

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 2019

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 2019**

		3 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
		31/12/2019	31/12/2018		31/12/2019	31/12/2018	
		\$'000	\$'000		\$'000	\$'000	
Revenue	1	39,284	41,853	(6.1)	136,337	107,268	27.1
Cost of sales	2	(27,778)	(27,942)	(0.6)	(95,476)	(73,561)	29.8
Gross profit		11,506	13,911	(17.3)	40,861	33,707	21.2
Other operating income	3	292	668	(56.3)	6,084	6,711	(9.3)
Distribution costs		(98)	(75)	30.7	(284)	(187)	51.9
Administrative expenses		(4,722)	(4,990)	(5.4)	(19,498)	(17,767)	9.7
Other operating expenses	4	(2,548)	(2,248)	13.3	(8,039)	(7,917)	1.5
Finance cost		(34)	(51)	(33.3)	(144)	(138)	4.3
Interest income		229	279	(17.9)	981	1,088	(9.8)
Profit before tax		4,625	7,494	(38.3)	19,961	15,497	28.8
Income tax credit / (expense)		844	(235)	NM	(547)	(1,915)	(71.4)
Profit for the period / year		5,469	7,259	(24.7)	19,414	13,582	42.9
Attributable to:							
Owners of the company							
Profit for the period / year attributable to owners of the company		5,470	7,260	(24.7)	19,415	13,583	42.9
Non-controlling interests							
Loss for the period / year attributable to non-controlling interest		(1)	(1)	0.0	(1)	(1)	0.0
Profit for the period / year		5,469	7,259	(24.7)	19,414	13,582	42.9

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	3 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	\$'000	\$'000		\$'000	\$'000	
Profit for the period / year	5,469	7,259	(24.7)	19,414	13,582	42.9
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	(1,433)	215	NM	(524)	1,646	NM
Foreign currency translation	(95)	(168)	(43.5)	(116)	(44)	163.6
	<u>(1,528)</u>	<u>47</u>	NM	<u>(640)</u>	<u>1,602</u>	NM
Items that will not be reclassified subsequently to profit or loss						
Changes in fair value of equity investment at FVOCI	543	(2,443)	NM	0	(2,443)	(100.0)
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	(543)	-	NM	(543)	(400)	35.8
	<u>-</u>	<u>(2,443)</u>	(100.0)	<u>(543)</u>	<u>(2,843)</u>	(80.9)
Other comprehensive income for the period / year, net of tax	(1,528)	(2,396)	(36.2)	(1,183)	(1,241)	(4.7)
Total comprehensive income for the period / year, net of tax	3,941	4,863	(19.0)	18,231	12,341	47.7
Total comprehensive income for the period / year attributable to:						
Owners of the company	3,942	4,864	(19.0)	18,232	12,342	47.7
Non-controlling interests	(1)	(1)	0.0	(1)	(1)	0.0
Total comprehensive income for the period / year	3,941	4,863	(19.0)	18,231	12,341	47.7

NOTES TO CONSOLIDATED INCOME STATEMENT

	Group		Group	
	3 Months Ended		12 Months Ended	
	12/31/2019	31/12/2018	12/31/2019	31/12/2018
	\$'000	\$'000	\$'000	\$'000
Other income including interest income	521	947	7,065	7,799
Interest expense	(23)	(12)	(84)	(69)
Depreciation of property, plant and equipment and right-of-use assets	(2,654)	(2,420)	(10,046)	(8,888)
Reversal of impairment on property, plant and equipment and inventories*	-	522	-	522
Net foreign exchange loss	(674)	(224)	(855)	(1,089)
Gain on disposal of property, plant and equipment*	-	1	4,030	5,559
Impairment on inventory	-	-	(530)	-
Property, plant and equipment written off	(8)	(1)	(9)	(1)
Reversal of allowance / (allowance) for doubtful trade receivable	42	(141)	141	(142)
Allowance for doubtful other receivables	-	(3)	-	(3)
Reversal of provision / (provision) of warranty claims on shipbuilding contracts, net	14	(113)	(483)	(25)
Net fair value gain / (loss) on derivatives **	4	147	(163)	189

