

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 2018

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 2018

		3 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
		31/12/2018	31/12/2017		31/12/2018	31/12/2017	
		\$'000	\$'000		\$'000	\$'000	
			Restated				
Revenue	1	41,853	19,938	109.9	107,268	79,761	34.5
Cost of sales	2	(27,942)	(15,775)	77.1	(73,561)	(60,304)	22.0
Gross profit		13,911	4,163	234.2	33,707	19,457	73.2
Other operating income	3	668	1,062	(37.1)	6,711	4,303	56.0
Distribution costs		(75)	(32)	134.4	(187)	(155)	20.6
Administrative expenses		(4,990)	(4,630)	7.8	(17,767)	(13,892)	27.9
Other operating expenses	4	(2,248)	(1,464)	53.6	(7,917)	(8,178)	(3.2)
Finance cost		(51)	(42)	21.4	(138)	(269)	(48.7)
Interest income		279	285	(2.1)	1,088	832	30.8
Profit / (loss) before tax		7,494	(658)	NM	15,497	2,098	638.7
Income tax (expense) / credit		(235)	381	NM	(1,915)	180	NM
Profit / (loss) for the period / year		7,259	(277)	NM	13,582	2,278	496.2
Attributable to:							
Owners of the company							
Profit / (loss) for the period / year attributable to owners of the company		7,260	(276)	NM	13,583	2,279	496.0
Non-controlling interests							
Loss for the period / year attributable to non-controlling interest		(1)	(1)	0.0	(1)	(1)	0.0
Profit / (loss) for the period / year		7,259	(277)	NM	13,582	2,278	496.2

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	3 Months Ended		Group + / (-) %	12 Months Ended		+ / (-) %
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	\$'000	\$'000		\$'000	\$'000	
Profit / (loss) for the period / year	7,259	(277)	NM	13,582	2,278	496.2
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	215	(1,440)	NM	1,646	(7,138)	(123.1)
Foreign currency translation	(168)	2,316	NM	(44)	(517)	(91.5)
	47	876	(94.6)	1,602	(7,655)	NM
Items that will not be reclassified subsequently to profit or loss						
Changes in fair value of equity investment at FVOCI	(2,443)	-	NM	(2,443)	-	NM
Issue of Management Award Share per the investment agreement	-	-	NM	(400)	-	NM
Other comprehensive income for the period / year, net of tax	(2,396)	876	NM	(1,241)	(7,655)	(83.8)
Total comprehensive income for the period / year, net of tax	4,863	599	711.9	12,341	(5,377)	NM
Total comprehensive income for the period / year attributable to:						
Owners of the company	4,864	600	710.7	12,342	(5,376)	NM
Non-controlling interests	(1)	(1)	0.0	(1)	(1)	0.0
Total comprehensive income for the period / year	4,863	599	711.9	12,341	(5,377)	NM

NOTES TO CONSOLIDATED INCOME STATEMENT

	Group		Group	
	3 Months Ended		12 Months Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
		Restated		Restated
Other income including interest income	947	1,347	7,799	5,135
Interest expense	(12)	(30)	(69)	(229)
Depreciation of property, plant and equipment	(2,420)	(2,486)	(8,888)	(8,933)
Reversal of impairment on property, plant and equipment and inventories*	522	937	522	937
Property, plant and equipment written off	(1)	-	(1)	(17)
Net foreign exchange (loss) / gain	(224)	400	(1,089)	(210)
Gain on disposal of property, plant and equipment *	1	60	5,559	3,071
(Provision) / reversal of provision for warranty claims on shipbuilding contracts, net	(113)	33	(25)	(22)
(Allowance) / reversal of allowance for doubtful trade receivables	(141)	22	(142)	(648)
Allowance for doubtful other receivables	(3)	-	(3)	-
Net fair value gain / (loss) on derivatives **	147	34	189	(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 sale of vessels from the Group's operating fleet.
- 4 Other Operating Expenses consist primarily of 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 DECEMBER 2018**

