽⁵⁾	Management and operation of Flex crewboats	United Arab Emirates	100	-
POS Victory Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
POS Glow Pte Ltd ⁽⁴⁾	Dormant	Singapore	100	100
Penguin Transporter Pte Ltd ⁽¹⁾	Management and operation of vessels	Singapore	100	100
Victory Marine Services Sdn Bhd ⁽²⁾	Dormant	Malaysia	70	70

⁽¹⁾ Audited by PKF-CAP LLP, Singapore.

⁽²⁾ Audited by member firms of PKF International.

⁽³⁾ The Group consolidates 100% of the results of Pelican Offshore Malaysia Corp (“POMC”) as it controls and has beneficial interest in all of POMC’s results and operations.

⁽⁴⁾ Not required to be audited under the law of country of incorporation.

⁽⁵⁾ Incorporated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

15. OTHER INVESTMENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unquoted equity shares*	–	–	–	–
Quoted equity shares	8,000	8,000	8,000	8,000
Changes in fair value of equity investment at FVOCI	6,057	5,328	6,057	5,328
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	(943)	(943)	(943)	(943)
	13,114	12,385	13,114	12,385
Total other investments	13,114	12,385	13,114	12,385

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Movements in quoted equity shares:				
As at 1 January	12,385	9,957	12,385	9,957
Changes in fair value of equity investment at FVOCI	729	2,428	729	2,428
AAs at 31 December	13,114	12,385	13,114	12,385

* The investment in unquoted equity shares amounting to S\$287,000 has been fully impaired as it continues to be loss making since prior years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

16. INTANGIBLE ASSET

	Goodwill \$'000
Group	
Cost	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	291
Accumulated impairment loss	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	(213)
Net carrying amount	
At 31 December 2023 and 31 December 2024	78

Goodwill on consolidation arose from the acquisition of PT Kim Seah Shipyard Indonesia during the financial year ended 31 December 2006. The goodwill amount was determined based on the fair value of the net assets acquired less the purchase consideration paid on the date of purchase. The goodwill has been allocated to PT Kim Seah Shipyard Indonesia as a cash generating unit ("CGU") for impairment testing.

17. INVENTORIES

	Group	
	2024 \$'000	2023 \$'000
Balance sheet:		
Parts and spares	6,284	9,121
Work-in-progress	63,573	52,312
	69,857	61,433
Income statement:		
Inventories recognised as an expense in cost of sales	(128,078)	(111,458)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

18. TRADE RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current:				
Trade receivables	43,535	42,516	5,037	8,206
Allowance for impairment loss	(1,778)	(1,158)	–	–
	41,757	41,358	5,037	8,206
Non-current:				
Trade receivables	7,970	12,815	–	–
Total trade receivables	49,727	54,173	5,037	8,206

Trade receivables are generally on 30 days term and are non-interest bearing, except for trade receivables which pertains to sale of stock vessels under deferred payment arrangement. They are recognised at original invoice amounts which represent their fair values on initial recognition.

Included in Group current trade receivables and non-current trade receivables is an amount of \$6,524,000 (2023: \$6,297,000) and \$7,970,000 (2023: \$12,815,000) respectively which pertains to sale of stock vessels under deferred payment arrangement.

Of the entire deferred payment arrangement, \$7,156,000 (2023: \$2,958,000) is secured against stock vessel sold. The deferred payment arrangement bears interest at 5% (2023: 3% to 5%) and is repayable through monthly instalments.

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to \$21,907,000 (2023: \$16,710,000) and \$1,962,000 (2023: \$14,000) respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Less than 30 days	17,528	10,152	310	14
30 to 60 days	434	1,483	–	–
61 to 90 days	2,405	410	1,652	–
91 to 365 days	1,540	4,665	–	–
	21,907	16,710	1,962	14

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

18. TRADE RECEIVABLES (CONT'D)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment is as follows:

	Group	
	Individually impaired	
	2024	2023
	\$'000	\$'000
Trade receivables	1,778	1,158
Less: Allowance for impairment loss	(1,778)	(1,158)
	–	–
Movement in allowance account:		
At 1 January	1,158	1,177
Additions during the year	595	–
Exchange difference	25	(19)
At 31 December	1,778	1,158

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

19. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current:				
Financial assets				
Other receivables	5,104	18,857	164	1
Deposits	1,337	929	–	–
Insurance claims	2,337	790	–	–
	8,778	20,576	164	1
Non-financial assets				
Advance payment to suppliers	17,645	15,068	59	996
Other receivables	404	457	–	–
	18,049	15,525	59	996
Total current other receivables and deposits	26,827	36,101	223	997
Non-current:				
Financial assets				
Other receivables	1,285	2,718	–	–
	28,112	38,819	223	997

Included in the Group's current other receivables and non-current other receivables is an amount of \$1,210,000 (2023: \$1,135,000) and \$1,285,000 (2023: \$2,718,000) respectively which pertains to sale of vessel (property, plant and equipment) under deferred payment arrangement which will end in 2026 (2023: end in 2026).

The entire deferred payment arrangement, \$2,495,000 (2023: \$3,853,000) is secured against fleet vessel sold. The deferred payment arrangement bears interests of 6.30% (2023: 6.30%) and are repayable through monthly instalments.

Included in the Group's current other receivables is an amount of \$2,267,000 (2023: \$2,267,000) which pertains to tax recoverable. An overseas subsidiary of the Group has received notices of tax assessments following tax audits carried out on this subsidiary for the years 2018 and 2019. An additional tax payable of \$2.3 million was required based on the tax assessments received. The foreign subsidiary has paid the additional tax amount in FY2022. The subsidiary's external tax professional firm has advised that it does not see any merit to the tax assessments raised by the tax authorities. Based on the advice of the subsidiary's external tax professional firm, management believes that it is virtually certain that the overseas subsidiary can recover the tax paid. Accordingly, the tax paid is recognised as tax recoverable in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

20. LOANS TO SUBSIDIARIES/ DEPOSITS FROM SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Loans to subsidiaries (current)	82,592	112,423
Deposits from subsidiaries (current)	(48,496)	(43,529)

Loans to subsidiaries (current) are unsecured; bear interest of 5.02% to 5.69% (2023: 4.82% to 5.77%) per annum and are repayable on demand. Included in loan to subsidiaries (current) of the Company is \$ Nil (2023: \$244,000) denominated in United States Dollar.

Loans to subsidiaries (current) are stated after deducting an allowance for impairment loss of \$31,333,000 (2023: \$31,333,000).