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

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

Notes to Consolidated Income Statement:

- 1 Revenue is contributed primarily by shipbuilding, ship repair and vessel chartering activities.
- 2 Cost of Sales comprises primarily shipbuilding costs, ship repair costs and vessel operating expenses.
- 3 Other Operating Income includes income from all other activities which are not related to the principal activities of the Group.
- 4 Other Operating Expenses comprises primarily depreciation of motor launches 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 2019**

	Group		+ / (-) %	Company		+ / (-) %
	31/12/2019 \$'000	31/12/2018 \$'000		31/12/2019 \$'000	31/12/2018 \$'000	
Equity attributable to owners of the Company						
Share capital	94,943	94,943	0.0	94,943	94,943	0.0
Reserves	72,754	57,274	27.0	24,481	20,568	19.0
Non-controlling interest	(3)	(2)	50.0	-	-	NM
Total equity	167,694	152,215	10.2	119,424	115,511	3.4
Non-current assets						
Intangible asset	78	78	0.0	-	-	NM
Property, plant and equipment	82,174	86,559	(5.1)	3,027	6,373	(52.5)
Right-of-use assets	2,253	-	NM	1,653	-	NM
Investments in subsidiaries	-	-	NM	18,390	19,919	(7.7)
Loan to a subsidiary	-	-	NM	70,837	70,837	0.0
Other investments	5,157	5,157	0.0	5,157	5,157	0.0
Other receivables	124	8,471	(98.5)	-	-	NM
Current assets						
Inventories	42,008	20,608	103.8	-	-	NM
Trade receivables	13,604	20,200	(32.7)	1,906	9,954	(80.9)
Other receivables and deposits	14,004	7,705	81.8	487	213	128.6
Contract assets	3,268	14,812	(77.9)	156	6,504	(97.6)
Prepayments	577	373	54.7	150	75	100.0
Derivatives	-	163	(100.0)	-	163	(100.0)
Loan to subsidiaries	-	-	NM	24,330	12,997	87.2
Short-term deposits	34,885	31,624	10.3	10,227	20,822	(50.9)
Cash and bank balances	25,018	10,995	127.5	1,098	1,946	(43.6)
	133,364	106,480	25.2	38,354	52,674	(27.2)
Assets classified as held for sale	7,322	-	NM	1,412	-	NM
	140,686	106,480	32.1	39,766	52,674	(24.5)
Current liabilities						
Trade payables	16,038	18,085	(11.3)	219	392	(44.1)
Other payables and accruals	37,543	23,790	57.8	2,982	1,721	73.3
Provisions	522	196	166.3	193	117	65.0
Contract liabilities	1,042	4,715	(77.9)	93	-	NM
Deferred revenue	-	178	(100.0)	-	178	(100.0)
Provision for income tax	1,427	2,606	(45.2)	335	1,023	(67.3)
Lease liabilities	1,292	-	NM	897	-	NM
Term loan	83	1,000	(91.7)	-	-	NM
Deposit from subsidiaries	-	-	NM	11,724	33,738	(65.2)
	57,947	50,570	14.6	16,443	37,169	(55.8)
Net current assets	82,739	55,910	48.0	23,323	15,505	50.4
Non-current liabilities						
Deferred tax liabilities	2,075	2,184	(5.0)	568	676	(16.0)
Provisions	1,726	1,693	1.9	1,604	1,604	0.0
Lease liabilities	1,030	-	NM	791	-	NM
Term loan	-	83	(100.0)	-	-	NM
Net Assets	167,694	152,215	10.2	119,424	115,511	3.4

Notes to the Balance Sheet:

