



PENGUIN INTERNATIONAL LIMITED

(Company Registration Number: 197600165Z)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Penguin International Limited (the “**Company**”, and together with its subsidiaries, the **Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 27 February 2020 in relation to the Company’s announcement on its Unaudited Fourth Quarter And Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2019 dated 25 February 2020 (“FY2019 Financial Statements”) and would like to set out its responses to the queries as follows:

SGX-ST’s Query:

1. With reference to the unaudited financial statements for the year ended 31 December 2019, please provide the breakdown for the Group’s other receivables and deposits (current) amount of \$14,004,000 and \$7,705,000 for the year ended 31 December 2019 and 31 December 2018 respectively.

The Company’s response:

The breakdown of the group’s other receivables and deposits (current) for the year ended 31 December 2019 and 31 December 2018 are as follows:

	FY2019 \$'000	FY2018 \$'000
Other receivables	529	913
Other receivables for fleet vessels sold under deferred payment arrangements ¹	4,131	1,601
Advance payment to suppliers	8,051	4,372
Deposits paid	598	401
Insurance claims	695	418
	<u>14,004</u>	<u>7,705</u>

Note 1:

These amounts are secured against the vessels, bear interest ranging from 4.35% to 6.30% and are repayable through monthly instalments. The arrangements will end between 2020 and 2021. The amounts due within the next 12 months are recorded under “current assets – other receivables for fleet vessels sold under deferred payment arrangements”.

The increase in “current assets – other receivables for fleet vessels sold under deferred payment arrangements” was due mainly to the reclassification of amounts previously reflected as “non-current assets – other receivables” that became due within the next 12 months and were hence no longer considered as “non-current”.

SGX-ST’s Query:

- 2. It is disclosed on page 17 of the unaudited financial statements that, the decrease in trade receivables was due mainly to differences in payment arrangements and timing of collections during the period. Please provide further elaboration on the factors which contributed to the Group’s decrease in trade receivables from \$20,200,000 for the year ended 31 December 2018 to \$13,604,000 for the year ended 31 December 2019.

The Company’s response:

The decrease in trade receivables was due mainly to billings in respect of build-to-order and build-for-stock projects delivered towards end 2018. These amounts were fully received in FY2019.

SGX-ST’s Query:

- 3. Please provide the breakdown for the Group’s other payables and accruals (current) amount of \$37,543,000 and \$23,790,000 for the year ended 31 December 2019 and 31 December 2018 respectively.

The Company’s response:

The breakdown for the Group’s other payables and accruals (current) for the year ended 31 December 2019 and 31 December 2018 are as follows:

	FY2019	FY2018
	\$'000	\$'000
Accrued operating expenses	20,902	17,279
Advance payments and deposits received	14,557	5,641
Advance billings	3	18
Other payables	2,081	852
	37,543	23,790

SGX-ST’s Query:

- 4. Please provide an explanation for the Group’s decrease in trade payables from S\$18,085,000 for the year ended 31 December 2018 to S\$16,038,000 for the year ended 31 December 2019.

The Company’s response:

The decrease in trade payables was due mainly to the timing of billing from vendors in which the costs were captured under accrued operating expenses in end 2019. There is no change in the nature of the Group’s business.

BY ORDER OF THE BOARD

James Tham Tuck Choong
Managing Director
2 March 2020