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 First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 March 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 31 MARCH 2017

		Group		
		3 Months Ended		
		31/03/2017	31/03/2016	+ / (-)
		$'000	$'000	%
Revenue	1	**30,641**	**6,283**	**387.7**
Cost of sales	2	**(25,038)**	**(3,861)**	**548.5**
Gross profit		**5,603**	**2,422**	**131.3**
Other operating income	3	**1,602**	**1,797**	**(10.9)**
Marketing and distribution costs		**(31)**	**(53)**	**(41.5)**
Administrative expenses		**(2,896)**	**(3,265)**	**(11.3)**
Other operating expenses	4	**(2,117)**	**(3,354)**	**(36.9)**
Finance cost		**(90)**	**(139)**	**(35.3)**
Interest income		**149**	**54**	**175.9**
Profit / (loss) before tax		**2,220**	**(2,538)**	**NM**
Income tax expense		**(200)**	**(13)**	**1438.5**
Profit / (loss) for the period		**2,020**	**(2,551)**	**NM**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017

	Group		
	3 Months Ended		
	31/03/2017	31/03/2016	+ / (-)
	$'000	$'000	%
Profit / (loss) for the period	**2,020**	**(2,551)**	**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	**(3,206)**	**(2,104)**	**52.4**
Foreign currency translation	**(1,239)**	**(430)**	**188.1**
Other comprehensive income for the period, net of tax	**(4,445)**	**(2,534)**	**75.4**
Total comprehensive income for the period, net of tax	**(2,425)**	**(5,085)**	**(52.3)**
Total comprehensive income for the period attributable to:			
Owners of the company	**(2,425)**	**(5,085)**	**(52.3)**
Non-controlling interests	**-**	**-**	**NM**
Total comprehensive income for the period	**(2,425)**	**(5,085)**	**(52.3)**

NOTES TO CONSOLIDATED INCOME STATEMENT

	Group	
	3 Months Ended	
	31/03/2017	31/03/2016
	$'000	$'000
Other income including interest income	**1,751**	**1,851**
Interest expense	**(81)**	**(131)**
Depreciation of property, plant and equipment and amortisation of deferred drydocking expenditure	**(2,065)**	**(2,246)**
Impairment of property, plant and equipment	**-**	**(2,000)**
Property, plant and equipment written off	**(1)**	**-**
Net foreign exchange (loss) / gain	**(416)**	**476**
Gain / (loss) on disposal of property, plant and equipment *	**1,500**	**(5)**
(Provision) / reversal for warranty claims on shipbuilding contracts, net	**(34)**	**53**

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

Notes to the 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 was contributed primarily by gain on disposal of property, plant and equipment.

4 Other Operating Expenses comprises primarily depreciation of property, plant and equipment 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 MARCH 2017

		Group		+ / (-)	Company		+ / (-)
		31/3/2017	31/12/2016	%	31/3/2017	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		**48,874**	**51,096**	**(4.3)**	**18,564**	**17,110**	**8.5**
Total equity		**143,817**	**146,039**	**(1.5)**	**113,507**	**112,053**	**1.3**
Intangible asset		**78**	**78**	**0.0**	**-**	**-**	**NM**
Property, plant and equipment	1	**98,089**	**104,405**	**(6.0)**	**10,957**	**11,284**	**(2.9)**
Investments in subsidiaries		**-**	**-**	**NM**	**25,535**	**25,535**	**0.0**
Loan to a subsidiary		**-**	**-**	**NM**	**61,913**	**61,913**	**0.0**
Other investments		**-**	**-**	**NM**	**-**	**-**	**NM**
Trade receivables	3	**1,373**	**1,876**	**(26.8)**	**-**	**-**	**NM**
Other receivables	4	**5,082**	**2,708**	**87.7**	**-**	**-**	**NM**
Current assets							
Inventories	2	**20,434**	**40,187**	**(49.2)**	**-**	**-**	**NM**
Trade receivables	3	**14,572**	**8,058**	**80.8**	**7,206**	**928**	**676.5**
Other receivables and deposits	4	**3,813**	**4,230**	**(9.9)**	**119**	**105**	**13.3**
Prepayments		**446**	**338**	**32.0**	**169**	**125**	**35.2**
Loan to subsidiaries		**-**	**-**	**NM**	**49,772**	**32,801**	**51.7**
Short-term deposits		**12,462**	**12,019**	**3.7**	**2,944**	**8,549**	**(65.6)**
Cash and bank balances		**21,941**	**6,656**	**229.6**	**3,221**	**2,709**	**18.9**
		73,668	**71,488**	**3.0**	**63,431**	**45,217**	**40.3**
Assets classified as held for sale		**2,871**	**6,251**	**(54.1)**	**-**	**-**	**NM**
		76,539	**77,739**	**(1.5)**	**63,431**	**45,217**	**40.3**
Current liabilities							
Trade payables		**4,280**	**8,523**	**(49.8)**	**116**	**143**	**(18.9)**
Other payables and accruals	5	**12,454**	**17,147**	**(27.4)**	**8,022**	**2,052**	**290.9**
Provisions		**681**	**641**	**6.2**	**-**	**-**	**NM**
Due to customer for contract work-in-progress	6	**6,724**	**409**	**1,544.0**	**-**	**-**	**NM**
Deferred revenue		**178**	**160**	**11.3**	**178**	**160**	**11.3**
Provision for income tax		**807**	**36**	**2,141.7**	**71**	**5**	**1,320.0**
Term loans		**3,360**	**3,360**	**0.0**	**-**	**-**	**NM**
Deposit from subsidiaries		**-**	**-**	**NM**	**38,410**	**28,023**	**37.1**
		28,484	**30,276**	**(5.9)**	**46,797**	**30,383**	**54.0**
Net current assets		**48,055**	**47,463**	**1.2**	**16,634**	**14,834**	**12.1**
Non-current liabilities							
Deferred tax liabilities		**2,913**	**3,702**	**(21.3)**	**1,428**	**1,409**	**1.3**
Provisions		**167**	**169**	**(1.2)**	**104**	**104**	**0.0**
Term loans		**5,780**	**6,620**	**(12.7)**	**-**	**-**	**NM**
Net Assets		**143,817**	**146,039**	**(1.5)**	**113,507**	**112,053**	**1.3**

