
Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2025

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	The Group					
		6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	Change %	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000	Change %
Revenue	4	341,475	372,715	(8%)	619,701	684,714	(9%)
Cost of sales		(181,436)	(155,477)	17%	(318,314)	(321,429)	(1%)
Gross profit		160,039	217,238	(26%)	301,387	363,285	(17%)
Other income	5	115,415	14,672	>100%	121,665	552,350	(78%)
Selling and administrative expenses		(53,006)	(36,322)	46%	(79,833)	(59,762)	34%
Other operating expenses		(9,681)	(127)	>100%	(11,061)	(14,270)	(22%)
Operating profit		212,767	195,461	9%	332,158	841,603	(61%)
Finance costs		(9,477)	(9,099)	4%	(19,248)	(18,365)	5%
Share of results of equity accounted joint ventures, net of tax		(3,941)	(4,989)	(21%)	46	(4,975)	<(100%)
Share of results of equity accounted associates, net of tax		(548)	(1,974)	(72%)	61	27,684	(100%)
Profit before tax	6	198,801	179,399	11%	313,017	845,947	(63%)
Income tax expense	7	(13,264)	(12,216)	9%	(37,608)	(45,749)	(18%)
Profit for the financial period/year		185,537	167,183	11%	275,409	800,198	(66%)

n.m. : Not meaningful

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

	The Group					
	6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	Change %	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000	Change %
Other comprehensive (loss)/income						
Fair value (loss)/gain on financial assets through other comprehensive income	-	(96)	(100%)	3,366	(96)	<(100%)
Foreign currency translation (loss)/income arising from foreign operations	(17,584)	7,322	<(100%)	(24,899)	(11,929)	>100%
Other comprehensive (loss)/income for the financial period/year, net of tax	(17,584)	7,226	<(100%)	(21,533)	(12,025)	79%
Total comprehensive income for the financial period/year	167,953	174,409	(4%)	253,876	788,173	(68%)
Profit attributable to:						
Owners of the parent	189,586	161,425	17%	269,175	785,243	(66%)
Non-controlling interest	(4,049)	5,758	<(100%)	6,234	14,955	(58%)
Profit for the financial period/year	185,537	167,183	11%	275,409	800,198	(66%)
Total comprehensive income attributable to:						
Owners of the parent	172,002	168,651	2%	247,642	773,218	(68%)
Non-controlling interest	(4,049)	5,758	<(100%)	6,234	14,955	(58%)
Total comprehensive income for the financial period/year	167,953	174,409	(4%)	253,876	788,173	(68%)
Earnings per share for profit for the period/year attributable to the owners of the Company						
Weighted average number of shares in issue (basic)	399,282,225	393,398,425		396,235,544	332,796,285	
Weighted average number of shares in issue (diluted)	406,569,613	400,685,813		406,569,613	337,830,719	
Basic earnings per share (Malaysia sen)	47.48	41.03		67.93	235.95	
Diluted earnings per share (Malaysia sen)	46.63	40.29		66.21	232.44	

Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	782,474	712,397	-	-
Subsidiaries		-	-	1,569,781	1,558,181
Associates		6,304	36,572	-	-
Joint ventures		4,188	4,145	-	-
Other investments		-	610	-	-
		<u>792,966</u>	<u>753,724</u>	<u>1,569,781</u>	<u>1,558,181</u>
Current assets					
Other investments		-	1,816	-	-
Inventories		212,919	93,268	-	-
Trade and other receivables	11	202,432	267,017	-	140
Prepayments		7,746	27,916	126	144
Current tax recoverable		1,032	41	96	-
Fixed deposits		9,158	7,281	-	-
Cash and bank balances		193,416	127,809	121	170
		<u>626,703</u>	<u>525,148</u>	<u>343</u>	<u>454</u>
TOTAL ASSETS		<u>1,419,669</u>	<u>1,278,872</u>	<u>1,570,124</u>	<u>1,558,635</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	12	230	227	230	227
Share premium	12	590,109	586,604	590,109	586,604
Treasury shares		(4,097)	(4,097)	(4,097)	(4,097)
Other reserves		90,634	112,037	784,730	784,600
Retained earnings/(Accumulated losses)		140,088	(133,989)	(56,036)	(83,025)
		<u>816,964</u>	<u>560,782</u>	<u>1,314,936</u>	<u>1,284,309</u>
Non-controlling interest		<u>20,014</u>	<u>13,780</u>	<u>-</u>	<u>-</u>
Total equity		<u>836,978</u>	<u>574,562</u>	<u>1,314,936</u>	<u>1,284,309</u>
Non-current liabilities					
Deferred tax liabilities		22,185	17,803	-	-
Lease liabilities		580	-	-	-
Borrowings	13	326,898	423,131	189,811	213,080
Trade and other payables	14	10,361	22,762	-	-
		<u>360,024</u>	<u>463,696</u>	<u>189,811</u>	<u>213,080</u>

Condensed Interim Statements of Financial Position (Cont'd)

	Note	The Group		The Company	
		31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
EQUITY AND LIABILITIES (Contd.)					
Current liabilities					
Lease liabilities		903	262	-	-
Borrowings	13	98,548	34,968	22,666	23,003
Trade and other payables	14	89,766	171,322	15,203	7,928
Current tax payable		5,942	3,747	-	-
Provision for financial guarantee		27,508	30,315	27,508	30,315
		<u>222,667</u>	<u>240,614</u>	<u>65,377</u>	<u>61,246</u>
Total liabilities		<u>582,691</u>	<u>704,310</u>	<u>255,188</u>	<u>274,326</u>
TOTAL EQUITY AND LIABILITIES		<u>1,419,669</u>	<u>1,278,872</u>	<u>1,570,124</u>	<u>1,558,635</u>

