



PENGUIN BOAT INTERNATIONAL LTD
(Company Registration No. 197600165Z)

FOR IMMEDIATE RELEASE

Penguin's FY2007 net profit rises to \$7.8 million

- **Net profit up 563% year-on-year to \$7.8 million**
- **Cash on hand rises 197% year-on-year to \$58 million**
- **Record shipbuilding contracts of US\$69 million secured in FY07**
- **Penguin's global expansion taking root, led by the Middle East**

Singapore, 26 February 2008 – Penguin Boat International Limited (“Penguin” or the “Group”) - an integrated marine and offshore services company specializing in the construction, repair, operation and trading of high-speed commercial and offshore vessels - has posted a 563% year-on-year surge in net profit to \$7.8 million or 1.98 cents per ordinary share on a fully diluted basis for the financial year ended 31 December 2007 – a record for the 32-year-old homegrown shipping company.

An interim dividend of 2.5 cents per share amounting to S\$9 million has been declared and paid to shareholders in November 2007 to utilize the tax franking credits benefit. Even with this payout, the Group still ends the financial year with a healthy cash on hand of \$58 million.

The improved earnings in FY07 were buoyed by a 46% jump in Group turnover to \$81.3 million, attributable mostly to a rise in offshore and ferry charters, strategic vessel and property sales, as well as increased shipyard orders.

Over the period, offshore charters rose 52% year-on-year to \$15.4 million, ferry charters rose 18% to \$14.5 million and shipbuilding revenue rose 190% to \$29.3 million.

The positive Group results were hampered by declining passenger loads in Penguin's ferry ticketing business and continued weakness of the US Dollar.

Commenting on the results, Penguin's Chairman and founder Mr. Heng Kheng Seng said, "The record net profit affirms our restructuring program that commenced in late 2004 and arose from the collective efforts of our Group of companies."

"We are actively mobilizing our vessels to markets that command higher charter rates and we are selling some vessels to revitalize and renew our fleet of vessels via new build or purchase new units," said Mr. Heng. "Penguin is no longer just a local ferry operator, we are now a global marine and offshore service provider with a stable and diverse revenue stream."

In addition, Penguin generated \$17.8 million in cash from operating activities, up 163% from a year earlier; and \$20.8 million in investing and financing activities, which includes \$25 million in proceeds from a \$30-million convertible bond and the sale of assets worth \$35.3 million.

As a result of the successful completion of the convertible bond issue in the middle of FY2007, the total number of ordinary shares increased from 283.5 million to 440.4 million in FY07.

The Group sold its leasehold shipyard on 11 Tuas Crescent for \$6 million. The Group previously owned two yards in Singapore which were not adjacent to each other. There was therefore, previously; a 100% duplication of resources in some cases. This sale has rationalized that with the equipments mobilized to the Indonesia Yard in Batam.

During the year, Penguin also sold nine vessels worth \$27.5 million to third-party ship owners, including two newbuild aluminium crewboats worth about \$7 million each. This compares with 5 vessels sold in FY06 worth \$2.2 million.

Penguin has also invested \$29.5 million to acquire new vessels such as anchor handling towing and supply vessels ("AHTS") and crew boats, as part of a fleet renewal program.

Overall highlights	FY2007 S\$ '000	FY2006 S\$ '000	Change
Revenue	81,284	55,684	+46%
Gross Profit	25,999	21,729	+20%
Profit After Tax	7,791	1,175	+563%
Cash on Hand	58,266	19,612	+197%
Earnings Per Share	1.98 cents	0.45 cents	+340%
Net Asset Value Per Share	20.72 cents	23.57 cents	-12%

Outlook for FY2008

In FY08, Penguin expects an increase in shipbuilding orders and charter income, and the continuing strategic sale of vessels as part of the Group's fleet renewal program.

Pelican Offshore Services Pte. Ltd., a wholly-owned subsidiary of Penguin, expects to take delivery of its third AHTS to join its fleet of two AHTS and five crewboats during the course of the year. Pelican's second AHTS, "Pelican Quest", commenced a two-year charter with Saudi Aramco in the Middle East earlier this month. Pelican is in negotiation with shipyards and owners to acquire more AHTS.

Over in Dubai, Penguin Marine Boat Services (LLC) ("PMBS") - a 49-51 joint venture owned respectively by PMOS and local partner DEMAT Group - is planning to mobilize more workboats from the existing Penguin fleet to support offshore reclamation activities in the UAE. Currently, PMBS has four Penguin workboats supporting the joint venture, and it expects to mobilize an additional four units to the Middle East by the middle of 2008.

PMBS is also managing a fleet of 10 Waterbuses along Dubai Creek on behalf of the emirate's Roads and Transport Authority. With this inroad last year, the Group is targeting other opportunities in the region.

Penguin Shipyard International Pte. Ltd ("PSI"), a wholly-owned subsidiary of Penguin, expects to build on its strong order book, after garnering a record US\$69 million worth of new orders in FY07, compared to US\$12 million in FY06.

"Moving forward, we will continue to expand our business globally as we explore different kinds of cooperation, including acquisitions, joint ventures and alliances," said Mr. Heng. "To facilitate this, the Group's operating units will be rationalized this year to allow the proper focus to take place."

"All this points to a new strategic thrust in the Groups business models. To reflect this, the Directors will seek the shareholders' approval in the coming Shareholders' Meeting to change its name from Penguin Boat International Limited to Penguin International Limited as the word "Boat" in the current name is too limiting in our expectation and our reach."

"The Group has also changed its long standing logo to the current "flying" Penguin" in FY2007, Mr. Heng added; "so a name change to go along with logo is only fitting."

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Penguin Boat International Limited is an integrated offshore and marine services group based in Singapore. We specialize in the construction, repair, operation and trading of high-speed commercial and offshore vessels. Our group owns and operates a fleet of over 60 vessels, and we run shipyards in Singapore and Batam, Indonesia, with a combined land area of close to 60,000 square metres. Our services include high-speed passenger and cargo transportation, ship repair and shipbuilding, industrial services, offshore charters and bunkering.

Issued for and on behalf of Penguin Boat International Limited.

By Financial PR Pte Ltd

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