
**First Quarter Ended 31 March 2020 Financial Statements
and Related Announcement**

Content	Page
1. Unaudited Financial Statements	1
1(a)(i) Statements of Comprehensive Income (Group)	1
1(a)(ii) Notes to the Statements of Comprehensive Income	3
1(b)(i) Statements of Financial Position	4
1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities	5
1(c) Statements of Cash Flows (Group)	6
1(d)(i) Statements of Changes in Equity	8
1(d)(ii) Share Capital	11
1(d)(iii) Number of Issued Shares excluding Treasury Shares	11
1(d)(iv) Sales, Transfers, Disposals, Cancellations and/or use of Treasury Shares	11
1(d)(v) Sales, Transfers, Disposals, Cancellations and/or use of Subsidiary Holdings	11
2. Audit	11
3. Auditors' Report	11
4. Accounting Policies	11
5. Changes in Accounting Policies	12
6. Earnings Per Ordinary Share	12
7. Net Asset Value Per Ordinary Share	12
8. Review of Group Performance	13
9. Variance From Forecast Statement	16
10. Prospects	16
11. Dividend	16
12. Dividend Declared	16
13. General mandate relating to interested person transactions	17
14. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual	17
15. Confirmation from the Board	17

1. Unaudited Financial Statements

1(a)(i) Statements of Comprehensive Income (Group)

	1st Quarter ended 31.03.2020 RM'000	1st Quarter ended 31.03.2019 RM'000	Change %
Revenue	61,148	29,938	>100%
Cost of sales	(44,369)	(22,512)	97%
Gross profit	<u>16,779</u>	<u>7,426</u>	>100%
Other income	4,474	13,554	(67%)
Selling and administrative expenses	(9,177)	(8,017)	14%
Impairment on property, plant and equipment	(96,431)	-	n.m.
Inventories written down	(15,594)	-	n.m.
Other operating expenses	(1,183)	(2,403)	(51%)
Operating (loss)/profit	<u>(101,132)</u>	<u>10,560</u>	<(100%)
Finance costs	(11,021)	(7,566)	46%
Share of results of equity accounted joint ventures, net of tax	118	(872)	<(100%)
Share of results of equity accounted associates, net of tax	(1,229)	(1,662)	(26%)
(Loss)/Profit before tax	<u>(113,264)</u>	<u>460</u>	<(100%)
Income tax expense	(608)	(55)	>100%
(Loss)/Profit for the financial period	<u>(113,872)</u>	<u>405</u>	<(100%)

n.m. : Not meaningful

1. Unaudited Financial Statements (Contd.)

1(a)(i) Statements of Comprehensive Income (Group) (Contd.)

	1st Quarter ended 31.03.2020 RM'000	1st Quarter ended 31.03.2019 RM'000	Change %
Other comprehensive (loss)/income			
Exchange differences on translating foreign operations	(400)	7,417	<(100%)
Other comprehensive (loss)/income for the financial period, net of tax	(400)	7,417	<(100%)
Total comprehensive (loss)/income for the financial period	(114,272)	7,822	<(100%)
(Loss)/Profit attributable to:			
Owners of the parent	(114,376)	420	<(100%)
Non-controlling interest	504	(15)	<(100%)
(Loss)/Profit for the financial period	(113,872)	405	<(100%)
Total comprehensive (loss)/income attributable to:			
Owners of the parent	(114,776)	7,837	<(100%)
Non-controlling interest	504	(15)	<(100%)
Total comprehensive (loss)/income for the financial period	(114,272)	7,822	<(100%)

1. Unaudited Financial Statements (Contd.)

1(a)(ii) Notes to the Statements of Comprehensive Income

	1st Quarter ended 31.03.2020 RM'000	1st Quarter ended 31.03.2019 RM'000	Change %
Other income			
Impairment of trade receivables written back	-	188	(100%)
Interest income	553	702	(21%)
Inventories written back	-	12,244	(100%)
Miscellaneous	588	420	40%
Waiver of debts	805	-	n.m.
Waiver of prepaid land lease payments	2,528	-	n.m.
	<u>4,474</u>	<u>13,554</u>	(67%)
(Loss)/Profit before tax			
The following amounts have been included in arriving at (loss)/profit before tax:			
Cost of sales			
Depreciation of property, plant and equipment	<u>8,824</u>	<u>5,331</u>	66%
Administrative expenses			
Amortisation of prepaid land lease payments	-	67	n.m.
Depreciation of property, plant and equipment	<u>469</u>	<u>567</u>	(17%)
Other operating expenses			
Impairment of property, plant and equipment	96,431	-	n.m.
Inventories written down	15,594	-	n.m.
Legal and professional expenses	-	744	n.m.
Foreign exchange loss, net	<u>1,183</u>	<u>1,659</u>	(29%)
Income tax expense			
Current income tax	<u>608</u>	<u>55</u>	>100%

