Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

PENGUIN INTERNATIONAL LIMITED (Co. Registration Number : 197600165Z)

Unaudited Third Quarter And Nine Months Financial Statement and Dividend Announcement for the Period Ended 30 September 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

		Group					
		3 Months Ended			9 Months Ended		
		30/09/2017 $'000	30/09/2016 $'000	+ / (-) %	30/09/2017 $'000	30/09/2016 $'000	+ / (-) %
Revenue	1	**9,844**	**9,225**	**6.7**	**57,976**	**25,987**	**123.1**
Cost of sales	2	**(5,390)**	**(4,345)**	**24.1**	**(42,970)**	**(15,255)**	**181.7**
Gross profit		**4,454**	**4,880**	**(8.7)**	**15,006**	**10,732**	**39.8**
Other operating income	3	**1,243**	**1,274**	**(2.4)**	**3,144**	**3,134**	**0.3**
Distribution costs		**(37)**	**(51)**	**(27.5)**	**(123)**	**(161)**	**(23.6)**
Administrative expenses		**(3,215)**	**(2,935)**	**9.5**	**(9,262)**	**(9,375)**	**(1.2)**
Other operating expenses	4	**(2,387)**	**(3,163)**	**(24.5)**	**(6,714)**	**(10,058)**	**(33.2)**
Finance cost		**(46)**	**(102)**	**(54.9)**	**(227)**	**(365)**	**(37.8)**
Interest income		**204**	**50**	**308.0**	**547**	**152**	**259.9**
Profit / (loss) / profit before tax		**216**	**(47)**	**NM**	**2,371**	**(5,941)**	**NM**
Income tax credit / (expense)		**23**	**(145)**	**NM**	**(201)**	**105**	**NM**
Profit / (loss) / profit for the period		**239**	**(192)**	**NM**	**2,170**	**(5,836)**	**NM**

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Group					
	3 Months Ended			9 Months Ended		
	30/09/2017 $'000	30/09/2016 $'000	+ / (-) %	30/09/2017 $'000	30/09/2016 $'000	+ / (-) %
Profit / (loss) / profit for the period	**239**	**(192)**	**NM**	**2,170**	**(5,836)**	**NM**
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	**(1,673)**	**527**	**NM**	**(5,698)**	**(2,230)**	**155.5**
Foreign currency translation	**(706)**	**101**	**NM**	**(2,736)**	**125**	**NM**
Other comprehensive income for the period, net of tax	**(2,379)**	**628**	**NM**	**(8,434)**	**(2,105)**	**300.7**
Total comprehensive income for the period, net of tax	**(2,140)**	**436**	**NM**	**(6,264)**	**(7,941)**	**(21.1)**
Total comprehensive income for the period attributable to:						
Owners of the company	**(2,140)**	**436**	**NM**	**(6,264)**	**(7,941)**	**(21.1)**
Non-controlling interests	**-**	**-**	**NM**	**-**	**-**	**NM**
Total comprehensive income for the period	**(2,140)**	**436**	**NM**	**(6,264)**	**(7,941)**	**(21.1)**

NOTES TO CONSOLIDATED INCOME STATEMENT

	Group		Group	
	3 Months Ended		9 Months Ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	$'000	$'000	$'000	$'000
Other income including interest income	**1,447**	**1,324**	**3,691**	**3,286**
Interest expense	**(34)**	**(95)**	**(199)**	**(343)**
Depreciation of property, plant and equipment	**(2,135)**	**(2,436)**	**(6,447)**	**(6,865)**
Impairment of property, plant and equipment and inventories	**-**	**(1,409)**	**-**	**(4,721)**
Property, plant and equipment written off	**(3)**	**-**	**(17)**	**-**
Foreign exchange loss	**(279)**	**(72)**	**(610)**	**(49)**
Net fair value loss on derivatives**	**(60)**	**-**	**(60)**	**-**
Gain on disposal of property, plant and equipment*	**1,170**	**1,222**	**2,914**	**1,220**
Provision of warranty claims on shipbuilding contracts,	**-**	**(514)**	**(55)**	**(442)**
Allowance for doubtful debts (trade)	**(312)**	**-**	**(670)**	**-**

** This amount is included in other income including interest income above*

*** This amount is included in foreign exchange loss*

Notes to Consolidated Income Statement:

1 Revenue is contributed primarily by shipbuilding, ship repair and vessel chartering activities.

2 Cost of Sales comprises primarily shipbuilding costs, ship repair costs and vessel operating expenses.

3 Other Operating Income is contributed primarily by gain on disposal of property, plant and equipment.

4 Other Operating Expenses comprises primarily depreciation of property, plant and equipment, allowance for doubtful debts and net foreign exchange gain / loss.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

