

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 Second Half And Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2020

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 2020

		6 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
		31/12/2020	31/12/2019		31/12/2020	31/12/2019	
		\$'000	\$'000		\$'000	\$'000	
			Reclassification			Reclassification	
Revenue	1	69,280	68,401	1.3	119,417	136,337	(12.4)
Cost of sales	2	(48,416)	(46,646)	3.8	(85,919)	(95,767)	(10.3)
Gross profit		20,864	21,755	(4.1)	33,498	40,570	(17.4)
Other operating income	3	4,207	2,478	69.8	10,043	6,084	65.1
Distribution costs		(20)	(205)	(90.2)	(195)	(284)	(31.3)
Administrative expenses		(10,712)	(9,484)	12.9	(20,960)	(19,223)	9.0
Other operating expenses	4	(3,617)	(4,492)	(19.5)	(7,168)	(8,039)	(10.8)
Finance cost		(189)	(39)	384.6	(263)	(128)	105.5
Interest income		218	463	(52.9)	409	981	(58.3)
Profit before tax		10,751	10,476	2.6	15,364	19,961	(23.0)
Income tax (expense) / credit		(1,456)	573	NM	(2,157)	(547)	294.3
Profit for the period / year		9,295	11,049	(15.9)	13,207	19,414	(32.0)
Attributable to:							
Owners of the company							
Profit for the period / year attributable to owners of the company		9,296	11,050	(15.9)	13,208	19,415	(32.0)
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		9,295	11,049	(15.9)	13,207	19,414	(32.0)

The comparative figures for the Group's cost of sales, administrative expenses and finance costs had been reclassified. The depreciation of right-of-use assets of \$275,000 and interest expenses on lease liabilities of \$16,000 in relation to lease of worker dormitories that were previously classified as administrative expense and finance costs respectively had been reclassified to cost of sales to provide a more meaningful comparison of costs.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	6 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
	31/12/2020	31/12/2019		31/12/2020	31/12/2019	
	\$'000	\$'000		\$'000	\$'000	
Profit for the period / year	9,295	11,049	(15.9)	13,207	19,414	(32.0)
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	(2,829)	18	NM	(921)	(524)	75.8
Foreign currency translation	(436)	(166)	162.7	(35)	(116)	(69.8)
	<u>(3,265)</u>	<u>(148)</u>	2106.1	<u>(956)</u>	<u>(640)</u>	49.4
Items that will not be reclassified subsequently to profit or loss						
Changes in fair value of equity investment at FVOCI	(486)	543	NM	(1,457)	-	NM
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(543)	(100.0)	-	(543)	(100.0)
	<u>(486)</u>	<u>0</u>	NM	<u>(1,457)</u>	<u>(543)</u>	168.3
Other comprehensive income for the period / year, net of tax	(3,751)	(148)	2434.5	(2,413)	(1,183)	104.0
Total comprehensive income for the period / year, net of tax	5,544	10,901	(49.1)	10,794	18,231	(40.8)
Total comprehensive income for the period / year attributable to:						
Owners of the company	5,545	10,902	(49.1)	10,795	18,232	(40.8)
Non-controlling interests	(1)	(1)	0.0	(1)	(1)	0.0
Total comprehensive income for the period / year	5,544	10,901	(49.1)	10,794	18,231	(40.8)

NOTES TO CONSOLIDATED INCOME STATEMENT

	<u>Group</u>		<u>Group</u>	
	<u>6 Months Ended</u>		<u>12 Months Ended</u>	
	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2020</u>	<u>31/12/2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Other income including interest income	4,425	2,941	10,452	7,065
Interest expense	(161)	(43)	(218)	(84)
Government grant for Covid-19 business support schemes provided by the Singapore government*	1,812	-	3,512	-
Depreciation of property, plant and equipment and right-of-use assets	(5,236)	(5,279)	(10,409)	(10,046)
Net foreign exchange gain / (loss)	260	(128)	312	(855)
Gain on disposal of property, plant and equipment*	1,642	1,642	5,328	4,030
Reversal of impairment / (impairment) on inventory	20	(530)	20	(530)
Property, plant and equipment written off	(19)	(9)	(19)	(9)
(Allowance) / reversal of allowance for doubtful trade receivable	(321)	42	(321)	141

* 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 refers to 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.

