

OFFER INFORMATION STATEMENT DATED 3 SEPTEMBER 2018

(Lodged with the Monetary Authority of Singapore on 3 September 2018)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the Section entitled “**Definitions**” of this offer information statement (the “**Offer Information Statement**”) issued by Nam Cheong Limited (the “**Company**”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the (i) listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST; and (ii) resumption of trading of its Shares (as defined herein) on the Mainboard of the SGX-ST, subject to certain conditions being fulfilled. The Rights Shares will be admitted to the Mainboard of the SGX-ST and the official listing of and quotation for the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. The Shares have resumed trading on the SGX-ST on 23 August 2018.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The approval in-principle granted by the SGX-ST for admission to the Mainboard of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the Nil-paid Rights, the Company, its subsidiaries and/or their securities.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement with the Authority. Your attention is drawn to the section entitled “Risk Factors” of this Offer Information Statement which you should read carefully.



NAM CHEONG LIMITED

(Registration No. 25458)

(Incorporated in Bermuda on 17 September 1998)

THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,096,465,885 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.014 FOR EVERY RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (“SHARES”) HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS, IF ANY, TO BE DISREGARDED (THE “RIGHTS ISSUE”)

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	14 September 2018 at 5.00 p.m.
Last date and time for acceptance and payment	:	20 September 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation and payment	:	20 September 2018 at 5.00 p.m.
Last date and time for excess application and payment	:	20 September 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, SRS Investors and investors who hold Shares through a finance company or a Depository Agent), acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of the Participating Banks.

For Entitled Scripholders, acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through the Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1 Singapore 048619.

SRS Investors who had purchased Shares using funds in their SRS Accounts and who wish to accept provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts opened with the relevant approved bank under the SRS (“SRS Accounts”). SRS Investors who wish to accept their provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares using SRS Funds, must instruct the relevant approved banks with which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective approved banks before instructing their respective approved banks to accept provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks with which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and/or (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application by SRS Investors to accept the Rights Shares and/or (if applicable) apply for Excess Rights Shares made or purported to be made directly through CDP, the Share Transfer Agent, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected. For the avoidance of doubt, SRS Funds may not be used for the purchase of Nil-paid Rights directly from the market.

For Entitled Shareholders who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents. Such investors should provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and/or (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application made or purported to be made directly through CDP, the Share Transfer Agent, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

Information herein relating to investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using funds in their SRS Accounts) is provided in general terms only and such investors should consult their relevant approved banks with which they hold their SRS Accounts, respective finance companies or Depository Agents.

The existing Shares are listed and quoted on the Mainboard of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, the merits of the Rights Issue and the rights and liabilities attaching to the Nil-paid Rights and the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions

IMPORTANT NOTICE

upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire any Nil-paid Rights or the Rights Shares or invest in any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and/or the allotment and issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the Nil-paid Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, renounees and Purchasers should take note of any such announcement or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company makes no representation or warranty to any person regarding the legality of an investment in the Nil-paid Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Nil-paid Rights, the Rights Shares and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Nil-paid Rights, the Rights Shares, the Shares, the Company and/or the Group or any other matter relating thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or acquire the Nil-paid Rights, the Rights Shares and/or the Shares. Prospective applicants for the Rights Shares should rely on their own investigation of the financial condition and affairs of, and their own appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any persons (other than Entitled Shareholders to whom this Offer Information Statement and its accompanying documents have been despatched by the Company, their renounees and the Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep

IMPORTANT NOTICE

themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

TABLE OF CONTENTS

	Page
DEFINITIONS.....	6
CORPORATE INFORMATION	17
PRINCIPAL TERMS OF THE RIGHTS ISSUE.....	18
INDICATIVE TIMETABLE OF KEY EVENTS	22
ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE.....	23
TRADING	28
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	30
THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS	31
DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005	32
ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE UNDER APPENDIX 8.2 OF THE LISTING MANUAL	79
APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR.....	A-1
APPENDIX B – RISK FACTORS.....	B-1
APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS.....	C-1
APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS.....	D-1
APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS.....	E-1
APPENDIX F – LIST OF PARTICIPATING BANKS.....	F-1

DEFINITIONS

For the purpose of this Offer Information Statement, the ARE, the ARS and the PAL, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

General

“1H”	:	The six-month financial period ending or ended (as the case may be) 30 June
“Account Holder”	:	A person who is recorded in the books of the CDP as being a holder of a book-entry interest in Notes in an account with the CDP or, as the context may require, is or was recorded in such books as being such a holder of Notes in such an account at the Cut-Off Date
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Adjudicated Amount”	:	The amount of Claims of the Creditors which were reviewed and adjudicated by the Scheme Manager following an adjudication process in accordance with the Scheme Document
“ARE”	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to Purchasers in respect of their purchase of Nil-paid Rights under the Rights Issue traded on the SGX-ST through the book entry (scripless) settlement system
“ATM”	:	Automated teller machine(s) of a Participating Bank
“Authority” or “MAS”	:	Monetary Authority of Singapore
“Board”	:	The Board of Directors of the Company, as at the date of this Offer Information Statement
“Books Closure Date”	:	5.00 p.m. (Singapore time) on 3 September 2018, being the time and date at and on which the Register of Members and the share transfer books of the Company were closed for the purpose of determining the provisional allotments of Rights Shares to Entitled Shareholders under the Rights Issue
“Bye-Laws”	:	The bye-laws of the Company
“Cash Out Option”	:	Has the meaning ascribed to it in Paragraph 7 of Part IV (Key Information) of this Offer Information Statement
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	The circular dated 27 July 2018 to shareholders of the Company

