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**CORRIGENDUM TO THE ANNUAL REPORT FOR THE YEAR 2018**  
**(the Annual Report)**

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Nam Cheong Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the **Annual Report** and wishes to make a revision as set forth below.

Please refer to Corporate Governance at Page 46 of the **Annual Report**.

The information should include the following:

**USE OF PROCEEDS**

The Company has, pursuant to the renounceable non-underwritten rights issue (“**Rights Issue**”) announced on 26 September 2018 in relation to the results of the Rights Issue, issued and allotted 1,573,224,089 new ordinary shares in the capital of the Company at S\$0.014 each and raised net proceeds of approximately S\$22.0 million.

As at the date of this Annual Report, the net proceeds of approximately S\$14.3 million from the Rights Issue have been utilised as follows:

Application of Rights Issue Net Proceeds	Amount (S\$ million)
Net proceeds	22.0
Repayment of the Cash Out Option pursuant to the Schemes	(3.2) <sup>1</sup>
Operations for the Group	(0.1) <sup>1</sup>
Settlement with trade creditors in the course of the operations of the Group	(11.0)
Balance as at the date of this report	<u>7.7</u>

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 dated 3 September 2018. 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.

- 1 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.
- 2 Unless otherwise defined, all capitalised terms used shall bear the same meanings as ascribed to them in the Offer Information Statement dated 3 September 2018.