

THIS CIRCULAR IS DATED 23 MARCH 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Nam Cheong Limited (“**Company**”). If you are in any doubt as to the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Shareholders should note that the in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Company, the Shares or the Proposed Capital Reorganisation.



NAM CHEONG LIMITED
(Registration No. 25458)
(Incorporated in Bermuda)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED CAPITAL REORGANISATION

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	: 22 April 2017 at 10.30 a.m.
Date and time of Special General Meeting	: 24 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Special General Meeting of the Company to be held at 10.15 a.m. on the same day and at the same place)
Place of Special General Meeting	: Grand Copthorne Waterfront Hotel, Waterfront Ballroom, Level 2, 392 Havelock Road, Singapore 169663

TABLE OF CONTENTS

	Page
DEFINITIONS	3
LETTER TO THE SHAREHOLDERS.....	6
1. INTRODUCTION.....	6
2. RATIONALE FOR PROPOSED CAPITAL REORGANISATION	6
3. DETAILS OF THE PROPOSED CAPITAL REORGANISATION.....	7
4. FINANCIAL EFFECTS BASED ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS AT 31 DECEMBER 2016.....	10
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	11
6. DIRECTORS' RECOMMENDATION.....	12
7. SPECIAL GENERAL MEETING.....	12
8. ACTION TO BE TAKEN BY THE SHAREHOLDERS.....	12
9. DIRECTORS' RESPONSIBILITY STATEMENT	12
10. DOCUMENTS AVAILABLE FOR INSPECTION.....	13
NOTICE OF SPECIAL GENERAL MEETING	14

DEFINITIONS

DEFINITIONS

In this Circular, except where the context otherwise requires, the following items and expressions shall have the following meaning:-

“Act”	: The Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time;
“AGM”	: The annual general meeting of the Company;
“Authorised Capital Diminution”	: Has the meaning ascribed to it in paragraph 3.1(b) of this Circular;
“Authorised Capital Increase”	: Has the meaning ascribed to it in paragraph 3.1(b) of this Circular;
“Bermuda Companies Act”	: Companies Act 1981 of Bermuda, as amended or modified from time to time;
“Board” or “Directors”	: The board of directors of the Company as at the Latest Practicable Date;
“Bye-laws”	: The bye-laws of the Company, as amended or modified from time to time;
“Capital Reduction”	: Has the meaning ascribed to it in paragraph 3.1(a) of this Circular;
“Capital Reorganisation Announcement”	: Has the meaning ascribed to it in paragraph 3.4 of this Circular;
“CDP”	: The Central Depository (Pte) Limited;
“Circular”	: This circular to the Shareholders dated 23 March 2017;
“Crediting of Retained Earnings”	: Has the meaning ascribed to it in paragraph 3.1(c) of this Circular;
“Depositor Proxy Form”	: Has the meaning ascribed to it in paragraph 8.2 of this Circular;
“Director”	: The directors of the Company from time to time;
“Effective Date”	: The effective date of the Proposed Capital Reorganisation, if approved, being 15 May 2017 or such other date as the Directors may determine;
“FY”	: Financial year ended or ending 31 December (as the case may be) unless otherwise specified;
“Group”	: The Company and its subsidiaries;
“Hong Kong”	: The Hong Kong Special Administrative region of the PRC;
“Latest Practicable Date”	: 9 March 2017, being the latest practicable date prior to the printing of this Circular;
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for securities trading;
“NTA”	: Net tangible assets;
“New Share Certificates”	: Has the meaning ascribed to it in paragraph 3.5(a) of this Circular;

DEFINITIONS

“Old Share Certificates”	Has the meaning ascribed to it in paragraph 3.5(a) of this Circular;
“PRC”	: The People’s Republic of China;
“Proposed Capital Reorganisation”	: The Capital Reduction, the Authorised Capital Diminution, the Authorised Capital Increase, and the Crediting of Retained Earnings, details of which are set out in paragraph 3.1 of this Circular;
“Register of Members”	: The register of members of the Company;
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent;
“SGM”	: The special general meeting of the Company to be convened and held on 24 April 2017 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Special General Meeting of the Company to be held at 10.15 a.m. on the same day and at the same place), notice of which is set out on page 14 of this Circular;
“SGX-ST”	: The Singapore Exchange Securities Trading Limited;
“Shareholders”	: Registered holders of Shares;
“Shareholder Proxy Form”	: Has the meaning ascribed to it in paragraph 8.1 of this Circular;
“Shares”	: Ordinary shares in the share capital of the Company;
“Share Transfer Agent”	: The Company’s Singapore share transfer agent, being RHT Corporate Advisory Pte. Ltd.;
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares of the Company;
“Subsidiaries”	: Has the meaning ascribed to it in section 5 of the Act;