	Group		+ / (-) %	Company		+ / (-) %
	31/12/2018 \$'000	31/12/2017 \$'000 Restated		31/12/2018 \$'000	31/12/2017 \$'000 Restated	
Equity attributable to owners of the Company						
Share capital	94,943	94,943	0.0	94,943	94,943	0.0
Reserves	57,274	45,923	24.7	20,568	19,045	8.0
Non-controlling interest	(2)	(1)	100.0	-	-	NM
Total equity	152,215	140,865	8.1	115,511	113,988	1.3
Intangible asset	78	78	0.0	-	-	NM
Property, plant and equipment	86,559	74,100	16.8	6,373	10,646	(40.1)
Investments in subsidiaries	-	-	NM	19,919	25,535	(22.0)
Loan to a subsidiary	-	-	NM	70,837	80,373	(11.9)
Other investments	5,157	-	NM	5,157	-	NM
Trade receivables	-	1,542	(100.0)	-	-	NM
Other receivables	8,471	9,348	(9.4)	-	-	NM
Current assets						
Inventories	20,608	18,906	9.0	-	-	NM
Trade receivables	20,200	10,352	95.1	9,954	938	961.2
Other receivables and deposits	7,705	6,858	12.4	213	171	24.6
Contract assets	14,812	1,012	1,363.6	6,504	-	NM
Prepayments	373	501	(25.5)	75	160	(53.1)
Derivatives	163	-	NM	163	-	NM
Loan to subsidiaries	-	-	NM	12,997	21,246	(38.8)
Short-term deposits	31,624	29,736	6.3	20,822	29,638	(29.7)
Cash and bank balances	10,995	9,341	17.7	1,946	3,727	(47.8)
	106,480	76,706	38.8	52,674	55,880	(5.7)
Assets classified as held for sale	-	16,364	(100.0)	-	266	(100.0)
	106,480	93,070	14.4	52,674	56,146	(6.2)
Current liabilities						
Trade payables	18,085	8,422	114.7	392	116	237.9
Other payables and accruals	23,790	11,630	104.6	1,721	1,828	(5.9)
Provisions	196	307	(36.2)	117	-	NM
Contract liabilities	4,715	8,401	(43.9)	-	8,401	(100.0)
Derivatives	-	26	(100.0)	-	26	(100.0)
Deferred revenue	178	153	16.3	178	153	16.3
Provision for income tax	2,606	837	211.4	1,023	422	142.4
Term loans	1,000	2,250	(55.6)	-	-	NM
Deposit from subsidiaries	-	-	NM	33,738	44,688	(24.5)
	50,570	32,026	57.9	37,169	55,634	(33.2)
Net current assets	55,910	61,044	(8.4)	15,505	512	2,928.3
Non-current liabilities						
Deferred tax liabilities	2,184	2,478	(11.9)	676	1,474	(54.1)
Provisions	1,693	1,686	0.4	1,604	1,604	0.0
Term loans	83	1,083	(92.3)	-	-	NM
Net Assets	152,215	140,865	8.1	115,511	113,988	1.3

Note: The Group's and Company's comparative Balance Sheet as at 1 January 2017 is not presented as there are no changes as disclosed in the Company's 2016 annual report.

Notes to the Balance Sheet:

- 1 Property, Plant and Equipment refer mainly to the Group's vessels, leasehold buildings, machinery and equipment.
- 2 Inventories refer mainly to construction-in-progress costs in relation to uncompleted vessels.
- 3 Trade Receivables refer mainly to receivables arising from shipbuilding, ship repair and vessel chartering activities. Non-current Trade Receivables refer to shipbuilding sales under deferred payment arrangements.
- 4 Other Receivables and Deposits refer mainly to receivables arising from fleet vessel sales and deposits paid by the Group for the purchase of long-lead equipment. Non-current Other Receivables and Deposits refer to fleet vessel sales under deferred payment arrangements.
- 5 Other Payables and Accruals refer mainly to advance payments and deposits received, advance billings and accrued operating expenses.
- 6 Contract Assets / (Liabilities) refer to progress billings in relation to shipbuilding contracts in deficit / (excess) of their corresponding revenue.
- 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 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
<u>1,000</u>	<u>-</u>	<u>2,250</u>	<u>-</u>

Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
<u>83</u>	<u>-</u>	<u>1,083</u>	<u>-</u>

Details of any collateral

The Group's borrowing from the bank is secured by way of mortgage over a subsidiary's vessel, including assignment of insurance policy and charter earning and contract.