DEFINITIONS

- “Claim”** : Any claim or right in respect of the indebtedness or any other liability of the Company to any Creditor arising directly or indirectly out of, in relation to and/or in connection with the Notes, the Notes Documents (as such term is defined in the Scheme Document), the Corporate Guarantee, any and all agreements, transactions, dealings and matters effected or entered into or occurring at any time on or prior to the Cut-Off Date, including (a) the amount or proportionate amount secured by the Corporate Guarantee or a contribution claim by a co-surety in respect of an indebtedness or liability jointly and severally secured by the Corporate Guarantee that has yet to Crystallise on or prior to the Cut-Off Date; and (b) all interest, default interest, premium, principal, additional amounts, make whole amounts, fees and commissions accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of, such claims, or rights whether on or prior to the Cut-Off Date, and the term **“Claims”** shall be construed accordingly
- “Closing Date”** : (a) 5.00 p.m. on 20 September 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the latest time and date for acceptance and/or excess application and payment for (and in the case of Entitled Scripholders), renunciation and payment for the Rights Shares under the Rights Issue through CDP or the Share Transfer Agent; or
- (b) 9.30 p.m. on 20 September 2018 (or such other time(s) and/ or date(s) as may be announced from time to time by or on behalf of the Company), being the latest time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank,
- or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “Committed Sum”** : Has the meaning ascribed to it in Paragraph 7 of Part IV (Key Information) of this Offer Information Statement
- “Companies Act”** : The Companies Act, (Cap. 50) of Singapore, as may be amended, varied or supplemented from time to time
- “Company”** : Nam Cheong Limited
- “Control”** : The power, directly or indirectly, to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by contract or otherwise
- “Controlling Shareholder”** : A person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the SGX-ST determining that such person is not a Controlling Shareholder), or a person who in fact exercises Control over the Company

DEFINITIONS

“Corporate Guarantee”	:	The Corporate Guarantee For JV Company or Corporate Guarantee for Key Subsidiary, as the case may be
“Corporate Guarantee For JV Company”	:	Any corporate guarantee granted by the Company to a Creditor in respect of the indebtedness or indemnity or other document under which the Company incurs an obligation to assure to a creditor the proportionate payment of the indebtedness of the JV Company
“Corporate Guarantee For Key Subsidiary”	:	Any corporate guarantee granted by the Company to a Creditor in respect of the indebtedness or indemnity or other document under which the Company incurs an obligation to assure to a creditor the payment of the indebtedness of the Key Subsidiary
“Court” or “Singapore Court”	:	The High Court of the Republic of Singapore
“CPF”	:	The Central Provident Fund
“Creditor”	:	A creditor of the Company in respect of a Claim as at the Cut-Off Date and include (for the avoidance of doubt but without double counting in each case): (a) Noteholders, Account Holders and Intermediaries in connection with the Notes; (b) CDP and DBS Trustee Limited in their capacity as depositary and trustee of the Notes, respectively; and (c) any Other Creditors, except Excluded Creditors, and the term “Creditors” shall be construed accordingly
“Crystallise”	:	(and its derivative expressions) the occurrence of any event or the giving of any notice or the making of any demand where as a result thereof, the amounts secured by the Corporate Guarantee or the right of contribution in respect of an indebtedness or liability jointly and severally secured by the Corporate Guarantee (and by extension, the Eligible Debt in respect of such amounts), become a legally valid and binding debt then actually due from the Company
“Crystallisation Date”	:	The date where the Eligible Debt of the Other Creditor with Corporate Guarantee For JV Company Crystallises
“Cut-Off Date”	:	30 September 2017
“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Disposal”	:	Disposal of Secured Assets
“Dispute”	:	A dispute by a Creditor in relation to the adjudication of the Scheme Manager as regards any claim or the amount of any claim in its and/or another Creditor’s voting instruction form or proof of debt or the amount of its and/or another Creditor’s Adjudicated Amount or the value of its and/or another Creditor’s Secured Assets
“Disputes Resolution Date”	:	The date where all final and non-appealable judgments or orders on the adjudication of the Dispute have been obtained

DEFINITIONS

- “Effective Date”** : The date on which the Proposed Scheme will become effective in accordance with the terms of the Proposed Scheme or on such earlier date as the Court may determine and as may be specified in the Court order sanctioning the Proposed Scheme
- “Electronic Application”** : Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
- “Entitled Depositors”** : Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”** : Shareholders whose share certificates have not been deposited with the CDP and who have tendered to the Share Transfer Agent valid transfers of their Shares and the certificates thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”** : Collectively, the Entitled Depositors and Entitled Scripholders
- “Excess Rights Shares”** : The provisional allotments of Rights Shares which are not taken up by the Entitled Shareholders as at the Closing Date, and which may be applied for by the Entitled Shareholders in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
- “Existing Issued Share Capital”** : The existing issued and paid-up share capital of the Company of 2,096,465,885 Shares (excluding treasury shares) as at the Latest Practicable Date
- “Foreign Purchasers”** : Persons purchasing the Nil-paid Rights through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore at the time of purchase
- “Foreign Shareholders”** : Shareholders whose registered addresses are out of Singapore as at the Books Closure Date, and who have not, at least three (3) Market Days prior to the Book Closure Date, provided to CDP or the Share Transfer Agent, as the case may be, addresses in Singapore for the service of notices and documents
- “FY”** : Financial year ending or ended (as the case may be) 31 December
- “Group”** : The Company and its subsidiaries, collectively
- “Implementation Date”** : Has the meaning ascribed to it in section 2.8.6 of the Circular, the extract of which is set out in **Appendix A** of this Offer Information Statement