n.m. : Not meaningful

1. Unaudited Financial Statements (Contd.)

1(b)(i) Statements of Financial Position

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	754,152	809,978	-	-
Investment in joint ventures	5,086	4,970	-	-
Investment in an associate	17,762	18,501	-	-
	<u>777,000</u>	<u>833,449</u>	<u>-</u>	<u>-</u>
Current assets				
Inventories	99,156	123,541	-	-
Trade and other receivables	78,749	143,493	-	-
Prepayments	3,927	5,382	23	23
Current income tax recoverable	1,446	2,840	-	-
Fixed deposits	994	988	-	-
Cash and bank balances	65,571	46,490	58	95
	<u>249,843</u>	<u>322,734</u>	<u>81</u>	<u>118</u>
TOTAL ASSETS	1,026,843	1,156,183	81	118
EQUITY AND LIABILITIES				
Equity				
Share capital	3,552	3,484	3,552	3,484
Share premium	303,028	300,417	303,028	300,417
Treasury shares	(4,097)	(4,097)	(4,097)	(4,097)
Other reserves	313,595	313,525	780,429	779,959
Accumulated losses	(1,097,987)	(983,611)	(1,805,922)	(1,805,737)
	<u>(481,909)</u>	<u>(370,282)</u>	<u>(723,010)</u>	<u>(725,974)</u>
Non-controlling interest	6,566	6,062	-	-
Total equity	(475,343)	(364,220)	(723,010)	(725,974)
Non-current liabilities				
Deferred tax liabilities	591	592	-	-
Lease liability	1,022	1,067	-	-
Trade and other payables	191,538	187,996	-	-
Loans and borrowings	905,177	904,005	668,411	671,465
	<u>1,098,328</u>	<u>1,093,660</u>	<u>668,411</u>	<u>671,465</u>

1. Unaudited Financial Statements (Contd.)
1(b)(i) Statements of Financial Position (Contd.)

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
EQUITY AND LIABILITIES (Contd.)				
Current liabilities				
Lease liability	178	172	-	-
Loans and borrowings	98,709	96,036	-	-
Trade and other payables	304,971	330,535	54,680	54,627
	<u>403,858</u>	<u>426,743</u>	<u>54,680</u>	<u>54,627</u>
Total liabilities	<u>1,502,186</u>	<u>1,520,403</u>	<u>723,091</u>	<u>726,092</u>
TOTAL EQUITY AND LIABILITIES	<u>1,026,843</u>	<u>1,156,183</u>	<u>81</u>	<u>118</u>

1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

	As at 31.03.2020		As at 31.12.2019	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Amount repayable in one year or less, or on demand	<u>98,709</u>	<u>-</u>	<u>96,036</u>	<u>-</u>
Amount repayable after one year	<u>-</u>	<u>905,177</u>	<u>-</u>	<u>904,005</u>

Details of any collaterals

The Group borrowings are primarily secured by fixed deposits, proceeds from sale of vessels, and charges over certain properties and assets.

1. Unaudited Financial Statements (Contd.)

1(c) Statements of Cash Flows (Group)