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 2018**

	Group		Group	
	3 Months Ended 31/12/2018 \$'000	31/12/2017 \$'000 Restated	12 Months Ended 31/12/2018 \$'000	31/12/2017 \$'000 Restated
Cash flows from operating activities				
Profit / (loss) before tax	7,494	(658)	15,497	2,098
Adjustments:				
Depreciation of property, plant and equipment	2,420	2,486	8,888	8,933
Reversal of impairment on property, plant and equipment and inventories	(522)	(937)	(522)	(937)
Gain on disposal of property, plant and equipment	(1)	(60)	(5,559)	(3,071)
Property, plant and equipment written off	1	-	1	17
Interest expense	12	30	69	229
Interest income	(279)	(285)	(1,088)	(832)
Provision for employee retirement benefits	13	21	7	17
Net fair value (gain) / loss on derivatives	(147)	(34)	(189)	26
Allowance / (reversal allowance) for doubtful trade receivables	141	(22)	142	648
Allowance for doubtful other receivables	3	-	3	-
Provision / (reversal of provision) of warranty claims on shipbuilding contracts, net	113	(33)	25	22
Currency alignment	(286)	(556)	755	(161)
Operating cash flows before changes in working capital	8,962	(48)	18,029	6,989
Inventories	8,488	(2,556)	(1,117)	21,620
Trade receivables	(8,651)	(1,507)	(8,306)	(2,608)
Other receivables, deposits and prepayments	2,447	4,274	(460)	(9,444)
Contract assets	(3,104)	2,835	(13,800)	(1,012)
Trade payables	5,191	2,160	9,663	(101)
Other payables and accruals	(1,412)	2,299	12,160	(5,517)
Provision	(26)	(96)	(136)	(356)
Contract liabilities	2,295	(3,066)	(3,686)	7,992
Deferred revenue	16	43	25	(7)
Cash flows from operations	14,206	4,338	12,372	17,556
Interest paid	(12)	(30)	(69)	(229)
Interest received	279	285	1,088	832
Income taxes refund /(paid), net	885	12	33	(27)
Net cash flows generated from operating activities	15,358	4,605	13,424	18,132
Cash flows from investing activities				
Investment in quoted shares	-	-	(8,000)	-
Proceeds from disposal of property, plant and equipment	2	28	20,052	12,778
Additions to property, plant and equipment	(13,200)	(1,075)	(19,222)	(2,988)
Net cash flows (used in) / generated from investing activities	(13,198)	(1,047)	(7,170)	9,790
Cash flows from financing activities				
Repayment of term loans	(250)	(500)	(2,250)	(6,647)
Dividend paid	-	-	(991)	-
(Increase) / decrease in pledged deposits with licensed banks	(1,227)	13	(472)	(836)
Net cash flows used in financing activities	(1,477)	(487)	(3,713)	(7,483)
Net increase in cash and cash equivalents	683	3,071	2,541	20,439
Effect of exchange rate change on cash and cash equivalents	251	(75)	512	(873)
Cash and cash equivalents at beginning of period / year	40,072	34,957	37,953	18,387
Cash and cash equivalents at end of period / year	41,006	37,953	41,006	37,953