DEFINITIONS

“Initial Value”	:	The forced sale value of the Secured Assets based on independent valuation
“Intermediary”	:	A person who holds an interest in any Notes on behalf of another person or persons (or, as the context may require, who held an interest at the Cut-Off Date), and the term “Intermediaries” shall be construed accordingly
“Irrevocable Undertaking”	:	The irrevocable undertaking dated 4 December 2017 given by the Major Shareholder to the Company, further information of which is set out in Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
“ISRAs”	:	The interest service reserve accounts in respect of each series of the Notes opened by the Company and maintained by it with DBS Trustee Limited
“Issue Price”	:	The issue price of S\$0.014 for each Rights Share
“JV Claim”	:	The proportionate claims, obligations and liabilities howsoever arising (whether actual, contingent or otherwise) and indebtedness (whether as principal debtor or surety) of any creditor against any of the JV Companies accruing on or prior to the Cut-Off Date, whatsoever and howsoever arising out of or in connection with any and all agreements, transactions, dealings and matters effected or entered into by any of the JV Companies, and guaranteed by the Corporate Guarantee
“JV Company”	:	Each of PT Bahtera Niaga Indonesia and Marco Polo Offshore (IV) Pte Ltd, and collectively, the “JV Companies”
“Key Subsidiary”	:	NCD, NCI, Nam Cheong Offshore Pte Ltd, Nam Cheong Labuan Ltd, Nam Cheong OSV Ltd, SK Venture Ltd, Nam Cheong Venture Ltd, Nam Cheong Property Pte Ltd, SK Machines Ltd and any of the other subsidiaries that (a) owns vessel, (b) owns properties, and collectively, the “Key Subsidiaries”
“Last Trading Day”	:	20 July 2017, being the last trading day prior to the voluntary suspension of trading of the Shares on the Mainboard of the SGX-ST
“Latest Practicable Date”	:	27 August 2018, being the latest practicable date prior to the printing of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified and/or supplemented from time to time
“Major Shareholder”	:	Tan Sri Datuk Tiong Su Kouk, a shareholder of the Company holding (both direct and deemed) 1,074,704,632 Shares, representing approximately 51.26% of the issued Shares (excluding Shares held in treasury), as at the Latest Practicable Date

DEFINITIONS

“Maturity Date”	:	Has the meaning ascribed to it in section 2.6.2 of the Circular, the extract of which is set out in Appendix A of this Offer Information Statement
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Post-Rights Enlarged Share Capital”	:	Please refer to the section entitled “Principal Terms of the Rights Issue” under “Determination of Maximum Subscription Scenario and Minimum Subscription Scenario” of this Offer Information Statement for details relating to the Maximum Post-Rights Enlarged Share Capital
“Maximum Subscription Scenario”	:	Please refer to the section entitled “Principal Terms of the Rights Issue” under “Determination of Maximum Subscription Scenario and Minimum Subscription Scenario” of this Offer Information Statement for details relating to the Maximum Subscription Scenario
“Minimum Post-Rights Enlarged Share Capital”	:	Please refer to the section entitled “Principal Terms of the Rights Issue” under “Determination of Maximum Subscription Scenario and Minimum Subscription Scenario” of this Offer Information Statement for details relating to the Minimum Post-Rights Enlarged Share Capital
“Minimum Subscription Scenario”	:	Please refer to the section entitled “Principal Terms of the Rights Issue” under “Determination of Maximum Subscription Scenario and Minimum Subscription Scenario” of this Offer Information Statement for details relating to the Minimum Subscription Scenario
“Nam Cheong Restructuring Group”	:	Collectively, the Company, NCD and NCI
“NCCPL”	:	Nam Cheong Capital Pte. Ltd. (Company No.: 201224521C), a company incorporated in Singapore
“NCD”	:	Nam Cheong Dockyard Sdn Bhd (Company No.: 8278-X), a company incorporated in Malaysia
“NCI”	:	Nam Cheong International Ltd (Company No.: LL06122), a company incorporated in the Federal Territory of Labuan, Malaysia
“Net Proceeds”	:	The estimated net proceeds from the Rights Issue
“Nil-paid Rights”	:	The “nil-paid” provisional entitlements to subscribe for the Rights Shares
“Noteholders”	:	Persons with an economic or beneficial interest as principal in the Notes at the voting instruction form submission date
“Notes”	:	Collectively, the Series 002 Notes, the Series 003 Notes and the Series 004 Notes