Condensed Interim Statements of Changes in Equity

The Group	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Contributed surplus RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	Share grant reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Equity	Non-controlling interest RM'000	Total equity RM'000
										attributable to owners of the Company RM'000		
At 1 January 2025	227	586,604	(4,097)	3,937	109,052	(3,366)	359	2,055	(133,989)	560,782	13,780	574,562
Profit for the year	-	-	-	-	-	-	-	-	269,175	269,175	6,234	275,409
Other comprehensive income/(loss) for the year:-												
- Fair value gain on financial asset	-	-	-	-	-	3,366	-	-	-	3,366	-	3,366
- Foreign currency translation differences	-	-	-	-	(24,899)	-	-	-	-	(24,899)	-	(24,899)
Issuance of : (Note 12)												
- Award Shares	3	3,505	-	-	-	-	-	(3,508)	-	-	-	-
Transfer to Retained earnings	-	-	-	(3,937)	-	-	-	-	3,937	-	-	-
Recognition of Share grant plan	-	-	-	-	-	-	-	7,575	965	8,540	-	8,540
At 31 December 2025	230	590,109	(4,097)	-	84,153	-	359	6,122	140,088	816,964	20,014	836,978

Condensed Interim Statements of Changes in Equity (Cont'd)

The Group	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Contributed surplus RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2024	3,977	312,471	(4,097)	-	121,137	(3,426)	359	2,776	(922,008)	(488,811)	6,988	(481,823)
Profit for the year	-	-	-	-	-	-	-	-	785,243	785,243	14,955	800,198
Other comprehensive (loss)/income for the year:-												
- Fair value loss on financial asset	-	-	-	-	-	(96)	-	-	-	(96)	-	(96)
- Foreign currency translation differences	-	-	-	-	(12,085)	156	-	-	-	(11,929)	-	(11,929)
Share consolidation (Note 12)	(3,937)	-	-	3,937	-	-	-	-	-	-	-	-
Issuance of : (Note 12)												
- Conversion Shares	105	241,590	-	-	-	-	-	-	-	241,695	-	241,695
- Settlement Shares	7	2,618	-	-	-	-	-	-	-	2,625	-	2,625
- Private Placement Shares	75	29,925	-	-	-	-	-	-	-	30,000	-	30,000
Cancellation of												
Share grant plan	-	-	-	-	-	-	-	(2,776)	2,776	-	-	-
Recognition of Share grant plan	-	-	-	-	-	-	-	2,055	-	2,055	-	2,055
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	(8,163)	(8,163)
At 31 December 2024	227	586,604	(4,097)	3,937	109,052	(3,366)	359	2,055	(133,989)	560,782	13,780	574,562

Condensed Interim Statements of Changes in Equity (Cont'd)

	Share capital	Share premium	Treasury shares	Contributed surplus	Capital surplus	Share grant reserve	Accumulated losses	Equity attributable of the Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Company								
At 1 January 2025	227	586,604	(4,097)	3,937	778,608	2,055	(83,025)	1,284,309
Profit for the year	-	-	-	-	-	-	23,052	23,052
Issuance of Award Shares (Note 12)	3	3,505	-	-	-	(3,508)	-	-
Transfer to Retained earnings	-	-	-	(3,937)	-	-	3,937	-
Recognition of Share grant plan	-	-	-	-	-	7,575	-	7,575
At 31 December 2025	230	590,109	(4,097)	-	778,608	6,122	(56,036)	1,314,936
At 1 January 2024	3,977	312,471	(4,097)	-	778,608	2,776	(968,518)	125,217
Profit for the year	-	-	-	-	-	-	882,717	882,717
Share consolidation (Note 12)	(3,937)	-	-	3,937	-	-	-	-
Issuance of : (Note 12)								
- Conversion Shares	105	241,590	-	-	-	-	-	241,695
- Settlement Shares	7	2,618	-	-	-	-	-	2,625
- Private Placement Shares	75	29,925	-	-	-	-	-	30,000
Cancellation of Share grant plan	-	-	-	-	-	(2,776)	2,776	-
Recognition of Share grant plan	-	-	-	-	-	2,055	-	2,055
At 31 December 2024	227	586,604	(4,097)	3,937	778,608	2,055	(83,025)	1,284,309

Condensed Interim Consolidated Statements of Cash Flows

	The Group			
	6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000
	Operating activities			
Profit before tax	198,801	179,399	313,017	845,947
Adjustments for:				
Depreciation of property, plant and equipment	29,690	21,376	54,316	37,613
Deposit forfeited	-	(11,144)	-	(11,144)
Gain on derecognition of payables	(22,378)	-	(22,378)	-
Gain on waiver of debts	-	(7,989)	-	(398,575)
Impairment loss on property, plant and equipment	491	-	491	-
Impairment losses on trade and other receivables reversed	(8,308)	(2,778)	(13,044)	(7,356)
Interest expense	9,477	9,099	19,248	18,365
Interest income	(4,534)	(809)	(5,519)	(1,315)
(Gain)/Loss on disposal of property, plant and equipment	(69,155)	1,179	(69,155)	(31,168)
Property, plant and equipment written-off	-	127	-	987
Reversal of inventories written-down	(1,688)	83	(1,688)	(74,488)
Share of results of equity accounted joint ventures, net of tax	3,941	4,989	(46)	4,975
Share of results of equity accounted associate, net of tax	548	1,974	(61)	(27,684)
Total adjustments	(61,916)	16,107	(37,836)	(489,790)
Operating cash before working capital changes	136,885	195,506	275,181	356,157
Changes in working capital:				
Changes in inventories	(83,998)	(71,532)	(120,398)	(94,907)
Changes in receivables	65,764	101,057	67,811	20,908
Changes in prepayments	8,292	(19,735)	2,758	(21,412)
Changes in payables	(9,110)	2,507	(68,411)	(28,495)
Total changes in working capital	(19,052)	12,297	(118,240)	(123,906)
Cash from operations	117,833	207,803	156,941	232,251
Interest paid	(5,561)	(3,893)	(12,383)	(6,553)
Taxes paid, net of refund	(24,485)	(24,143)	(31,425)	(34,634)
Net cash from operating activities	87,787	179,767	113,133	191,064