Currencies, Units and Others

“%” or “per cent”	: Per centum or percentage;
“HK\$”	: Hong Kong dollar, being the lawful currency of Hong Kong;
“RM” and “Sen”	: Malaysian ringgit and sen, respectively, being the lawful currency of Malaysia; and
“S\$” and “cents”	: Singapore dollars and cents, respectively, being the lawful currency of Singapore.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities & Futures Act (Cap. 289).

Other capitalised terms are defined where they appear and have the respective meanings there indicated.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

DEFINITIONS

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in this Listing Manual as for the time being amended.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act, the Bermuda Companies Act, the Listing Manual or any statutory modification thereof, and used in this Circular but not defined herein, shall have the meaning assigned to it under the Act, the Bermuda Companies Act, the Listing Manual or such statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise specifically provided, the following exchange rates have been used throughout this Circular:

S\$1.00 = RM 3.1425

HK\$1.00 = RM 0.5745

The exchange rates as set out above is used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rate above or at any other rate or at all.

LETTER TO SHAREHOLDERS

LETTER TO THE SHAREHOLDERS

NAM CHEONG LIMITED
(Registration No. 25458)
(Incorporated in Bermuda)

Directors

Tan Sri Datuk Tiong Su Kouk (Executive Chairman)
Tiong Chiong Hiiung (Executive Vice Chairman)
Leong Seng Keat (Chief Executive Officer)
Ajaib Hari Dass (Lead Independent Director)
Yee Kit Hong (Independent Director)
Benjamin Kan Yut Keong (Independent Director)

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

23 March 2017

To: The Shareholders of the Company

Dear Sir / Madam,

THE PROPOSED CAPITAL REORGANISATION

1. INTRODUCTION

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$2,000,000,000 divided into 4,000,000,000 Shares with a par value of HK\$0.50 each, of which 2,103,144,482 Shares (including 6,678,597 Shares held in treasury) have been issued and fully paid-up.

Bye-law 6 of the Bye-laws provides that the Company may from time to time by special resolution (as defined in the Bye-laws), subject to any confirmation or consent required by law, reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner permitted by law.

The Directors are now convening the SGM to seek Shareholders' approval for the Proposed Capital Reorganisation to, *inter alia*, reduce the par value of each Share from HK\$0.50 to HK\$0.10.

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed Capital Reorganisation to be tabled at the forthcoming SGM and to seek Shareholders' approval for the resolution relating to the same. The notice of the SGM is set out on pages 14 to 15 of this Circular.

Further information on the Proposed Capital Reorganisation is set out in paragraph 3 of this Circular.

2. RATIONALE FOR PROPOSED CAPITAL REORGANISATION

During the three (3)-month period prior to the Latest Practicable Date, the Shares have been trading between approximately S\$0.052 and approximately S\$0.068 with a volume weighted average price of approximately S\$0.059, which is below the existing par value per Share of HK\$0.50. The concept of par value is applicable to the Company as it is a company incorporated in Bermuda. Under the laws of Bermuda, shares of a Bermuda company may not be issued for an amount less than the par value of the shares. The Proposed Capital Reorganisation will provide the Company with greater flexibility to issue new Shares in the future should fund raising opportunities or requirements arise and facilitate corporate actions which may require the issuance of new Shares.

The amount of credit arising from the Capital Reduction will be transferred to the retained earnings account of the Company. The Crediting of Retained Earnings will increase the balance in the retained earnings account of the Company. No cash is required to support such increase in the retained earnings account of the Company.