DEFINITIONS

“OIS” or “Offer Information Statement”	:	This document together with (where the context requires) the ARE, ARS, PAL and all other accompanying documents, including any supplementary or replacement document issued by the Company in connection with the Rights Issue
“Other Creditor(s)”	:	A creditor that has (a) been granted a Corporate Guarantee; or (b) has a right of contribution against the Company in respect of an indebtedness or liability jointly and severally secured by the Corporate Guarantee
“PAL”	:	The provisional allotment letter to be issued to an Entitled Scripholder, setting out the provisional allotment of Rights Shares of the Entitled Scripholder under the Rights Issue
“Participating Banks”	:	DBS Bank Ltd. (including POSB) and United Overseas Bank Limited, and each a “Participating Bank”
“Proposed Scheme”	:	The scheme proposed under Sections 210 and 211B of the Companies Act, which is to be approved or imposed by the Creditors or the Court, further details of which are set out in Paragraph 7 of Part IV (Key Information) and Appendix A of this Offer Information Statement
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the time and date on which the names of Shareholders must be registered in the Register of Members or the Securities Accounts of Depositors must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	The register of members of the Company
“Requisite Majority”	:	Majority in number representing three-fourths in value of the Creditors present and voting in person or by proxy at the Scheme Meeting
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 2,096,465,885 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held as at the Books Closure Date, fractional entitlements (if any) to be disregarded, on the terms and conditions of this Offer Information Statement
“Rights Shares”	:	Up to 2,096,465,885 new Shares to be allotted and issued by the Company pursuant to the Rights Issue, and the term “Rights Share” shall be construed accordingly
“Scheme Document”	:	The scheme document dated 23 November 2017 in relation to the Proposed Scheme between the Company and the Creditors
“Scheme Manager”	:	The proposed scheme manager who will administer the Proposed Scheme, being Mr Goh Thien Phong, Mr. Ling Tok Hong and/or Mr. Lie Kok Keong of PricewaterhouseCoopers Advisory Services Pte. Ltd.

DEFINITIONS

“Scheme Meeting”	:	Has the meaning ascribed to it in Paragraph 7 of Part IV (Key Information) of this Offer Information Statement
“Scheme Period”	:	The period of time between the Effective Date and the Termination Date
“Secured Assets”	:	All assets of the relevant Key Subsidiaries or the JV Companies that are subject to any Security Interest to secure the Subsidiary Claim or the JV Claim, respectively
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Security Interest”	:	Any mortgage, pledge, lien, charge, assignment, debenture, hypothecation or other security interest given by any other persons from time to time as security
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified and/or supplemented from time to time
“Series 002 Notes”	:	The S\$90,000,000 5.00 per cent. Notes Due 2017 comprised in Series 002 (ISIN: SG57D8996134) issued pursuant to the S\$600,000,000 Multicurrency Medium Term Note Programme of the Company
“Series 003 Notes”	:	The S\$200,000,000 5.05 per cent. Notes Due 2019 comprised in SERIES 003 (ISIN: SG6SE6000003) issued pursuant to the S\$600,000,000 Multicurrency Medium Term Note Programme of the Company
“Series 004 Notes”	:	The S\$75,000,000 6.50 per cent. Notes due 2018 comprised in Series 004 (ISIN: SG6YE4000003) issued pursuant to the S\$600,000,000 Multicurrency Medium Term Note Programme of the Company
“SFR”	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended, modified and/or supplemented from time to time
“SGM” or “Special General Meeting”	:	The special general meeting of the Company held on 20 August 2018
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholder ” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and to whose Securities Accounts such Shares are credited

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company
“Share Transfer Agent”	:	RHT Corporate Advisory Pte. Ltd.
“SIC”	:	Securities Industry Council of Singapore
“SK Global”	:	SK Global Ltd, a company incorporated in the Federal Territory of Labuan, Malaysia and an indirect wholly-owned subsidiary of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Account”	:	An account opened by a participant in the SRS from which monies may be withdrawn for, <i>inter alia</i> , payment for the subscription of Rights Shares under the Rights Issue
“SRS Funds”	:	Monies standing to the creditor of the SRS Accounts of the SRS Investors under the SRS
“SRS Investors”	:	Investors who had purchased Shares using their SRS Account
“Subsidiary Claim”	:	The claims, obligations and liabilities howsoever arising (whether actual, contingent or otherwise) and indebtedness (whether as principal debtor or surety) of any creditor against any of the Key Subsidiaries accruing on or prior to the Cut-Off Date, whatsoever and howsoever arising out of or in connection with any and all agreements, transactions, dealings and matters effected or entered into by any of the Key Subsidiaries, and guaranteed by the Corporate Guarantee For Key Subsidiary
“Substantial Shareholder”	:	In relation to the Company, a person who has an interest in one (1) or more voting shares included in one (1) of the classes of shares in the Company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares included in that class
“Sustainable Debt”	:	Has the meaning ascribed to it in Paragraph 7 of Part IV (Key Information) of this Offer Information Statement
“Termination Date”	:	The date the Proposed Scheme is terminated in accordance to the terms of the Proposed Scheme
“Unpaid Amount”	:	The outstanding amount due to a Noteholder in respect of his Notes as at the Cut-Off Date
<u>Currencies, Units and Others</u>		
“RM”	:	Malaysia Ringgit of Malaysia
“S\$” and “cents”	:	Singapore dollars and cents respectively
“US\$”	:	The lawful currency of the United States of America.
“%” or “per cent.”	:	Per centum or percentage

DEFINITIONS

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

The term “**acting in concert**” shall have the meaning ascribed to it in the Code.

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.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to “announcement” of or by the Company in this Offer Information Statement includes announcements by the Company posted on the SGXNET.

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 in this Offer Information Statement to “**we**”, “**our**” and “**us**” shall refer to the Company and its subsidiaries.

Any discrepancy in the figures included in this Offer Information Statement between the amounts listed and the totals thereof is due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Offer Information Statement to Shares being allotted to a person includes allotment to CDP for the account of that person.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Exchange Rates

Scheme Exchange Rate

For the purposes of calculation under the Proposed Scheme, insofar as the amount is in a currency other than US\$, the value of such amount shall be converted to US\$ at the following exchange rates published on the website of the International Monetary Fund as at 29 September 2017 (“**Scheme Exchange Rate**”):

- (a) US\$1: RM4.2275;
- (b) US\$1: S\$1.3584;
- (c) US\$1: EUR 0.8470;
- (d) US\$1: JPY112.66; and

DEFINITIONS

(e) US\$1: NOK7.9726.