Refer to Note 8 for additional information.

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 2020**

	Group		+ / (-) %	Company		+ / (-) %
	31/12/2020 \$'000	31/12/2019 \$'000		31/12/2020 \$'000	31/12/2019 \$'000	
Equity attributable to owners of the Company						
Share capital	94,943	94,943	0.0	94,943	94,943	0.0
Reserves	79,696	72,754	9.5	26,003	24,481	6.2
Non-controlling interest	(4)	(3)	33.3	-	-	NM
Total equity	174,635	167,694	4.1	120,946	119,424	1.3
Non-current assets						
Intangible asset	78	78	0.0	-	-	NM
Property, plant and equipment	100,451	82,174	22.2	1,606	3,027	(46.9)
Right-of-use assets	8,984	2,253	298.8	727	1,653	(56.0)
Investments in subsidiaries	-	-	NM	19,551	18,390	6.3
Loan to a subsidiary	-	-	NM	70,837	70,837	0.0
Quoted investment	3,157	5,157	(38.8)	3,157	5,157	(38.8)
Other investments	-	-	NM	-	-	NM
Other receivable	2,345	124	1,791.1	-	-	NM
Current assets						
Inventories	57,344	42,008	36.5	-	-	NM
Trade receivables	10,120	13,139	(23.0)	1,798	1,906	(5.7)
Other receivables and deposits	12,692	14,469	(12.3)	363	487	(25.5)
Contract assets	1,695	3,268	(48.1)	-	156	(100.0)
Prepayments	409	577	(29.1)	96	150	(36.0)
Loan to subsidiaries	-	-	NM	34,886	24,330	43.4
Short-term deposits	4,201	34,885	(88.0)	-	10,227	(100.0)
Cash and bank balances	35,775	25,018	43.0	7,175	1,098	553.5
	122,236	133,364	(8.3)	44,318	38,354	15.5
Assets classified as held for sale	-	7,322	(100.0)	-	1,412	(100.0)
	122,236	140,686	(13.1)	44,318	39,766	11.4
Current liabilities						
Trade payables	18,767	16,038	17.0	-	193	(100.0)
Other payables and accruals	22,309	37,543	(40.6)	2,328	3,008	(22.6)
Provisions	483	522	(7.5)	-	193	(100.0)
Contract liabilities	776	1,042	(25.5)	428	93	360.2
Deferred revenue	500	-	NM	124	-	NM
Provision for income tax	2,209	1,427	54.8	518	335	54.6
Lease liabilities	1,350	1,292	4.5	765	897	(14.7)
Term loan	958	83	1,054.2	958	-	NM
Deposit from subsidiaries	-	-	NM	8,896	11,724	(24.1)
	47,352	57,947	(18.3)	14,017	16,443	(14.8)
Net current assets	74,884	82,739	(9.5)	30,301	23,323	29.9
Non-current liabilities						
Deferred tax liabilities	2,219	2,075	6.9	132	568	(76.8)
Provisions	1,765	1,726	2.3	1,604	1,604	0.0
Lease liabilities	7,783	1,030	655.6	-	791	(100.0)
Term loan	3,497	-	NM	3,497	-	NM
Net Assets	174,635	167,694	4.1	120,946	119,424	1.3

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.
- 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.

Refer to Note 8 for additional information.

1(b)(ii)

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured*	Secured	Unsecured*
\$'000	\$'000	\$'000	\$'000
-	2,308	83	1,292

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured*	Secured	Unsecured*
\$'000	\$'000	\$'000	\$'000
-	11,280	-	1,030

Details of any collateral

Not applicable

* The unsecured amounts include:

- \$5 million unsecured term loan under Enterprise Singapore's Temporary Bridging Loan Programme (TBLP). As announced in the Solidarity Budget 2020, eligible enterprises may borrow up to \$5 million under the TBLP, with the interest rate capped at 3% p.a.
- 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 2020**