The Directors will, as long as the Company is solvent, be authorised to utilise any credit balance in the retained earnings account of the Company in such manner as they may determine in accordance with the Bye-laws and all applicable laws. Subject to the Bye-laws

LETTER TO SHAREHOLDERS

and all applicable laws, the proposed Crediting of Retained Earnings will increase the credit balance in the retained earnings account of the Company and provide the Company with greater flexibility in relation to future distributions, if any, out of retained earnings. Shareholders should note that whether or not the Company will make a distribution out of retained earnings and the timing and amount of distribution to be paid will depend on the Company's earnings, financial position including cash flow position, future capital requirements, future plans and other relevant factors. As at the date of this Circular, Shareholders should note that there are currently no plans to make any distribution out of the increased retained earnings arising from the Proposed Capital Reorganisation.

The Directors are therefore of the view that the Proposed Capital Reorganisation will mitigate the limitations generally associated with the concept of par value and provide the Company with flexibility on its future capital structure to enable the Company to take advantage of opportunities as and when they arise.

3. DETAILS OF THE PROPOSED CAPITAL REORGANISATION

3.1 The Proposed Capital Reorganisation

The Proposed Capital Reorganisation will involve the following:

- (a) the reduction of the issued and paid-up share capital of the Company (the "**Capital Reduction**") from HK\$1,051,572,241 divided into 2,103,144,482 Shares of HK\$0.50 each (including treasury Shares), to HK\$210,314,448.20 divided into 2,103,144,482 Shares of par value HK\$0.10 each (including treasury Shares), by cancelling the paid-up capital of the Company to the extent of HK\$0.40 on each of the Shares with a par value of HK\$0.50 in issue on the Effective Date, such that each issued Share with a par value of HK\$0.50 shall be treated as one (1) fully paid Share with a par value of HK\$0.10 as at the Effective Date, and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied. As at the Latest Practicable Date, all issued Shares in the capital of the Company have been fully paid-up;
- (b) subject to and forthwith upon the Capital Reduction taking effect, the cancellation of all of the authorised but unissued Shares with a par value of HK\$0.50 each in the Company (which shall include, without limitation, the authorised but unissued share capital resulting from the Capital Reduction) and the diminution of the authorised share capital of the Company of HK\$2,000,000,000 by such amount representing the amount of Shares so cancelled (the "**Authorised Capital Diminution**"), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to HK\$400,000,000 by the creation of such number of Shares with a par value of HK\$0.10 each as shall represent the difference between 4,000,000,000 Shares with a par value of HK\$0.10 each and the number of Shares with a par value of HK\$0.10 in issue after the Capital Reduction (the "**Authorised Capital Increase**"); and
- (c) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the Capital Reduction in the sum of HK\$841,257,792.80 shall be credited to the retained earnings account of the Company (the "**Crediting of Retained Earnings**"), to be utilised in such manner as may be determined by the Directors in accordance with the Bye-laws and all applicable laws.

3.2 Effect of the Proposed Capital Reorganisation

Upon the Proposed Capital Reorganisation taking effect on the Effective Date:

- (a) the par value of each issued and unissued Share will be reduced from HK\$0.50 to HK\$0.10;
- (b) the issued share capital (based on the number of issued Shares as at the Latest Practicable Date) will be HK\$210,314,448.20 (divided into 2,103,144,482 Shares with

LETTER TO SHAREHOLDERS

a par value of HK\$0.10 each). The number of issued Shares will remain unchanged at 2,103,144,482 Shares; and

- (c) the authorised share capital will be reduced from HK\$2,000,000,000, divided into 4,000,000,000 Shares with a par value of HK\$0.50 each, to HK\$400,000,000, divided into 4,000,000,000 Shares with a par value of HK\$0.10 each.

As at the Latest Practicable Date, the Directors are of the opinion that, there are no reasonable grounds for believing that, on the Effective Date, the Company is, or after the Proposed Capital Reorganisation would be, unable to pay its liabilities as they become due.

Upon the Proposed Capital Reorganisation becoming effective, there is no change in the number of issued and paid-up Shares held by, or the percentage level of shareholding of, each Shareholder or depositor as a result of the Proposed Capital Reorganisation. The Shares with a par value of HK\$0.10 each will rank pari passu in all respects with each other. Other than the costs and expenses incurred in relation to the Proposed Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

The Proposed Capital Reorganisation will also not result in a return of capital or cash to Shareholders.