Latest Exchange Rate

Unless otherwise specifically provided, the following exchange rates as at the Latest Practicable Date ("**Latest Exchange Rate**") have been used throughout this OIS:

S\$1.00: RM3.0028

S\$1.00: HK\$5.7488

HK\$1.00: RM0.5223

The Scheme Exchange Rate and the Latest Exchange Rate as set out above are 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.

CORPORATE INFORMATION

Board of 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) Kan Yut Keong, Benjamin (Independent Director)
Company Secretary	:	Claudia Teo Kwee Yee
Registered Office	:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal Place of Business	:	140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Bermuda Registrar and Share Transfer Office	:	MUFG Fund Services (Bermuda) Limited The Belvedere Building, 69 Pitts Bay Road Pembroke HM 08, Bermuda
Singapore Share Transfer Agent	:	RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619
Solicitors to the Company in relation to the Rights Issue as to Singapore law	:	Drew & Napier LLC 10 Collyer Quay 10th Floor Ocean Financial Centre Singapore 049315
Solicitors to the Company in relation to the Rights Issue as to Bermuda law	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 MYP Centre Singapore 049910
Auditors of the Company	:	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Audit Partner-in-charge: Robin Chin Sin Beng (appointed since 20 August 2018)

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Summary of Principal Terms of the Rights Issue

Basis of provisional allotment : One (1) Rights Share for every one (1) existing Share standing to the credit of the Securities Account of the Entitled Depositors or held by the Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.

Number of Rights Shares : Based on the Existing Issued Share Capital (excluding treasury shares) of the Company comprising 2,096,465,885 Shares, up to 2,096,465,885 Rights Shares will be issued.

Determination of Maximum Subscription Scenario and Minimum Subscription Scenario : Based on the Existing Issued Share Capital:

- (a) if the Proposed Rights Issue is fully subscribed for and no new Shares are issued on or prior to completion of the Proposed Rights Issue, 2,096,465,885 Rights Shares will be issued pursuant to the Proposed Rights Issue (“**Maximum Subscription Scenario**”) and the issued share capital of the Company will be increased to 4,192,931,770 Shares (excluding treasury Shares) (“**Maximum Post-Rights Enlarged Share Capital**”); and
- (b) if only the Major Shareholder subscribes for up to RM50 million worth of Rights Shares and Excess Rights Shares pursuant to the Irrevocable Undertaking, and none of the other Shareholders subscribe for their entitlement to the Rights Shares, and no new Shares are issued on or prior to the completion of the Proposed Rights Issue, 1,189,366,115 Rights Shares will be issued under the Proposed Rights Issue (“**Minimum Subscription Scenario**”) and the issued share capital of the Company will be increased to 3,285,832,000 Shares (excluding treasury Shares) (“**Minimum Post-Rights Enlarged Share Capital**”) based on the Latest Exchange Rate.

Issue Price : S\$0.014 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of approximately:

- (a) 30% to the last trading share price of S\$0.02 per Share for trades done on the SGX-ST on 20 July 2017 (being the Last Trading Day immediately before the Company’s request for its Shares to be suspended from trading on the Mainboard of the SGX-ST); and
- (b) 18% to the theoretical ex-rights price of S\$0.017 per Share, being the theoretical market price of each Share (“**T1**”) calculated in the following manner:

$$T_1 = (A+B_1) / C_1$$

PRINCIPAL TERMS OF THE RIGHTS ISSUE

where:

A = the Company's market capitalisation based on the last trading price of S\$0.02 per Share on the SGX-ST on 20 July 2017, being the Last Trading Day immediately before the Company's request for its Shares to be suspended from trading on the Mainboard of the SGX-ST

B₁ = the gross proceeds of the Rights Issue assuming the completion of the Rights Issue under the Maximum Subscription Scenario based on the Existing Issued Share Capital

C₁ = Maximum Post-Rights Enlarged Share Capital

- (c) 21% to the theoretical ex-rights price of S\$0.018 per Share being the theoretical market price of each Share ("T₂") calculated in the following manner:

$$T_2 = (A+B_2) / C_2$$

where:

A = the Company's market capitalisation based on the last trading price of S\$0.02 per Share on the SGX-ST on 20 July 2017, being the Last Trading Day immediately before the Company's request for its Shares to be suspended from trading on the Mainboard of the SGX-ST

B₂ = the gross proceeds of the Rights Issue assuming the completion of the Rights Issue under the Minimum Subscription Scenario based on the Existing Issued Share Capital

C₂ = Minimum Post-Rights Enlarged Share Capital

- Status of the Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.
- Eligibility to participate in the Rights Issue** : Please refer to the section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement.
- Listing of the Rights Shares** : On 16 July 2018, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for, *inter alia*, the Rights Shares on the Mainboard of the SGX-ST, subject to certain conditions, details of which are set out in the section entitled "**Trading**" of this Offer Information Statement.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Shares, the Rights Shares, the Nil-paid Rights, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Trading of the Rights Shares : Upon the listing of and quotation of the Rights Shares on the Mainboard of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of the Rights Shares (that is, less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the unit share market of the SGX-ST.