	Group		Group	
	6 Months Ended		12 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	10,751	10,476	15,364	19,961
Adjustments:				
Depreciation of property, plant and equipment and right-of-use assets	5,236	5,279	10,409	10,046
Gain on disposal of property, plant and equipment	(1,642)	(1,642)	(5,328)	(4,030)
Property, plant and equipment written off	19	9	19	9
Interest expense	161	43	218	84
Interest income	(218)	(463)	(409)	(981)
Allowance / (reversal of allowance) for doubtful trade receivable	321	(42)	321	(141)
Allowance for doubtful other receivable	-	-	-	-
(Reversal of impairment) / impairment on inventory	(20)	530	(20)	530
Provision for employee retirement benefits	45	32	45	33
Net fair value loss on derivatives	-	3	-	163
Provision of warranty claims on shipbuilding contracts, net	254	102	333	483
Currency alignment	384	(24)	(1,280)	17
	<u>15,291</u>	<u>14,303</u>	<u>19,672</u>	<u>26,174</u>
Operating cash flows before changes in working capital				
Inventories	5,967	(18,372)	(15,900)	(21,930)
Trade receivables	385	5,974	2,698	6,932
Other receivables, deposits and prepayments	4,461	4,867	(322)	1,649
Contract assets	(356)	9,058	1,573	11,544
Trade payables	(1,288)	(3,142)	2,729	(2,047)
Other payables and accruals	(15,458)	8,613	(14,691)	13,210
Provision	(286)	(145)	(372)	(157)
Contract liabilities	(3,669)	(2,911)	(266)	(3,673)
Deferred revenue	(231)	-	500	(178)
	<u>4,816</u>	<u>18,245</u>	<u>(4,379)</u>	<u>31,524</u>
Cash from / (used in) operations				
Interest paid	(161)	(43)	(218)	(84)
Interest received	218	463	409	981
Income taxes paid, net	(877)	(596)	(1,171)	(1,832)
	<u>3,996</u>	<u>18,069</u>	<u>(5,359)</u>	<u>30,589</u>
Net cash generated from / (used in) operating activities				
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	10,399	5,129	21,762	13,700
Additions to property, plant and equipment	(27,732)	(10,644)	(36,092)	(22,289)
	<u>(17,333)</u>	<u>(5,515)</u>	<u>(14,330)</u>	<u>(8,589)</u>
Net cash used in investing activities				
Cash flows from financing activities				
Proceed from term loan	-	-	5,000	-
Repayment of term loans	(468)	(500)	(628)	(1,000)
(Increase) / decrease in pledged deposits with licensed banks	(1,405)	139	(1,883)	(1,139)
Payment of principal portion of lease liabilities	(842)	(486)	(1,467)	(765)
Dividend paid	-	-	(3,853)	(2,752)
	<u>(2,715)</u>	<u>(847)</u>	<u>(2,831)</u>	<u>(5,656)</u>
Net cash used in financing activities				
Net (decrease) / increase in cash and cash equivalents	<u>(16,052)</u>	<u>11,707</u>	<u>(22,520)</u>	<u>16,344</u>
Effect of exchange rate change on cash and cash equivalents	<u>(1,173)</u>	<u>(120)</u>	<u>710</u>	<u>(200)</u>
Cash and cash equivalents at beginning of period / year	<u>52,565</u>	<u>45,563</u>	<u>57,150</u>	<u>41,006</u>
Cash and cash equivalents at end of period / year	<u>35,340</u>	<u>57,150</u>	<u>35,340</u>	<u>57,150</u>

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 2020**

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 2020	94,943	(10,079)	82,833	167,697	(3)	167,694
Profit for the period	-	-	3,912	3,912	-	3,912
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	1,908	-	1,908	-	1,908
Foreign currency translation	-	401	-	401	-	401
Change in fair value of equity investment at FVOCI	-	(971)	-	(971)	-	(971)
Other comprehensive income for the period, net of tax	-	1,338	-	1,338	-	1,338
Total comprehensive income for the period	-	1,338	3,912	5,250	-	5,250
<u>Contributions by and distributions to owners</u>						
Dividend paid	-	-	(3,853)	(3,853)	-	(3,853)
Total contributions by and distributions to owners	-	-	(3,853)	(3,853)	-	(3,853)
Closing balance as at 30 June 2020	94,943	(8,741)	82,892	169,094	(3)	169,091
Profit for the period	-	-	9,296	9,296	(1)	9,295
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(2,829)	-	(2,829)	-	(2,829)
Change in fair value of equity investment at FVOCI	-	(486)	-	(486)	-	(486)
Foreign currency translation	-	(436)	-	(436)	-	(436)
Other comprehensive income for the period, net of tax	-	(3,751)	-	(3,751)	-	(3,751)
Total comprehensive income for the period	-	(3,751)	9,296	5,545	(1)	5,544
Closing balance as at 31 December 2020	94,943	(12,492)	92,188	174,639	(4)	174,635