Condensed Interim Consolidated Statements of Cash Flows (Cont'd)

	The Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Investing activities				
Repayment from associates	7,655	1,604	8,423	9,097
Repayment from/(to) joint ventures	3,960	(19,922)	(7,959)	(55,001)
Interest received	4,534	809	5,519	1,315
Dividend received from an associate	(823)	-	22,051	-
Acquisition of subsidiary, net of cash and cash equivalents	-	-	(9,788)	-
Proceed from redemption of debt instruments	(58)	-	5,652	-
Acquisition of property, plant and equipment	(53,940)	(81,524)	(83,820)	(98,239)
Proceeds from disposal of property, plant and equipment	87,469	(1,471)	87,469	38,894
Net cash from/(used in) investing activities	<u>48,797</u>	<u>(100,504)</u>	<u>27,547</u>	<u>(103,934)</u>
Financing activities				
Repayments of borrowings	(6,808)	(7,231)	(75,089)	(37,614)
Repayments of lease liabilities and interests	(471)	(452)	(923)	(865)
(Increased)/decreased in fixed deposits pledged as security	-	(874)	(149)	1,836
Increased in restricted cash with licensed banks	(1,492)	(2,622)	(566)	(6,031)
Proceeds from share issuance	-	-	-	30,000
Dividend paid to non-controlling interest of a subsidiary	-	(8,163)	-	(8,163)
Net cash used in financing activities	<u>(8,771)</u>	<u>(19,342)</u>	<u>(76,727)</u>	<u>(20,837)</u>
Net changes in cash and cash equivalents	127,813	59,921	63,953	66,293
Effects of exchange fluctuations on cash and cash equivalents	2,369	779	2,816	375
Cash and cash equivalents at 1 January	56,631	59,344	120,044	53,376
Cash and cash equivalents at 31 December	<u>186,813</u>	<u>120,044</u>	<u>186,813</u>	<u>120,044</u>
Cash and cash equivalents comprise the following as at the statements of financial position date:				
Fixed deposits with licensed banks	9,158	7,281	9,158	7,281
Cash and bank balances	193,416	127,809	193,416	127,809
	<u>202,574</u>	<u>135,090</u>	<u>202,574</u>	<u>135,090</u>
Less: Restricted cash with licensed banks	(11,395)	(10,829)	(11,395)	(10,829)
Less: Restricted fixed deposits with licensed banks	(4,366)	(4,217)	(4,366)	(4,217)
Total cash and cash equivalents	<u>186,813</u>	<u>120,044</u>	<u>186,813</u>	<u>120,044</u>

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Nam Cheong Limited (the "Company") is incorporated as a limited liability company and domiciled in Bermuda. The Company's shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those relating to investment holding. The principal activities of the Group are those of shipbuilding and vessel chartering.

2. Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS"). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Malaysia ringgit ("RM") which is the Company's functional currency. All financial information is presented in RM and rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

3. Seasonal operations

Other than the vessels utilisation of the chartering business which is affected by monsoon, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- (i) Shipbuilding
- (ii) Vessel chartering
- (iii) Others - investment holding and trading of vessel machineries

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2025					
Revenue					
External revenue	-	341,475	-	-	341,475
Results					
Depreciation of property, plant and equipment	(805)	(28,885)	-	-	(29,690)
Gain on disposal of property, plant and equipment	-	69,155	-	-	69,155
Interest income	81	4,452	1	-	4,534
Impairment loss on property, plant and equipment	(491)	-	-	-	(491)
Impairment losses on trade and other receivables (made)/reversed	(747)	7,366	1,689	-	8,308
Reversal of inventories written-down	1,242	446	-	-	1,688
Finance costs	-	(3,411)	(6,066)	-	(9,477)
Share of results of joint ventures	-	46	(3,987)	-	(3,941)
Share of results of associates	-	-	(548)	-	(548)
Profit/(Loss) before tax	21,973	183,661	(6,833)	-	198,801

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2024					
Revenue					
External revenue	-	372,715	-	-	372,715
Results					
Interest income	230	578	(2,071)	2,072	809
Deposit forfeited	11,144	-	-	-	11,144
Depreciation of property, plant and equipment	(4,507)	(16,868)	(1)	-	(21,376)
Gain on waiver of debts	7,989	-	-	-	7,989
Gain on disposal of property, plant and equipment	-	(1,179)	-	-	(1,179)
Impairment losses on trade and other receivables reversed/(made)	4,790	(389)	(1,623)	-	2,778
Property, plant and equipment written-off	-	(127)	-	-	(127)
Reversal of inventories written-down	(83)	-	-	-	(83)
Restructuring expenses	-	-	-	-	-
Finance costs	-	(695)	(6,298)	(2,106)	(9,099)
Share of results of joint ventures	-	(1,765)	(3,224)	-	(4,989)
Share of results of associates	-	-	(1,974)	-	(1,974)
(Loss)/Profit before tax	(41,303)	210,358	12,005	(1,661)	179,399

