

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 Fourth Quarter And Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 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 YEAR ENDED 31 DECEMBER 2017**

| | | 3 Months Ended | | Group + / (-) % | 12 Months Ended | | + / (-) % |
|---|---|----------------------|----------------------|-----------------------|----------------------|----------------------|--------------|
| | | 31/12/2017 \$'000 | 31/12/2016 \$'000 | | 31/12/2017 \$'000 | 31/12/2016 \$'000 | |
| Revenue | 1 | 27,375 | 7,418 | 269.0 | 85,351 | 33,405 | 155.5 |
| Cost of sales | 2 | (21,973) | (3,423) | 541.9 | (64,943) | (18,678) | 247.7 |
| Gross profit | | 5,402 | 3,995 | 35.2 | 20,408 | 14,727 | 38.6 |
| Other operating income | 3 | 1,062 | 114 | 831.6 | 4,206 | 3,248 | 29.5 |
| Distribution costs | | (32) | (58) | (44.8) | (155) | (219) | (29.2) |
| Administrative expenses | | (4,630) | (2,504) | 84.9 | (13,892) | (11,879) | 16.9 |
| Other operating expenses | 4 | (1,464) | (3,047) | (52.0) | (8,178) | (13,105) | (37.6) |
| Finance cost | | (42) | (121) | (65.3) | (269) | (486) | (44.7) |
| Interest income | | 285 | 85 | 235.3 | 832 | 237 | 251.1 |
| Profit / (loss) before tax | | 581 | (1,536) | NM | 2,952 | (7,477) | NM |
| Income tax credit | | 381 | 941 | (59.5) | 180 | 1,046 | (82.8) |
| Profit / (loss) for the period / year | | 962 | (595) | NM | 3,132 | (6,431) | NM |
| Attributable to: | | | | | | | |
| Owners of the company | | | | | | | |
| Profit / (loss) for the period / year attributable to owners of the company | | 963 | (595) | NM | 3,133 | (6,431) | NM |
| Non-controlling interests | | | | | | | |
| Loss for the period / year attributable to non-controlling interest | | (1) | - | NM | (1) | - | NM |
| Profit / (loss) for the period / year | | 962 | (595) | NM | 3,132 | (6,431) | NM |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | 3 Months Ended | | Group | 12 Months Ended | | |
|--|-----------------------|-------------------|----------------|------------------------|-------------------|----------------|
| | 31/12/2017 | 31/12/2016 | + / (-) | 31/12/2017 | 31/12/2016 | + / (-) |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Profit / (loss) for the period / year | 962 | (595) | NM | 3,132 | (6,431) | NM |
| Other comprehensive income: | | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Net effect of exchange differences arising from quasi capital non-trade amount due from subsidiaries | (1,440) | 4,176 | NM | (7,138) | 1,946 | NM |
| Foreign currency translation | 2,316 | 621 | 272.9 | (420) | 746 | NM |
| Other comprehensive income for the period / year, net of tax | 876 | 4,797 | (81.7) | (7,558) | 2,692 | NM |
| Total comprehensive income for the period / year, net of tax | 1,838 | 4,202 | (56.3) | (4,426) | (3,739) | 18.4 |
| Total comprehensive income for the period / year attributable to: | | | | | | |
| Owners of the company | 1,839 | 4,202 | (56.2) | (4,425) | (3,739) | 18.3 |
| Non-controlling interests | (1) | - | NM | (1) | - | NM |
| Total comprehensive income for the period / year | 1,838 | 4,202 | (56.3) | (4,426) | (3,739) | 18.4 |

NOTES TO CONSOLIDATED INCOME STATEMENT

| | Group | | Group | |
|--|-----------------------|-------------------|------------------------|-------------------|
| | 3 Months Ended | | 12 Months Ended | |
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Other income including interest income | 1,347 | 199 | 5,038 | 3,485 |
| Interest expense | (30) | (115) | (229) | (458) |
| Depreciation of property, plant and equipment | (2,486) | (1,817) | (8,933) | (8,682) |
| Reversal of impairment on property, plant and equipment and inventories* | 937 | - | 937 | - |
| Impairment on property, plant and equipment and inventories | - | (469) | - | (5,190) |
| Property, plant and equipment written off | - | - | (17) | - |
| Net foreign exchange gain / (loss) | 400 | (806) | (210) | (860) |
| Gain / (loss) on disposal of property, plant and equipment * | 60 | (5) | 2,974 | 1,215 |
| Reversal of provision / (provision) for warranty claims on shipbuilding contracts, net | 33 | (84) | (22) | (526) |
| Reversal of allowance / (allowance) for doubtful debts (trade) | 22 | - | (648) | - |
| Net fair value gain / (loss) on currency derivatives ** | 34 | - | (26) | - |

