



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

## **ANNOUNCEMENT**

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- **NOTICE OF RECORD AND PAYMENT DATE OF THE TERM LOAN INTEREST**
  - **UPDATE ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE**
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### **1. INTRODUCTION**

The Board of Directors ("**Board**") of Nam Cheong Limited ("**Company**") and its subsidiaries (together the "**Group**") refers to:

- (a) its announcement dated 4 December 2017 in relation to the proposed capital reorganisation ("**Capital Reorganisation**") and the proposed renounceable non-underwritten rights issue ("**Rights Issue**") under a scheme of arrangement between the Company and its creditors ("**Scheme**");
- (b) its announcement dated 16 July 2018 in relation to, amongst others, the receipt of approval in-principle from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the Rights Issue and the term loan shares ("**Term Loan Shares**") issuance under the Scheme;
- (c) its announcement dated 16 July 2018 in relation to, amongst others, the sanction of the of schemes of arrangements (with modifications) proposed between Nam Cheong Dockyard Sdn Bhd ("**NCD**") and Nam Cheong International Ltd ("**NCI**") and their respective creditors ("**NCD Scheme**" and "**NCI Scheme**" respectively);
- (d) its circular to Shareholders dated 27 July 2018 relating to, amongst others, the issuance of the Term Loan Shares ("**Circular**");
- (e) its announcement dated 3 August 2018 in relation to, amongst others, the sanction of the of scheme of arrangement (with modifications) proposed between the Company and its creditors ("**NCL Scheme**");
- (f) its announcement dated 21 August 2018 in relation to, amongst others, the results of the special general meeting held on 20 August 2018, the resumption of trading and the effective date of the Capital Reorganisation;
- (g) its announcement dated 24 August 2018 in relation to, amongst others, the notice of the books closure date for the Rights Issue;
- (h) the offer information statement dated 3 September 2018 relating to the Rights Issue ("**Offer Information Statement**");
- (i) its announcement dated 3 September 2018 in relation to, amongst others, the lodgement and dispatch of the Offer Information Statement;
- (j) its announcement dated 26 September 2018 in relation to the results of the Rights Issue ("**Results Announcement**"); and

- (k) its announcement dated 28 September 2018 in relation to the implementation of the Scheme.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Circular and the Offer Information Statement.

## 2. RECORD AND PAYMENT DATE FOR THE TERM LOAN INTEREST

Pursuant to the terms of the NCL Scheme, the NCD Scheme and the NCI Scheme (collectively the “Schemes”), each Creditor that has elected or are deemed to have elected the Term Loan Option (“Term Loan Creditor”) shall be entitled to the payment of accrued interest on the Term Loan Facility in the following manner:

- (a) 2% per annum accrued interest payable in cash (“Term Loan Cash Interest”) on the last day of each interest period of 6 months (“Interest Period”), with the first Interest Period having commenced on 1 January 2018; and
- (b) 2% per annum accrued interest for each Interest Period payable by way of the Term Loan Shares to be allotted and issued on the last day of each consecutive 12 month period commencing from 1 January 2018 (“Review Year”) or as soon as practicable after the Review Year.

Following the implementation of the Schemes, each Term Loan Creditor is entitled to assign, inter alia, its rights under the Term Loan Facility in accordance with the terms of the Schemes. In effecting such assignment, a duly completed transfer certificate executed by the relevant Term Loan Creditor and the assignee shall be provided to the Company. Records of Creditors’ entitlements under the Term Loan Facility will be maintained by the Company and reviewed by the Scheme Manager.

Accordingly, **NOTICE IS HEREBY GIVEN** that Monday, 31 December 2018, 5:00 pm shall be the record date and time for the purpose of determining the persons who are eligible to receive:

- (a) the Term Loan Cash Interest for the Interest Period from 1 July 2018 to 31 December 2018 (“2<sup>nd</sup> Interest Period”); and
- (b) the Term Loan Shares for the Interest Periods from 1 January 2018 to 30 June 2018 and from 1 July 2018 to 31 December 2018 and to be allotted and issued for the Review Year from 1 January 2018 to 31 December 2018 (“Review Year 1”).

The payment date for the Term Loan Cash Interest for the 2<sup>nd</sup> Interest Period will be on Monday, 31 December 2018.

Further announcement(s) will be made by the Company in due course on the allotment and issuance of the Term Loan Shares for Review Year 1.

## 3. UPDATE ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Results Announcement, the Net Proceeds from the Rights Issue is approximately S\$22.0 million.

Following the utilization of S\$3.2 million of the Net Proceeds for the repayment of the Cash Out Option pursuant to the Schemes, the Board wishes to announce that the balance S\$0.1 million originally allocated for the repayment of the Cash Out Option pursuant to the Schemes has been reallocated towards the other intended use of the Net Proceeds, being for use in the operations of the Group. This balance amount is due to a reduction in the S\$ equivalent of the Total Cash Out Payment (being approximately US\$2.4 million) as a result of the exchange rate between US\$ and S\$ at the time of payment of the Cash Out Option. The Board wishes to further announce that approximately S\$11.0 million, representing approximately 50.0% of the Net Proceeds from the Rights Issue, have been utilised for settlement with trade creditors in the course of the operations of the Group.

The above utilisation of the Net Proceeds is in accordance with the stated use and within the amount allocated for the operations of the Group, as previously stated in the Offer Information Statement.

The Company will make periodic announcements on the utilisation of the remaining S\$7.7 million, representing approximately 35.0% of the Net Proceeds from the Rights Issue as and when they are materially disbursed, and will provide a status report on the said use in its annual report, until such time as the Net Proceeds have been fully utilised.

**BY ORDER OF THE BOARD  
NAM CHEONG LIMITED**

Tan Sri Datuk Tiong Su Kouk  
Executive Chairman

27 December 2018