The amount of credit arising from the Capital Reduction will be transferred to the retained earnings account of the Company.

Please refer to paragraph 4 below for more information regarding the financial effects of the Proposed Capital Reorganisation.

3.3 Conditions Precedent for the Proposed Capital Reorganisation

The implementation of the Proposed Capital Reorganisation is subject to, inter alia, the following:

- (a) the approval of the Shareholders for the Proposed Capital Reorganisation by way of a special resolution (as defined in the Bye-laws) at the SGM, that is to say, the Proposed Capital Reorganisation has to be approved by a resolution passed by a majority of not less than three-fourths (3/4) of the votes cast by the Shareholders, being entitled so to do, present and voting at the SGM (either voting in person or by duly authorised corporate representative or by proxy) of which not less than twenty-one (21) clear days' notice shall be given;
- (b) compliance with relevant legal procedures and requirements under Bermuda law and Singapore law (if any) to effect the Proposed Capital Reorganisation, including but not limited to the following:
 - (i) the publication of a notice in an appointed newspaper in Bermuda at a date not more than thirty (30) days and not less than fifteen (15) days before the Effective Date as required under Section 46 of the Bermuda Companies Act;
 - (ii) the publication of a books closure notice in an appointed newspaper in Bermuda;
 - (iii) the filing of a certified true copy of the special resolution approving the Capital Reduction, a memorandum of reduction of share capital and the Capital Reduction newspaper notice with the Bermuda Registrar within 30 days of the Effective Date; and
- (c) the receipt of all necessary approvals (if any) from the regulatory authorities, as may be required in respect of the Proposed Capital Reorganisation.

Section 46(2)(b) of the Bermuda Companies Act in respect of share capital reduction provides that no company shall reduce the amount of its share capital if, on the date the reduction is to be effected, there are reasonable grounds for believing that the company is, or after the reduction would be, unable to pay its liabilities as they become due.

3.4 Effective Date

LETTER TO SHAREHOLDERS

Upon the approval of Shareholders for the Proposed Capital Reorganisation by way of a special resolution being duly passed at the SGM as mentioned above, an announcement will be issued by the Company to confirm the Effective Date (“**Capital Reorganisation Announcement**”).

3.5 Issue of Share Certificates

(a) *Deposit of Share Certificates with CDP*

Shareholders who hold physical share certificates for Shares with a par value of HK\$0.50 in their own names (the “**Old Share Certificates**”) and who wish to deposit the same with CDP and have their Shares with a par value of HK\$0.10 each credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Effective Date. After the Effective Date, CDP will only accept for deposit share certificates for Shares which reflect a par value of HK\$0.10 each (the “**New Share Certificates**”). Shareholders who wish to have their Shares credited to their Securities Accounts after the Effective Date must first deliver their Old Share Certificates to the Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, in exchange for New Share Certificates. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of the Old Share Certificates. Upon receipt of the New Share Certificates in their own names, Shareholders may then proceed to deposit these New Share Certificates in their own names with CDP.

(b) *Issue of New Share Certificates*

Depositors having Shares standing to the credit of their Securities Accounts and Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Effective Date need not take any action. The Company will arrange with CDP to facilitate the exchange of the Old Share Certificates for the New Share Certificates pursuant to the Proposed Capital Reorganisation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, as soon as possible after the Capital Reorganisation Announcement and, preferably, not later than twelve (12) Market Days after the Effective Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk, within ten (10) Market Days from the Effective Date or the date of receipt of the Old Share Certificates, whichever is the later.

(c) *Share Certificates Not Valid for Settlement of Trades on the SGX-ST*

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system, but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Transfer Agent. The New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

Shareholders are to deliver their respective Old Share Certificates to the Share Transfer Agent or CDP in accordance with the provisions set out in this paragraph 3.5 only after the Capital Reorganisation Announcement is made.

No receipts will be issued by the Share Transfer Agent for the receipt of physical Old Share Certificates tendered.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Transfer Agent for cancellation.

LETTER TO SHAREHOLDERS

Please notify the Share Transfer Agent if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

4. FINANCIAL EFFECTS BASED ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS AT 31 DECEMBER 2016

The proforma financial effects of the Proposed Capital Reorganisation on the share capital, Shareholders' funds and reserves, NTA, earnings and gearing of the Company are set out below. The proforma financial effects have been prepared based on the audited financial statements of the Company. The proforma financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual results of the Company and the Group or the related effect on the financial position that would have been attained had the Proposed Capital Reorganisation taken place.