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 2018**

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 as at 31 December 2017						
As previously reported	94,943	(12,202)	59,076	141,817	(1)	141,816
Adoption of SFRS(I) 1	-	4,644	(4,644)	-	-	-
Adoption of SFRS(I) 15	-	-	(951)	(951)	-	(951)
Effect arising from adoption of SFRS(I) 1	-	(97)	97	-	-	-
Opening balance as restated at 1 January 2018	94,943	(7,655)	53,578	140,866	(1)	140,865
Profit for the period	-	-	6,323	6,323	-	6,323
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	1,431	-	1,431	-	1,431
Foreign currency translation	-	124	-	124	-	124
Issue of Management Award Share per the investment agreement	-	(400)	-	(400)	-	(400)
Other comprehensive income for the period, net of tax	-	1,155	-	1,155	-	1,155
Total comprehensive income for the period	-	1,155	6,323	7,478	-	7,478
<u>Contributions by and distributions to owners</u>						
Dividend paid	-	-	(991)	(991)	-	(991)
Total contributions by and distributions to owners	-	-	(991)	(991)	-	(991)
Closing balance as at 30 September 2018	94,943	(6,500)	58,910	147,353	(1)	147,352
Profit for the period	-	-	7,260	7,260	(1)	7,259
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	215	-	215	-	215
Foreign currency translation	-	(168)	-	(168)	-	(168)
Change in fair value of equity investment at FVOCI		(2,443)				
Other comprehensive income for the period, net of tax	-	(2,396)	-	(2,396)	-	(2,396)
Total comprehensive income for the period	-	(2,396)	7,260	4,864	(1)	4,863
Closing balance as at 31 December 2018	94,943	(8,896)	66,170	152,217	(2)	152,215

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 as at 31 December 2016						
As previously reported	94,943	(4,078)	55,174	146,039	-	146,039
Adoption of SFRS(I) 1	-	4,644	(4,644)	-	-	-
Opening balance as restated at 1 January 2017	94,943	566	50,530	146,039	-	146,039
Profit for the period	-	-	2,555	2,555	-	2,555
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(5,698)	-	(5,698)	-	(5,698)
Foreign currency translation	-	(2,833)	-	(2,833)	-	(2,833)
Other comprehensive income for the period, net of tax	-	(8,531)	-	(8,531)	-	(8,531)
Total comprehensive income for the period	-	(8,531)	2,555	(5,976)	-	(5,976)
Others						
Disposal of property, plant and equipment	-	(301)	504	203	-	203
Closing balance as at 30 September 2017	94,943	(8,266)	53,589	140,266	-	140,266
Loss for the period	-	-	(276)	(276)	(1)	(277)
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on 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	(276)	600	(1)	599
Others						
Disposal of property, plant and equipment	-	(265)	265	-	-	-
Closing balance as at 31 December 2017	94,943	(7,655)	53,578	140,866	(1)	140,865

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total Equity \$'000
Opening balance as at 31 December 2017				
As previously reported	94,943	-	19,359	114,302
Adoption of SFRS(I) 15	-	-	(314)	(314)
Balance as restated at 1 January 2018	94,943	-	19,045	113,988
Profit for the period	-	-	13,885	13,885
<u>Other comprehensive income</u>				
Issue of Management Award Share per the investment agreement	-	(400)	-	(400)
Total comprehensive income for the period	-	(400)	13,885	13,485
<u>Contributions by and distributions to owners</u>				
Dividend paid	-	-	(991)	(991)
Total contributions by and distributions to owners	-	-	(991)	(991)
Closing balance as at 30 September 2018	94,943	(400)	31,939	126,482
Loss for the period	-	-	(8,528)	(8,528)
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	(2,443)	-	(2,443)
Total comprehensive income for the period	-	(2,443)	(8,528)	(10,971)
Closing balance as at 31 December 2018	94,943	(2,843)	23,411	115,511

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

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000
Opening balance as at 31 December 2016				
As previously reported	94,943	-	17,110	112,053
Adoption of SFRS(I) 15	-	-	-	-
Balance as restated at 1 January 2017	94,943	-	17,110	112,053
Total comprehensive income for the period	-	-	2,018	2,018
Closing balance as at 30 September 2017	94,943	-	19,128	114,071
Total comprehensive income for the period	-	-	(83)	(83)
Closing balance as at 31 December 2017	94,943	-	19,045	113,988

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	
	31/12/2018	31/12/2017
Balance as at 1 January	220,169,774	220,169,774
Issue of shares	-	-
Balance as at 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 year ended 31 December 2018.

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 2018, which have been prepared in accordance with the accounting policies and methods of computation set out in the 2017 audited accounts, except for those disclosed under paragraph 5.

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 a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the fourth quarter and full year ended 31 December 2018.