- 1 Property, Plant and Equipment refers mainly to the Group's vessels, leasehold buildings, as well as machinery and equipment.
- 2 Right-of-use assets refers to the recognition of leases as right-of-use assets arising from the adoption of SFRS(I) 16 Leases.
- 3 Inventories refers mainly to construction costs of completed vessels and construction-in-progress vessels yet to be completed.
- 4 Trade Receivables refers mainly to receivables from shipbuilding, ship repair and vessel chartering activities. The non-current portion pertains to shipbuilding sales under deferred payment arrangements.
- 5 Other Receivables and Deposits refers mainly to receivables for fleet vessel sales, deposits paid by the Group for equipment purchase with long lead time. The non-current portion pertains to fleet vessel sales under deferred payment arrangements.
- 6 Other Payables and Accruals refers mainly to advance payments and deposits received, advance billings and accrued operating expenses.
- 7 Contract Assets / (Liabilities) refers to progress billings in relation to shipbuilding contracts in deficit / (excess) of their corresponding revenue.
- 8 Provisions refers 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 31/12/2019		As at 31/12/2018	
Secured	Unsecured*	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
83	1,292	1,000	-

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured*	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	1,030	83	-

Details of any collateral

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

* The unsecured amounts relate to Lease Liabilities arising from the adoption of SFRS(I) 16 Leases.

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 2019**

	Group		Group	
	3 Months Ended		12 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	4,625	7,494	19,961	15,497
Adjustments:				
Depreciation of property, plant and equipment and right-of-use assets	2,654	2,420	10,046	8,888
Gain on disposal of property, plant and equipment	-	(1)	(4,030)	(5,559)
Property, plant and equipment written off	8	1	9	1
Interest expense	23	12	84	69
Interest income	(229)	(279)	(981)	(1,088)
Reversal of impairment on property, plant and equipment and inventories	-	(522)	-	(522)
(Reversal of allowance) / allowance for doubtful trade receivable	(42)	141	(141)	142
Allowance for doubtful other receivable	-	3	-	3
Impairment of inventory	-	-	530	-
Provision for employee retirement benefits	30	13	33	7
Net fair value (gain) / loss on derivatives	(4)	(147)	163	(189)
(Reversal of provision) / provision of warranty claims on shipbuilding contracts, net	(14)	113	483	25
Currency alignment	74	(352)	17	755
Operating cash flows before changes in working capital	7,125	8,896	26,174	18,029
Inventories	(7,688)	8,488	(21,930)	(1,117)
Trade receivables	1,018	(8,651)	6,737	(8,306)
Other receivables, deposits and prepayments	6,647	2,447	1,844	(460)
Contract assets	3,140	(3,104)	11,544	(13,800)
Trade payables	(3,615)	5,191	(2,047)	9,663
Other payables and accruals	9,703	(1,412)	13,210	12,160
Provision	(51)	(26)	(157)	(136)
Contract liabilities	(1,926)	2,295	(3,673)	(3,686)
Deferred revenue	-	16	(178)	25
Cash from operations	14,353	14,140	31,524	12,372
Interest paid	(23)	(12)	(84)	(69)
Interest received	229	279	981	1,088
Income taxes refund / (paid), net	704	885	(1,832)	33
Net cash generated from operating activities	15,263	15,292	30,589	13,424
Cash flows from investing activities				
Investment in quoted shares	-	-	-	(8,000)
Proceeds from disposal of property, plant and equipment	-	(1,746)	13,700	20,052
Additions to property, plant and equipment	(7,730)	(11,386)	(22,289)	(19,222)
Net cash used in investing activities	(7,730)	(13,132)	(8,589)	(7,170)
Cash flows from financing activities				
Repayment of term loans	(250)	(250)	(1,000)	(2,250)
Increase in pledged deposits with licensed banks	(462)	(1,746)	(1,139)	(991)
Payment of principal portion of lease liabilities	(282)	-	(765)	-
Dividend paid	-	519	(2,752)	(472)
Net cash used in financing activities	(994)	(1,477)	(5,656)	(3,713)
Net increase in cash and cash equivalents	6,539	683	16,344	2,541
Effect of exchange rate change on cash and cash equivalents	(607)	251	(200)	512
Cash and cash equivalents at beginning of period / year	51,218	40,072	41,006	37,953
Cash and cash equivalents at end of period / year	57,150	41,006	57,150	41,006