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 refer mainly to construction cost of completed vessels and construction-in-progress in relation to uncompleted vessels.

3 Trade Receivables refer 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 refer mainly to receivables for fleet vessel sale, deposits paid and tax installments. Non-current portion pertains to fleet vessel sale under deferred payment arrangement.

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

6 Due to Customer for Contract Work-in-Progress refers to progress billings in relation to shipbuilding contracts in excess of their corresponding costs.

1(b)(ii)

Amount repayable in one year or less, or on demand

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
3,360	-	3,360	-

Amount repayable after one year

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
5,780	-	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 31 MARCH 2017

	Group	
	3 Months Ended	
	31/03/2017	31/03/2016
	$'000	$'000
Operating activities		
Profit / (loss) before tax, total	**2,220**	**(2,538)**
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of deferred drydocking expenditure	**2,065**	**2,246**
Impairment of property, plant and equipment	**-**	**2,000**
(Gain) / loss on disposal of property, plant and equipment	**(1,500)**	**5**
Property, plant and equipment written off	**1**	**-**
Interest expense	**81**	**131**
Interest income	**(149)**	**(54)**
Provision for employee retirement benefits	**(2)**	**-**
Provision / (reversal) for warranty claims on shipbuilding contracts, net	**34**	**(53)**
Currency alignment	**87**	**(569)**
Operating cash flows before changes in working capital	**2,837**	**1,168**
Inventories	**19,753**	**(172)**
Trade receivables	**(3,303)**	**733**
Other receivables, deposits and prepayments	**(4,826)**	**486**
Trade payables	**(4,243)**	**(962)**
Other payables and accruals	**(4,687)**	**(3,876)**
Due to customers for contract work-in-progress	**6,315**	**(1,197)**
Deferred revenue	**18**	**(67)**
Cash generated from / (used in) operations	**11,864**	**(3,887)**
Interest paid	**(81)**	**(131)**
Interest received	**149**	**54**
Income taxes refund / (paid), net	**38**	**(182)**
Net cash flows from / (used in) operating activities	**11,970**	**(4,146)**
Investing activities		
Proceeds from disposal of property, plant and equipment	**4,882**	**2**
Additions to property, plant and equipment	**(314)**	**(3,428)**
Net cash flows from / (used in) investing activities	**4,568**	**(3,426)**
Financing activities		
Repayment of term loans	**(840)**	**(840)**
Net cash flows used in financing activities	**(840)**	**(840)**
Net increase / (decrease) in cash and cash equivalents	**15,698**	**(8,412)**
Effect of exchange rate change on cash and cash equivalents	**30**	**(58)**
Cash and cash equivalents at beginning of period	**18,387**	**37,009**
Cash and cash equivalents at end of period	**34,115**	**28,539**