Trading of Nil-paid Rights : Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the Nil-paid Rights.

Acceptance, excess application and payment procedures : Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their Nil-paid Rights, and are eligible to apply for Excess Rights Shares under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with the Rights Shares represented by the provisional allotments which are not allotted or taken up for any reason, be aggregated and used to satisfy applications (if any) for Excess Rights Shares or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. Excess Rights Shares will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company, subject to applicable laws, the Listing Manual and the Irrevocable Undertaking.

In the allotment of any Excess Rights Shares, preference will be given to the Entitled Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board and the Major Shareholder, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation, splitting, and/or sales of the Nil-paid Rights and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are set out in **Appendices C to E** of this Offer Information Statement and in the PAL, the ARE and the ARS.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

- Estimated Net proceeds** : The Company intends to fund all the expenses in relation to the Rights Issue by internal resources.
- Accordingly:
- (a) under the Maximum Subscription Scenario, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$29.4 million, based on the Latest Exchange Rate; and
 - (b) under the Minimum Subscription Scenario, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$16.7 million, based on the Latest Exchange Rate.
- Use of Proceeds** : Please refer to Paragraph 3 of Part IV (Key Information) of this Offer Information Statement.
- Use of SRS Funds** : SRS Investors who wish to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using the monies standing to the credit of their respective SRS Accounts. SRS Investors who wish to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares using the SRS Accounts, must instruct their relevant SRS approved banks in which they hold their SRS Accounts to accept their provisional allotment of Rights Shares and/or (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Any acceptance and/or application made directly through CDP, the Share Transfer Agent, the Company or by way of Electronic Application at any ATM will be rejected. The SRS funds cannot be used for the purchase of Nil-paid Rights directly from the market.
- Non-underwritten** : The Rights Issue will not be underwritten.
- Irrevocable Undertaking** : Please refer to Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for details relating to the Irrevocable Undertaking.
- Governing Law** : Laws of the Republic of Singapore.
- Risk Factors** : Investing in the Rights Shares involves risks. Please refer to the section entitled “**Risk Factors**” of this Offer Information Statement for details.

AS THE RIGHTS ISSUE IS MADE ON A RENOUCEABLE BASIS, THE NIL-PAID RIGHTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, IN THE CASE OF ENTITLED DEPOSITORS ONLY, TRADED ON THE SGX-ST DURING THE RIGHTS TRADING PERIOD.

INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Shares trade ex-rights	:	30 August 2018 from 9.00 a.m.
Books Closure Date	:	3 September 2018 at 5:00 p.m.
Despatch of Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	6 September 2018
Commencement of trading of “nil-paid” rights	:	6 September 2018 from 9.00 a.m.
Last date and time for splitting rights	:	14 September 2018 at 5.00 p.m.
Last date and time for trading of “nil-paid” rights	:	14 September 2018 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	:	20 September 2018 at 5.00 p.m. (9.30 pm for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance and payment of Rights Shares by renounees	:	20 September 2018 at 5.00 p.m.
Last date and time for application and payment of excess Rights Shares	:	20 September 2018 at 5.00 p.m. (9.30 pm for Electronic Applications via ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	26 September 2018
Expected date for crediting of Rights Shares	:	28 September 2018
Expected date for refund of unsuccessful applications (if made through CDP)	:	28 September 2018
Expected date for commencement of trading of Rights Shares	:	28 September 2018 at 9.00 a.m.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP during the period from the date the Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Transfer Agent during the period from the date the Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders may accept, decline, renounce or, in the case of Entitled Depositors, trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST, in whole or in part, their Nil-paid Rights, and are eligible to apply for Excess Rights Shares.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy applications for Excess Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs of the Company or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board and Major Shareholder, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588, at least three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Share Transfer Agent. Entitled Scripholders are reminded that any request to the Share Transfer Agent to update their records or effect any change in address must reach the Share Transfer Agent, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, at least three (3) Market Days prior to the Books Closure Date. Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Nil-paid Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

For SRS Investors who have purchased Shares using funds in their SRS Accounts. Subject to applicable SRS rules and regulations, they must use SRS Funds to pay for the acceptance of their entitlements to the Rights Shares and/or (if applicable) apply for Excess Rights Shares.

SRS Investors who wish to accept provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares using SRS Funds, must instruct the relevant approved banks with which they hold their SRS Accounts to accept provisional allotments of Rights Shares and/or (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts to accept their provisional allotments of

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Rights Shares and/or (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Investors are advised to provide their respective approved banks with which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and/or (if applicable) application by the Closing Date of the Rights Issue. **SRS Funds may not, however, be used for the purchase of the Rights Shares directly from the market. Any acceptance and/or application by SRS Investors to accept the Rights Shares and/or (if applicable) apply for Excess Rights Shares made or purported to be made directly through CDP, the Share Transfer Agent, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.**

All dealings in and transactions of the Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are to be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for Excess Rights Shares (if any) as the Directors may, in their absolute discretion, deem fit.

In the allotment of any Excess Rights Shares, preference will be given to the Entitled Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board and the Major Shareholder, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation, splitting and/or sale of the Nil-paid Rights and the application for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in **Appendices C, D and E** of this Offer Information Statement and in the ARE, the ARS and the PAL.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, Nil-paid Rights and Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Nil-paid Rights to any Securities Account, the receipt of any Nil-paid Rights, or receipt of this Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Company reserves absolute discretion in determining whether any person may participate in the Rights Issue.