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

** This amount is included in net foreign exchange gain / (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 and reversal of impairment on property, plant and equipment and inventories.
- 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 31 DECEMBER 2017**

| | | Group | | + / (-) | Company | | + / (-) |
|---|---|-------------------|-------------------|----------------|-------------------|-------------------|----------------|
| | | 31/12/2017 | 31/12/2016 | % | 31/12/2017 | 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 | | 46,874 | 51,096 | (8.3) | 19,359 | 17,110 | 13.1 |
| Non-controlling interest | | (1) | - | NM | - | - | NM |
| Total equity | | 141,816 | 146,039 | (2.9) | 114,302 | 112,053 | 2.0 |
| Intangible asset | | 78 | 78 | 0.0 | - | - | NM |
| Property, plant and equipment | 1 | 74,100 | 104,405 | (29.0) | 10,646 | 11,284 | (5.7) |
| 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 | 1,542 | 1,876 | (17.8) | - | - | NM |
| Other receivables | 4 | 9,348 | 2,708 | 245.2 | - | - | NM |
| Current assets | | | | | | | |
| Inventories | 2 | 12,970 | 40,187 | (67.7) | - | - | NM |
| Trade receivables | 3 | 10,352 | 8,058 | 28.5 | 938 | 928 | 1.1 |
| Other receivables and deposits | 4 | 6,858 | 4,230 | 62.1 | 171 | 105 | 62.9 |
| Due from customer for contract-work-in-progress | 5 | 1,066 | - | NM | - | - | NM |
| Prepayments | | 501 | 338 | 48.2 | 160 | 125 | 28.0 |
| Loan to subsidiaries | | - | - | NM | 21,246 | 32,801 | (35.2) |
| Short-term deposits | | 29,736 | 12,019 | 147.4 | 29,638 | 8,549 | 246.7 |
| Cash and bank balances | | 9,341 | 6,656 | 40.3 | 3,727 | 2,709 | 37.6 |
| | | 70,824 | 71,488 | (0.9) | 55,880 | 45,217 | 23.6 |
| Assets classified as held for sale | | 16,364 | 6,251 | 161.8 | 266 | - | NM |
| | | 87,188 | 77,739 | 12.2 | 56,146 | 45,217 | 24.2 |
| Current liabilities | | | | | | | |
| Trade payables | | 8,422 | 8,523 | (1.2) | 116 | 143 | (18.9) |
| Other payables and accruals | 6 | 11,630 | 17,147 | (32.2) | 1,828 | 2,052 | (10.9) |
| Provisions | | 307 | 641 | (52.1) | - | - | NM |
| Due to customer for contract work-in-progress | 5 | 1,568 | 409 | 283.4 | 65 | - | NM |
| Derivatives | | 26 | - | NM | 26 | - | NM |
| Deferred revenue | | 153 | 160 | (4.4) | 153 | 160 | (4.4) |
| Provision for income tax | | 837 | 36 | 2,225.0 | 422 | 5 | 8,340.0 |
| Term loans | | 2,250 | 3,360 | (33.0) | - | - | NM |
| Deposit from subsidiaries | | - | - | NM | 52,710 | 28,023 | 88.1 |
| | | 25,193 | 30,276 | (16.8) | 55,320 | 30,383 | 82.1 |
| Net current assets | | 61,995 | 47,463 | 30.6 | 826 | 14,834 | (94.4) |
| Non-current liabilities | | | | | | | |
| Deferred tax liabilities | | 2,478 | 3,702 | (33.1) | 1,474 | 1,409 | 4.6 |
| Provisions | 7 | 1,686 | 169 | 897.6 | 1,604 | 104 | 1,442.3 |
| Term loans | | 1,083 | 6,620 | (83.6) | - | - | NM |
| Net Assets | | 141,816 | 146,039 | (2.9) | 114,302 | 112,053 | 2.0 |

Notes to the Balance Sheet:

- 1 Property, Plant and Equipment refer 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 sales 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.
- 7 Provisions refer mainly to the provision for the cost of reinstatement of a leasehold property at 18 Tuas Basin Link.

