PENGUIN INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197600165Z)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting of Penguin International Limited (the "**Company**") will be held on Tuesday, 24 April 2018 at 10.30 a.m. at 18 Tuas Basin Link, Singapore 638784, 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 2017. **Resolution 1**
2. To declare and approve a first and final tax exempt (one-tier) dividend of 0.45 cent per ordinary share for the financial year ended 31 December 2017. **Resolution 2**
3. To approve the payment of Directors' fees of S$167,156.16 for the financial year ended 31 December 2017. (2016: S$167,000.00). **Resolution 3**
4. To re-elect Mr. Ong Kian Min, a Director retiring pursuant to Regulation 92 of the Company's Constitution. *[See Explanatory Note (a)]* **Resolution 4**
5. To re-elect Mr. Leow Ban Tat, a Director retiring pursuant to Regulation 92 of the Company's Constitution. *[See Explanatory Note (b)]* **Resolution 5**
6. To re-elect Mr. Paul Tan Poh Lee, a Director retiring pursuant to Regulation 98 of the Company's Constitution. *[See Explanatory Note (c)]* **Resolution 6**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

7. **Proposed Change of Auditors of the Company** **Resolution 7**

   That PKF-CAP LLP be appointed as the auditors of the Company, in place of the retiring auditors, Ernst & Young LLP, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. *[See Explanatory Note (d)]*

8. **Share Issue Mandate** **Resolution 8**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus 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) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company 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 Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall be limited as follows:

   (a) without prejudice to sub-paragraph (1)(b) below, the aggregate number of shares to be issued shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20 per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) ("**General Limit**");

   (b) in addition to the General Limit, the aggregate number of shares to be issued by way of renounceable rights issues on a pro rata basis ("**Renounceable Rights Issues**") shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below ("**Additional Limit**");

   (c) where an issue of shares is to be issued by way of Renounceable Rights Issues, that issue shall first use the Additional Limit, and in the event that the Additional Limit has been fully used and is insufficient to satisfy that issue, that issue may use the General Limit, but only to the extent of the then remaining General Limit;

   (d) where an issue of shares is to be issued otherwise than by way of Renounceable Rights Issue, that issue may only use the General Limit, but only to the extent of the then remaining General Limit;

   (e) an issue of shares that is not for a financing purpose may only use the General Limit, but the number of such shares that may be issued shall be limited to the numerical number of the then remaining Additional Limit;

   (2) the General Limit and the Additional Limit shall not, in aggregate, exceed 100 per centum (100%) of the total number of issue shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);

   (3) no shares shall be issued pursuant to this Resolution after 31 December 2018, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);

   (4) (subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1)(a) and (1)(b) 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) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new shares arising from the conversion or exercise of any convertible securities;

   (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

   (5) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

   (6) unless revoked or varied by the Company in a general meeting, such authority 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 earlier." *[See Explanatory Note (e)]*

9. **The Proposed Renewal of the General Mandate for Interested Person Transactions** **Resolution 9**

   "That:

   (1) approval be and is hereby given, for the purposes of Chapter 9 of the listing manual ("**Listing Manual**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in paragraph 2.3 of the Letter to Shareholders dated 9 April 2018 with the Interested Persons described in paragraph 2.1.1 of the Letter to Shareholders dated 9 April 2018, provided that such transactions are in accordance with the review procedures for such interested person transactions described in paragraph 2.8 of the Letter to Shareholders dated 9 April 2018;

   (2) the approval given in paragraph (1) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;

   (3) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary for this IPT Mandate (as defined in paragraph (2) above) to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time, and such other applicable laws and rules; and

   (4) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including execution of all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution." *[See Explanatory Note (f)]*

10. **The Proposed Renewal of the Share Buy-back Mandate** **Resolution 10**

    "That:

    (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:-

    (i) on-market purchase(s) (each an "**On-Market Share Buy-back**"), transacted on the SGX-ST; and/or

    (ii) off-market purchase(s) (each an "**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 Annual General Meeting 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 Annual General Meeting 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 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 (g)]*

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 15 May 2018 at 5.00 p.m. for the purpose of determining members' entitlement to the proposed first and final tax exempt (one-tier) dividend of 0.45 cent per ordinary share for the financial year ended 31 December 2017 (the "**Proposed Dividend**").