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
12 months ended 31 December 2025					
Revenue					
External revenue	-	619,701	-	-	619,701
Results					
Interest income	274	5,244	1	-	5,519
Depreciation of property, plant and equipment	(1,561)	(52,755)	-	-	(54,316)
Gain on disposal of property, plant and equipment	-	69,155	-	-	69,155
Impairment loss on property, plant and equipment	(491)	-	-	-	(491)
Impairment losses on trade and other receivables (made)/reversed	(747)	10,214	3,577	-	13,044
Reversal of inventories written-down	1,242	446	-	-	1,688
Finance costs	-	(13,182)	(6,066)	-	(19,248)
Share of results of joint ventures	-	46	-	-	46
Share of results of associates	-	-	61	-	61
Profit/(Loss) before tax	18,750	308,307	(14,040)	-	313,017
As at 31 December 2025					
Additions to non-current assets	66,536	39,222	-	-	105,758
Investment in joint ventures	-	-	4,188	-	4,188
Investment in associate	-	-	6,304	-	6,304
Segment assets	1,153,048	2,492,427	1,618,512	(3,845,350)	1,418,637
Segment liabilities	929,509	2,174,973	560,246	(3,110,164)	554,564

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
12 months ended 31 December 2024					
Revenue					
External revenue	-	684,714	-	-	684,714
Results					
Interest income	306	1,008	1	-	1,315
Deposit forfeited	11,144	-	-	-	11,144
Depreciation of property, plant and equipment	(5,173)	(32,438)	(2)	-	(37,613)
Gain on disposal of property, plant and equipment	-	31,168	-	-	31,168
Gain on waiver of debts	398,575	-	-	-	398,575
Impairment losses on trade and other receivables reversed/(made)	4,790	2,552	14	-	7,356
Property, plant and equipment written-off	-	(987)	-	-	(987)
Reversal of inventories written-down	74,488	-	-	-	74,488
Restructuring expenses	-	-	(13,283)	-	(13,283)
Finance costs	-	(12,067)	(6,298)	-	(18,365)
Share of results of joint ventures	-	(1,765)	(3,210)	-	(4,975)
Share of results of associates	-	-	27,684	-	27,684
Profit/(Loss) before tax	479,537	394,063	(25,992)	(1,661)	845,947
As at 31 December 2024					
Additions to non-current assets	121,514	107,095	-	(1,929)	226,680
Investment in associate	-	-	36,572	-	36,572
Investment in joint ventures	-	-	4,145	-	4,145
Segment assets	1,006,228	1,919,301	1,559,091	(3,205,789)	1,278,831
Segment liabilities	828,744	1,794,696	545,035	(2,485,715)	682,760

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000
Revenue				
Malaysia	306,003	377,499	579,296	684,714
Middle East	17,745	13,177	22,678	17,961
Thailand	17,727	-	17,727	-
	<u>341,475</u>	<u>390,676</u>	<u>619,701</u>	<u>702,675</u>
			31.12.2025 RM'000	31.12.2024 RM'000
Non-current assets				
Malaysia			792,966	753,723
Singapore			-	1
			<u>792,966</u>	<u>753,724</u>

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	31.12.2025 RM'000	31.12.2024 RM'000
Property, plant and equipment	782,474	712,397
Investment in associates	6,304	36,572
Investment in joint ventures	4,188	4,145
Other investments	-	610
	<u>792,966</u>	<u>753,724</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

5. Other income

	The Group			
	6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000
	Deposit forfeited	-	11,144	-
Foreign exchange gain/(loss), net	9,059	(3,989)	9,059	27,284
Gain on derecognition of payables	22,378	-	22,378	-
Gain on disposal of property, plant and equipment	69,155	(1,179)	69,155	31,168
Gain on waiver of debts	-	7,989	-	398,575
Interest income	4,534	809	5,519	1,315
Impairment losses on trade and other receivables reversed	8,308	2,778	13,044	7,356
Miscellaneous	293	(2,805)	816	1,002
Rental income	-	8	6	18
Reversal of inventories written down	1,688	(83)	1,688	74,488
	<u>115,415</u>	<u>14,672</u>	<u>121,665</u>	<u>552,350</u>

6. Profit before tax

	The Group			
	6 months ended 31.12.2025 RM'000	6 months ended 31.12.2024 RM'000	12 months ended 31.12.2025 RM'000	12 months ended 31.12.2024 RM'000

The following amounts have been included
in arriving at profit before tax:

Cost of sales

Depreciation of property, plant and equipment	<u>28,595</u>	<u>20,412</u>	<u>52,205</u>	<u>35,738</u>
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Administrative expenses

Depreciation of property, plant and equipment	<u>1,095</u>	<u>964</u>	<u>2,111</u>	<u>1,875</u>
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Other operating expenses

Foreign exchange gain, net	(1,380)	-	-	-
Impairment loss on property, plant and equipment	491	-	491	-
Litigation settlement expense	10,570	-	10,570	-
Property, plant and equipment written-off	-	127	-	987
Restructuring expenses	-	-	-	13,283

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended 31.12.2025	6 months ended 31.12.2024	12 months ended 31.12.2025	12 months ended 31.12.2024
	RM'000	RM'000	RM'000	RM'000
Current income tax expense:				
- Current year	7,183	2,786	34,325	36,771
- Under/(Over) provision in prior year	3,240	(104)	442	(682)
Deferred tax expense:				
- Current year	2,841	8,303	2,841	8,303
- Under provision in prior year	-	1,231	-	1,357
	13,264	12,216	37,608	45,749

8. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following are transactions with related parties made at terms agreed between the parties:

	The Group			
	6 months ended 31.12.2025	6 months ended 31.12.2024	12 months ended 31.12.2025	12 months ended 31.12.2024
	RM'000	RM'000	RM'000	RM'000
Other related parties in which directors and key management have interest:				
- purchases	963	290	1,093	473
- rental expense	495	433	974	866
	495	433	974	866

9. Net asset value

	The Group		The Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Net asset value per ordinary share (Malaysia sen)	209.6	146.1	329.3	326.5
Ordinary shares in issue	399,282,225	393,398,425	399,282,225	393,398,425

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

10. Property, plant and equipment

During the twelve months ended 31 December 2025, there were acquisition of assets amounting to RM85,906,000 (31 December 2024: RM126,080,000).