1(b)(ii)**Amount repayable in one year or less, or on demand**

| As at 31/12/2017 | | As at 31/12/2016 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 2,250 | - | 3,360 | - |

Amount repayable after one year

| As at 31/12/2016 | | As at 31/12/2016 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 1,083 | - | 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 YEAR ENDED 31 DECEMBER 2017**

| | Group | | Group | |
|--|-----------------------|-------------------|------------------------|-------------------|
| | 3 Months Ended | | 12 Months Ended | |
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating activities | | | | |
| Profit / (loss) before tax | 581 | (1,536) | 2,952 | (7,477) |
| Adjustments: | | | | |
| Depreciation of property, plant and equipment | 2,486 | 1,817 | 8,933 | 8,682 |
| Reversal of impairment on property, plant and equipment and inventories | (937) | - | (937) | - |
| Impairment on property, plant and equipment and inventories | - | 469 | - | 5,190 |
| Property, plant and equipment written off | - | - | 17 | - |
| (Gain) / loss on disposal of property, plant and equipment | (60) | 5 | (2,974) | (1,215) |
| Interest expense | 30 | 115 | 229 | 458 |
| Interest income | (285) | (85) | (832) | (237) |
| (Reversal of allowance) / allowance for doubtful debts (trade) | (22) | - | 648 | - |
| (Reversal of provision) / provision for warranty claims on shipbuilding contracts, net | (33) | 84 | 22 | 526 |
| Net fair value (gain) / loss on currency derivatives | (34) | - | 26 | - |
| Provision for employee retirement benefits | 21 | 63 | 17 | 63 |
| Currency alignment | (562) | 743 | (167) | 826 |
| Operating cash flows before changes in working capital | 1,185 | 1,675 | 7,934 | 6,816 |
| Inventories | 3,296 | (500) | 27,554 | (1,122) |
| Trade receivables | (1,507) | 1,842 | (2,608) | (5,300) |
| Other receivables, deposits and prepayments | 4,274 | (4,813) | (9,444) | (3,677) |
| Due from customer for contract work-in-progress | 2,838 | 1,417 | (1,066) | - |
| Trade payables | 2,160 | 404 | (101) | (2,466) |
| Other payables and accruals | 2,299 | 7,810 | (5,517) | 313 |
| Due to customer for contract work-in-progress | (10,162) | 409 | 1,159 | (1,913) |
| Provision | (96) | (123) | (356) | (73) |
| Deferred revenue | 43 | 2 | (7) | (28) |
| Cash generated from / (used in) operations | 4,330 | 8,123 | 17,548 | (7,450) |
| Interest paid | (30) | (115) | (229) | (458) |
| Interest received | 285 | 85 | 832 | 237 |
| Income taxes refund / (paid), net | 12 | 333 | (27) | (5,662) |
| Net cash flows generated from / (used in) operating activities | 4,597 | 8,426 | 18,124 | (13,333) |
| Investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | 28 | 28 | 12,778 | 5,312 |
| Additions to property, plant and equipment | (1,075) | (1,007) | (2,988) | (5,738) |
| Net cash flows (used in) / generated from investing activities | (1,047) | (979) | 9,790 | (426) |
| Financing activities | | | | |
| Decrease / (increase) in pledged deposits with licensed bank | 13 | - | (836) | - |
| Repayment of term loans | (500) | (840) | (6,647) | (3,360) |
| Dividend paid | - | - | - | (1,651) |
| Net cash flows used in financing activities | (487) | (840) | (7,483) | (5,011) |
| Net increase / (decrease) in cash and cash equivalents | 3,063 | 6,607 | 20,431 | (18,770) |
| Effect of exchange rate change on cash and cash equivalents | (67) | 279 | (865) | 148 |
| Cash and cash equivalents at beginning of period / year | 34,957 | 11,501 | 18,387 | 37,009 |
| Cash and cash equivalents at end of period / year | 37,953 | 18,387 | 37,953 | 18,387 |