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	-	-	8,365	8,365	-	8,365
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	(542)	-	(542)	-	(542)
Foreign currency translation	-	50	-	50	-	50
Change in fair value of equity investment at FVOCI	-	(543)	-	(543)	-	(543)
Other comprehensive income for the period, net of tax	-	(1,035)	-	(1,035)	-	(1,035)
Total comprehensive income for the period	-	(1,035)	8,365	7,330	-	7,330
<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 June 2019	94,943	(9,931)	71,783	156,795	(2)	156,793
Profit for the period	-	-	11,050	11,050	(1)	11,049
<u>Other comprehensive income</u>						
Net effect of exchange differences arising on quasi capital non-trade amount due from subsidiaries	-	18	-	18	-	18
Foreign currency translation	-	(166)	-	(166)	-	(166)
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(543)	-	(543)	-	(543)
Change in fair value of equity investment at FVOCI	-	543	-	543	-	543
Other comprehensive income for the period, net of tax	-	(148)	-	(148)	-	(148)
Total comprehensive income for the period	-	(148)	11,050	10,902	(1)	10,901
Closing balance as at 31 December 2019	94,943	(10,079)	82,833	167,697	(3)	167,694

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total Equity \$'000
Opening balance as at 1 January 2020	94,943	(3,386)	27,867	119,424
Profit for the period	-	-	1,782	1,782
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	(971)	-	(971)
Total comprehensive income for the period	-	(971)	1,782	811
<u>Contributions by and distributions to owners</u>				
Dividend paid	-	-	(3,853)	(3,853)
Total contributions by and distributions to owners	-	-	(3,853)	(3,853)
Closing balance as at 30 June 2020	94,943	(4,357)	25,796	116,382
Profit for the period	-	-	5,050	5,050
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	(486)	-	(486)
Other comprehensive income for the period, net of tax	-	(486)	-	(486)
Total comprehensive income for the period	-	(486)	5,050	4,564
Closing balance as at 31 December 2020	94,943	(4,843)	30,846	120,946

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

Company	Share capital \$'000	Other reserve \$'000	Revenue reserve \$'000	Total \$'000
Balance as at 1 January 2019	94,943	(2,843)	23,411	115,511
Profit for the period	-	-	691	691
<u>Other comprehensive income</u>				
Change in fair value of equity investment at FVOCI	-	(543)	-	(543)
	-	(543)	-	(543)
Total comprehensive income for the period	-	(543)	691	148
<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 June 2019	94,943	(3,386)	21,350	112,907
Profit for the period	-	-	6,517	6,517
<u>Other comprehensive income</u>				
Issue of Management Award Shares as per the investment agreement with respect to Marco Polo Marine Limited	-	(543)	-	(543)
Change in fair value of equity investment at FVOCI	-	543	-	543
	-	-	-	-
Total comprehensive income for the period	-	-	6,517	6,517
Closing balance as at 31 December 2019	94,943	(3,386)	27,867	119,424

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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	
	31/12/2020	31/12/2019
Balance as at 1 January	220,169,774	220,169,774
Issue of shares	-	-
Balance as at 31 December	<u>220,169,774</u>	<u>220,169,774</u>

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

There are no treasury shares as at end of the financial year ended 31 December 2020.

- 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 modifications 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 2020, which have been prepared in accordance with the accounting policies and methods of computation set out in the 2019 audited accounts.

- 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 per ordinary share for the period / year based on profit attributable to shareholders after deducting any provision for preference dividends:-	Group			
	6 Months Ended		12 Months Ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	Cents	Cents	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue (cts)	4.22	5.02	6.00	8.82
(ii) On a fully diluted basis (cts)	4.22	5.02	6.00	8.82

Profit per ordinary share for 2H2020 was calculated based on the weighted average number of shares of 220,169,774 (2H2019 was 220,169,774).