Included in the additions to property, plant and equipment is right-of-use assets of RM2,086,000 (31 December 2024: RM Nil).

11. Trade and other receivables

	The Group		The Company	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Non-current				
Trade receivables from a third party	-	288	-	-
Less: Allowance for impairment losses	-	(288)	-	-
	-	-	-	-
Current				
Trade receivables from:				
- third parties	167,621	225,113	-	-
- joint ventures	2,823	1,595	-	-
- associates	-	8,025	-	-
Less: Allowance for impairment losses				
- third parties	(7,834)	(19,927)	-	-
- joint ventures	(954)	(985)	-	-
	161,656	213,821	-	-
Amount due from subsidiaries (non-trade)	-	-	-	4,680
Amounts due from joint ventures (non-trade)	41,987	68,621	-	60
Amounts due from associates (non-trade)	1,175	3,209	-	-
Deposits and other receivables	10,389	14,026	54	140
Less: Allowance for impairment losses				
- amounts due from subsidiaries (non-trade)	-	-	-	(4,680)
- amounts due from joint ventures (non-trade)	(10,106)	(27,742)	-	(60)
- amounts due from associate (non-trade)	(17)	(630)	(54)	-
- other receivables	(2,652)	(4,288)	-	-
	40,776	53,196	-	140
Total trade and other receivables	202,432	267,017	-	140

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

11. Trade and other receivables (Cont'd)

The aging analysis of trade receivables are as follows:

	31.12.2025 RM'000	Financial year of which respective sales were reported
The Group		
Not impaired:		
Not past due	41,307	2025
Past due 1 to 3 months	71,330	2025
Past due 3 to 6 months	19,296	2025
Past due more than 6 months	29,723	2023 -2025
	<u>161,656</u>	
Past due and impaired	8,788	2016 - 2023
	<u>170,444</u>	

Receivables that were determined to be impaired as at 31 December 2025 are related to those which have been past due and have insufficient information to justify recoverability of the respective receivables, including those which are related to customers who are facing financial difficulties in fulfilling their obligations.

Those receivables that were determined to be impaired were not from the Group's major customers. The Group has ceased to transact with customers which outstanding debts are deemed doubtful of collection.

As at even date, RM65.2 million (or 40%) of the net trade receivables of RM161.7 million in FY2025 has been collected from the customers subsequent to FY2025. The Group continue to monitor the aging and collection of receivables on an on-going basis. For those receivables which are past due and doubtful of collection, reminders have been sent to the relevant customers before issuance of demand letters and the recovery of debts via legal proceedings where necessary.

12. Share capital and share premium

	The Group and the Company			
	31.12.2025 '000	31.12.2024 '000	31.12.2025 RM'000	31.12.2024 RM'000
<u>Share capital</u>	Number of ordinary shares			
Issued and fully paid				
At 1 January	393,465	8,078,216	227	3,977
Share consolidation	-	(7,997,434)	-	(3,937)
Issuance of :				
- Award Shares	5,884	-	3	-
- Conversion Shares	-	176,193	-	105
- Settlement Shares	-	10,982	-	7
- Placement Shares	-	125,508	-	75
At 31 December	<u>399,349</u>	<u>393,465</u>	<u>230</u>	<u>227</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

12. Share capital and share premium (Cont'd)

	The Group and the Company	
	31.12.2025	31.12.2024
	RM'000	RM'000
<u>Share premium</u>		
At 1 January	586,604	312,471
Issuance of :		
- Award Shares	3,505	-
- Conversion Shares	-	241,590
- Settlement Shares	-	2,618
- Placement Shares	-	29,925
At 31 December	<u>590,109</u>	<u>586,604</u>

Share premium is the amount subscribed for ordinary shares in the capital of the Company in excess of the nominal value.

On 9 April 2025, pursuant to the terms of the Nam Cheong Management Incentive Plan 2024, an aggregate of 2,941,900 Award Shares were issued and allotted by the Company.

On 8 October 2025, pursuant to the terms of the Nam Cheong Management Incentive Plan 2024, an aggregate of 2,941,900 Award Shares were issued and allotted by the Company.