		Group		+ / (-)	Company		+ / (-)
		30/09/2017	31/12/2016	%	30/09/2017	31/12/2016	%
		$'000	$'000		$'000	$'000	
Equity attributable to owners of the Company							
Share capital		**94,943**	**94,943**	**0.0**	**94,943**	**94,943**	**0.0**
Reserves		**45,035**	**51,096**	**(11.9)**	**19,025**	**17,110**	**11.2**
Total equity		**139,978**	**146,039**	**(4.2)**	**113,968**	**112,053**	**1.7**
Intangible asset		**78**	**78**	**0.0**	**-**	**-**	**NM**
Property, plant and equipment	1	**88,001**	**104,405**	**(15.7)**	**9,938**	**11,284**	**(11.9)**
Investments in subsidiaries		**-**	**-**	**NM**	**25,535**	**25,535**	**0.0**
Loan to a subsidiary		**-**	**-**	**NM**	**80,373**	**61,913**	**29.8**
Other investments		**-**	**-**	**NM**	**-**	**-**	**NM**
Trade receivables	3	**348**	**1,876**	**(81.4)**	**-**	**-**	**NM**
Other receivables	4	**10,178**	**2,708**	**275.8**	**-**	**-**	**NM**
Current assets							
Inventories	2	**16,166**	**40,187**	**(59.8)**	**-**	**-**	**NM**
Trade receivables	3	**12,725**	**8,058**	**57.9**	**4,218**	**928**	**354.5**
Other receivables and deposits	4	**7,666**	**4,230**	**81.2**	**164**	**105**	**56.2**
Prepayments		**445**	**338**	**31.7**	**144**	**125**	**15.2**
Due from customer for contract work-in-progress	5	**3,904**	**-**	**NM**	**-**	**-**	**NM**
Loan to subsidiaries		**-**	**-**	**NM**	**20,628**	**32,801**	**(37.1)**
Short-term deposits		**20,198**	**12,019**	**68.1**	**20,102**	**8,549**	**135.1**
Cash and bank balances		**15,896**	**6,656**	**138.8**	**8,238**	**2,709**	**204.1**
		77,000	**71,488**	**7.7**	**53,494**	**45,217**	**18.3**
Assets classified as held for sale		**-**	**6,251**	**(100.0)**	**-**	**-**	**NM**
		77,000	**77,739**	**(1.0)**	**53,494**	**45,217**	**18.3**
Current liabilities							
Trade payables		**6,262**	**8,523**	**(26.5)**	**95**	**143**	**(33.6)**
Other payables and accruals	6	**9,331**	**17,147**	**(45.6)**	**4,210**	**2,052**	**105.2**
Provisions		**436**	**641**	**(32.0)**	**-**	**-**	**NM**
Derivatives		**60**	**-**	**NM**	**60**	**-**	**NM**
Due to customer for contract work-in-progress	5	**11,730**	**409**	**2,768.0**	**10,037**	**-**	**NM**
Deferred revenue		**110**	**160**	**(31.3)**	**110**	**160**	**(31.3)**
Provision for income tax		**1,325**	**36**	**3,580.6**	**347**	**5**	**6,840.0**
Term loans		**2,500**	**3,360**	**(25.6)**	**-**	**-**	**NM**
Deposit from subsidiaries		**-**	**-**	**NM**	**38,933**	**28,023**	**38.9**
		31,754	**30,276**	**4.9**	**53,792**	**30,383**	**77.0**
Net current assets / (liabilities)		**45,246**	**47,463**	**(4.7)**	**(298)**	**14,834**	**NM**
Non-current liabilities							
Deferred tax liabilities		**2,375**	**3,702**	**(35.8)**	**1,476**	**1,409**	**4.8**
Provisions		**165**	**169**	**(2.4)**	**104**	**104**	**0.0**
Term loans		**1,333**	**6,620**	**(79.9)**	**-**	**-**	**NM**
Net Assets		**139,978**	**146,039**	**(4.2)**	**113,968**	**112,053**	**1.7**

Notes to the Balance Sheet:

1 Property, Plant and Equipment refers mainly to the Group's vessels, leasehold buildings and machinery and equipment.

2 Inventories refers mainly to construction cost of completed vessels and construction-in-progress in relation to uncompleted vessels.

3 Trade Receivables refers mainly to receivables from shipbuilding, ship repair and vessel chartering activities. Non-current portion pertains to shipbuilding sales under deferred payment arrangement.