Earnings per ordinary share for the year ended 31 December 2020 was calculated based on the weighted average number of shares of 220,169,774 (year ended 31 December 2019 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on the issued share capital at the end of period (cts)	79.32	76.17	54.93	54.24

Net asset value per ordinary share was calculated based on the number of shares at 31 December 2020 (220,169,774 shares) and 31 December 2019 (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

In FY2020, the Group's business was negatively affected by the Covid-19 pandemic and weak oil prices. Demand for new vessels has weakened and crewboat charter rates and utilisation rates has fallen.

In FY2020, the Group delivered 27 new vessels, of which 14 were built for stock and chartering, and 13 were built to order.

The build-to-order deliveries in FY2020 included one windfarm Crew Transfer Vessel and one windfarm Service Accommodation and Transfer Vessel for an owner-operator in Taiwan.

Review of Group's performance
For the half year ended 31 December 2020 (2H2020)

Revenue	2H2020	2H2019	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	58,481	53,278	9.8%
Chartering	10,799	15,123	-28.6%
Total	69,280	68,401	1.3%

Revenue in 2H2020 was \$69.3 million, an increase of 1.3% from 2H2019. The increase was due mainly to an increase in the number of stock vessels sold, and was offset by a decrease in chartering activities over the period.

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

The increase in other operating income in 2H2020 compared with 2H2019 was due mainly Covid-19 business support schemes provided by the Singapore government amounting to \$1.8 million in 2H2020.

The increase in administrative expenses was due mainly to higher personnel cost arising from an increase in headcount and wages and an increase in depreciation of right-of-use assets arising from an additional yard lease.

The decrease in other operating expenses was due mainly to a net foreign exchange gain of \$260,000, compared to a net foreign exchange loss of \$128,000.

The increase in income tax expense was due mainly to lower R&D tax incentives.

As a result of the above, the Group posted a lower net profit of \$9.3 million in 2H2020, compared to a net profit of \$11.0 million in 2H2019.

For the 12 months ended 31 December 2020 (FY2020)

Revenue	FY2020	FY2019	+ / (-)
	\$'000	\$'000	%
Shipbuilding, ship repair and maintenance	97,743	108,417	-9.8%
Chartering	21,674	27,920	-22.4%
Total	119,417	136,337	-12.4%

FY2020 revenue was \$119.4 million, a decrease of 12.4% from FY2019. The decline was due mainly to fewer stocks vessels sold and a decrease in chartering activities over the period.

The decrease in cost of sales corresponded to fewer stock vessels sold and a reduction in chartering activities.

FY2020 gross profit was \$33.5 million, a decrease of 17.4% from FY2019. The decrease was due mainly to lower contribution from shipbuilding and chartering activities over the period.

The increase in other operating income in FY2020 compared with FY2019 was due mainly to higher gains from the sale of more vessels from the Group's operating fleet, as well as Covid-19 business support schemes provided by the Singapore government amounting to \$3.5 million in FY2020.

The increase in administrative expenses was due mainly to higher personnel cost arising from an increase in headcount and wages and an increase in lease rental and depreciation of right-of-use assets arising from an additional yard lease.

The decrease in other operating expenses was due mainly to a net foreign exchange gain of \$312,000, compared to a net foreign exchange loss of \$855,000 in FY2019.

The increase in income tax expense was due mainly to lower R&D tax incentives.

As a result of the above, the Group posted a net profit of \$13.2 million in FY2020, compared to a net profit of \$19.4 million in FY2019.

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 arising from an additional yard lease.

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

The net increase in other receivables (non-current) and other receivables and deposits was due mainly to an increase in other receivable for fleet sold under deferred payment arrangement.

The net decrease 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 working capital increase in inventories was due mainly to more vessels under construction.

The net cash of \$5.4 million used in operating activities was used mostly in shipbuilding activities.

The net cash of \$14.3 million used in investing activities arose from the addition of new vessels to the fleet, investment in a new shipyard in Tuas and upgrading of shipbuilding facilities in Batam. This was partially offset by the sale of vessels from the Group's operating fleet.