4.1 Effect on share capital

The effects of the Proposed Capital Reorganisation on the share capital of the Company as at the Latest Practicable Date are as follows:

	Before the Proposed Capital Reorganisation	After the Proposed Capital Reorganisation
<u>Authorised share capital</u>		
Number of shares ('000)	4,000,000	4,000,000
Par value (HK\$)	0.50	0.10
Total (HK\$'000)	2,000,000	400,000
<u>Issued and paid-up share capital</u>		
Number of shares	2,103,144,482	2,103,144,482
Par value (HK\$)	0.50	0.10
Total (HK\$)	1,051,572,241	210,314,448.20

4.2 Effect on shareholders' funds and reserves

The Shareholders' funds and reserves of the Company before and after the Proposed Capital Reorganisation (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

RM ('000)	Before the Proposed Capital Reorganisation	After Capital Reduction and Crediting of Retained Earnings
Share capital	405,962	81,192
Share premium	82,347	82,347
Treasury shares	(4,097)	(4,097)
Other reserves	327,787	327,787
Retained earnings	556,814	881,584 ⁽¹⁾
Total	1,368,813	1,368,813

Notes:

- (1) The increase in retained earnings was created because the reduction in par value of the Shares did not result in any return of capital to Shareholders. Accordingly, the capital remained intact but it has been presented with a reduced share capital and a corresponding increase in retained earnings.

4.3 Effect on NTA, earnings and gearing

LETTER TO SHAREHOLDERS

Save for the costs and expenses relating to the Proposed Capital Reorganisation, the implementation of the Proposed Capital Reorganisation will not have any effect on the net tangible assets, earnings and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Capital Reorganisation.

The pro forma financial effects of the Proposed Capital Reorganisation on the Company above have been prepared for illustrative purpose only and do not reflect the actual future financial situation of the Group after the completion of the Proposed Capital Reorganisation.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ^(*)	Number of Shares	% ^(*)	Number of Shares	% ^(*)
Directors						
Tan Sri Datuk Tiong Su Kouk ⁽¹⁾	104,936,517	5.01%	969,768,115	46.26%	1,074,704,632	51.26%
Tiong Chiong Hiiung ⁽²⁾	14,259,240	0.68%	9,629,881	0.46%	23,889,121	1.14%
Leong Seng Keat ⁽³⁾	15,833,890	0.76%	80,487,987	3.84%	96,321,877	4.59%
Ajaib Hari Dass	-	-	-	-	-	-
Yee Kit Hong	-	-	-	-	-	-
Benjamin Kan Yut Keong	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
S.K. Tiong Enterprise Sdn. Bhd. ⁽⁴⁾	574,342,840	27.40%	319,954,845	15.26%	894,297,685	42.66%
Hung Yung Enterprise Sdn. Bhd.	319,954,845	15.26%	-	-	319,954,845	15.26%
Puan Sri Datin Wong Bak Hee ⁽⁵⁾	15,420,430	0.74%	1,059,284,202	50.53%	1,074,704,632	51.26%

(*) – Based on 2,096,465,885 issued and paid-up Shares (excluding treasury shares) as at Latest Practicable Date

Notes:

- (1) Tan Sri Datuk Tiong Su Kouk is deemed to have an interest in the shares held by Hung Yung Enterprise Sdn. Bhd., S.K Tiong Enterprise Sdn. Bhd. and his wife, Puan Sri Datin Wong Bak Hee, and 60,000,000 shares held by UOB Nominees (Private) Limited (as nominee) by virtue of Section 4 Securities and Futures Act (Cap 289).
- (2) Tiong Chiong Hiiung is deemed to have an interest in the shares held by Starcity Housing Sdn. Bhd. by virtue of Section 4 of the Securities and Futures Act (Cap 289).
- (3) Leong Seng Keat is deemed to have an interest in the shares held by Dominion Energy Sdn. Bhd, Dominion Capital Limited and his wife, Tiong Eng Ming, by virtue of Section 4 of the Securities and Futures Act (Cap. 289).
- (4) S.K Tiong Enterprise Sdn. Bhd. is deemed to have an interest in the shares held by Hung Yung Enterprise Sdn. Bhd. by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (5) Puan Sri Datin Wong Bak Hee is deemed to have an interest in the shares held by S.K. Tiong Enterprise Sdn. Bhd., Hung Yung Enterprise Sdn. Bhd., her husband, Tan Sri Datuk Tiong Su Kouk and 50,000 shares held by Phillip Securities Pte. Ltd. (as nominee) and 60,000,000 shares held by UOB Nominees