4 Other Receivables and Deposits refers mainly to receivables for fleet vessel sales, deposits paid by the Group for equipment purchase with long lead time and tax installments. Non-current portion pertains to fleet vessel sale under deferred payment arrangement.

5 Due from / (to) Customer for Contract Work-in-Progress refers to progress billings in relation to shipbuilding contracts in deficit / (excess) of their corresponding costs.

6 Other Payables and Accruals refers mainly to advance payments and deposits received, advance billings and accrued operating expenses.

1(b)(ii)

Amount repayable in one year or less, or on demand

As at 30/09/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
2,500	-	3,360	-

Amount repayable after one year

As at 30/09/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
1,333	-	6,620	-

Details of any collateral

The Group’s borrowings from the banks are secured by way of mortgage over certain subsidiaries' vessels, including assignment of insurance policies and charter earnings and contracts.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Group		Group	
	3 Months Ended		9 Months Ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Profit / (loss) before tax	**216**	**(47)**	**2,371**	**(5,941)**
Adjustments:				
Depreciation of property, plant and equipment	**2,135**	**2,436**	**6,447**	**6,865**
Impairment of property, plant and equipment and inventories	**-**	**1,409**	**-**	**4,721**
Gain on disposal of property, plant and equipment	**(1,170)**	**(1,222)**	**(2,914)**	**(1,220)**
Property, plant and equipment written off	**3**	**-**	**17**	**-**
Interest expense	**34**	**95**	**199**	**343**
Interest income	**(204)**	**(50)**	**(547)**	**(152)**
Provision for employee retirement benefits	**(2)**	**-**	**(4)**	**-**
Allowance for doubtful debts (trade)	**312**	**-**	**670**	**-**
Net fair value loss on derivatives liabilities	**60**	**-**	**60**	**-**
Provision of warranty claims on shipbuilding contracts, net	**-**	**514**	**55**	**442**
Currency alignment	**14**	**67**	**395**	**83**
Operating cash flows before changes in working capital	**1,398**	**3,202**	**6,749**	**5,141**
Inventories	**(2,629)**	**19**	**24,258**	**(622)**
Trade receivables	**(592)**	**(5,257)**	**(1,101)**	**(7,142)**
Other receivables, deposits and prepayments	**(6,614)**	**(11)**	**(13,718)**	**1,136**
Due from customer for contract work-in-progress	**(1,527)**	**1,279**	**(3,904)**	**(1,417)**
Trade payables	**960**	**(1,137)**	**(2,261)**	**(2,870)**
Other payables and accruals	**743**	**(3,157)**	**(7,816)**	**(7,497)**
Due to customer for contract work-in-progress	**2,896**	**-**	**11,321**	**(2,322)**
Provision	**(199)**	**50**	**(260)**	**50**
Deferred revenue	**(69)**	**(2)**	**(50)**	**(30)**
Cash (used in) / from operations	**(5,633)**	**(5,014)**	**13,218**	**(15,573)**
Interest paid	**(34)**	**(95)**	**(199)**	**(343)**
Interest received	**204**	**50**	**547**	**152**
Income taxes paid, net	**(67)**	**(2,851)**	**(39)**	**(5,995)**
Net cash (used in) / generated from operating activities	**(5,530)**	**(7,910)**	**13,527**	**(21,759)**
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	**4,754**	**5,280**	**12,750**	**5,284**
Additions to property, plant and equipment	**(1,040)**	**(662)**	**(1,913)**	**(4,731)**
Net cash generated from investing activities	**3,714**	**4,618**	**10,837**	**553**
Cash flows from financing activities				
Repayment of term loans	**(500)**	**(840)**	**(6,147)**	**(2,520)**
Dividend paid	**-**	**-**	**-**	**(1,651)**
Increased in pledged deposits with licensed banks	**(849)**	**-**	**(849)**	**-**
Net cash used in financing activities	**(1,349)**	**(840)**	**(6,996)**	**(4,171)**
Net (decrease) / increase in cash and cash equivalents	**(3,165)**	**(4,132)**	**17,368**	**(25,377)**
Effect of exchange rate change on cash and cash equivalents	**(296)**	**(13)**	**(798)**	**(131)**
Cash and cash equivalents at beginning of period	**38,418**	**15,646**	**18,387**	**37,009**
Cash and cash equivalents at end of period	**34,957**	**11,501**	**34,957**	**11,501**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