The net cash of \$2.8 million used in financing activities was used for the repayment of a term loan, a dividend payment as approved by the Company's shareholders at its Annual General Meeting held on 29 May 2020, payment of the principal portion of lease liabilities and pledged deposits with licensed banks. This was offset by the draw down of a \$5 million unsecured term loan under Enterprise Singapore's Temporary Bridging Loan Programme (TBLP).

As a result of the above cash movements, the Group's cash and cash equivalents decreased to \$35.3 million as at 31 December 2020, from \$57.2 million as at 31 December 2019.

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.

As of the date of this announcement, Penguin's core shipbuilding and crewboat chartering businesses have been negatively affected by the Covid-19 pandemic and slumping oil prices. As of the date of this announcement, demand for new vessels has weakened and crewboat charter rates and utilisation rates have fallen year-on-year.

To conserve cash, the Group has either halted or slowed down some of its uncommitted build-for-stock vessels. All committed build-for-stock and build-to-order vessels are being completed as scheduled.

As previously announced, the Group has completed the acquisition of 21 Tuas Road and is currently developing the yard to serve as Penguin's new shipbuilding base in Singapore for the next 20 years or more. The upgrading of shipbuilding facilities in Batam is underway and is expected to be completed in 1H2021.

As of the date of this announcement, out of the Group's key market segments, offshore wind (windfarm boats) remains fairly resilient, offshore oil and gas (crewboats) and maritime protection (security vessels) have weakened but stabilised, and there is a slow pick up in tourism (passenger ferries).

Notwithstanding the challenges, the Group is still working hard to secure new build-to-order projects across various market segments, as it expands its geographical reach.

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

Name of Dividend: Final
Dividend Type: Cash
Amount per share (in cents) 1.75 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).

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 29 May 2020 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 2020.

There were no significant interested persons transactions entered into during the financial year ended 31 December 2020.

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 2020

	Chartering	Shipbuilding and ship repairs and maintenance	Discontinued Operation	Adjustments & Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	21,674	97,743	-	-	119,417
Inter-segment sales	226	13,342	-	(13,568)	-
Total revenue	21,900	111,085	-	(13,568)	119,417
Results					
Interest income	366	302	-	(259)	409
Dividend income	6,000	-	-	(6,000)	-
Depreciation	(7,580)	(2,348)	-	(481)	(10,409)
Reversal of impairment on inventories	-	20	-	-	20
Financial expenses	(224)	(298)	-	259	(263)
Other non-cash expenses	-	1,061	-	(1,400)	(339)
Segment profit	9,296	11,846	-	(5,778)	15,364
Assets and liabilities					
Additions to non-current assets	30,975	8,771	-	(230)	39,516
Goodwill	-	78	-	-	78
Segment assets	112,690	145,892	367	(21,698)	237,251
Segment liabilities	13,629	58,466	-	(9,479)	62,616

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 of property, plant & equipment and inventory	-	(530)	-	-	(530)
Financial expenses	(311)	(41)	-	224	(128)
Other non-cash expenses	(141)	(1,830)	-	1,839	(132)
Segment profit / (loss)	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	127,935	118,375	367	(16,205)	230,472
Segment liabilities	16,618	50,816	-	(4,656)	62,778

B) GEOGRAPHICAL SEGMENTS

	Revenue					
	Chartering		Shipbuilding and ship repairs and maintenance		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	3,723	4,395	2,502	17,918	6,225	22,313
Rest of South East Asia	17,855	23,525	42	75	17,897	23,600
Africa	96	-	62,142	76,914	62,238	76,914
Taiwan	-	-	15,543	782	15,543	782
Europe	-	-	5,805	-	5,805	-
Others	-	-	11,709	12,728	11,709	12,728
	21,674	27,920	97,743	108,417	119,417	136,337

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		
	2020	2019	+ / (-)
	\$'000	\$'000	%
Sales from continuing operations reported for first half-year	50,137	67,936	(26.2)
Profit for the year but before deducting non-controlling interest reported for the first half-year	3,912	8,365	(53.2)
Sales from continuing operations reported for second half-year	69,280	68,401	1.3
Profit for the year but before deducting non-controlling interest reported for the second-half year	9,295	11,049	(15.9)

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>0</u>	<u>3,852,971</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
14 February 2021