On 11 March 2024, pursuant to the terms of the Schemes of Arrangement in 2024 ("2024 Scheme"), Share consolidation and Capital reorganisation has taken effect. Each issued Share post Share Consolidation with a par value of HK\$0.10 shall be treated as one (1) fully paid Share with a par value of HK\$0.001 pursuant to the Capital Reorganisation 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.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 176,193,435 Conversion Shares were allotted and issued at an issue price of S\$0.40 per Conversion Shares to the Scheme Creditors in consideration of the repayment of outstanding debts and liabilities of the Company in accordance with the terms of the 2024 Scheme.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 10,981,923 Settlement Shares were allotted and issued at an issue price of S\$0.0697 per Settlement Shares to the Company's financial advisors as a part payment of professional fees, in accordance with the terms of the 2024 Scheme.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 125,507,689 Placement Shares were allotted and issued at an issue price of S\$0.0697 per Placement Shares to the Tan Sri Datuk Tiong Su Kouk as an interested person transaction.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

13. Borrowings

	The Group		The Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Bilateral facilities debt (secured)	6,234	50,928	-	-
Term loan (secured)	77,184	20,784	-	-
Term loan (unsecured)	342,028	386,387	212,477	236,083
	<u>425,446</u>	<u>458,099</u>	<u>212,477</u>	<u>236,083</u>
Represented by:				
- Current	98,548	34,968	22,666	23,003
- Non-current	326,898	423,131	189,811	213,080
	<u>425,446</u>	<u>458,099</u>	<u>212,477</u>	<u>236,083</u>

Scheme of Arrangement in 2024 (the “2024 Scheme”)

The Group and the Company obtained creditors’ approval for the 2024 Scheme on 3 November 2023. The 2024 Scheme was subsequently sanctioned by the High Court of Malaya on 21 December 2023. Subsequently, on 29 February 2024, the proposed resolutions related to the restructuring was approved by the Company’s shareholders at a Special General Meeting for inter alia the issuance of new shares pursuant to the restructuring. On 30 March 2024, the Group concluded the debt restructuring exercise via 2024 Scheme and the Debt Restructuring Master Agreement (“DRMA”).

Following the issuance and allotment of the Conversion Shares, Settlement Shares and Placement Shares by the Company on 12 March 2024, and together with the payment of Conversion Cash by the Company to eligible creditors pursuant to the 2024 Scheme on or before 14 March 2024, the 2024 Scheme and the DRMA have become fully effective and unconditional on 30 March 2024.

Non-sustainable Debt

Pursuant to the 2024 Scheme, an aggregate of 176,193,435 Conversion Shares were allotted and issued at an issue price of S\$0.40 per Conversion Shares to the Scheme Creditors in consideration of the repayment of outstanding debts and liabilities of the Company in accordance with the terms of the 2024 Scheme.

Bilateral Facilities Debt

The Group has on 30 March 2024 concluded the debt restructuring exercise. Pursuant to 2024 Scheme the maturity date of the Bilateral Facilities Debt has been restructured and extended to 31 March 2026.

Term Loan (Secured)

Pursuant to 2024 Scheme, RM21,932,080 of the Bilateral Facilities Debt was restructured as the Restructured Term Loan (Secured). The tenure of Restructured Term Loan (“RTL”) 1A is from 30 March 2024 to 31 March 2031. Interest rates is charged at cost of funds plus 1 to 2% per annum. The principal of RTL 1A shall be repaid in 84 monthly instalments ranges between RM127,000 to RM468,000 per instalment commencing 30 April 2024.

Term Loan (Unsecured)

The Sustainable Debt was restructured as RTL 1B and RTL B respectively. The tenure of both RTL 1B and RTL B is from 30 March 2024 to 31 March 2031. Interest rates range between 3% to cost of fund plus 2% per annum. The principal of RTL 1B shall be repaid in 14 semi-annual instalments ranges between RM7,500,000 to RM27,500,000 per instalment commencing 30 September 2024. Whereas the principal of RTL B shall be repaid in 7 annual instalments ranges between RM13,000,000 to RM52,000,000 per instalment commencing 31 March 2025.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

13. Borrowings (Cont'd)

Security

The Bilateral facilities debts and Term Loan (Secured) are secured by the underlying assets, comprising leasehold lands, buildings and vessels with carrying amount of RM Nil (31 December 2024: RM5,326,000), RM Nil (31 December 2024: RM1,484,000) and RM27,484,000 (31 December 2024: RM35,357,000), respectively.

The Group intends to fulfil its payment obligations in the next 12 months via its cash and bank balances, collection from receivables and the positive cashflow expected to be generated from operations over the next 12 months. Barring any unforeseen circumstances, the Group is on track to fulfil its debt obligations.

14. Trade and other payables

	The Group		The Company	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Non-current				
Trade payables - third parties	10,361	22,762	-	-
Current				
Trade payables:				
- third parties	52,447	94,937	-	-
- joint ventures	-	25,664	-	-
- associates	52	827	-	-
Amount due to subsidiaries (non-trade)	-	-	6,451	-
Amounts due to joint ventures (non-trade)	5,087	5,087	-	-
Amounts due to associates (non-trade)	-	7,508	-	-
Accrued expenses	16,337	15,620	1,473	1,905
Deposits and other payables	2,317	11,528	42	1,461
Interest payables	11,634	7,158	7,237	4,416
	<u>87,874</u>	<u>168,329</u>	<u>15,203</u>	<u>7,782</u>
Dividend payable	-	146	-	146
Service tax payable	1,834	2,820	-	-
Withholding tax payable	58	27	-	-
	<u>89,766</u>	<u>171,322</u>	<u>15,203</u>	<u>7,928</u>
Total trade and other payables	<u>100,127</u>	<u>194,084</u>	<u>15,203</u>	<u>7,928</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

15. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 December 2025 and 31 December 2024:

	The Group		The Company	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Financial assets at amortised cost				
Trade and other receivables	202,432	267,017	-	140
Cash and bank balances	193,416	127,809	121	170
Fixed deposits	9,158	7,281	-	-
	<u>405,006</u>	<u>402,107</u>	<u>121</u>	<u>310</u>
Financial liabilities at amortised cost				
Bilateral facilities debt	6,234	50,928	-	-
Term loans	419,212	407,171	212,477	236,083
Lease liabilities	1,483	262	-	-
Trade and other payables	98,235	191,091	15,203	7,782
Provision for financial guarantee	27,508	30,315	27,508	30,315
	<u>552,672</u>	<u>679,767</u>	<u>255,188</u>	<u>274,180</u>

Other Information Required by Listing Rule Appendix 7.2

1. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on preceding year.