	Company	
	2024 \$'000	2023 \$'000
Movement in allowance account:		
At 1 January	31,333	31,333
Reversal of over provision in prior years	–	–
At 31 December	31,333	31,333

Deposits from subsidiaries are unsecured; bear interest of 2.5% to 3.75% (2023: 3.65% to 3.90%) per annum and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

21. DERIVATIVES

	Group					
	Contract/ Notional amount \$'000	2024		Contract/ notional amount \$'000	2023	
		Fair value			Fair value	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Derivatives held for hedging:						
- Interest rate swaps	5,000	11	–	9,242	124	–
- forward currency contracts	54,389	941	(693)	23,012	162	(160)
Total derivatives		952	(693)		286	(160)

	Company					
	Contract/ Notional amount \$'000	2024		Contract/ notional amount \$'000	2023	
		Fair value			Fair value	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Derivatives held for hedging:						
- Interest rate swaps	5,000	11	–	9,242	124	–
- forward currency contracts	41,255	941	(585)	23,012	162	(160)
Total derivatives		952	(585)		286	(160)

22. CASH AND BANK BALANCES AND FIXED DEPOSITS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances	26,661	20,020	1,688	2,482
Fixed deposits	7,322	6,741	3,916	3,475
	33,983	26,761	5,604	5,957

Cash at banks earns interest at floating rates based on daily bank deposit rates. Fixed deposits comprising a varying periods of between 1 week and 12 months (2023: 1 week and 12 months), are mostly less than 3 months depending on the immediate cash requirements of the Group and the Company, and earn interest ranging from 2.15% to 4% per annum (2023: 0.01% to 4%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

22. CASH AND BANK BALANCES AND FIXED DEPOSITS (CONT'D)

Bank balances and fixed deposits of \$7,566,000 (2023: \$6,975,000) are pledged with licensed banks for banking facilities granted to the Group.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following as at 31 December:

	Group	
	2024	2023
	\$'000	\$'000
Cash and bank balances (excluding pledged bank balances)	26,401	19,760
Fixed deposits (excluding pledged fixed deposits)	16	26
Cash and cash equivalents	26,417	19,786

23. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 60 to 90-day terms.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
	(Re-presented)		(Re-presented)	
<i>Financial liabilities</i>				
Accrued operating expenses	30,100	33,819	3,709	2,092
Advance payment and deposits received (refundable)	586	105	105	–
Advance billings	–	123	–	123
Other payables	643	808	154	160
	31,329	34,855	3,968	2,375
<i>Non-financial liabilities</i>				
Other payables	–	–	203	508
Total other payables and accruals	31,329	34,855	4,171	2,883

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

25. PROVISIONS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Current:</i>				
Provision for warranty claims	2,200	1,347	–	–
	2,200	1,347	–	–
<i>Non-current:</i>				
Provision for restoration cost	2,080	2,080	–	–
Provision for employee retirement benefits	87	101	–	–
	2,167	2,181	–	–

Provision for warranty claims

Movement in provision for warranty claims during the year is as follows:

	Group	
	2024	2023
	\$'000	\$'000
At 1 January	1,347	701
Additions during the year	1,653	1,794
Reversals during the year	(542)	(126)
Utilisation during the year	(258)	(1,022)
At 31 December	2,200	1,347

The provision for warranty claims is in relation to shipbuilding contracts. The amount for warranty claim is estimated by management based on past experience and expectations of the costs of possible repairs and rectifications.

Provision for restoration cost

The provision for restoration cost is recognised for expected cost required to be incurred to reinstate the leased land to their original condition. Management is of the view that the provision recorded is adequate to cover the costs of restoration.

Provision for employee retirement benefits

A subsidiary in Indonesia provides defined retirement benefits for its employees who achieve the retirement age based on the provisions of Labour Law No. PP35/2021 in Indonesia dated 2 February 2021. The benefits are unfunded.

The following table summarises the components of defined retirement benefits expense recognised in profit or loss and provision for employee retirement benefits recognised in the balance sheets as of 31 December 2024, as determined by an independent actuary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

25. PROVISIONS (CONT'D)

(a) Provision for employee retirement benefit:

	Group	
	2024	2023
	\$'000	\$'000
Current service cost	15	69
Total defined retirement benefits expense	15	69
Presented in profit or loss as: Administrative expenses	15	69

(b) Provision for employee retirement benefits consists of the following:

	Group	
	2024	2023
	\$'000	\$'000
Present value of employee benefits obligation	87	101

The principal assumptions used in determining the employee retirement benefit expense are as follows:

	Group	
	2024	2023
Retirement age	55	55
Discount rate	6.46% -7.12%	6.71% - 7.24%
Mortality rate	TMI 2019	TMI 2019
Method	Projected unit credit	Projected unit credit

Movement in the provision for employee retirement benefits is as follows:

	Group	
	2024	2023
	\$'000	\$'000
At 1 January	101	164
Movement during the year	18	(10)
Payment during the year	(33)	(60)
Translation	1	7
At 31 December	87	101

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

26. CONTRACT BALANCES

	Group		1 January	Company		1 January
	31 December	2023	2023	31 December	2023	2023
	2024	\$'000	\$'000	2024	\$'000	\$'000
	(Re-presented)			(Re-presented)		
Contract assets	22,297	5,188	4,543	15,821	–	–
Contract liabilities	(41,586)	(51,535)	(14,210)	–	(19,009)	(712)

Contract assets/(liabilities) refer to progress billings in relation to shipbuilding and maintenance contracts in deficit/ (excess) of their corresponding revenue.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Group		Company	
	Contract liabilities		Contract liabilities	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	51,535	14,210	19,009	712
	Group		Company	
	Contract assets		Contract assets	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contract asset reclassified to trade receivables	5,188	4,543	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

27. TERM LOANS

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current:				
Term loan I (unsecured)	376	1,059	376	1,059
Term loan II	516	1,000	516	1,000
Term loan III	5,000	5,000	5,000	5,000
Term loan IV	780	780	780	780
Term loan V	1,400	1,275	1,400	1,275
Term loan VI	–	2,000	–	–
Term loan VII	1,079	1,095	–	–
Term loan VIII	323	390	–	–
Term loan IX	1,560	159	–	–
Term loan X	3,000	–	–	–
	14,034	12,758	8,072	9,114
Non-current:				
Term loan I (unsecured)	–	376	–	376
Term loan II	258	1,500	258	1,500
Term loan III	–	–	–	–
Term loan IV	3,427	4,207	3,427	4,207
Term loan V	10,579	10,714	10,579	10,714
Term loan VI	–	–	–	–
Term loan VII	4,673	5,854	–	–
Term loan VIII	1,557	6,440	–	–
Term loan IX	3,970	2,564	–	–
Term loan X	12,000	–	–	–
	36,464	31,655	14,264	16,797
Total term loans	50,498	44,413	22,336	25,911

Term loan I

This loan bears interest of 2% (2023: 2%) and is repayable through monthly instalments.

Term loan II

This loan bears interest of 2.48% (2023: 2.48%) and is repayable through monthly instalments.

Term loan III

This loan bears interest of 4.43% - 5.39% (2023: 2.43%) and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

27. TERM LOANS (CONT'D)

Term loans (cont'd)

Term loan IV

This loan bears interest ranging from 4.49% - 5.25% (2023: 4.04% - 5.16%) and is repayable through monthly instalments.

Term loan V

This loan bears interest of 5% (2023: 5%) and is repayable through monthly instalments.

Term loan VI

This loan bears interest of 4.69% - 5.71% (2023: 5.11% to 5.38%) and is repayable through monthly instalments. The loan is fully repaid in the year.

Term loan VII

This loan bears interest of 8.25% (2023: 8%) and is repayable through monthly instalments.

Term loan VIII

These loan bears interest of 4.87% - 5.40% (2023: 4.69% - 5.94%) and is repayable through monthly instalments.