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 2019**

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 1 January 2019	94,943	(8,896)	66,170	152,217	(2)	152,215
Profit for the period	-	-	13,945	13,945	-	13,945
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	909	-	909	-	909
Foreign currency translation	-	(21)	-	(21)	-	(21)
Change in fair value of equity investment at FVOCI	-	(543)	-	(543)	-	(543)
Other comprehensive income for the period, net of tax	-	345	-	345	-	345
Total comprehensive income for the period	-	345	13,945	14,290	-	14,290
<u>Contributions by and distributions to owners</u>						
Dividend paid	-	-	(2,752)	(2,752)	-	(2,752)
Total contributions by and distributions to owners	-	-	(2,752)	(2,752)	-	(2,752)
Closing balance as at 30 September 2019	94,943	(8,551)	77,363	163,755	(2)	163,753
Profit for the period	-	-	5,470	5,470	(1)	5,469
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(1,433)	-	(1,433)	-	(1,433)
Change in fair value of equity investment at FVOCI	-	543	-	543	-	543
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(543)	-	(543)	-	(543)
Foreign currency translation	-	(95)	-	(95)	-	(95)
Other comprehensive income for the period, net of tax	-	(1,528)	-	(1,528)	-	(1,528)
Total comprehensive income for the period	-	(1,528)	5,470	3,942	(1)	3,941
Closing balance as at 31 December 2019	94,943	(10,079)	82,833	167,697	(3)	167,694

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 Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(400)	-	(400)	-	(400)
Change in fair value of equity investment at FVOCI	-	-	-	-	-	-
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)	-	(2,443)	-	(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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total Equity \$'000
Opening balance as at 1 January 2019	94,943	(2,843)	23,411	115,511
Profit for the period	-	-	6,292	6,292
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	(543)	-	(543)
Total comprehensive income for the period	-	(543)	6,292	5,749
<u>Contributions by and distributions to owners</u>				
Dividend paid	-	-	(2,752)	(2,752)
Total contributions by and distributions to owners	-	-	(2,752)	(2,752)
Closing balance as at 30 September 2019	94,943	(3,386)	26,951	118,508
Profit for the period	-	-	916	916
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	543	-	543
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(543)	-	(543)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	916	916
Closing balance as at 31 December 2019	94,943	(3,386)	27,867	119,424

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

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'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 Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(400)	-	(400)
Change in fair value of equity investment at FVOCI	-	-	-	0
	-	(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

- 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	
	31/12/2019	31/12/2018
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 2019.

- 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 2019, which have been prepared in accordance with the accounting policies and methods of computation set out in the 2018 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 the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases, which took effect on 1 January 2019, using the modified retrospective approach. SFRS(I) 16 introduce a single, on-balance sheet lease accounting model. It require a lessee to recognise a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of ROU asset equal to the lease liabilities as at 1 January 2019. Subsequent to initial recognition, the Group and the Company depreciate the ROU assets over the lease term, and recognise interest expenses on the lease liabilities.

The ROU assets as at 31 December 2019 were mainly related to leases of the land use rights, the office and the dormitory occupied by the Group in various locations. Accordingly, there was an increase in right-of-use assets and lease liabilities of approximately S\$2.25 million and S\$2.32 million respectively as at 31 December 2019.

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 per ordinary share for the period / year based on profit attributable to shareholders after deducting any provision for preference dividends:-	Group			
	3 Months Ended		12 Months Ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Cents	Cents	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue (cts)	2.48	3.30	8.82	6.17
(ii) On a fully diluted basis (cts)	2.48	3.30	8.82	6.17

Profit per ordinary share for 4Q2019 was calculated based on the weighted average number of shares of 220,169,774 (4Q2018 was 220,169,774).

Earnings per ordinary share for the year ended 31 December 2019 was calculated based on the weighted average number of shares of 220,169,774 (year ended 31 December 2018 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the issued share capital at the end of period (cts)	76.17	69.14	54.24	52.46

Net asset value per ordinary share was calculated based on the number of shares at 31 December 2019 (220,169,774 shares) and 31 December 2018 (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.**

Overview

Penguin's core shipbuilding and crewboat chartering activities are continuing to pick up amidst rising demand in new and existing markets.