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 YEAR ENDED 31 DECEMBER 2017**

| Group | Attributable to owners of the Company | | | | Non-controlling interest \$'000 | Total Equity \$'000 |
|--|---------------------------------------|--------------------------|---------------------------|-----------------|------------------------------------|------------------------|
| | Share capital \$'000 | Other reserves \$'000 | Revenue reserve \$'000 | Total \$'000 | | |
| Opening balance at 1 January 2017 | 94,943 | (4,078) | 55,174 | 146,039 | - | 146,039 |
| Profit for the period | - | - | 2,170 | 2,170 | - | 2,170 |
| <u>Other comprehensive income</u> | | | | | | |
| Net effect of exchange differences arising from quasi capital non-trade amount due from subsidiaries | - | (5,698) | - | (5,698) | - | (5,698) |
| Foreign currency translation | - | (2,736) | - | (2,736) | - | (2,736) |
| Other comprehensive income for the period, net of tax | - | (8,434) | - | (8,434) | - | (8,434) |
| Total comprehensive income for the period | - | (8,434) | 2,170 | (6,264) | - | (6,264) |
| Others | | | | | | |
| Disposal of property, plant and equipment | - | (301) | 504 | 203 | - | 203 |
| Closing balance at 30 September 2017 | 94,943 | (12,813) | 57,848 | 139,978 | - | 139,978 |
| Profit for the period | - | - | 963 | 963 | (1) | 962 |
| <u>Other comprehensive income</u> | | | | | | |
| Net effect of exchange differences arising from quasi capital non-trade amount due from subsidiaries | - | (1,440) | - | (1,440) | - | (1,440) |
| Foreign currency translation | - | 2,316 | - | 2,316 | - | 2,316 |
| Other comprehensive income for the period, net of tax | - | 876 | - | 876 | - | 876 |
| Total comprehensive income for the period | - | 876 | 963 | 1,839 | (1) | 1,838 |
| Others | | | | | | |
| Disposal of property, plant and equipment | - | (265) | 265 | - | - | - |
| Closing balance at 31 December 2017 | 94,943 | (12,202) | 59,076 | 141,817 | (1) | 141,816 |

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 YEAR ENDED 31 DECEMBER 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 at 1 January 2016 | 94,943 | (6,770) | 63,256 | 151,429 | - | 151,429 |
| Loss for the period | - | - | (5,836) | (5,836) | - | (5,836) |
| <u>Other comprehensive income</u> | | | | | | |
| Net effect of exchange differences arising from quasi capital non-trade amount due from subsidiaries | - | (2,230) | - | (2,230) | - | (2,230) |
| Foreign currency translation | - | 125 | - | 125 | - | 125 |
| Other comprehensive income for the period, net of tax | - | (2,105) | - | (2,105) | - | (2,105) |
| Total comprehensive income for the period | - | (2,105) | (5,836) | (7,941) | - | (7,941) |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends | - | - | (1,651) | (1,651) | - | (1,651) |
| Total contributions by and distributions to owners | - | - | (1,651) | (1,651) | - | (1,651) |
| Closing balance at 30 September 2016 | 94,943 | (8,875) | 55,769 | 141,837 | - | 141,837 |
| Loss for the period | - | - | (595) | (595) | - | (595) |
| <u>Other comprehensive income</u> | | | | | | |
| Net effect of exchange differences arising from quasi capital non-trade amount due from subsidiaries | - | 4,176 | - | 4,176 | - | 4,176 |
| Foreign currency translation | - | 621 | - | 621 | - | 621 |
| Other comprehensive income for the period, net of tax | - | 4,797 | - | 4,797 | - | 4,797 |
| Total comprehensive income for the period | - | 4,797 | (595) | 4,202 | - | 4,202 |
| Closing balance at 31 December 2016 | 94,943 | (4,078) | 55,174 | 146,039 | - | 146,039 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| Company | Share capital \$'000 | Revenue reserve \$'000 | Total Equity \$'000 |
|---|-------------------------------------|---------------------------------------|------------------------------------|
| Opening balance at 1 January 2017 | 94,943 | 17,110 | 112,053 |
| Total comprehensive income for the period | - | 1,915 | 1,915 |
| Closing balance at 30 September 2017 | 94,943 | 19,025 | 113,968 |
| Total comprehensive income for the period | - | 334 | 334 |
| Closing balance at 31 December 2017 | 94,943 | 19,359 | 114,302 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

| Company | Share capital \$'000 | Revenue reserve \$'000 | Total \$'000 |
|---|-------------------------------------|---------------------------------------|-------------------------|
| Opening balance at 1 January 2016 | 94,943 | 15,515 | 110,458 |
| Total comprehensive income for the period | - | 4,134 | 4,134 |
| Dividends | - | (1,651) | (1,651) |
| Closing balance at 30 September 2016 | 94,943 | 17,998 | 112,941 |
| Total comprehensive income for the period | - | (888) | (888) |
| Closing balance at 31 December 2016 | 94,943 | 17,110 | 112,053 |