Term loan IX

These loan bears interest of 4.87% - 5.40% (2023: 4.91% - 6.23%) and is repayable through monthly instalments.

Term loan X

These loan bears interest of 4.87% - 5.40% (2023: nil) and is repayable through monthly instalments.

Reconciliation of liabilities arising from financing activities

	1 January 2024	Financing cash flows	31 December 2024
	\$'000	\$'000	\$'000
Term loans	44,413	6,085	50,498
	1 January 2023	Financing cash flows	31 December 2023
	\$'000	\$'000	\$'000
Term loans	23,894	20,519	44,413

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

27. TERM LOANS (CONT'D)

Term loans (cont'd)

The Group's loans from the banks are secured by way of:

- (a) first mortgage over vessels of subsidiaries;
- (b) an assignment of charter earnings in respect of mortgaged vessels;
- (c) an assignment of insurance policies in respect of mortgaged vessels;
- (d) first mortgage over property of subsidiaries;
- (e) first mortgage over plant and equipment of subsidiary; and
- (f) an assignment of rental proceeds of mortgaged property.

The Group is in compliance with all externally imposed capital requirement for the financial years ended 31 December 2024 and 31 December 2023.

28. LEASES

Group as a lessee

The Group has lease contracts for land, office buildings and dormitories. There are several lease contracts that include extension options. The Group also has certain leases of dormitory with lease terms of 12 months or less. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Movement of right-of-use assets:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	8,516	7,459	–	–
Additions	1,973	2,384	–	–
Depreciation	(1,678)	(1,330)	–	–
Net exchange difference	1	3	–	–
At 31 December	8,812	8,516	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

28. LEASES (CONT'D)

(b) Lease liabilities

Reconciliation of liabilities arising from financing activities

	1 January 2024	Financing Cash flows	Written off	Group Non-cash changes		31 December 2024
				Modification	Additions/ (transfer)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities						
- current	899	(1,127)	–	–	1,807	1,579
- non-current	7,948	(419)	–	–	166	7,695
	8,847	(1,546)	–	–	1,973	9,274

	1 January 2023	Financing Cash flows	Written off	Group Non-cash changes		31 December 2023
				Modification	Additions/ (transfer)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities						
- current	680	(843)	–	–	1,062	899
- non-current	7,009	(387)	–	–	1,326	7,948
	7,689	(1,230)	–	–	2,388	8,847

Maturity analysis of lease liabilities is disclosed in Note 38(b).

(c) Amounts recognised in profit or loss

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Depreciation of right-of-use assets	1,678	1,330	–	–
Interest expense on lease liabilities	355	264	–	–
Lease expense not capitalised in lease liabilities:				
Expense relating to low-value and short-term leases				
- included in cost of sales	326	245	–	–
- included in administrative expenses	266	250	–	–
Total amount recognised in profit or loss	2,625	2,089	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

28. LEASES (CONT'D)

(d) Total cash outflow

The Group had total cash outflows for leases of \$2,177,000 in 2024 (2023: \$1,844,000).

29. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital commitments in respect of property, plant and equipment	5,674	8,043	–	–

(b) Other commitments

Expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commitments in respect of shipbuilding costs	64,326	78,721	–	–

(c) Continuing financial support

The Company has undertaken to provide continuing financial support to twelve (2023: twelve) of its subsidiaries to enable them to operate as going concerns and to meet their obligations for at least 12 months from the date of their respective directors' report relating to the 31 December 2024 financial statements. The subsidiaries are Penguin Marine Offshore Services Pte Ltd, Penguin Marine Services Pte Ltd, PKS Shipyard Pte Ltd, POS Gallant Pte Ltd, Pelican Offshore Worldwide Pte Ltd, Flex Fleet Sdn Bhd, POS Glow Pte Ltd, POS Victory Pte Ltd, Penguin Transporter Pte Ltd, PT Kim Seah Shipyard Indonesia, Victory Marine Services Sdn Bhd and Swissco Offshore (Pte.) Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

30. DEFERRED TAX LIABILITIES

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities						
Differences in depreciation	(8,211)	(6,190)	(1,951)	(1,383)	(688)	(213)
Others	–	–	70	(34)	–	–

During the year, one subsidiary (2023: three subsidiaries) transferred \$10,535,000 (2023: \$15,076,000) of its current year tax losses and capital allowances to be deducted against the assessable income of the company and one subsidiary (2023: one subsidiary) pursuant to the Group Relief Scheme, subject to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore. The tax savings arising from the application of Group Relief amounted to approximately \$1,791,000 (2023: \$2,563,000).

At the balance sheet date, the Group has unutilised tax losses and capital allowances of approximately \$3,298,000 (2023: \$3,298,000) that are available for offset against future taxable profits of the companies in which the losses arose. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses and capital allowances have no expiry date (2023: no expiry date).

Tax consequences of proposed dividends

There are no income tax consequences attached to dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 36).

Unrecognised temporary differences relating to investments in subsidiaries

There is no deferred tax liability (2023: NIL) recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregated to \$24,127,000 (2023: \$20,878,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

31. SHARE CAPITAL

	Group and Company			
	2024		2023	
	No. of shares	\$'000	No. of shares	\$'000
	'000		'000	
Ordinary shares Issued and fully paid				
Balance at 1 January & 31 December	220,170	94,943	220,170	94,943

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares which have no par value carry one vote per share without restrictions.

32. OTHER RESERVES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve	(7,606)	(10,163)	–	–
Fair value reserve	5,114	4,385	5,114	4,385
	(2,492)	(5,778)	5,114	4,385

(a) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also includes the effect of exchange differences arising on monetary items that form part of the Group's net investment in foreign operations.

	Group	
	2024	2023
	\$'000	\$'000
At 1 January	(10,163)	(9,249)
Net effect of exchange differences arising from quasi capital loan to subsidiaries	2,842	(1,920)
Net effect of exchange differences arising from translation of financial statements of foreign operations	(285)	1,006
At 31 December	(7,606)	(10,163)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

32. OTHER RESERVES (CONT'D)

(b) Fair value reserve

	Group and Company	
	2024	2023
	\$'000	\$'000
At 1 January	4,385	1,957
Change in fair value of equity investment at FVOCI	729	2,428
At 31 December	5,114	4,385

33. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions took place at terms agreed between the parties during the financial year:

	Group Related parties		Company Subsidiaries	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Income				
Charter hire fee income	–	–	1	5
Commission income	–	–	296	575
Management fee income	–	–	2,470	2,470
Interest income	–	–	9,297	8,629
Rental income	1	1	–	–
Dividend income	–	–	–	7,000
Wharfage charges	37	37	–	–
Sale of inventory	–	–	–	27
Expense				
Ship building costs	–	–	(32,264)	(4,636)
Project management cost	–	–	(7,248)	(6,135)
Interest expense	–	–	(671)	(715)
Ship management expense	–	–	(26)	(26)
Ship repair cost	–	–	(33)	(135)
Charter hire expense	–	–	(153)	(193)
Commission	–	(19)	–	–
Crew accommodation charges	(13)	–	–	–
Vessel maintenance cost	–	–	(6,412)	(5,047)
Rental expenses	–	–	(96)	(96)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

33. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	Company	
	2024 \$'000	2023 \$'000
Short-term employee benefits expense	4,258	2,914
Central Provident Fund contributions	106	99
	<hr/> 4,364	<hr/> 3,013
Comprise amounts paid to:		
Directors of the Company	2,737	1,828
Other key management personnel	1,627	1,185
	<hr/> 4,364	<hr/> 3,013
The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.		