Group	Attributable to owners of the Company				Non-controlling interest	Total Equity
	Share capital $'000	Other reserves $'000	Revenue reserve $'000	Total $'000	$'000	$'000
Opening balance as at 1 January 2017	94,943	(4,078)	55,174	146,039	-	146,039
Profit for the period	-	-	1,931	1,931	-	1,931
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(4,025)	-	(4,025)	-	(4,025)
Foreign currency translation	-	(2,030)	-	(2,030)	-	(2,030)
Other comprehensive income for the period, net of tax	-	(6,055)	-	(6,055)	-	(6,055)
Total comprehensive income for the period	-	(6,055)	1,931	(4,124)	-	(4,124)
Others						
Reserve attributable to disposal of property, plant and equipment	-	(301)	504	203	-	203
Closing balance as at 30 June 2017	94,943	(10,434)	57,609	142,118	-	142,118
Profit for the period	**-**	**-**	239	239	**-**	239
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	**-**	(1,673)	**-**	(1,673)	**-**	(1,673)
Foreign currency translation	-	(706)	-	(706)	-	(706)
Other comprehensive income for the period, net of tax	-	(2,379)	-	(2,379)	-	(2,379)
Total comprehensive income for the period	-	(2,379)	239	(2,140)	-	(2,140)
Closing balance as at 30 September 2017	**94,943**	**(12,813)**	**57,848**	**139,978**	**-**	**139,978**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Attributable to owners of the Company					
Group	**Share capital $'000**	**Other reserves $'000**	**Revenue reserve $'000**	**Total $'000**	**Non-controlling interest $'000**	**Total Equity $'000**
Opening balance as at 1 January 2016	94,943	(6,770)	63,256	151,429	-	151,429
Loss for the period	-	-	(5,644)	(5,644)	-	(5,644)
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(2,757)	-	(2,757)	-	(2,757)
Foreign currency translation	-	24	-	24	-	24
Other comprehensive income for the period, net of tax	-	(2,733)	-	(2,733)	-	(2,733)
Total comprehensive income for the period	-	(2,733)	(5,644)	(8,377)	-	(8,377)
Contributions by and distributions to owners						
Dividend paid	-	-	(1,651)	(1,651)	-	(1,651)
Total contributions by and distributions to owners	-	-	(1,651)	(1,651)	-	(1,651)
Closing balance as at 30 June 2016	94,943	(9,503)	55,961	141,401	-	141,401
Loss for the period	-	-	(192)	(192)	-	(192)
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	527	-	527	-	527
Foreign currency translation	-	101	-	101	-	101
Other comprehensive income for the period, net of tax	-	628	-	628	-	628
Total comprehensive income for the period	-	628	(192)	436	-	436
Closing balance as at 30 September 2016	**94,943**	**(8,875)**	**55,769**	**141,837**	**-**	**141,837**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

Company	Share capital $'000	Revenue reserve $'000	Total Equity $'000
Opening balance as at 1 January 2017	94,943	17,110	112,053
Total comprehensive income for the period	-	1,356	1,356
Closing balance as at 30 June 2017	94,943	18,466	113,409
Total comprehensive income for the period	-	559	559
Closing balance as at 30 September 2017	**94,943**	**19,025**	**113,968**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Company	Share capital $'000	Revenue reserve $'000	Total $'000
Opening balance as at 1 January 2016	94,943	15,515	110,458
Total comprehensive income for the period	-	1,626	1,626
Dividend paid	-	(1,651)	(1,651)
Closing balance as at 30 June 2016	94,943	15,490	110,433
Total comprehensive income for the period	-	2,508	2,508
Closing balance as at 30 September 2016	**94,943**	**17,998**	**112,941**

1(d)(ii)

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	Number of issued shares	
	30/09/2017	**31/12/2016**
Balance as at 1 January	220,169,774	220,169,774
Issue of shares	**-**	**-**
Balance as at 30 September 2017 / 31 December 2016	**220,169,774**	**220,169,774**

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reporting on.

There are no treasury shares as at end of the financial period ended 30 September 2017.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

Figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information contained in this announcement has been based on the unaudited results for the period ended 30 September 2017, which have been prepared in accordance with the accounting policies and methods of computation set out in the 2016 audited accounts. There are no changes in those accounting policies and methods of computation.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which is effective for the current financial year, where applicable. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings / (loss) per ordinary share for the period based on profit attributable to shareholders after deducting any provision for preference dividends:-	Group			
	3 Months Ended		9 Months Ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	Cent	Cent	Cent	Cents
(i) Based on the weighted average number of ordinary shares on issue (cts)	**0.11**	**(0.09)**	**0.99**	**(2.65)**
(ii) On a fully diluted basis (cts)	**0.11**	**(0.09)**	**0.99**	**(2.65)**

Earnings / (loss) per ordinary share for 3Q2017 was calculated based on the weighted average number of shares of 220,169,774 (3Q2016 was 220,169,774).

