

PROPOSED PLACEMENT (THE "PLACEMENT") OF UP TO 88,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF PENGUIN INTERNATIONAL LIMITED ("PLACEMENT SHARES")

1. INTRODUCTION

The Board of Directors (the "**Board**") of Penguin International Limited (the "**Company**") wishes to announce that the Company intends to offer 88,000,000 Placement Shares for subscription by way of private placement.

2. PROPOSED PLACEMENT

2.1 Principal Terms of the Placement

In connection with the Placement, the Company has on 3 July 2008 entered into a placement agreement (the "**Placement Agreement**") with the persons set out in paragraph 3 of this announcement (the "**Placees**") for the purposes of the Placement.

The Placees have in aggregate agreed to subscribe for up to a total of 88,000,000 Placement Shares on the terms and subject to the conditions of the Placement Agreement. The subscription price for each of the Placement Shares will be at S\$0.157 per Placement Share (the "**Placement Price**").

An Offer Information Statement which complies as to form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, will be lodged with the Monetary Authority of Singapore in conjunction with the Placement.

The Placement Price is the volume-weighted average price of the ordinary shares of the Company (the "**Shares**") for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 3 July 2008 (being the last market day on which trades were carried out before the Placement Agreements were signed).

The Placement Shares when issued represent approximately 20% of the issued share capital of the Company as at the date of this announcement and will represent approximately 16.7% of the enlarged issued share capital of the Company after the issue of the Placement Shares.

The Placement Shares when subscribed for are allotted and issued pursuant to the general shareholders' mandate to issue shares passed at the Company's annual general meeting on 28 April 2008. Upon issue and allotment, the Placement Shares shall rank *pari passu* in all respects with the existing Shares.

The Placement Agreement is conditional upon the approval by the SGX-ST of an application made by the Company for the listing and quotation of the Placement Shares.

2.2 Use of Proceeds

The net proceeds from the Placement, after deducting estimated expenses pertaining to the Placement is estimated to be approximately S\$13.796 million.

The Company intends to use the net proceeds from the Placement for working capital purposes of the Company and its subsidiaries.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may, in their absolute discretion, deem fit.

There is no minimum amount that must be raised in this Placement.

2.3 Financial Effect

As at the date of this announcement, the issued share capital of the Company is S\$75,464,810 divided into 440,414,442 Shares (the "Existing Share Capital"). Upon completion of the Placement, the issued share capital of the Company will increase to S\$89,280,810 divided into 528,414,442 issued Shares. The Placement Shares will represent approximately 16.7%% of the enlarged issued share capital of the Company immediately after the completion of the Placement.

Based on the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2007 in the Company's annual report 2007 (the "FY2007 Audited Consolidated Financial Statements"), the net asset value per Share of the Group was approximately 20.72 cents as at 31 December 2007.

Based on the FY2007 Audited Consolidated Financial Statements and after adjusting for the placement of the current Placement, the Group's net asset value per Share would be approximately 19.88 cents

3. PLACEES

The Placees identities are as set out below:

S/N	Name of end-peece(s)
1.	Cheong Kit Chong
2.	Fok Weng Kit
3.	Hing Yih Peir
4.	Lim You Moy
5.	Low Suet Cheng Esther
6.	Lu Pek Pan
7.	Ong Kheng Chye
8.	Phooi Peck Lye
9.	Seow Kok Beng
10.	Tan Bee Leng
11.	Tan Tiong Seng
12.	Yeow Chee Seng

4. APPROVALS

The Placement is subject to, *among other things*, :

- (i) receipt of an in-principle approval of the SGX-ST for the listing of quotation of the the Placement Shares on the SGX-ST; and
- (ii) the lodgment of the Offer Information Statement for the Placement with the MAS.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors (other than in his capacity as director or shareholder of the Company) or substantial shareholder of the Company has any interest, direct or indirect, in the Placement.

6. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

FOR AND ON BEHALF OF THE BOARD

Tung May Fong
Finance & Administration Director
3 July 2008