34. GUARANTEES

The Group and Company had outstanding bank guarantees amounting to approximately \$80,592,000 (2023: \$67,146,000) and \$30,902,000 (2023: \$28,008,000) respectively, in respect of the performance of charter-hire and shipbuilding contracts (2023: charter-hire and shipbuilding contracts).

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (a) The chartering segment provides chartering of vessels.
- (b) The shipbuilding and ship repairs and maintenance segment act as a builder of high speed aluminium commercial vessels and contractor for ship repairs and maintenance services.

Except as indicated above, no operating results have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

35. SEGMENT INFORMATION (CONT'D)

	Chartering		Shipbuilding, ship repairs and maintenance		Adjustments and eliminations		Notes	Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000		2024 \$'000	2023 \$'000
Revenue:									
Sales to external customers	48,149	38,176	187,695	146,419	–	–		235,844	184,595
Inter-segment sales	583	514	43,855	56,261	(44,438)	(56,775)	A	–	–
Total revenue	<hr/> 48,732	<hr/> 38,690	<hr/> 231,550	<hr/> 202,680	<hr/> (44,438)	<hr/> (56,775)		<hr/> 235,844	<hr/> 184,595
Results:									
Finance income	1,149	45	1,245	2,196	(1,147)	(772)	B	1,247	1,469
Dividend income	243	6,000	–	–	–	(6,000)		243	–
Depreciation	(15,044)	(12,161)	(5,219)	(4,740)	2,323	2,080	B	(17,940)	(14,821)
Financial costs	(1,883)	(1,879)	(2,087)	(1,308)	1,147	772	B	(2,823)	(2,415)
Reversal of impairment of property, plant and equipment	26	1,713	–	–	–	–		26	1,713
Property, plant and machinery written off	–	–	(1)	–	–	–		(1)	–
Trade receivables written off	–	–	(1,378)	–	–	–		(1,378)	–
Provision for expected credit loss	–	–	(595)	–	–	–		(595)	–
Segment profit before tax	<hr/> 6,410	<hr/> 8,065	<hr/> 34,589	<hr/> 15,966	<hr/> 2,504	<hr/> (2,543)	C	<hr/> 43,503	<hr/> 21,488
Taxation								(7,973)	(4,748)
Profit for the year								<hr/> 35,530	<hr/> 16,740

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

35. SEGMENT INFORMATION (CONT'D)

The following table presents assets, liabilities and other segment information regarding the Group's business segments for the years ended 31 December 2024 and 2023:

	Chartering		Shipbuilding, ship repairs and maintenance		Discontinued operation		Adjustments and eliminations		Notes	Total	
	2024	2023	2024	2023	2024	2023	2024	2023		2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Assets and liabilities:											
Additions to non-current assets	41,433	46,209	3,597	2,675	–	–	(9,087)	(5,365)	D	35,943	43,519
Goodwill	–	–	78	78	–	–	–	–		78	78
Segment assets	272,379	216,531	272,586	185,320	367	367	(138,120)	(28,961)	E	407,212	373,257
Segment liabilities	101,430	42,123	154,678	111,975	–	–	(91,585)	7,756	F	164,523	161,854

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A. Inter-segment revenues are eliminated on consolidation.
- B. Inter-segment interest income and finance expenses are eliminated on consolidation. Depreciation on mark-up arising from inter-segment sale of vessels are also eliminated on consolidation.
- C. The following items are added to/(deducted from) segment profit/(loss) before tax to arrive at "profit/(loss) before tax" presented in the consolidated income statement:

	2024	2023
	\$'000	\$'000
From inter-segment transactions	2,504	(2,543)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

35. SEGMENT INFORMATION (CONT'D)

- D. The adjustments and eliminations relate to inter-segment sales of vessels.
- E. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2024	2023
	\$'000	\$'000
Inter-segment assets	(138,120)	(28,961)
F. The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:		
	2024	2023
	\$'000	\$'000
Inter-segment liabilities	(106,778)	(1,625)
Deferred tax liabilities	8,211	6,190
Current tax liabilities	6,982	3,191
	(91,585)	7,756

Geographical information

Revenue information based on the geographical location of the customers is as follows:

	Vessel Chartering		Shipbuilding, ship repairs and maintenance		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
			(Re-presented)		(Re-presented)	
Singapore	8,396	6,724	32,743	24,249	41,139	30,973
Rest of Southeast Asia	23,094	25,307	14,770	18,974	37,864	44,281
East Asia	–	–	88	6,505	88	6,505
Africa	7,434	2,485	24,220	30,087	31,654	32,572
Europe	–	–	65,771	56,062	65,771	56,062
Middle East	9,047	3,660	49,049	9,891	58,096	13,551
Others	178	–	1,054	651	1,232	651
	48,149	38,176	187,695	146,149	235,844	184,595

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

35. SEGMENT INFORMATION (CONT'D)

Management does not monitor non-current assets and capital expenditure by geographical segment because the non-current assets comprise mainly of vessels which cannot be meaningfully allocated as the vessels can be deployed on different routes.

Information about major customers

Revenue from three (2023: three) major customers amounted to \$108,691,000 (2023: \$70,473,000), arising from chartering and shipbuilding, ship repairs and maintenance (2023: chartering and shipbuilding, ship repairs and maintenance) segments.

36. DIVIDENDS

Paid during the financial year

Dividends on ordinary shares:

	Group and Company	
	2024	2023
	\$'000	\$'000
- Final exempt (one-tier) dividend for 2023: 3.42 cents (2022: 2.25 cents) per share	7,530	4,954
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
	Group and Company	2023
	2024	
	\$'000	\$'000
- Final exempt (one-tier) dividend for 2024: 4.84 cents (2023: 3.42 cents) per share	10,656	7,530

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	Financial assets at amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2024					
Assets					
Other investments	–	–	13,114	–	13,114
Trade receivables	49,727	–	–	–	49,727
Other receivables and deposits	10,063	–	–	–	10,063
Derivatives	–	952	–	–	952
Fixed deposits	7,322	–	–	–	7,322
Cash and bank balances	26,661	–	–	–	26,661
	93,773	952	13,114	–	107,839
Liabilities					
Trade payables	–	–	–	11,583	11,583
Other payables and accruals	–	–	–	31,329	31,329
Term loans	–	–	–	50,498	50,498
Lease liabilities	–	–	–	9,274	9,274
Derivatives	–	693	–	–	693
	–	693	–	102,684	103,377

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classification of financial instruments (cont'd)*

Group	Financial assets at amortised cost \$'000	Financial assets/ liabilities at fair value through profit or loss \$'000	Financial assets at fair value through other comprehensive income \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
2023					
Assets					
Other investments	–	–	12,385	–	12,385
Trade receivables	54,173	–	–	–	54,173
Other receivables and deposits	23,294	–	–	–	23,294
Derivatives	–	286	–	–	286
Fixed deposits	6,741	–	–	–	6,741
Cash and bank balances	20,020	–	–	–	20,020
	104,228	286	12,385	–	116,899
Liabilities					
Trade payables	–	–	–	9,135	9,135
Other payables and accruals	–	–	–	34,855	34,855
Term loans	–	–	–	44,413	44,413
Lease liabilities	–	–	–	8,847	8,847
Derivatives	–	160	–	–	160
	–	160	–	97,250	97,410

