

COMPLETION OF THE SALE OF SUBSIDIARIES OF THE COMPANY

Reference is made to the announcements released by the Company on 31 December 2008 and 2 April 2009.

The Company wishes to supplement the said 2 April 2009 announcement by announcing the following:

1. PT Penguin Ferry Jasa (“PT Penguin”)

As stated in the said 2 April 2009 announcement, by the Supplemental Agreement dated 31 March 2009, the Company and the Purchaser (as defined in the said announcement) varied the original sale and purchase agreement (the “**Agreement**”) from one in which the Company sold *inter alia* the 2 Vessels (as defined in the 2 April 2009 announcement) owned by PT Penguin, to one in which the Company transferred to the Purchaser all the shares in PT Penguin (the “**PTPFJ Shares**”). As announced, the consideration for the sale of the PTPFJ Shares is S\$400,000.00, equivalent to the amount originally contemplated for the sale of the 2 Vessels.

The consideration was arrived at after arms-length negotiation on a “willing buyer willing seller” basis. The consideration for the sale of PT Penguin was worked out as one transaction, together with the sale of Penguin Speed Cargo (“**PSC**”) to the Purchaser. In addition, the Company took into account the following factors when negotiating the consideration payable:

- (a) PT Penguin’s primary assets were the Vessels;
- (b) with the sale of the PTPFJ Shares rather than the Vessels, the Company did not have to expend any costs to ensure that the Vessels are registered in the Purchaser’s name under Indonesian Laws; and
- (c) with the sale of the PTPFJ Shares rather than the Vessels, the Company did not have to expend any costs to wind up PT Penguin upon the sale of its primary assets, ie, the Vessels.

The Net Tangible Assets (“**NTA**”) of PT Penguin was S\$427,541.45 as at 31 December 2008. The Net Book Value of the 2 Vessels and its machinery and equipment as at 31 December 2008 was S\$333,679.08.

Although the consideration for the PTPFJ Shares is less than the said NTA of PT Penguin, the Company is of the view that the consideration is reasonable as the sale was part of one transaction which included the sale of PSC, and because, as a result of the sale of the PTPFJ Shares, the Company will not have to expend costs in carrying out items (b) and (c) above.

PT Penguin was an asset holder for the Vessels, which were being operated by PSC. PT Penguin itself did not have its own revenue-generating activities. With the sale of PSC and the Vessels as provided in the original Agreement, PT Penguin would have been a dormant company without any primary assets or revenue-generating operations, and, therefore, no income was expected from PT Penguin.

2. **Penguin Speed Cargo Pte Ltd (“PSC”)**

The consideration for the sale of all the shares held by the Company in PSC (the “**Sale Shares**”) to the Purchaser is S\$546,846.89 and, as mentioned above, was worked out as one transaction together with the sale of PT Penguin to the Purchaser. The above-mentioned consideration for the Sale Shares was arrived at after arms-length negotiation on a “willing buyer-willing seller” basis. The Net Tangible Liabilities of PSC as at 31 December 2008 was S\$330,884.08.

3. **Salient Terms of the Sale and Purchase**

The following are salient terms of the sale and purchase of the Sale Shares and the PTPFJ Shares as provided in the Agreement (as amended by the Supplemental Agreement):

- (a) In respect of PSC, the Company shall sell and the Purchaser shall purchase all of the shares held by the Company in PSC;
- (b) In respect of PT Penguin, the Company shall sell or procure the sale of, and the Purchaser shall purchase, all of the shares in PT Penguin. The Company owns 95% of the total shares in PT Penguin while another wholly-owned subsidiary of the Company owns the remaining 5%;
- (c) The consideration for the sale and purchase of the shares in PSC is based on 90% of the net accounts receivable; ie, all Accounts Receivable as at 31 December 2008 less bad debts provided as at that date;
- (d) The consideration for the sale and purchase of the shares in PT Penguin shall be S\$400,000.00;
- (e) Payment of the aggregate consideration for the Sale Shares and PTPFJ Shares is payable in instalments. As at the date of the said 2 April 2009 announcement, the Company has received all instalments from the Purchaser; and
- (f) The Company shall take steps to write off all past debts owed by PSC to the Company as at 31 December 2008.

4. **Rationale for Disposal**

The Company has disposed of its shareholdings in PT Penguin and PSC as these subsidiaries do not form part of the core business activities of the Company. PT Penguin is an asset company whose primary assets are the 2 Vessels, and PSC is a company engaged in freight forwarding services, which is not part of the core business of the Company.

5. 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.

By Order of the Board
Tung May Fong
Finance and Administration Director
8 April 2009