2. Foreign Shareholders and Foreign Purchasers

This Offer Information Statement and its accompanying documents have been lodged with the Authority in Singapore. This Offer Information Statement and its accompanying documents have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. For practical reasons and in order to avoid any violation of the legislation applicable in jurisdictions other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will not be offered to and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdictions outside Singapore.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

This Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the Nil-paid Rights credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the Nil-paid Rights renounced to him. The Company reserves the right to reject any acceptance of the Rights Shares and/or application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance and/or application may violate the applicable legislation of any jurisdiction.

The Company further reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate any applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable laws of any jurisdiction.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore wishing to take up their provisional allotment of Rights Shares or apply for Excess Rights Shares under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

Receipt of this Offer Information Statement, the ARE, the ARS or the PAL, or the crediting of Nil-paid Rights or Rights Shares to a Securities Account shall not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Offer Information Statement and the AREs, the ARSs or the PALs must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this Offer Information Statement, an ARE, an ARS or a PAL and/or a credit of Nil-paid Rights or Rights Shares to a Securities Account in any territory other than Singapore may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such ARE, ARS or PAL and/or accept any credit of Nil-paid Rights or Rights Shares to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such ARE, ARS or PAL and/or credit of Nil-paid Rights or Rights Shares to a Securities Account could lawfully be used or accepted, and any transaction resulting from such use or acceptance could be effected, without contravention of any registration or other legal or regulatory requirements.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this Offer Information Statement and/or an ARE, an ARS or a PAL or whose Securities Accounts are credited with Nil-paid Rights should not distribute or send the same or transfer Nil-paid Rights in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Offer Information Statement, an ARE, an ARS or a PAL or a credit of Nil-paid Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the Nil-paid Rights, and renounce such ARE, ARS or PAL or transfer the Nil-paid Rights unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who forwards this Offer Information Statement, or an ARE, an ARS or a PAL or transfers Nil-paid Rights

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of the relevant sections of this Offer Information Statement.

If it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Nil-paid Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after commencement of trading of Nil-paid Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post to their mailing address as maintained with CDP, or in such other manner as the Foreign Shareholders may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP or the Share Transfer Agent and/or their respective officers in connection therewith.

Where the Nil-paid Rights are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, deem fit and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Transfer Agent and/or their respective officers in respect of such sales or the proceeds thereof, the Nil-paid Rights or the Rights Shares represented by such Nil-paid Rights.

If such Nil-paid Rights cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Nil-paid Rights, the Rights Shares represented by such Nil-paid Rights will be issued to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, CDP and/or the Share Transfer Agent and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders. However, the Company reserves the right to make similar arrangements for the Nil-paid Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Nil-paid Rights commence, where the beneficial holders of such Nil-paid Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue.

Shareholders with registered addresses outside Singapore who wish to participate in the Rights Issue should provide CDP (at #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588) or the Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. (at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619), as the case may be, with an address in Singapore for the service of notices and documents not later than three (3) Market Days prior to the Books Closure Date.

Notwithstanding anything herein, Entitled Shareholders and/or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement and its accompanying documents may treat the same as an offer, invitation or

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

solicitation to subscribe for any Rights Shares, unless such offer, invitation or solicitation could lawfully be made without compliance with any regulatory or other legal requirements in such territory.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. **Resumption of Trading and Listing of and Quotation for the Rights Shares**

Approval in-principle has been obtained from the SGX-ST on 16 July 2018 for the (i) listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST; and (ii) resumption of trading of its Shares on the Mainboard of the SGX-ST, subject to certain conditions. The Shares have resumed trading on the SGX-ST on 23 August 2018.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Nil-paid Rights, the Shares, the Company, its subsidiaries and/or their securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

Upon the listing and quotation on the Mainboard of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” and the “Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares”, as the same may be amended from time to time. Copies of the above are available from CDP.

2. **Arrangements for Scripless Trading**

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and/or (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept their provisional allotments of Rights Shares and/or apply for Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be forwarded by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with the Share Transfer Agent, he must inform the Share Transfer Agent of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the Share Transfer Agent.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

TRADING

3. Nil-paid Rights Trading

Entitled Depositors who wish to trade all or part of their Nil-paid Rights on the Mainboard of the SGX-ST can do so for the period commencing on 6 September 2018 from 9.00 a.m., being the date and time of commencement of the Rights trading period, and ending on 14 September 2018 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last date and time of the Rights trading period (“**Rights Trading Period**”).

4. Trading of Odd Lots

Shareholders are to note that the Shares are quoted on the Mainboard of the SGX-ST in board lot sizes of 100 Shares. For the purpose of trading on the Mainboard of the SGX-ST, each board lot of Shares will comprise 100 Shares. Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).

Shareholders who hold odd lots of the Shares and who wish to trade in odd lots on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. The market for trading of such odd lots may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its related corporations, Directors, officers, executives or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s and the Group’s expected financial position and performance, operating results, business strategies, plans and future prospects are forward-looking statements.

These forward-looking statements, including, but not limited to, statements as to the Company’s and the Group’s revenue and profitability, cost measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements and information. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, *inter alia*, the risks and uncertainties faced by the Company and the Group. None of the Company, or its related corporations, directors, officers, executives and employees or any other person represents or warrants that the Company’s and the Group’s actual future results, performance or achievements will be as discussed in those statements and information.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statement contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company and its related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/ or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

This Offer Information Statement may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information. While reasonable steps have been taken to ensure that the information is extracted accurately, the Company and its related corporations, Directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Code regulates the acquisition of voting shares in, *inter alia*, corporations with a primary listing of their equity securities in Singapore (such as the Company). In general terms, except with the consent of the SIC, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares in a company which, taken together with shares held by persons acting in concert with him, carry 30% or more of the voting rights of the company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any party acting in concert with him, acquires in any six (6) month-period additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their position including obligations, if any, under the Code in connection with the acquisition of Rights Shares under the Rights Issue should consult the SIC and/or their professional advisers immediately.