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 | |
|---------------------------|-------------------------|--------------------|
| | 31/12/2017 | 31/12/2016 |
| Balance as at 1 January | 220,169,774 | 220,169,774 |
| Issue of shares | - | - |
| Balance as at 31 December | <u>220,169,774</u> | <u>220,169,774</u> |

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 year ended 31 December 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 year ended 31 December 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 | | 12 Months Ended | |
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | Cent | Cent | Cents | Cents |
| (i) Based on the weighted average number of ordinary shares on issue (cts) | 0.44 | (0.27) | 1.42 | (2.92) |
| (ii) On a fully diluted basis (cts) | 0.44 | (0.27) | 1.42 | (2.92) |

Earnings / (loss) per ordinary share for 4Q2017 was calculated based on the weighted average number of shares of 220,169,774 (4Q2016 was 220,169,774).

Earnings / (loss) per ordinary share for the year ended 31 December 2017 was calculated based on the weighted average number of shares of 220,169,774 (year ended 31 December 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 | |
|---|------------|------------|------------|------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 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) | 64.41 | 66.33 | 51.92 | 50.89 |

Net asset value per ordinary share was calculated based on the number of shares at 31 December 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 31 December 2017 (4Q2017)

Revenue in 4Q2017 was \$27.4 million, an increase of 269% from the previous year. This rise was due mainly to an increase in shipbuilding activity through the sale of stock crewboats.

The increase in cost of sales corresponded to an increase in stock crewboat sales and shipbuilding activities.

Gross profit in 4Q2017 was \$5.4 million, an increase of 35.2% from 4Q2016. The increase was due mainly to progressive revenue recognition from build-to-order shipbuilding projects.

The year-on-year decrease in gross profit margin in 4Q2017 was due mainly to lower average prices of stock crewboats sold.

The increase in other operating income was due mainly to the reversal of impairment on property, plant, equipment and inventories.

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

The decrease in other operating expenses was due mainly to a net foreign exchange gain of \$400,000 and the absence of impairments in 4Q2017, versus a net foreign exchange loss of \$806,000 and an impairment of property, plant and equipment in 4Q2016.

As a result of the above, the Group posted a profit of \$962,000 in 4Q2017, compared with a loss of \$595,000 in 4Q2016.

For the 12 months ended 31 December 2017 (FY2017)

Revenue in FY2017 was \$85.4 million, an increase of 155.5% from the previous year. This rise was due mainly to an increase in shipbuilding activity through the sale of stock crewboats.

The increase in cost of sales corresponded to an increase in stock crewboat sales and shipbuilding activities.

Gross profit in FY2017 was \$20.4 million, an increase of 38.6% from FY2016. The increase was due mainly to the sale of stock crewboats.

The year-on-year decrease in gross profit margin in FY2017 was due mainly to lower average prices of stock crewboats sold.

The increase in other operating income was due mainly to gain from sale of fleet vessels and the reversal of impairment on property, plant, equipment and inventories.

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

The decrease in other operating expenses was due mainly to the absence of impairments in FY2017 and a lower net foreign exchange loss of \$210,000 compared to a net foreign exchange loss of \$860,000 in FY2016. This difference was partially offset by an allowance for doubtful debts of \$648,000 in FY2017.

As a result of the above, the Group posted a profit of \$3.1 million in FY2017, compared with a loss of \$6.4 million in FY2016.

Changes in Balance Sheet

The decrease in inventories was due mainly to the sale of stock crewboats.

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

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

The increase in provisions was due mainly to a provision for the cost of reinstatement of a leasehold property at 18 Tuas Basin Link.

Review of Group Cashflow

The net cash of \$18.1 million from operating activities was generated mostly by the sale of stock crewboats.

The net cash of \$9.8 million from investing activities arose mostly from the disposal of vessels from the Group's operating fleet as a part of its fleet renewal programme.

The net cash of \$7.5 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 \$38 million as at 31 December 2017, up from \$18.4 million a year ago.

- 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 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: | Final |
| Dividend Type: | Cash |
| Dividend rate: | 0.45 cent per ordinary share |
| Tax Rate: | One-tier tax exempt |

The proposed dividend is subject to shareholders' approval at the Company's Annual General Meeting.

(b) (i) Amount per share (in cents)

Final dividend: 0.45 cent per ordinary share.

(ii) Previous corresponding period

| | |
|-----------------------------|-----|
| Name of Dividend: | NIL |
| Dividend Type: | |
| Amount per share (in cents) | |

(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).

One-tier tax exempt.