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 31 MARCH 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 at 1 January 2017	94,943	(4,078)	55,174	146,039	-	146,039
Profit for the period	-	-	2,020	2,020	-	2,020
Disposal of property, plant and equipment	-	(301)	504	203	-	203
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(3,206)	-	(3,206)	-	(3,206)
Foreign currency translation	-	(1,239)	-	(1,239)	-	(1,239)
Other comprehensive income for the period, net of tax	-	(4,445)	-	(4,445)	-	(4,445)
Total comprehensive income for the period	-	(4,746)	2,524	(2,222)	-	(2,222)
Closing balance at 31 March 2017	94,943	(8,824)	57,698	143,817	-	143,817

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 31 MARCH 2016

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 at 1 January 2016	94,943	(6,770)	63,256	151,429	-	151,429
Loss for the period	-	-	(2,551)	(2,551)	-	(2,551)
Other comprehensive income						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(2,104)	-	(2,104)	-	(2,104)
Foreign currency translation	-	(430)	-	(430)	-	(430)
Other comprehensive income for the period, net of tax	-	(2,534)	-	(2,534)	-	(2,534)
Total comprehensive income for the period	-	(2,534)	(2,551)	(5,085)	-	(5,085)
Closing balance at 31 March 2016	94,943	(9,304)	60,705	146,344	-	146,344

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 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	-	1,454	1,454
Closing balance at 31 March 2017	94,943	18,564	113,507

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 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	-	870	870
Closing balance at 31 March 2016	94,943	16,385	111,328

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	
	31/03/2017	**31/12/2016**
Balance as at 1 January	220,169,774	220,169,774
Issue of shares	**-**	**-**
Balance as at 31 March / 31 December	**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 31 March 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 31 March 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		
	31/03/2017	31/03/2016	
		As adjusted*	As previously
	Cent	Cents	Cent
(i) Based on the weighted average number of ordinary shares on issue (cts)	**0.92**	**(1.16)**	**(0.39)**
(ii) On a fully diluted basis (cts)	**0.92**	**(1.16)**	**(0.39)**

Earnings / (loss) per ordinary share for 1Q2017 was calculated based on the weighted average number of shares of 220,169,774 (1Q2016 was 660,518,052).

* Note: For comparison, earnings per share for the previous corresponding financial period have been re-computed based on the revised weighted average number of 220,169,774 (after the completion of the Share Consolidation) shares during the financial period.

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	
	31/03/2017	31/12/2016	31/03/2017	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)	**65.32**	**66.33**	**51.55**	**50.89**

Net asset value per ordinary share was calculated based on the number of shares at 31 March 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 March 2017 (1Q2017)

The Group's revenue in 1Q2017 was $30.6 million, an increase of 387.7% from 1Q2016. The increase was due mainly to the sale of existing completed crewboat stock.

The increase in cost of sales corresponded to the sale of existing completed crewboat stock.

Gross profit in 1Q2017 was $5.6 million, an increase of 131.3% from 1Q2016. The increase was due mainly to the sale of existing completed crewboat stock.

The decrease in gross profit margin in 1Q2017 compared with 1Q2016 was due mainly to a higher sale composition of existing completed crewboat stock at a lower gross profit margin.

The decrease in administration expenses was due mainly to lower personnel cost.

The decrease in other operating expenses was due mainly to impairment of property, plant and equipment in 1Q2016. This is partially offset by a net foreign exchange loss of $416,000 in 1Q2017, compared to a net foreign exchange gain of $476,000 in 1Q2016.

As a result of the above, the Group posted a profit of $2.0 million in 1Q2017, compared to a loss of $2.6 million in 1Q2016.

Changes in Balance Sheet

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

The increase in trade receivables and other receivable was due mainly to 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 $12.0 million from operating activities was mostly generated by shipbuilding activities.

The net cash of $4.6 million from investing activities arose mostly from disposal of existing fleet of vessels.

The net cash of $840,000 used in financing activities was due to repayment of term loans.

As a result of the above cash movements, the Group's cash and cash equivalents increased to $34.1 million as at 31 March 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.

Worsening sentiments in the marine and offshore industry have dampened demand for the Group's crewboats and Fast Supply Intervention Vessels. The Group has already halted its build-for-stock programme and switched to a build-to-order strategy, with a focus on non-offshore vessels, including passenger ferries, patrol boats and special purpose vessels. Meanwhile, the Group is gradually selling off its stock of completed Flex crewboats.

Mindful of the challenging market conditions, the Group will seek out cost reductions, while continuing its ongoing programme of developing niche high-speed vessel designs targeted at profitable market segments.

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 31 March 2017.

There were no other interested persons transactions entered into during the financial period ended 31 March 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 first quarter ended 31 March 2017 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Tung May Fong
Finance & Administration Director
9 May 2017