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) *Classification of financial instruments (cont'd)*

Company	Financial assets at amortised cost \$'000	Financial assets/ liabilities at fair value through profit or loss \$'000	Financial assets at fair value through other comprehensive income \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
2024					
Assets					
Other investments	–	–	13,114	–	13,114
Trade receivables	5,037	–	–	–	5,037
Contract Assets	15,821	–	–	–	15,821
Other receivables and deposits	164	–	–	–	164
Derivatives	–	952	–	–	952
Loans to subsidiaries	82,592	–	–	–	82,592
Fixed deposit	3,916	–	–	–	3,916
Cash and bank balances	1,688	–	–	–	1,688
	109,218	952	13,114	–	123,284
Liabilities					
Trade payables	–	–	–	9	9
Other payables and accruals	–	–	–	3,924	3,924
Deposits from subsidiaries	–	–	–	48,496	48,496
Term loans	–	–	–	22,336	22,336
Derivatives	–	585	–	–	585
	–	585	–	74,765	75,350
2023					
Assets					
Other investments	–	–	12,385	–	12,385
Trade receivables	8,206	–	–	–	8,206
Other receivables and deposits	1	–	–	–	1
Derivatives	–	286	–	–	286
Loans to subsidiaries	112,423	–	–	–	112,423
Fixed deposit	3,475	–	–	–	3,475
Cash and bank balances	2,482	–	–	–	2,482
	126,587	286	12,385	–	139,258
Liabilities					
Trade payables	–	–	–	5	5
Other payables and accruals	–	–	–	2,375	2,375
Deposits from subsidiaries	–	–	–	43,529	43,529
Term loans	–	–	–	25,911	25,911
Derivatives	–	160	–	–	160
	–	160	–	71,820	71,980

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments that are carried at fair value

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used in making the measurements as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

As at 31 December 2024, the Group has investment in quoted equity security representing Level 1 financial asset which is carried at fair value amount of \$13,114,000 (2023: \$12,385,000). The quoted equity security is listed on the SGX-ST in Singapore.

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade receivables, other receivables and deposits, contract assets, loans to subsidiaries, cash and cash equivalents, trade payables, other payables and accruals, term loans, and deposits from subsidiaries are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives for speculative purposes shall be undertaken. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to the financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The carrying amount of cash and fixed deposits, trade and other receivables and contract assets represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other receivables at the balance sheet date is as follows:

	Group		Group	
	2024		2023	
	\$'000	%	\$'000	%
By country:				
Singapore	11,473	20	7,379	10
Malaysia	7,490	13	11,800	16
Rest of Southeast Asia	2,228	4	22	–
Africa	17,652	32	13,158	17
South Asia	2,428	5	17,791	23
Europe	8,495	15	18,040	24
Middle East	6,350	11	7,497	10
Others	–	–	61	–
	56,116	100	75,748	100
By industry sectors:				
Chartering	22,292	40	33,780	45
Shipbuilding, repairs and maintenance	33,824	60	41,968	55
	56,116	100	75,748	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

At the end of the reporting period:

- Approximately 49% (2023: 51%) of the Group's trade receivables were due from three (2023: three) major customers consisting of multi-industry conglomerates located in various countries.
- Approximately 83% (2023: 91%) of the Company's trade receivables were due from two (2023: two) major customers consisting of two multinational corporation (2023: two multinational corporation).

Financial assets that are neither past due nor impaired

Trade and other receivables and contract assets that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments is as follows.

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2024				
Financial liabilities				
Trade payables	11,583	–	–	11,583
Other payables and accruals	31,329	–	–	31,329
Term loans	14,873	28,819	7,131	50,823
Lease liabilities	2,256	4,343	6,174	12,773
Total undiscounted financial liabilities	60,041	33,162	13,305	106,508

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2023				
Financial liabilities				
Trade payables	9,135	–	–	9,135
Other payables and accruals	34,855	–	–	34,855
Term loans	14,787	31,435	9,344	55,566
Lease liabilities	1,185	3,399	6,771	11,355
Total undiscounted financial liabilities	59,962	34,834	16,115	110,911

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2024				
Financial liabilities				
Trade payables	9	–	–	9
Other payables and accruals	3,968	–	–	3,968
Deposits from subsidiaries	50,012	–	–	50,012
Term loans	8,914	9,631	7,131	25,676
Total undiscounted financial liabilities	62,903	9,631	7,131	79,665

2023				
Financial liabilities				
Trade payables	5	–	–	5
Other payables and accruals	2,375	–	–	2,375
Deposits from subsidiaries	45,172	–	–	45,172
Term loans	10,060	14,645	5,014	29,719
Total undiscounted financial liabilities	57,612	14,645	5,014	77,271

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar (“USD”).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to \$19,117,000 (2023: \$7,663,000) and \$4,068,000 (2023: \$823,000) for the Group and the Company respectively.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and Indonesia. The Group’s net investments in Malaysia and Indonesia that are not hedged as currency positions in Ringgit and Rupiah are considered to be long-term in nature.

The foreign currency risk is primarily managed by natural hedges of matching assets and liabilities denominated in foreign currencies. In addition, the Group uses forward currency contracts to reduce the currency exposures on material transactions, as deemed by management for which payment is anticipated more than one month after the Group has entered into a firm commitment for the sale. The Group has also been closely monitoring the foreign currency risk and has considered various hedging options for significant foreign currency exposure as and when the need arises.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate (against SGD), with all other variables held constant, of the Group’s profit/(loss) before tax.

	Increase/ (decrease) in profit before tax 2024 \$'000	Increase/ (decrease) in profit before tax 2023 \$'000
USD/SGD – strengthened 3% (2023: 3%)	1,263	1,252
USD/SGD – weakened 3% (2023: 3%)	(1,263)	(1,252)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group’s financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risks arising from equity investment in quoted equity securities. These securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as other investments. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the shares held had been 5% higher/ lower with all other variables held constant, the Group’s other comprehensive income would have been \$656,000 (2023: \$619,000) higher/lower, arising as a result of an increase/ decrease in the fair value of equity securities classified as other investments.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group’s financial instruments will fluctuate because of changes in market interest rates. The Group’s exposure to interest rate risk arises primarily from their term loan denominated in SGD.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in SGD interest rates with all other variables held constant, of the Group’s profit before tax.

	Increase/ (decrease) in profit before tax 2024 \$'000	Increase/ (decrease) in profit before tax 2023 \$'000
Increase in 100 basis points	399	265
Decrease in 100 basis points	(399)	(265)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

39. CAPITAL MANAGEMENT

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group’s policy is to maintain the gearing ratio at less than 50%. The Group includes within net debt loans and borrowings, less cash and fixed deposits. Capital includes equity attributable to the owners of the Company.