(d) The date the dividend is payable

To be announced.

(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.

To be announced.

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

Not applicable.

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 FY2017.

There were no other significant interested persons transactions of or over S\$100,000 in value entered into during FY2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

A) SEGMENTED RESULTS 31 DECEMBER 2017

| | Ferry & Charter Services | Shipbuilding & Repair | Discontinued Operation | Adjustments & Eliminations | Group |
|--|-----------------------------|--------------------------|---------------------------|-------------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | |
| Sales to external customers | 21,042 | 64,309 | - | - | 85,351 |
| Inter-segment sales | - | 1,486 | - | (1,486) | - |
| Total revenue | 21,042 | 65,795 | - | (1,486) | 85,351 |
| Results | | | | | |
| Interest Income | 670 | 418 | - | (256) | 832 |
| Depreciation | 6,650 | 1,256 | - | 1,027 | 8,933 |
| Reversal of impairment on property, plant and equipment and inventories | 837 | 100 | - | - | 937 |
| Financial expenses | 463 | 62 | - | (256) | 269 |
| Other non-cash expenses | 649 | 16 | - | - | 665 |
| Segment profit | 4,502 | (61) | - | (1,489) | 2,952 |
| Assets and liabilities | | | | | |
| Additions to non-current assets | 11,027 | 2,181 | - | 2,102 | 15,310 |
| Goodwill | - | 78 | - | - | 78 |
| Segment assets | 145,347 | 40,397 | 325 | (13,813) | 172,256 |
| Segment liabilities | 11,860 | 17,877 | - | 703 | 30,440 |

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

A) SEGMENTED RESULTS 31 DECEMBER 2016

| | Ferry & Charter Services | Shipbuilding & Repair | Discontinued Operation | Adjustments & Eliminations | Group |
|---|---|--------------------------------------|-----------------------------------|---|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | |
| Sales to external customers | 20,967 | 12,438 | - | - | 33,405 |
| Inter-segment sales | - | 32,582 | - | (32,582) | - |
| Total revenue | 20,967 | 45,020 | - | (32,582) | 33,405 |
| Results | | | | | |
| Interest Income | 356 | 20 | - | (139) | 237 |
| Depreciation | 6,559 | 1,328 | - | 795 | 8,682 |
| Impairment of property, plant & equipment and inventory | 3,782 | 1,408 | - | - | 5,190 |
| Financial expenses | 451 | 174 | - | (139) | 486 |
| Other non-cash expenses | - | - | - | - | - |
| Segment loss | (955) | (3,506) | - | (3,016) | (7,477) |
| Assets and liabilities | | | | | |
| Additions to non-current assets | 12,905 | 2,005 | - | (3,790) | 11,120 |
| Goodwill | - | 78 | - | - | 78 |
| Segment assets | 127,048 | 68,474 | 366 | (9,082) | 186,806 |
| Segment liabilities | 19,826 | 11,670 | 2 | 9,269 | 40,767 |

B) GEOGRAPHICAL SEGMENTS

| | Revenue | |
|-------------------------|------------------------|------------------------|
| | 2017 \$'000 | 2016 \$'000 |
| Singapore | 27,789 | 20,008 |
| Rest of South East Asia | 11,749 | 9,594 |
| Africa | 44,403 | 16 |
| Russia | 1,296 | 2,972 |
| Others | 114 | 815 |
| | 85,351 | 33,405 |

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to item 8 above.

16. A breakdown of sales as follows:

| | Group | | |
|--|---------------|---------------|----------------|
| | 2017 | 2016 | + / (-) |
| | \$'000 | \$'000 | % |
| Sales from continuing operations reported for first half-year | 48,132 | 16,762 | 187.1 |
| Profit / (loss) for the year but before minority interests reported for the first half-year | 1,931 | (5,644) | NM |
| Sales from continuing operations reported for second half-year | 37,219 | 16,643 | 123.6 |
| Profit / (loss) for the year but before minority interests reported for the second-half year | 1,201 | (787) | NM |

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

| | Latest Full Year | Previous Full Year |
|------------------------|-------------------------|---------------------------|
| Ordinary shares | S\$ | S\$ |
| -Final | <u>990,764</u> | <u>0</u> |

18. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person who occupies a managerial position in the Company and the Group who is a relative of director, chief executive officer or substantial shareholders pursuant to Rule 704 (13) of the Listing Rules.

19. 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.

BY ORDER OF THE BOARD

Tung May Fong
Finance & Administration Director
23 February 2018