There were no movement in the treasury shares during the six month ended 31 December 2025. As at 31 December 2025, 66,785 shares were held as treasury shares by the Company.

2. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no movement in the subsidiary holdings during the six month ended 31 December 2025. As at 31 December 2025, 1,143,564 shares were held as subsidiary holdings.

3. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The condensed consolidated statement of financial position of Nam Cheong Limited and its subsidiaries as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve months then ended and certain explanatory notes have not been audited or reviewed.

4. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2024.

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2024.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2025 vs FY2024

	FY2025				FY2024				Variance			
	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	-	-	-	-	-	-	-	-	-
Vessel Chartering	619,701	100%	301,387	49%	684,714	100%	363,285	53%	(65,013)	(9%)	(61,898)	(17%)
Total	619,701	100%	301,387	49%	684,714	100%	363,285	53%	(65,013)	(9%)	(61,898)	(17%)

For the twelve months ended 31 December 2025 ("FY2025"), the Group's revenue from the vessel chartering division decreased by 9% from RM684.7 million in the previous corresponding twelve months ended 31 December 2024 ("FY2024") to RM619.7 million in FY2025 mainly due to lower vessel utilisation during the year.

The shipbuilding segment did not register any revenue for both FY2025 and FY2024 as there was no scheduled delivery of vessel sale during the year.

Gross profit decreased by 17% year-on-year ("yoy") to RM301.4 million in FY2025, in tandem with the decrease in revenue. Accordingly, the gross margin stood at 49% for FY2025, down 4 percentage points.

Other income was lower at RM121.7 million in FY2025 as compared to RM552.4 million recorded in FY2024, mainly due to the absence of waiver of debts pursuant to the 2024 Scheme and the DRMA during the year.

7. (Contd.)

Review of Group Performance (Contd.)

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2025 vs FY2024

Selling and administrative expenses increased by 34% yoy to RM79.8 million for FY2025, mainly due to the increase in staff cost.

Other operating expenses decreased from RM14.3 million in FY2024 to RM11.1 million in FY2025, mainly due to the litigation settlement expense to a third-party supplier for vessel chartering. The impact was partially off-set by the absence of restructuring cost during the year.

Finance costs normalised at RM19.2 million in FY2025 as compared to RM18.4 million recorded in FY2024, following the conclusion of the debt restructuring.

Share of profit of equity accounted joint ventures of RM0.1 million in FY2025 was higher than share of loss of RM5.0 million recorded in FY2024 mainly due to higher vessel utilisation during the year. Whereas, share of profit of associates of RM0.1 million in FY2025 was lower as compared to the share of profit of RM27.7 million in FY2024 mainly due to the absence of the realisation of asset by one of the associates during the year.

As a result of the above, the Group recorded a lower net profit after tax of RM275.4 million in FY2025 as compared to a net profit after tax of RM800.2 million in FY2024. Excluding certain non core other income, other operating expenses as well as share of results from joint ventures and associates, core profit from chartering and vessel sales decreased by 22% to RM233.9 million in FY2025 from RM298.9 million in FY2024.

2H2025 vs 2H2024

	2H2025				2H2024				Variance			
	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	-	-	-	-	-	-	-	-	-
Vessel Chartering	341,475	100%	160,039	47%	372,715	100%	217,238	58%	(31,240)	(8%)	(57,199)	(26%)
Total	341,475	100%	160,039	47%	372,715	100%	217,238	58%	(31,240)	(8%)	(57,199)	(26%)

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

2H2025 vs 2H2024

For the six months ended 31 December 2025 ("2H2025"), the Group's revenue from the vessel chartering division decreased by 8% from RM372.7 million in the previous corresponding six months ended 31 December 2024 ("2H2024") to RM341.5 million in 2H2025 mainly due to lower vessel utilisation during the period.

The shipbuilding segment did not register any revenue for both 2H2025 and 2H2024 as there was no scheduled delivery of vessel sale during the period.

Gross profit decreased by 26% yoy to RM160.0 million in 2H2025, in tandem with the decrease in revenue as well as the increase in vessels maintenance cost. Accordingly, the gross margin stood at 47% for 2H2025, down 11 percentage points.

Other income increased from RM14.7 million in 2H2024 to RM115.4 million in 2H2025 mainly due to the gain on disposal of vessel of RM69.2 million, gain on derecognition of payables of RM22.4 million and foreign exchange gain of RM9.1 million during the period.

Selling and administrative expenses increased by RM16.7 million from RM36.3 million recorded in 2H2024 to RM53.0 million in 2H2025, mainly due to the increase in staff cost and marketing cost.

Other operating expenses increased to RM9.7 million in 2H2025 from RM0.1 million recorded in 2H2024, mainly due to the litigation settlement expense of RM10.6 million to a third-party supplier for vessel chartering during the period.

Finance costs increased to RM9.5 million in 2H2025 from RM9.1 million recorded in 2H2024 mainly due to the increase in interest rates.

Share of loss of equity accounted joint ventures of RM3.9 million in 2H2025 is lower than share of loss of equity accounted joint ventures of RM5.0 million in 2H2024 mainly due to higher vessel utilisation during the period. Whereas, share of results of associates recorded a loss of RM0.5 million in 2H2025 as compared to loss of RM2.0 million 2H2024 mainly due to higher level of construction activities during the period.