40. COMPARATIVE FIGURES

During the year, the Group and Company reclassified the prior year’s other income to revenue and cost of sale and other payables and accruals to contract liabilities so as to be consistent with current year’s presentation.

The reclassification has no impact on the net results, net assets and cash flows of the Group and net assets of the Company and accordingly, no statement of financial position as at 1 January 2023 is presented.

	As previously reported 2023 \$'000	Reclassification \$'000	As reclassified 2024 \$'000
<u>Consolidated income statement</u>			
Revenue	182,412	2,183	184,595
Cost of sales	(130,128)	(1,688)	(131,816)
Other income	8,823	(495)	8,328
<u>Consolidated balance sheet</u>			
Other payables and accruals	41,521	(6,666)	34,855
Contract liabilities	44,869	6,666	51,535
<u>Company balance sheet</u>			
Other payables and accruals	3,243	(360)	2,883
Contract liabilities	18,649	360	19,009

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2024

41. EVENT AFTER THE BALANCE SHEET DATE

On 14 March 2025, the Company’s subsidiary, Pelican Offshore Services Pte Ltd, incorporated a wholly owned subsidiary, POS Fleet Pty Ltd in Australia. The principal activity of POS Fleet Pty Ltd is chartering activities.

42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 27 March 2025.

STATISTICS OF SHAREHOLDINGS

As at 20 March 2025

Number of Issued and Paid up shares (excluding treasury shares and subsidiary holdings)	: 220,169,774
Class of Shares	: Ordinary Shares
Voting Rights	: 1 vote per share
Treasury Shares	: Nil
Subsidiary Holdings	: Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	115	7.88	5,332	0.00
100 - 1,000	779	53.35	359,258	0.16
1,001 - 10,000	387	26.51	1,790,183	0.81
10,001 - 1,000,000	173	11.85	9,502,161	4.32
1,000,001 AND ABOVE	6	0.41	208,512,840	94.71
TOTAL	1,460	100.00	220,169,774	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	200,092,818	90.88
2	CITIBANK NOMINEES SINGAPORE PTE LTD	1,932,331	0.88
3	UOB KAY HIAN PRIVATE LIMITED	1,860,000	0.84
4	PHILLIP SECURITIES PTE LTD	1,771,025	0.80
5	TEO JIA HAO	1,520,000	0.69
6	NG KWONG CHONG OR LIU OI FUI IVY	1,336,666	0.61
7	CHEE SEE GIAP @ SIN CHIEN	842,199	0.38
8	NG KIM GUAT	801,799	0.36
9	CHEONG KIT CHONG	340,000	0.15
10	WONG TONG LIEW	320,100	0.15
11	GUAN GUAN INVESTMENTS PTE LTD	320,000	0.15
12	THIO MA LANG	306,000	0.14
13	WONG CHEUNG CHAI	293,333	0.13
14	HARRY HALIM @ LIM ENG LIAN	233,333	0.11
15	LIM SIAU CHUA	213,900	0.10
16	TAN CHONG ENG	187,666	0.09
17	LOY SIM PIN	179,666	0.08
18	SOO POH KERN	177,666	0.08
19	SEAH YEW SIONG	170,000	0.08
20	NIO TECK SENG	140,700	0.06
		213,039,202	96.76

PERCENTAGE OF SHAREHOLDINGS HELD BY THE PUBLIC AS AT 20 MARCH 2025

Based on the Register of Members and to the best knowledge of the Company, the percentage of shareholdings held in the hands of public is approximately 11.08%. Accordingly, the Company complies with Rule 723 of the Listing Manual.

STATISTICS OF SUBSTANTIAL SHAREHOLDERS

As at 20 March 2025

Name of Substantial Shareholder	No. of Shares	Direct Interest %	No. of Shares	Deemed Interest %
Aleph Tav Ltd	195,765,603	88.92%	-	-
Jeffrey Hing Yih Peir ¹	-	-	195,765,603	88.92%
Fairy L.P. ²	-	-	195,765,603	88.92%
(acting by its general partner, Fairy Ltd.)				
Fairy Ltd. ³	-	-	195,765,603	88.92%
Diamond GP Holdings II Ltd ⁴	-	-	195,765,603	88.92%
Dymon Asia Private Equity (S.E. Asia) II Ltd ⁵	-	-	195,765,603	88.92%
DAPE Ltd ⁶	-	-	195,765,603	88.92%

Notes:

- ¹By virtue of Jeffrey Hing Yih Peir holding 55% of the issued and paid-up share capital of Aleph Tav Ltd, Jeffrey Hing Yih Peir is deemed to be interested in the shares owned by Aleph Tav Ltd (“Shares”).
- ²By virtue of Fairy L.P. (acting by its general partner, Fairy Ltd.) holding 40% of the issued and paid-up share capital of Aleph Tav Ltd, Fairy L.P. (acting by its general partner, Fairy Ltd.) is deemed to be interested in the Shares.
- ³By virtue of Fairy Ltd. being the general partner of Fairy L.P. and being responsible for managing controlling, operating and making investment decisions on behalf of Fairy L.P., Fairy Ltd. is deemed to be interested in the Shares.
- ⁴By virtue of Diamond GP Holdings II Ltd being the sole shareholder of Fairy Ltd, Diamond GP Holdings II Ltd is deemed to be interested in the Shares.
- ⁵By virtue of Dymon Asia Private Equity (S.E. Asia) II Ltd being the sole shareholder of Diamond GP Holdings II Ltd, Dymon Asia Private Equity (S.E. Asia) II Ltd is deemed to be interested in the Shares.
- ⁶By virtue of DAPE Ltd being the sole shareholder of Dymon Asia Private Equity (S.E. Asia) II Ltd, DAPE Ltd is deemed to be interested in the Shares.

Total number of issued shares as at 20 March 2025: 220,169,774 ordinary shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting (“**AGM**”) of Penguin International Limited (the “**Company**”) will be held on Tuesday, 22 April 2025 at 10.30 a.m. at 21 Tuas Road, Singapore 638489, to transact the following business:-

ORDINARY BUSINESS

- | | | |
|----|--|---------------------|
| 1. | To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2024 and the Auditor’s Report thereon. | Resolution 1 |
| 2. | To declare and approve a first and final tax exempt (one-tier) dividend of 4.84 cents per ordinary share for the financial year ended 31 December 2024. | Resolution 2 |
| 3. | To approve the payment of Directors’ fees of S\$199,000.00 for the financial year ended 31 December 2024. (2023: S\$184,000.00). | Resolution 3 |
| 4. | To re-elect Mr James Tham Tuck Choong, a Director retiring pursuant to Regulation 92 of the Company’s Constitution. <i>[See Explanatory Note (a)]</i> | Resolution 4 |
| 5. | To re-elect Mr Winston Kwek Choon Lin, a Director retiring pursuant to Regulation 92 of the Company’s Constitution. <i>[See Explanatory Note (b)]</i> | Resolution 5 |
| 6. | To re-appoint PKF-CAP LLP as the auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- | | | |
|-----|--|---------------------|
| 7. | Share Issue Mandate | Resolution 7 |
| | “That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual (“ Listing Manual ”) of the Singapore Exchange Securities Trading Limited (“ SGX-ST ”), authority be and is hereby given to the Directors of the Company to: | |
| (a) | (i) issue shares in the capital of the Company (“ Shares ”) whether by way of bonus issue, rights issue or otherwise; and/or | |
| | (ii) make or grant offers, agreements or options (collectively “ Instruments ”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or | |
| | at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit; and | |
| (b) | (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force, | |
| | provided that: | |