In adopting SFRS(I)s, the Group required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of \$4,644,000 was reclassified from other reserve (foreign exchange translation account) to revenue reserve as at 1 January 2017.

b) Adoption of SFRS(I)s

The adoption of SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except the following:

i) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirement of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognised revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Following the presentation requirement in SFRS(I) 15, the Group has presented due from customer for contract work-in-progress as contract assets and due to customers for contract work-in-progress as contract liabilities.

Impact on the comparatives for the Fourth Quarter and Financial Year Ended 31 December 2018 Financial Statements

The financial effect of adopting SFRS(I)s is as follows:

Group Profit and Loss Account	Fourth Quarter	Twelve Months Ended
	31.12.2017	31.12.2017
	\$'000	\$'000
Decrease in revenue	(7,437)	(5,590)
Decrease in cost of sales	6,198	4,639
Increase in gain on disposal of property, plant and equipment	-	97
Decrease in gross profit and profit for the period / year	<u>(1,239)</u>	<u>(854)</u>
Attributable to Owners of the company	<u>(1,239)</u>	<u>(854)</u>
Decrease in basis EPS	(0.56) cts	(0.39) cts
Decrease in diluted EPS	(0.56) cts	(0.39) cts
Group Balance Sheets	1.1.2018	31.12.2017
	\$'000	\$'000
Increase in inventories	-	5,936
Decrease in due from customer for contract-work-in progress	-	(1,066)
Increase in contract assets	-	1,012
Decrease in due to customer for contract-work-in progress	-	(1,568)
Increase in contract liabilities	-	8,401
Decrease in net assets	-	(951)
Decrease in revenue reserve	(4,547)	(951)
Increase in other reserve	4,547	-
Decrease in total equity	-	(951)

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Cents	Cent	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue (cts)	3.30	(0.13)	6.17	1.03
(ii) On a fully diluted basis (cts)	3.30	(0.13)	6.17	1.03

Earnings / (loss) per ordinary share for 4Q2018 was calculated based on the weighted average number of shares of 220,169,774 (4Q2017 was 220,169,774).

Earnings per ordinary share for the year ended 31 December 2018 was calculated based on the weighted average number of shares of 220,169,774 (year ended 31 December 2017 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 :**
- Current financial period reported on**
 - Immediately preceding financial year**

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the issued share capital at the end of period (cts)	69.14	63.98	52.46	51.77

Net asset value per ordinary share was calculated based on the number of shares at 31 December 2018 (220,169,774 shares) and 31 December 2017 (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 2018 (4Q2018)

Revenue in 4Q2018 was \$41.9 million, an increase of 109.9% from 4Q2017. The increase was due mainly to an increase in shipbuilding activities.

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

Gross profit in 4Q2018 was \$13.9 million, an increase of 234.2% from 4Q2017. The increase was due mainly to higher contributions from shipbuilding activities.

The increase in gross profit margin in 4Q2018 compared with 4Q2017 was due mainly to higher contributions from shipbuilding activities.

The decrease in other operating income was due mainly to a lower reversal of impairment on inventories of \$522,000 in 4Q2018, compared with a higher reversal of impairment on property, plant and equipment and inventories of \$937,000 in 4Q2017.

The increase in other operating expenses was due mainly to a net foreign exchange loss of \$224,000 and allowance for doubtful debts of \$144,000 in 4Q2018, compared to a net foreign exchange gain of \$400,000 and reversal of allowance for doubtful debts of \$22,000 in 4Q2017.

As a result of the above, the Group posted a profit of \$7.3 million in 4Q2018, compared to a loss of \$277,000 in 4Q2017.

For the 12 months ended 31 December 2018 (FY2018)

Revenue in FY2018 was \$107.3 million, an increase of 34.5% from FY2017. The increase was due mainly to an increase in shipbuilding and chartering activities.

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

Gross profit in FY2018 was \$33.7 million, an increase of 73.2% from FY2017. The increase was due mainly to higher contributions from shipbuilding and chartering activities.

The increase in gross profit margin in FY2018 compared with FY2017 was due mainly to higher contributions from shipbuilding activities.

The increase in other operating income was due mainly to higher gains for the sale of vessels from the Group's operating fleet, compared with the previous period.

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.

As a result of the above, the Group posted a profit of \$13.6 million in FY2018, compared to a profit of \$2.3 million in FY2017.