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 15 May 2018 will be registered before members' entitlement to the Proposed Dividend is determined.

Members (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 15 May 2018 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the 2018 Annual General Meeting, will be paid on 25 May 2018.

By Order Of The Board

Heng Michelle Fiona/Lo Swee Oi
Company Secretaries
9 April 2018

Explanatory Notes:

(a) Mr. Ong Kian Min, an Independent Director, if re-elected, will continue to serve as the Lead Independent Director, Chairman of the Audit Committee and member of the Remuneration and Nominating Committees. He is considered an independent director for purposes of Rule 704(8) of the Listing Manual of the SGX-ST ("**Listing Manual**"). For further information on Mr Ong, please refer to the section on the "Board of Directors" in the Annual Report 2018.

(b) Mr. Leow Ban Tat, an Independent Director, if re-elected, will continue to serve as Chairman of the Nominating Committee and member of the Remuneration and Audit Committees. He is considered an independent director for purposes of Rule 704(8) of the Listing Manual. For further information on Mr Leow, please refer to the section on the "Board of Directors" in the Annual Report 2018.

(c) Mr. Paul Tan Poh Lee, an Independent Director, if re-elected, will continue to serve as Chairman of the Remuneration Committee and member of the Audit Committee. He is considered an independent director for purposes of Rule 704(8) of the Listing Manual. For further information on Mr Tan, please refer to the section on the "Board of Directors" in the Annual Report 2018.

(d) Resolution 7 relates to the appointment of PKF-CAP LLP ("**PKF**") as the auditors of the Company, in place of the retiring auditors, Ernst & Young LLP ("**EY**"). Please refer to the Letter to Shareholders dated 9 April 2018 ("**Letter to Shareholders**") for details. In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(1) the outgoing auditors, EY, have confirmed to PKF that they are not aware of any professional reasons why the new auditors, PKF, should not accept appointment as auditors of the Company;
(2) the Company confirms that there were no disagreements with EY on accounting treatment within the last 12 months of the date of the Letter to Shareholders;
(3) the Company confirms that, other than as set out in the Letter to Shareholders, it is not aware of any circumstances connected with the proposed change of auditors which have not been disclosed in the Letter to Shareholders;
(4) the specific reasons for the proposed change of auditors are disclosed in the Letter to Shareholders; and
(5) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of PKF as the auditors of the Company.

(e) The Ordinary Resolution 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding the aggregated of (i) 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 to existing shareholders of the Company (the "**General Limit**") and (ii) additional 50% for Renounceable Rights Issues, of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the "**Additional Limit**"), provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 8 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the Additional Limit is proposed pursuant to SGX-ST Practice Note 8.3 which became effective on 13 March 2017 until 31 December 2018 by which date no further shares shall be issued pursuant to this Resolution, if on that date the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (the "**Enhanced Rights Issue Limit**"). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expediently for expansion activities or working capital. It is subject to the condition that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders' approval and disclosure requirements under the Listing Manual on the use of the proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the annual report; and limitations in any existing mandate from shareholders.

The Board is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders and in this regard, the Company seeks such authority so as to give the Company wider options of fund-raising should there be a need for such exercise to be undertaken.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

(f) Mr. Jeffrey Hing Yih Peir and his associates will abstain from voting on the proposed Ordinary Resolution No. 9 relating to the renewal of the general IPT Mandate. For the purpose of the abstention, the term "associates" as it relates to Mr. Jeffrey Hing Yih Peir is defined as (i) his immediate family, (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

(g) The Ordinary Resolution No. 10, 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 9 April 2018.

Notes:

(1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM in his stead. Where such member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM in his stead. Where such member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(2) The instrument or form appointing a proxy, duly executed, must be deposited at the registered office of the Company at 18 Tuas Basin Link, Singapore 638784 not less than 72 hours before the time appointed for holding the AGM in order for the proxy to be entitled to attend and vote at the AGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is able to do so. In such event, the relevant Proxy Form(s) will be deemed to be revoked.

(3) A proxy need not be a member of the Company. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

(4) A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order to be entitled to attend and vote at the AGM.

(5) The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

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 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, 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.