	1st Quarter ended 31.03.2020 RM'000	1st Quarter ended 31.03.2019 RM'000
Operating activities		
(Loss)/Profit before tax	(113,264)	460
Adjustments for:		
Amortisation of prepaid land lease payments	-	67
Depreciation of property, plant and equipment	9,293	5,898
Impairment on property, plant and equipment	96,431	-
Impairment of trade and other receivables written back	-	(188)
Inventories written back	-	(12,244)
Inventories written down	15,594	-
Interest expense	11,021	7,566
Interest income	(553)	(702)
Share grant expense	470	348
Share of results of equity accounted joint ventures, net of tax	(118)	872
Share of results of equity accounted associate, net of tax	1,229	1,662
Waiver of debts	(805)	-
Waiver of prepaid land lease payments	(2,528)	-
Total adjustments	<u>130,034</u>	<u>3,279</u>
Operating cash before working capital changes	16,770	3,739
Changes in working capital:		
Changes in inventories	(2,766)	(1,181)
Changes in receivables	28,359	42,454
Changes in prepayments	1,506	(5,916)
Changes in payables	(15,066)	(33,233)
Total changes in working capital	<u>12,033</u>	<u>2,124</u>
Cash from operations	28,803	5,863
Interest paid	(6,316)	(1,455)
Taxes paid, net of refund	(1,176)	-
Net cash from operating activities	<u>21,311</u>	<u>4,408</u>

1. Unaudited Financial Statements (Contd.)
1(c) Statements of Cash Flows (Group) (Contd.)

	1st Quarter ended 31.03.2020 RM'000	1st Quarter ended 31.03.2019 RM'000
Investing activities		
Acquisition of property, plant and equipment	(1,008)	(6,188)
Interest received	553	702
Acquisition of shares in an associate	(490)	-
Net cash used in investing activities	<u>(945)</u>	<u>(5,486)</u>
Financing activities		
Repayments of bank borrowings	(2,309)	(1,952)
Increase in fixed deposits pledged	(18)	-
Net cash used in financing activities	<u>(2,327)</u>	<u>(1,952)</u>
Net changes in cash and cash equivalents	18,039	(3,030)
Effects of foreign exchange rate changes	1,030	(3,899)
Cash and cash equivalents at 1 January	47,207	106,709
Cash and cash equivalents at 31 March	<u>66,276</u>	<u>99,780</u>
Cash and cash equivalents comprise the following as at the statements of financial position date:		
Fixed deposits with licensed banks	994	37,872
Cash and bank balances	65,571	64,879
	<u>66,565</u>	<u>102,751</u>
Less: Restricted fixed deposits with licensed banks	(289)	(2,971)
Total cash and cash equivalents	<u>66,276</u>	<u>99,780</u>

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available- for-sale reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
Group										
At 1 January 2019	3,417	297,796	(4,097)	290,996	(4,401)	592	(1,047,964)	(463,661)	5,197	(458,464)
Profit for the period	-	-	-	-	-	-	420	420	(15)	405
Other comprehensive income	-	-	-	7,417	-	-	-	7,417	-	7,417
Allotment and Issuance of Term Loan Shares	67	2,621	-	-	-	-	-	2,688	-	2,688
Share grant plan expenses	-	-	-	-	-	348	-	348	-	348
At 31 March 2019	3,484	300,417	(4,097)	298,413	(4,401)	940	(1,047,544)	(452,788)	5,182	(447,606)

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity (Contd.)

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available- for-sale reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total equity RM'000
Group										
At 1 January 2020	3,484	300,417	(4,097)	316,575	(4,401)	1,351	(983,611)	(370,282)	6,062	(364,220)
Loss for the period	-	-	-	-	-	-	(114,376)	(114,376)	504	(113,872)
Other comprehensive loss	-	-	-	(400)	-	-	-	(400)	-	(400)
Allotment and issuance of the Term Loan Shares	68	2,611	-	-	-	-	-	2,679	-	2,679
Share grant plan expenses	-	-	-	-	-	470	-	470	-	470
At 31 March 2020	3,552	303,028	(4,097)	316,175	(4,401)	1,821	(1,097,987)	(481,909)	6,566	(475,343)

1. Unaudited Financial Statements (Contd.)
1(d)(i) Statements of Changes in Equity (Contd.)

Company	Share capital RM'000	Share premium RM'000	Share grant reserve RM'000	Treasury shares RM'000	Contributed surplus RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000
At 1 January 2019	3,417	300,417	592	(4,097)	858,988	(1,779,656)	(620,339)
Profit for the period	-	-	-	-	-	919	919
Allotment and Issuance of Term Loan shares	67	2,621	-	-	-	-	2,688
Share grant plan expenses	-	-	348	-	-	-	348
At 31 March 2019	3,484	303,038	940	(4,097)	858,988	(1,778,737)	(616,384)
At 1 January 2020	3,484	300,417	1,351	(4,097)	778,608	(1,805,737)	(725,974)
Loss for the period	-	-	-	-	-	(185)	(185)
Allotment and issuance of the Term Loan Shares	68	2,611	-	-	-	-	2,679
Share grant plan expenses	-	-	470	-	-	-	470
At 31 March 2020	3,552	303,028	1,821	(4,097)	778,608	(1,805,922)	(723,010)

Note:

On 4 March 2019 and 9 March 2020, share awards amounted to 70,179,408 shares was granted in respective financial years, pursuant to the Nam Cheong Management Incentive Plan ("NCMI Plan").