Earnings / (loss) per ordinary share for the nine months ended 30 September 2017 was calculated based on the weighted average number of shares of 220,169,774 (nine months ended 30 September 2016 was 220,169,774).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :

a) Current financial period reported on

b) Immediately preceding financial year

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the issued share capital at the end of period (cts)	**63.58**	**66.33**	**51.76**	**50.89**

Net asset value per ordinary share was calculated based on the number of shares at 30 September 2017 (220,169,774 shares) and 31 December 2016 (220,169,774 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group's performance
For the 3 months ended 30 September 2017 (3Q2017)

The Group's revenue in 3Q2017 was $9.8 million, an increase of 6.7% from 3Q2016. The increase was due mainly to the increase in shipbuilding activities.

The increase in cost of sales corresponded to the increase in shipbuilding activities and chartering costs.

Gross profit in 3Q2017 was $4.5 million, a decrease of 8.7% from 3Q2016. The decrease was due mainly to lower contribution from chartering activities.

The decrease in gross profit margin in 3Q2017 compared with 3Q2016 was due mainly to a lower gross profit margin in chartering activities.

The decrease in other operating expenses was due mainly to impairment of inventories in 3Q2016. This was partially offset by an increase in net foreign exchange loss and an allowance for doubtful debts of $312,000 in 3Q2017.

As a result of the above, the Group posted a profit of $239,000 in 3Q2017, compared to a loss of $192,000 in 3Q2016.

For the 9 months ended 30 September 2017 (9M 2017)

The Group's revenue in 9M 2017 was $58.0 million, an increase of 123.1% from 9M 2016. The increase was due mainly to the sale of completed Flex crewboats in stock.

The increase in cost of sales corresponded to the sale of completed Flex crewboats in stock.

Gross profit in 9M 2017 was $15.0 million, an increase of 39.8% from 9M 2016. The increase was due mainly to the sale of completed Flex crewboats in stock.

The decrease in gross profit margin in 9M 2017 compared with 9M 2016 was due mainly to a higher sale composition of Flex crewboats at the lower gross profit margin.

The decrease in other operating expenses was due mainly to impairment of property, plant and equipment and inventories in 9M 2016. This was partially offset by an increase in foreign exchange loss and an allowance for doubtful debts of $670,000 in 9M 2017.

As a result of the above, the Group posted a profit of $2.2 million in 9M 2017, compared to a loss of $5.8 million in 9M 2016.

Changes in Balance Sheet

The decrease in inventories was due mainly to sale of some completed crewboat stock.

The net increase in trade receivables and other receivables was due mainly to changes in payment arrangements and timing of collections during the period.

The decrease in trade payables and other payables and accruals was due mainly to timing of payment made during the period.

Review of Group Cashflow

The net cash of $13.5 million from operating activities was mostly generated by shipbuilding activity.

The net cash of $10.8 million from investing activities arose mostly from disposal of vessels from the Group's operating fleet.

The net cash of $7.0 million used in financing activities was due mainly to the repayment of term loans.

As a result of the above cash movements, the Group's cash and cash equivalents increased to $35.0 million as at 30 September 2017, from $18.4 million as at 31 December 2016.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

While sentiments are gradually improving in certain sectors of the offshore industry, the industry as a whole continues to be weighed down by excessive equipment and depressed charter rates, which are keeping margins compressed across the board.

The outlook for the Group's core crewboat business also appears to be improving, but margins are expected to remain under pressure for the foreseeable future.

The Group has already responded to these external factors by cutting costs and diversifying into other marine sectors, such as passenger ferries and government projects, while continuing to innovate its fast craft designs and on-board systems.

The Group will continue to manage its cash flow conservatively.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

Name of Dividend:
Dividend Type: NIL
Dividend rate:
Tax Rate:

(b) (i) Amount per share (in cents)
Not applicable.

(ii) Previous corresponding period
NIL

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

Not applicable.

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

No dividend has been recommended.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company had in its Annual General Meeting held on 27 April 2017 obtained approval from its shareholders for the renewal of a general mandate for interested person transactions.

There were no significant interested persons transactions under general mandate of or over S$100,000 in value entered into during the financial period ended 30 September 2017.

There were no other interested persons transactions entered into during the financial period ended 30 September 2017.

14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company has obtained the undertakings from all its Directors and executive officers.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the third quarter and nine months ended 30 September 2017 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Tung May Fong
Finance & Administration Director
7 November 2017