Consequently, the Group registered a net profit after tax of RM185.5 million in 2H2025 as compared to a net profit after tax of RM167.2 million in 2H2024. Excluding certain non core other income, other operating expenses as well as share of results from joint ventures and associates, core profit from chartering and vessel sales decreased by 2% to RM153.4 million in 2H2025 from RM156.5 million in 2H2024.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)

(b) Condensed Interim Statements of Financial Position (Group)

Total Assets

Total assets of the Group increased by RM140.8 or 11% million from RM1,278.9 million as at FY2024 to RM1,419.7 million as at FY2025 mainly due to the following:

- (i) Inventories increased by RM119.6 million from RM93.3 million as at FY2024 to RM212.9 million as at FY2025 mainly due to vessels under construction during the year;
- (ii) Property, plant and equipment increased by RM70.1 million or 10% from RM712.4 million as at FY2024 to RM782.5 million as at FY2025 mainly due to the completion of vessel constructed and addition of dry docking costs and retrofitting cost during the year; and
- (iii) Cash and cash equivalents increased by RM67.5 million or 50% from RM135.1 million as at FY2024 to RM202.6 million as at FY2025 mainly due to the proceed from disposal of vessel and collection from customers during the year.

Total Liabilities

Total liabilities of the Group decreased by RM121.6 million or 17% from RM704.3 million as at FY2024 to RM582.7 million as at FY2025 mainly due to the following:

- (i) Borrowings decreased by RM32.7 million or 7% from RM458.1 million as at FY2024 to RM425.4 million as at FY2025 as a result of the repayment of borrowings during the year; and
- (ii) Trade and other payables decreased by RM94.0 million or 48% from RM194.1 million as at FY2024 to RM100.1 million as at FY2025 mainly due to repayment to trade payables during the year.

(c) Condensed Interim Consolidated Statements of Cash Flows

FY2025

Net cash from operating activities of RM113.1 million in FY2025 was mainly due to collection from customers during the year.

Net cash from investing activities of RM27.5 million in FY2025 was mainly due to proceeds received from disposal of property, plant and equipment of RM87.5 million and dividend received from an associate of RM22.1 million, which was partially offset by payments made for acquisition of property, plant and equipment of RM83.8 million and repayment made to joint ventures of RM8.0 million.

Net cash used in financing activities of RM76.7 million in FY2025 was mainly due to the repayments of borrowings during the year.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)

(c) Condensed Interim Consolidated Statements of Cash Flows (Contd.)

2H2025

Net cash from operating activities of RM87.8 million in 2H2025 was mainly due to collection from customers during the period.

Net cash from investing activities of RM48.8 million in 2H2025 was mainly due to proceeds received from disposal of property, plant and equipment of RM87.5 million, which was partially offset by payments made for acquisition of property, plant and equipment of RM53.9 million.

Net cash used in financing activities of RM8.8 million in 2H2025 was mainly due to the repayment of borrowings of RM6.8 million and increase in restricted cash with licensed banks of RM1.5 million.

8. [Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results](#)

There is no material change from the previous prospect statement.

9. [A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months](#)

Malaysia's offshore support vessel ("OSV") market is expected to remain stable in 2026. Petronas announced in January that it aims to maintain the domestic output at close to 2 million barrels of oil equivalent between 2026 and 2028, and continue investing in exploration, deep-water development, enhanced oil recovery and new production-sharing contracts¹. In addition, the development and exploration of wells are projected to increase from 79 in 2025 to 91 in 2026, reaching 100 in 2028¹. These activities are expected to sustain domestic OSV demand.

On the other hand, around 80% of Malaysian OSVs are expected to be over 12 years old in 2025, with many approaching 20 years and to be deemed obsolete². According to Fearnley Offshore Supply, as much as 40% of the Asia-Pacific OSV fleet could exit the market over the next five years, which would tighten supply and support day rates in the years ahead³.

As one of the major OSV players in Asia with both chartering operations and in-house shipbuilding capabilities, Nam Cheong is well positioned to capture opportunities across the OSV value chain. Its young and technologically capable chartering fleet is ready to benefit from sustained day rates, while its in-house newbuilds can either be deployed into its own fleet to replenish and expand the recurring income base, or for external sales to accelerate capital recycling. Supported by these dual growth engines, the Group remains cautiously optimistic about delivering long-term sustainable value to shareholders.

[¹] [The Business Times: Petronas to beef up exploration and production in next three years](#)

[²] [Focus Malaysia: Malaysia's aging OSV fleet raises concerns for future supply](#)

[³] [Riveria: High OSV demand, ageing fleets drive higher utilisation, charter rates](#)

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

10. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

11. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared in the period under review as the Company is working through its restructuring arrangement and wishes to enhance the financial strength of the Company.

12. General mandate relating to interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tiong Chiong Soon	56 years	<ol style="list-style-type: none"> 1. Son of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Brother of Executive Vice Chairman, Tiong Chiong Hiiung 3. Brother-in-law of Chief Executive Officer, Leong Seng Keat 	Director of Nam Cheong Dockyard Sdn Bhd since 01.11.2009. Tiong Chiong Soon is responsible for the shipyard in Miri, Sarawak, Malaysia	Not Applicable
Leong Juin Zer Jonathan	36 years	<ol style="list-style-type: none"> 1. Grandson of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Nephew of Executive Vice Chairman, Tiong Chiong Hiiung 3. Son of Chief Executive Officer, Leong Seng Keat 	Executive Director of SKOSV Sdn Bhd since 20.2.2020	Not Applicable

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

14. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of Nam Cheong Limited hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

15. Confirmation from the Board

We, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and of the Company for the six months and twelve months ended 31 December 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Tiong Chiong Hiiung
Executive Vice Chairman cum Finance Director

27 February 2026