Changes in Balance Sheet

The increase in inventories was due mainly to more vessels under construction.

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

Review of Group Cashflow

The net cash of \$13.4 million from operating activities was mostly generated by shipbuilding activity.

The net cash of \$7.2 million used in investing activities arose mostly from the addition of new vessels into the Group's operating fleet and an investment in quoted shares, which was partially offset by the sale of vessels from the Group's operating fleet.

The net cash of \$3.7 million used in financing activities was due to the repayment of term loans and a dividend payment as approved by the Company's shareholders at its Annual General Meeting held on 24 April 2018.

As a result of the above cash movements, the Group's cash and cash equivalents increased to \$41 million as at 31 December 2018, from \$38 million as at 31 December 2017.

- 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.**

The Group's core shipbuilding and crewboat chartering activities are picking up and margins are gradually improving.

Penguin Shipyard has diversified beyond its ongoing crewboat/security boat build-for-stock programme. New build-to-order projects include Fire Fighting Search-and-Rescue vessels, patrol boats and offshore windfarm support vessels.

The Group will continue to manage its cash flow conservatively and expects to secure new shipbuilding projects and vessel charters going forwards.

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:	1.25 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: 1.25 cent per ordinary share.

(ii) Previous corresponding period

Name of Dividend:	Final
Dividend Type:	Cash
Amount per share (in cents)	0.45 cent per ordinary share (one-tier tax exempt)

(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 and the reason(s) for the decision.

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 24 April 2018 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 year ended 31 December 2018.

There were no other significant interested persons transactions of or over S\$100,000 in value entered into during the financial year ended 31 December 2018.

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 2018

	Ferry & Charter Services	Shipbuilding & Repair	Discontinued Operation	Adjustments & Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	24,728	82,540	-	-	107,268
Inter-segment sales	84	15,024	-	(15,108)	-
Total revenue	24,812	97,564	-	(15,108)	107,268
Results					
Interest income	569	932	-	(413)	1,088
Dividend income	4,000	-	-	(4,000)	-
Depreciation	5,871	1,436	-	1,581	8,888
Reversal of impairment on inventories	-	522	-	-	522
Financial expenses	502	49	-	(413)	138
Other non-cash expenses	144	3,305	-	(3,304)	145
Segment profit	12,935	5,290	-	(2,728)	15,497
Assets and liabilities					
Additions to non-current assets	20,191	874	-	(1,843)	19,222
Goodwill	-	78	-	-	78
Segment assets	133,251	74,505	367	(1,378)	206,745
Segment liabilities	14,202	43,527	-	(3,199)	54,530

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	58,719	-	-	79,761
Inter-segment sales	-	1,486	-	(1,486)	-
Total revenue	21,042	60,205	-	(1,486)	79,761
Results					
Interest income	670	418	-	(256)	832
Depreciation	6,650	1,256	-	1,027	8,933
Impairment of property, plant & equipment and inventories	837	100	-	-	937
Financial expenses	463	62	-	(256)	269
Other non-cash expenses	649	16	-	-	665
Segment profit / (loss)	4,599	(1,012)	-	(1,489)	2,098
Assets and liabilities					
Additions to non-current assets	10,035	2,132	-	2,102	14,269
Goodwill	-	78	-	-	78
Segment assets	145,347	46,278	325	(13,812)	178,138
Segment liabilities	11,860	24,710	-	703	37,273

B) GEOGRAPHICAL SEGMENTS

	Revenue	
	2018	2017
	\$'000	\$'000
Singapore	37,118	22,199
Rest of South East Asia	15,590	11,749
Africa	48,286	44,403
Others	6,274	1,410
	107,268	79,761

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		
	2018	2017	+ / (-)
	\$'000	\$'000	%
Sales from continuing operations reported for first half-year	45,694	50,105	(8.8)
Profit for the year but before minority interests reported for the first half-year	5,658	2,258	150.6
Sales from continuing operations reported for second half-year	61,574	29,656	107.6
Profit for the year but before minority interests reported for the second-half year	7,924	20	39,520.0

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
	S\$	S\$
Ordinary shares		
-Final	<u>2,752,122</u>	<u>990,764</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
21 February 2019