In FY2019, the Group's shipyards in Singapore and Batam delivered 32 new vessels, of which 59% were built for stock and chartering and 41% were built to order.

The built-to-order deliveries in FY2019 include seven police patrol boats for the Australian state of New South Wales, one Fire Fighting Search-and-Rescue vessel for the Singapore Civil Defence Force and one windfarm Crew Transfer Vessel for an owner-operator in Taiwan.

On the crewboat chartering front, time charter rates and utilisation rates have risen in line with increased demand from oil companies switching away from helicopters. Generally, benign oil prices bode well for crewboats over choppers.

Review of Group's performance **For the 3 months ended 31 December 2019 (4Q2019)**

Revenue	4Q2019	4Q2018	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	32,458	35,199	-7.8%
Chartering	6,826	6,654	2.6%
Total	39,284	41,853	-6.1%

Revenue in 4Q2019 was \$39.3 million, a decrease of 6.1% from 4Q2018. The decrease was due mainly to fewer stock vessels sold during the latest quarter.

Gross profit in 4Q2019 was \$11.5 million, a decrease of 17.3% from 4Q2018. The decrease was due mainly to lower contributions from shipbuilding due to fewer stock vessels sold during the latest quarter.

The increase in other operating expenses was due mainly to a net foreign exchange loss of \$674,000 in 4Q2019, compared to a lower net foreign exchange loss of \$224,000 in 4Q2018.

The decrease in income tax expense was due mainly to a tax refund for prior years' tax assessments arising from R&D tax incentives.

As a result of the above, the Group posted a net profit of \$5.5 million in 4Q2019, compared to a net profit of \$7.3 million in 4Q2018.

For the 12 months ended 31 December 2019 (FY2019)

Revenue	FY2019	FY2018	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	108,417	82,540	31.4%
Chartering	27,920	24,728	12.9%
Total	136,337	107,268	27.1%

FY2019 revenue was \$136.3 million, an increase of 27.1% from FY2018. The rise was due mainly to an increase in the number of stock vessels sold year-on-year, as well as a growing fleet of owned-and-operated crewboats that are enjoying improved utilisation and charter rates.

The increase in cost of sales corresponded to an increase in the number of stock vessels sold over the period.

FY2019 gross profit was \$40.9 million, an increase of 21.2% from FY2018. The rise was due mainly to improved margins from the Group's core shipbuilding and chartering activities.

The decrease in other operating income in FY2019 compared with FY2018 was due mainly to lower year-on-year gains arising from the sale of vessels from the Group's operating fleet.

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 income tax expense was due mainly to a tax refund for prior years' tax assessments arising from R&D tax incentives.

As a result of the above, the Group posted a net profit of \$19.4 million in FY2019, compared to a net profit of \$13.6 million in FY2018.

Changes in Balance Sheet

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

The increase in right-of-use assets and lease liabilities were due to the adoption of the new accounting standard SFRS(I) 16 on leases as disclosed in paragraph 5.

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

The increase in other receivables and deposits was due mainly to an increase in deposits for long-lead equipment for shipbuilding activities.

The increase in trade payables and other payables and accruals was due mainly to more vessels under construction.

Review of Group Cashflow

The net cash of \$30.5 million from operating activities was mostly generated by shipbuilding and chartering activities.

The net cash of \$8.6 million used in investing activities arose from the addition of new Flex crewboats to the Group's own operating fleet, which was partially offset by the sale of vessels from the fleet.

The net cash of \$5.7 million used in financing activities arose from the repayment of term loans, a dividend payment as approved by the Company's shareholders at its Annual General Meeting held on 25 April 2019, payment of principal portion of lease liabilities and pledged deposits with licensed banks.

As a result of the above cash movements, the Group's cash and cash equivalents increased to \$57.2 million as at 31 December 2019, from \$41.0 million as at 31 December 2018.

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.

Penguin's core shipbuilding and crewboat chartering activities are continuing to pick up amidst rising demand in new and existing markets.

