



**PENGUIN BOAT INTERNATIONAL LIMITED (the “Company”)  
(Incorporated in the Republic of Singapore)  
(Company Registration No.197600165Z)**

**PROPOSED: (1) CHANGE OF NAME OF THE COMPANY FROM PENGUIN BOAT INTERNATIONAL LIMITED TO PENGUIN INTERNATIONAL LIMITED; (2) PENGUIN SHARE PERFORMANCE PLAN; (3) SHARE BUY BACK MANDATE; AND (4) AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, AND APPROVAL IN PRINCIPLE FROM THE SINGAPORE EXCHANGE SECURITIES LIMITED OF THE APPLICATION FOR THE LISTING AND QUOTATION OF NEW ORDINARY SHARES THAT MAY BE ISSUED PURSUANT TO THE PROPOSED PENGUIN SHARE PERFORMANCE PLAN.**

The Directors of the Company are pleased to announce the following proposals: 1) change the name of the Company from Penguin Boat International Limited to Penguin International Limited; 2) adopt a Share Performance Plan; 3) adopt a Share Buy-Back Mandate; and 4) amend the Articles of Association of the Company.

**(1) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM PENGUIN BOAT INTERNATIONAL LIMITED TO PENGUIN INTERNATIONAL LIMITED**

To reflect the change in the business and operations of the Company, the Company proposes to change its name to **“PENGUIN INTERNATIONAL LIMITED”**.

**(2) THE PROPOSED PENGUIN SHARE PERFORMANCE PLAN (the “Penguin SPP”)**

The rationale for the PENGUIN SPP is to attract top talent and retain top performing Key Executives of the Group. The objectives of the PENGUIN SPP are to: (a) motivate Key Executives to achieve higher performance targets; (b) encourage greater dedication and loyalty to the Company through a culture of ownership; and (c) align reward and recognition of the individual to the performance of the Group.

Awards granted under the PENGUIN SPP are generally performance based with elements of pre-determined key performance indexes (as defined in the Circular) to be achieved by the Key Executives selected as Participants. All Key Executives shall be eligible to participate in the PENGUIN SPP at the absolute discretion of the Remuneration Committee, subject to the following requirements:-

- a) shall have been employed by the Group for a period of at least 6 months (defined in Appendix 1, Rules of the PENGUIN SPP), or such other period as the Remuneration Committee may determine;

- b) shall have attained the age of 21 years on Award Date (defined in Appendix 1, Rules of the PENGUIN SPP);
- c) shall have not been undischarged bankrupts and have not entered into composition with their respective creditors; and
- d) in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group.

The selection of the Participant and the number of the Shares comprised under each Award shall be determined at the absolute discretion of the Remuneration Committee in accordance with the Proposed Rules, taking into account the Participant's rank, performance, length of service, contribution and the achievements made within the period under review

### **(3) THE PROPOSED SHARE BUY BACK MANDATE**

The Directors are of the view that the Company should constantly strive to increase Shareholders' value and to improve, *inter alia*, the return on equity ("ROE") of the Group. Share Buy Back, at the appropriate price level, is one of the ways through which the ROE of the Group may be enhanced.

The Share Buy Back Mandate will likewise enable the Directors to return part of the Group's surplus funds, in excess of the financial and possible investments needs of the Group, to the Shareholders. It is an expedient, cost-efficient way of returning surplus cash to the Shareholders.

Pursuant to the terms of the proposed PENGUIN SPP, the Company may purchase or acquire from the market for the purpose of the Awards.

The maximum number of Shares which are issued and fully paid may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the Extraordinary General Meeting.

### **(4) THE PROPOSED AMENDMENT TO ARTICLE 87 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

In line with conventional practice, it is proposed to amend the Articles of Association by deleting Article 87 in its entirety.

Article 87 shall be replaced with the following text:

*"A Managing Director (or any director holding an equivalent appointment) shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the company, and if he ceases to hold the office of director he shall ipso facto and immediately cease to be a Managing Director save so far as otherwise expressly provided by the agreement (if any) under which he holds the office."*

### **APPROVAL IN PRINCIPLE**

The Directors of the Company are likewise pleased to announce that the Singapore Exchange Securities Limited ("SGX-ST") has on 11 February 2008 given its clearance to the draft circular to be sent to shareholders in relation to (1) the proposed change of name of the Company from Penguin Boat

International Limited to Penguin International Limited (2) the proposed Penguin SPP (3) the proposed share buy back mandate; and (4) the proposed amendment to the Articles of Association of the Company subject to the shareholders' approval being obtained at the forthcoming Extraordinary General Meeting to be held.

The SGX-ST has also given on 11 February 2008 its in principle approval to the listing and quotation of new ordinary shares to be issued pursuant to the Penguin SPP, subject to shareholders' approval being obtained at the forthcoming Extraordinary General Meeting to be held on a date and time which will coincide with the Annual General Meeting of the Company in April 2008.

Please note that the SGX-ST's in principle approval is not an indication of the merits of the Company, the Group, the new shares, the proposed PENGUIN SPP, the proposed change of name, the proposed Share Buy Back and the proposed amendment to the articles of association of the Company.

A circular setting out further information on the PENGUIN SPP, as well as the other proposals mentioned above, will be dispatched to shareholders in due course.

By Order of the Board  
Alex Yong  
Managing Director  
26 February 2008