1. Unaudited Financial Statements (Contd.)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, subdivision, consolidation, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Pursuant to the terms of the NCL Scheme, the NCD Scheme and the NCI Scheme (collectively the "Scheme"), an aggregate of 128,341,762 term loan shares have been issued and allotted on 12 February 2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and corresponding period of immediately preceding year.

As at 31 March 2020 and 31 March 2019, the total number of issued shares excluding treasury shares was 7,272,640,629 and 7,144,298,867 respectively.

- 1(d)(iv) 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 first quarter of 2020. As at 31 March 2020, 6,678,597 shares were held as treasury shares by the Company.

- 1(d)(v) 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 first quarter of 2020. As at 31 March 2020, 114,356,460 shares were held as subsidiary holdings.

2. 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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. 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 2019.

5. 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 2019.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	1st Quarter ended 31.03.2020	1st Quarter ended 31.03.2019
Earnings per ordinary shares of the Group for the financial period based on net profit attributable to shareholders:		
(i) Based on weighted average number of ordinary shares in issue (Sen)	(1.59)	0.01
Weighted average number of shares	7,211,995,621	7,112,007,353
(ii) On a fully diluted basis (Sen)	(1.57)	0.01
Adjusted weighted average number of shares	7,299,141,479	7,133,840,946

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31.03.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2019
Net asset value per ordinary share (Sen)	(6.5)	(5.1)	(9.9)	(10.2)
Ordinary shares in issue	7,272,640,629	7,144,298,867	7,272,640,629	7,144,298,867

8. 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) Statements of Comprehensive Income (Group)

1Q 2020 vs 1Q 2019

	1Q 2020				1Q 2019				Variance			
	Revenue		Gross Profit	Margin	Revenue		Gross Profit	Margin	Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	n.m.	-	-	-	n.m.	-	-	-	n.m.
Vessel Chartering	61,148	100%	16,779	27%	29,938	100%	7,426	25%	31,210	104%	9,353	126%
Total	61,148	100%	16,779	27%	29,938	100%	7,426	25%	31,210	104%	9,353	126%

8. (Contd.)

Review of Group Performance (Contd.)

(a) Statements of Comprehensive Income (Group) (Contd.)

1Q 2020 vs 1Q 2019

For the first quarter end 31 March 2020 ("1Q 2020"), the Group's revenue from vessel chartering surged by 104% from RM29.9 million in the previous corresponding first quarter ended 31 March 2019 ("1Q 2019") to RM61.1 million in 1Q 2020. This was mainly attributable to the increased utilisation rate and expanded fleet size to 37 vessels in 1Q 2020 as compared to 32 vessels in 1Q 2019.

Conversely, the shipbuilding segment did not register any revenue for both 1Q 2020 and 1Q 2019 as there was no vessel scheduled for delivery during the period.

The Group has shown significant improvement by recording a gross profit of RM16.8 million in 1Q 2020 as compared to gross profit of RM7.4 million in 1Q 2019 mainly due to larger fleet size and higher utilisation rates from vessel chartering segment.

Other income was lower at RM4.5 million in 1Q 2020 as compared to RM13.6 million recorded in 1Q 2019 mainly due to the absence of inventories written back which amounted to RM12.2 million registered in 1Q 2019. The decrease in other income was partially offset by the waiver of prepaid land lease payment of RM2.5 million in 1Q 2020.

Selling and administrative expenses increased from RM8.0 million to RM9.2 million in 1Q 2020, primarily due to increase in vessel chartering activities which was consistent with the increase in revenue.

Other operating expenses of RM113.2 million in 1Q 2020 was significantly higher than RM2.4 million recorded in 1Q 2019 mainly due to impairment made on property, plant and equipment of RM96.4 million and inventories written down amounting to RM15.6 million, as a result of the marked to market value of the Group's vessels.