LETTER TO SHAREHOLDERS

(Private) Limited (as nominee) by virtue of Section 4 of the Securities and Futures Act (Cap. 289).

Save as disclosed in this Circular, none of the Directors and, to the best of the knowledge of the Directors, the Substantial Shareholders of the Company, have any interest, direct or indirect, in the Proposed Capital Reorganisation other than by virtue of their respective shareholding interests in the Company.

6. DIRECTORS' RECOMMENDATION

The Shareholders are advised to read and consider carefully this Circular in its entirety, and, for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser

The Directors, having considered the rationale of the Proposed Capital Reorganisation set out in paragraph 2 of this Circular, are of the view that the Proposed Capital Reorganisation is in the best interests of the Company and recommend that Shareholders vote in favour of the special resolution in respect of the Proposed Capital Reorganisation set out in the notice of SGM.

7. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on page 1 of this Circular, will be held at Grand Copthorne Waterfront Hotel, Waterfront Ballroom, Level 2, 392 Havelock Road, Singapore 169663 on Monday, 24 April 2017 at 10.30am (or as soon thereafter following the conclusion or adjournment of the upcoming Special General Meeting of the Company to be held at 10.15 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing (with or without any modification) the resolution set out in the Notice of SGM.

8. ACTION TO BE TAKEN BY THE SHAREHOLDERS

- 8.1 A Shareholder (other than CDP) entitled to attend and vote at the SGM who is the holder of two or more Shares but is unable to attend the SGM in person shall be entitled to appoint not more than two proxies to attend and vote at the SGM on his behalf. Attached to this Circular is a Shareholder Proxy Form (the "**Shareholder Proxy Form**") which such a Shareholder is requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the offices of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for the SGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the SGM in place of his proxy if he finds that he is able to do so, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 8.2 Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP forty-eight (48) hours before the time appointed for the SGM supplied by CDP to the Company, may attend and vote as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and may attend and vote as the CDP's proxies at the SGM without the lodgement of any proxy form. Depositors which are not individuals and Depositors who are individuals but are unable to attend personally and wish to appoint a nominee to attend and vote on his behalf as CDP's proxies, will find attached to this Circular a Depositor Proxy Form (the "**Depositor Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the offices of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for the SGM. The completion and return of a Depositor Proxy Form by a Depositor who is an individual does not preclude him from attending and voting in person as CDP's proxy at the SGM in place of his nominee if he finds that he is able to do so, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

9. DIRECTORS' RESPONSIBILITY STATEMENT

- 9.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all

LETTER TO SHAREHOLDERS

material facts about the Proposed Capital Reorganisation and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

- 9.2 Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/ or reproduced in this Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) The Memorandum of Association and Bye-laws of the Company; and
- (b) The Company's annual report for FY2016.

Yours faithfully
For and on behalf of the Board of Directors of
Nam Cheong Limited

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

NOTICE OF SPECIAL GENERAL MEETING

NAM CHEONG LIMITED
(Incorporated in Bermuda)
(Company Registration No. 25458)

NOTICE OF SPECIAL GENERAL MEETING

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 23 March 2017 issued by Nam Cheong Limited (the “Circular”) to its Shareholders.