Penguin Shipyard recently added offshore windfarm Crew Transfer Vessels (WindFlex-27) to its internally funded build-for-stock programme, which currently comprises security boats (Flex Fighter), crewboats (Flex-42X) and passenger ferries (Flex Ferry X).

In addition, the Group is working to secure new build-to-order projects across various market segments, as it expands its geographical reach. Its shipyards are currently building a variety of high-speed vessels for ship owners in Southeast Asia, Australia, North Asia, Africa and Europe.

The outlook for FY2020 remains positive for the Group's key shipbuilding market segments, namely crew transfer vessels for offshore wind, armoured security vessels for maritime protection, crewboats for oil and gas personnel transfers, and passenger ferries for tourism and public transport.

In line with market demand, the Group is continuing its fleet renewal programme by adding new crewboats built in-house to its operating fleet under Pelican Offshore.

As always, Penguin will continue to manage its cash flow and business conservatively as it works 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:	1.75 cent per ordinary share (one-tier tax exempt)
Tax Rate:	One-tier tax exempt

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

Final dividend: 1.75 cent per ordinary share.

(ii) Previous corresponding period

Name of Dividend:	Final
Dividend Type:	Cash
Amount per share (in cents)	1.25 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.

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 25 April 2019 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 2019.

There were no significant interested persons transactions entered into during the financial year ended 31 December 2019.

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 2019

	Chartering	Shipbuilding and ship repairs and maintenance	Discontinued Operation	Adjustments & Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	27,920	108,417	-	-	136,337
Inter-segment sales	326	26,700	-	(27,026)	-
Total revenue	28,246	135,117	-	(27,026)	136,337
Results					
Interest income	424	781	-	(224)	981
Dividend income	6,000	-	-	(6,000)	-
Depreciation	8,007	1,649	-	390	10,046
Impairment on inventories	-	530	-	-	530
Financial expenses	311	57	-	(224)	144
Other non-cash expenses	141	1,830	-	(1,839)	132
Segment profit	13,942	13,240	-	(7,221)	19,961
Assets and liabilities					
Additions to non-current assets	28,746	4,190	-	(10,647)	22,289
Goodwill	-	78	-	-	78
Segment assets	128,213	118,375	367	(16,483)	230,472
Segment liabilities	10,909	50,816	-	1,053	62,778

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

	Chartering	Shipbuilding and ship repairs and maintenance	Discontinued Operation	Adjustments & Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
Revenue					
Sales to external customers	24,728	82,540	-	-	107,268
Inter-segment sales	84	15,429	-	(15,513)	-
Total revenue	24,812	97,969	-	(15,513)	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 of property, plant & equipment and inventory	-	522	-	-	522
Financial expenses	502	49	-	(413)	138
Other non-cash expenses	144	3,305	-	(3,304)	145
Segment profit / (loss)	7,589	5,278	-	2,630	15,497
Assets and liabilities					
Additions to non-current assets	20,191	874	-	(1,843)	19,222
Goodwill	-	78	-	-	78
Segment assets	135,426	75,696	367	(4,744)	206,745
Segment liabilities	14,087	43,722	-	(3,279)	54,530

B) GEOGRAPHICAL SEGMENTS

	Revenue					
	Chartering		Shipbuilding and ship repairs and maintenance		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	4,395	8,755	5,155	28,363	9,550	37,118
Rest of South East Asia	23,525	15,480	75	110	23,600	15,590
Africa	-	-	76,914	48,286	76,914	48,286
Taiwan	-	-	13,545	-	13,545	-
Australia	-	-	9,393	5,078	9,393	5,078
Others	-	493	3,335	703	3,335	1,196
	27,920	24,728	108,417	82,540	136,337	107,268

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		
	2019	2018	+ / (-)
	\$'000	\$'000	%
Sales from continuing operations reported for first half-year	67,936	45,694	48.7
Profit for the year but before minority interests reported for the first half-year	8,365	5,658	47.8
Sales from continuing operations reported for second half-year	68,401	61,574	11.1
Profit for the year but before minority interests reported for the second-half year	11,049	7,924	39.4

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>3,852,971</u>	<u>2,752,122</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
25 February 2020