Finance costs increased to RM11.0 million in 1Q 2020 as compared to RM7.6 million recorded in 1Q 2019, mainly due to the increase in finance cost related to vessel financing to support the expanded fleet size from 1Q 2019 to 1Q 2020 which was consistent with the increase in chartering revenue.

Share of results of equity accounted joint ventures, net of tax, turnaround to register a higher gain of RM0.1 million in 1Q 2020 as compared to RM0.9 million loss recorded in 1Q 2019 mainly attributed to higher vessel utilisation rate. Share of results of equity accounted associates, net of tax, recorded a net loss of RM1.2 million in 1Q 2020 mainly due to low vessel utilisation rate.

Mainly as a result of the impairment on property, plant and equipment and inventories written down in 1Q 2020, arising from events that have taken place during the period, including Covid-19 and the plunge in oil prices, the Group recorded a net loss after tax of RM113.9 million in 1Q 2020 as compared to a net profit after tax of RM0.4 million in 1Q 2019.

8. (Contd.)

Review of Group Performance (Contd.)

(b) Statements of financial position (Group)

Total Assets

Total assets of the Group decreased by 11.2% or RM129.3 million from RM1.16 billion as at 31 December 2019 ("FY 2019") to RM 1.03 billion as at 31 March 2020 ("1Q 2020") mainly due to:

- (i) Property, plant and equipment decreased by RM55.8 million or 6.9% from RM810.0 million as at FY 2019 to RM754.2 million as at 1Q 2020 mainly due to the impairment on property, plant and equipment of RM96.4 million arising from market value assessment of vessels during the period;
- (ii) Inventories decreased by 24.4 million or 19.7% from RM123.5 million as at FY 2019 to RM99.2 million as at 1Q 2020 mainly as the Group write down the inventories by RM15.6 million resulting from market value assessment; and
- (ii) Trade and other receivables decreased by RM64.7 million or 45.1% from RM143.5 million as at FY 2019 to RM78.7 million as at 1Q 2020 mainly due to collections from customers and offset with trade payables during the period.

The decrease in total assets was partially offset by the following items:

- (i) Fixed deposits and Cash and cash equivalents increased by RM19.1 million mainly due to collection from customers during the period.

Total Liabilities

Total liabilities of the Group decreased marginally by 1.2% or RM18.2 million from RM1.52 billion as at FY 2019 to RM1.50 billion as at 1Q 2020 mainly due to the decrease in trade and other payables of RM22.0 million.

Negative working capital

The decrease in net working capital of RM50.0 million, or 48.1%, from negative RM104.0 million as at FY 2019 to negative RM154.0 million as at 1Q 2020 was mainly due to inventories written down of RM15.6 million and decrease in trade and other receivables by RM64.7 million as mentioned above. The effect was partially offset with the decrease in trade and other payables by RM25.6 million.

(c) Statements of Cash Flows (Group)

1Q 2020 vs 1Q 2019

Net cash from operating activities of RM21.3 million in 1Q 2020 was mainly due to collections from customers during the period.

Net cash used in investing activities of RM0.9 million in 1Q 2020 was mainly due to acquisition of property, plant and equipment of RM1.0 million during the period.

Net cash used in financing activities of RM2.3 million in 1Q 2020 was mainly due to repayment of bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Unprecedented challenges in the offshore and marine industry has arisen due to the COVID-19 virus outbreak and the collapse of the crude oil prices. These events are expected to severely affect the chartering activities of the Group. The Group expects the trend of losses to continue into the rest of the financial year 2020.

10. 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

The Petronas Activity Outlook 2019-2021 may have initially given a positive outlook for vessel demand in Malaysia, but that has since changed as the cautious recovery was met with a black swan event – the COVID-19 pandemic.

The International Energy Agency expects oil demand to be severely affected as the demand for fuel drops in tandem with government-instituted lockdowns. The COVID-19 induced near-term disruptions, coupled with the ongoing geopolitical uncertainties and trade tensions offer no respite and the outlook on the oil and gas market remains bearish.

Managing this difficult and developing situation, the Group is actively reviewing its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company.

11. 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.

12. 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.

13. **General mandate relating to interested person transactions**

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

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 three months ended 31 March 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Leong Seng Keat
Chief Executive Officer

Singapore
12 May 2020