NOTICE IS HEREBY GIVEN that a Special General Meeting (“SGM”) of Nam Cheong Limited (“Company”) will be held at Grand Copthorne Waterfront Hotel, Waterfront Ballroom, Level 2, 392 Havelock Road, Singapore 169663 on Monday, 24 April 2017 at 10.30am (or as soon thereafter following the conclusion or adjournment of the Special General Meeting of the Company to be held at 10.15 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the following resolution as a Special Resolution:

SPECIAL RESOLUTION: THE PROPOSED CAPITAL REORGANISATION

That:

- (a) with effect from 15 May 2017 or such other date as the Directors of the Company may determine (the “Effective Date”):-
- (i) the issued and paid-up share capital of the Company be reduced (the “Capital Reduction”) from HK\$1,051,572,241 divided into 2,103,144,482 Shares (including 6,678,597 treasury shares) of HK\$0.50 each, to HK\$210,314,448.20 divided into 2,103,144,482 Shares of par value HK\$0.10 each, by cancelling the paid-up capital of the Company to the extent of HK\$0.40 on each of the Shares with a par value of HK\$0.50 in issue on the Effective Date such that each issued Share with a par value of HK\$0.50 shall be treated as one (1) fully paid Share with a par value of HK\$0.10 as at the Effective Date and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied;
 - (ii) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued Shares with a par value of HK\$0.50 each in the share capital of the Company (which shall include, without limitation, the authorised but unissued Shares resulting from the Capital Reduction) be cancelled, and the authorised share capital of the Company of HK\$2,000,000,000 be diminished by such amount representing the amount of Shares so cancelled (the “Authorised Capital Diminution”), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to HK\$400,000,000 by the creation of such number of Shares with a par value of HK\$0.10 each as shall represent the difference between 4,000,000,000 Shares with a par value of HK\$0.10 each and the number of Shares with a par value of HK\$0.10 in issue after the Capital Reduction (the “Authorised Capital Increase”);
 - (iii) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the Capital Reduction in the sum of HK\$841,257,792.90 shall be credited to the retained earnings account of the Company (the “Crediting of Retained Earnings”);
 - (iv) the Directors of the Company be and are hereby authorized to utilize any credit balance in the retained earnings account of the Company in such manner as may be determined by the Directors in accordance with the Bye-laws and all applicable laws,
- ((i), (ii), (iii), and (iv), collectively referred to as the “Proposed Capital Reorganisation”); and
- (b) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this Special Resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/or the matters contemplated herein, with such modifications thereto

NOTICE OF SPECIAL GENERAL MEETING

(if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

By Order of the Board

Tan Sri Datuk Tiong Su Kouk
Executive Chairman
23 March 2017

Notes:

Unless The Central Depository (Pte) Limited (“CDP”) specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed as CDP’s proxies to vote on behalf of CDP at the SGM each of the Depositors who are individuals and whose names are shown in CDP’s records forty-eight (48) hours prior to the time of the SGM. Therefore, such Depositors who are individuals may attend and vote at the SGM without the lodgement of any Depositor Proxy Form (as defined below).

Such a Depositor registered and holding Shares through CDP who is an individual but is unable to attend the SGM personally and wishes to appoint a nominee to attend and vote on his/her behalf must complete, sign and return the proxy form which is despatched together with this Circular to Depositors (“**Depositor Proxy Form**”) completed by CDP in accordance with the instructions printed thereon and deposit the duly completed Depositor Proxy Form at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time appointed for holding the SGM. Similarly, a Depositor which is a corporation and which wishes to attend the SGM must submit the Depositor Proxy Form appointing its nominees(s) to attend and vote at the SGM on its behalf as CDP’s proxy.

If a Shareholder (who is not a Depositor) is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his stead, then he should complete and sign the proxy form despatched to Shareholders who are not Depositors (“**Shareholder Proxy Form**”) and deposit the duly completed Shareholder Proxy Form at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than 48 hours before the time appointed for holding the SGM. Such proxy need not be a member of the Company.

To be effective, the Depositor Proxy Form or the Shareholder Proxy Form must be duly completed and deposited by a Depositor or a Shareholder (as the case may be) at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for holding the SGM, in accordance with the instructions stated herein.

The completion and return of the Depositor Proxy Form or the Shareholder Proxy Form by a Depositor or a Shareholder, as the case may be, will not prevent such Depositor or Shareholder, as the case may be, from attending and voting in person at the SGM if he wishes to do so, in place of his/her/its nominee or proxy, as the case may be.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a Depositor or a Shareholder of the Company (i) consents to the collection, use and disclosure of the Depositor or the Shareholder’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Depositor or the Shareholder discloses the personal data of the Depositor or the Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Depositor or the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Depositor or the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor or the Shareholder’s breach of warranty.