- | | | |
|-------|---|---------------------|
| (i) | the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of passing of this Resolution, of which the aggregate number of Shares issued other than on a pro rata basis does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company. | |
| (ii) | for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the time of the passing of this Resolution after adjusting for: | |
| | (aa) new Shares arising from the conversion or exercise of convertible securities; | |
| | (bb) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and | |
| | (cc) any subsequent bonus issue, consolidation or subdivision of Shares; | |
| | and provided also that adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed; and | |
| (iii) | (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.” <i>[See Explanatory Note (c)]</i> | |
| 8. | The Proposed Renewal of the Share Buy-back Mandate | Resolution 8 |
| | “That: | |
| (a) | for the purposes of the Companies Act 1967 (the “ Companies Act ”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares (“ Share Buy-Back ”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:- | |
| (i) | An on-market Share Buy-Back (“ On-Market Share Buy-back ”), transacted on the SGX-ST’s trading system; and/or | |
| (ii) | An off-market Share Buy-Back (“ Off-Market Equal Access Share Buy-back ”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “ Share Buy-back Mandate ”); | |

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:-
- (i) the date on which the next AGM of the Company is held;
 - (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or
 - (iii) the date by which next AGM of the Company is required by law to be held;

- (c) In this Resolution:-

“**Prescribed Limit**” means ten per cent (10%) of the total number of Shares issued by the Company (excluding any treasury shares and subsidiary holdings that may be held by the Company) as at the date of passing of this Resolution; and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:-

- (i) in the case of an On-Market Share Buy-back, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Equal Access Share Buy-back pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares;

Where:-

“**Average Closing Price**” means the average of the last dealt prices of an ordinary Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the On-Market Share Buy-back by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Equal Access Buy-back, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

“**Date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Equal Access Share Buy-back, stating the purchase price which shall not be more than 110% of the Average Closing Price of the Shares (excluding related expenses of the purchase or acquisition) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Equal Access Share Buy-back.

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.” *[See Explanatory Note (d)]*

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2025 at 5.00 p.m. for the purpose of determining members' entitlement to the proposed first and final tax exempt (one-tier) dividend of 4.84 cents per ordinary share for the financial year ended 31 December 2024 (the “**Proposed Dividend**”).

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 6 May 2025 (the “**Record Date**”) will be registered to determine members' entitlement to the Proposed Dividend.

Members (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the 2025 AGM, will be paid on 16 May 2025.

By Order Of The Board

Heng Michelle Fiona
Company Secretary
7 April 2025

Explanatory Notes:

- (a) Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr James Tham Tuck Choong can be found under the section entitled “Additional Information on Directors Seeking Re-Election”.
- (b) Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Winston Kwek Choon Lin can be found under the section entitled “Additional Information on Directors Seeking Re-Election”.
- (c) The Ordinary Resolution No. 7, if passed, will empower the Directors from the date of this AGM to allot and issue shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company.

For the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (d) The Ordinary Resolution No. 8, if passed, will empower the Directors to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the price up to but not exceeding the Maximum Price. The rationale for the Share Buy-back Mandate, the source of funds to be used for the Share Buy-back Mandate, the impact of the Share Buy-back Mandate on the Company's financial position, the implications arising as a result of the Share Buy-back Mandate under The Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST are set out in the Letter to Shareholders dated 7 April 2025.

Notes:

1. The AGM will be held, in a wholly physical format at the venue, date and time stated above. There will be no option for shareholders to participate virtually.
2. Printed copies of this Notice of AGM and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's corporate website at URL: <http://www.penguin.com.sg/about-us/investor-relations/> and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. Authenticated members, including CPF and SRS investors, and proxy(ies) will be able to ask questions and vote at the AGM by attending the AGM in person. Arrangements have also been put in place to permit members to submit their questions ahead of the AGM. Please refer to Notes 11 and 12 below for further details.
4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

Voting by Proxy

5. A proxy need not be a member of the Company.
6. Completion and return of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
7. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
8. In the case of a member whose shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any Proxy Form lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company. The Company shall also be entitled to reject the Proxy Form if it is incomplete, improperly completed, or illegible (such as in the case where the appointor submits more than one Proxy Form).
9. The instrument appointing the proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@penguin.com.sg.

in either case, by **10.30 a.m. on Saturday, 19 April 2025**, being at least 72 hours before the time appointed for the AGM.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

Members are strongly encouraged to submit completed proxy forms electronically via email.

10. CPF/SRS investors who hold the Company's shares:
 - (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by **5 p.m. on 9 April 2025**.

Submission of Written Questions prior to the AGM

11. Members, including CPF and SRS investors, may submit substantial and relevant questions relating to the business of the AGM in advance and in any case, not later than by **5 p.m. on 14 April 2025** through any of the following means:
 - (a) If submitted by email, to be received by the Company at agm@penguin.com.sg; or
 - (b) If submitted by post, to be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.When submitting questions by post or via email, members should also provide the following details: (i) the member's full name; (ii) the member's address; and (iii) the manner in which the member holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.
12. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from members either before the AGM on the Company's corporate website at URL: <http://www.penguin.com.sg/about-us/investor-relations/> and SGX website at URL: <https://www.sgx.com/securities/company-announcements> or during the AGM. Should there be subsequent clarification sought or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNet, or at the AGM.
13. The Company's Annual Report 2024 and the Letter to Shareholders have been published on the Company's corporate website and may be accessed at URL: <http://www.penguin.com.sg/about-us/investor-relations/> by clicking on the hyperlink for "**Annual Report 2024**" and "**Letter to Shareholders**" respectively. The Annual Report 2024 and Letter to Shareholders will also be made available on the SGX website at URL: <https://www.sgx.com/securities/company-announcements>.
14. Members may request for printed copies of the Company's Annual Report 2024 and/or the Letter to Shareholders by completing and submitting the Request Form sent to them by post together with printed copies of this Notice of AGM and the accompanying proxy form, to the Company at 21 Tuas Road, Singapore 638489 or by email to: agm@penguin.com.sg no later than **15 April 2025**.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and/or representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr James Tham Tuck Choong and Mr Winston Kwek Choon Lin are the Directors seeking re-election, pursuant to Regulation 92 of the Company's Constitution, at the annual general meeting of the Company on 22 April 2025 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST for Mr James Tham Tuck Choong and Mr Winston Kwek Choon Lin is set out below:

Name of Director	James Tham Tuck Choong	Winston Kwek Choon Lin
Date of appointment	15 August 2008	29 April 2021
Date of last re-appointment (if applicable)	28 April 2022	27 April 2023
Age	54 years old	60 years old
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	<p>The Board has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Tham for re-election as the Managing Director of the Company.</p> <p>The Board has accepted the NC's recommendation and concluded that Mr Tham possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. In addition, Mr Tham has the experience and in-depth knowledge of the Group's business to lead its operations and growth as well as oversee its overall strategic business development.</p>	<p>The Board has considered, among others, the recommendation of the NC and has reviewed and considered the performance, contributions, qualifications, expertise, work experience and suitability of Mr Kwek for re-election as the Lead Independent Director of the Company.</p> <p>The Board has accepted the NC's recommendation and concluded that Mr Kwek possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. With his extensive experience and legal expertise in the marine industry and a wide variety of shipping related work, he is in a good position to provide guidance to the Board and management and contribute positively to Board discussions.</p>
Whether Board appointment is executive, and if so, the area of responsibility	Executive. As Managing Director, Mr Tham is responsible for the strategic business development of the Penguin Group of companies and manages the overall operations and resources of the Group.	Non-Executive Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member)	Managing Director	<ul style="list-style-type: none">Non-Executive Independent DirectorLead Independent DirectorChairman of Remuneration Committee and NC and a Member of Audit and Risk Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

Name of Director	James Tham Tuck Choong	Winston Kwek Choon Lin
Academic / professional qualifications	<ul style="list-style-type: none">Bachelor of Business Administration from College of Business Administration, Ohio UniversityBachelor of Science in Journalism from Scripps School of Journalism, Ohio University	<ul style="list-style-type: none">Bachelor of Laws (Honours), National University of SingaporeAdvocate & Solicitor, Supreme Court of SingaporeAdjunct Associate Professor in the Faculty of Law, National University of SingaporeSenior Accredited Specialist (Maritime and Shipping), Singapore Academy of LawSpecialist Mediator, Singapore International Mediation CentreAccredited Maritime Arbitrator, Singapore Institute of Arbitrators and Singapore Chamber of Maritime ArbitrationFellow, Chartered Institute of Arbitrators and Singapore Institute of Arbitrators
Working experience and occupation(s) during the past 10 years	<p>Managing Director, Penguin International Limited</p> <p>Mr Tham has been the Managing Director of the Penguin group of companies since October 2008, leading the development of the Group's short- and long-term strategies and manages the overall operations and resources of the Group.</p>	<p>Rajah & Tann Singapore LLP (2002 to present)</p> <p>Specialising in international trade and shipping law since 1991, Mr Kwek is experienced in maritime issues and is a partner in the International Trade and Shipping Practice Group in Rajah & Tann Singapore LLP. In 2023, Mr Kwek was recognised as one of Asia's Super 50 Disputes Lawyers by Asian Legal Business and in 2024 was appointed to the inaugural panel of Maritime Mediators jointly by the Singapore Chamber of Maritime Arbitration and Singapore International Mediation Centre.</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director/existing executive officer of the Company or any of its principal subsidiaries and/or substantial shareholder	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (CONT'D)

Name of Director	James Tham Tuck Choong	Winston Kwek Choon Lin
Conflict of interest (including any competing business)	No	No
Other Principal Commitments including Directorships: Past 5 years:	Nil	BH Global Corporation Ltd – Non-Executive Independent Director
Present:	Director of Penguin International Limited and Subsidiaries	1. Penguin International Limited – Non-Executive Independent Director 2. Rajah & Tann LLP – Partner

Mr James Tham Tuck Choong and Mr Winston Kwek Choon Lin have each provided the Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST.

Each of the Retiring Directors has also individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is “No”.



PENGUIN

PENGUIN INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(UEN : 197600165Z)

PROXY FORM

Please read notes overleaf before completing this Form

Important

- The annual general meeting (“AGM” or “Meeting”) will be held in a wholly physical format at the venue, date and time stated below. There will be no option for members to participate virtually.
- Pursuant to Section 181(1C) of the Companies Act 1967 (the “Act”), relevant intermediaries may appoint more than two proxies to attend, speak and vote at the AGM.
- For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the “CPF Investors” or “SRS Investors”), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF or SRS Investors who wish to appoint proxy or proxies should approach their respective CPF Agent Banks or SRS Operators and submit their instructions by **5 p.m. on 9 April 2025**.

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2025.

I/We _____ (Name)
_____ (NRIC No./Passport No./Company Registration No.)
of _____ (Address)

being a *member/members of **PENGUIN INTERNATIONAL LIMITED** (the “Company”), hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing the person, or either or both the persons, referred to above, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM of the Company to be held at 21 Tuas Road, Singapore 638489 on Tuesday, 22 April 2025 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

NO.	ORDINARY RESOLUTIONS	For*	Against*	Abstain*
	ORDINARY BUSINESS			
1.	Adoption of Directors' Statement and Audited Financial Statements			
2.	Declaration and Approval of First and Final Dividend			
3.	Approval of Directors' Fees			
4.	Re-election of Mr. James Tham Tuck Choong as Director			
5.	Re-election of Mr. Winston Kwek Choon Lin as Director			
6.	Re-appointment of PKF-CAP LLP as Auditor			
	SPECIAL BUSINESS			
7.	Authority to issue shares pursuant to Share Issue Mandate			
8.	Renewal of Share Buy-back Mandate			

(*Please indicate your vote “For”, “Against” or “Abstain” with an “X” within the box provided. Alternatively, please indicate the number of votes “For” or “Against” within the box provided. If you wish your proxy to “Abstain” from voting on a resolution, please indicate “X” in the “Abstain” box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) is/are directed to abstain from voting in that resolution. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this _____ day of _____ 2025

Total Number of Shares Held: _____

Signature(s) of Member(s)/Common Seal

** Please delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

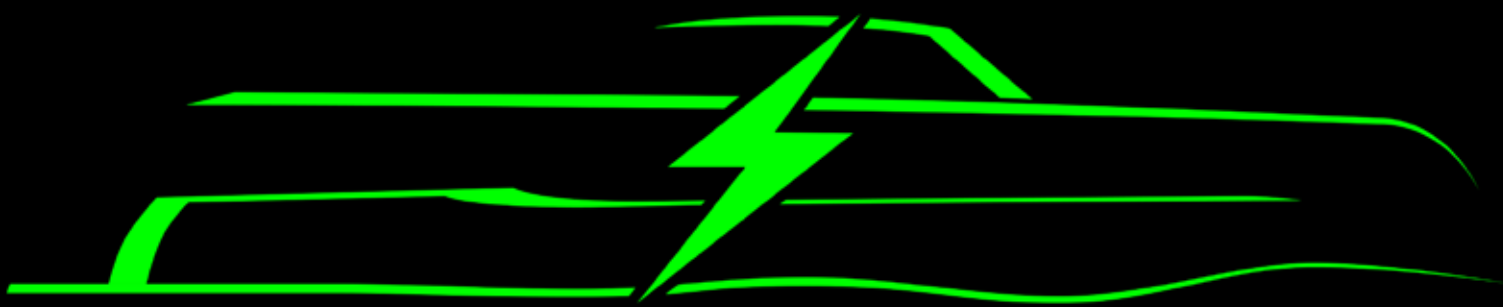
A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it in the manner set out below.

2. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.
3. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@penguin.com.sg.

in either case, by **10.30 a.m.** on **19 April 2025**, being at least 72 hours before the time appointed for the AGM.

Members are strongly encouraged to submit completed proxy forms electronically via email.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The instrument appointing a proxy(ies) must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 not less than 72 hours before the time appointed for holding the Meeting or any adjournment thereof.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged together with the instrument, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
10. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of proxy appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



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