As at the Latest Practicable Date, the Major Shareholder has an aggregate interest, both direct and deemed, in 1,074,704,632 Shares, representing approximately 51.26% of the issued Shares (excluding treasury Shares, and has irrevocably undertaken to the Company that he will, *inter alia*, subscribe and pay and/or procure the subscription and payment in full for all his Rights Shares entitlement through his direct and deemed interest in the Shares as at the Books Closure Date under the Rights Issue. For more information on the irrevocable undertaking provided by the Major Shareholder, please refer to Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART II IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity

Names of Directors	Designations	Addresses of Directors
Tan Sri Datuk Tiong Su Kouk	Executive Chairman	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Tiong Chiong Hiiung	Executive Vice Chairman	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Leong Seng Keat	Chief Executive Officer	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Ajaib Hari Dass	Lead Independent Director	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Yee Kit Hong	Independent Director	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105
Kan Yut Keong, Benjamin	Independent Director	c/o 140 Paya Lebar Road #07-02 AZ@Paya Lebar Singapore 409105

Advisers

2. Provide the names and addresses of —
- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

Role	Name and Address
Manager and Underwriter of the Rights Issue :	No manager or underwriter has been appointed for this Rights Issue
Legal adviser to the Company in relation to the Rights Issue as to Singapore law :	Drew & Napier LLC 10 Collyer Quay 10th Floor Ocean Financial Centre Singapore 049315
Legal adviser to the Company in relation to the Rights Issue as to Bermuda law :	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 MYP Centre Singapore 049910

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable**
-

Role	Name and Address
Bermuda Registrar and Share Transfer Office :	MUFG Fund Services (Bermuda) Limited The Belvedere Building, 69 Pitts Bay Road Pembroke HM 08, Bermuda
Singapore Share Transfer Agent :	RHT Corporate Advisory Pte. Ltd. 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619
Receiving Banker :	United Overseas Bank Limited 1 Raffles Place #23-61 One Raffles Place Tower 2 Singapore 048616

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART III OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable non-underwritten Rights Issue
Number of Rights Shares	:	Up to 2,096,465,885 new Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
Basis of allotment	:	One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements (if any) to be disregarded

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to -**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
-

Please see paragraphs 3 to 7 of this Part below.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
-

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement in relation to the offer period.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce such modification to the timetable through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Please refer to **Appendices C, D and E** of this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the names and addresses of the persons to whom the acceptance, application (if any) and payment are to be submitted.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

- 4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
-

The Rights Shares are payable in full upon acceptance and/or application. The last date and time for acceptance of and/or excess application for, Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on 20 September 2018 at 5.00 p.m. or, in the case of acceptances and/or excess application and payment through an ATM of a Participating Bank, on 20 September 2018 at 9.30 p.m.

Please refer to **Appendices C, D and E** of this Offer Information Statement and the PAL, the ARE and the ARS for details of the procedures for, and the terms and conditions applicable to, acceptance of and/or excess application for, and payment for the Rights Shares, including the methods for payment for the Rights Shares.

- 5. State, where applicable, the methods of and time limits for —**
- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
-

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 5 September 2018 by crediting the Nil-paid Rights to the Securities Accounts of the respective Entitled Depositors or through the despatch of the PALs to Entitled Scripholders.

In the case of Entitled Scripholders and their renounees with valid acceptances of Nil-paid Rights and/or successful applications of Excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificate(s) representing such number of Rights Shares will be despatched by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Transfer Agent within 10 Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their renounees with valid acceptances of Nil-paid Rights and/or successful applications for Excess Rights Shares and who have furnished valid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be despatched to CDP within 10 Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers by ordinary post, at their own risk, a notification letter stating the number of Rights Shares that have been credited to their respective Securities Accounts.

Please refer to **Appendices C, D and E** of this Offer Information Statement and the PAL, the ARE and the ARS for further details.

- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
-

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
-

Results of Rights Issue

The Company will publicly announce, *inter alia*, the results of the allotment of the Rights Shares, as soon as it is practicable after the Closing Date through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

Manner of Refund

If any acceptance of and/or excess application for the Rights Shares is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, at their own risk, by any one or a combination of the following:

- (a) where the acceptance and/or application has been made through CDP, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses in Singapore as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution;
- (b) where the acceptance and/or application has been made through the Share Transfer Agent, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses as maintained in the records of the Share Transfer Agent; or
- (c) where acceptance and/or application has been made by way of an Electronic Application, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.

Please refer to **Appendices C, D and E** of this Offer Information Statement, and the ARE, ARS and PAL, as the case may be, for further information on the refunding of excess amounts paid by applicants.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART IV KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to Paragraphs 2 to 7 of this Part below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

All the expenses in relation to the Rights Issue will be funded by the Company's internal resources.

Accordingly:

- (a) under the Maximum Subscription Scenario, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$29.4 million, based on the Latest Exchange Rate; and
- (b) under the Minimum Subscription Scenario, the estimated Net Proceeds from the Rights Issue is expected to be approximately S\$16.7 million, based on the Latest Exchange Rate.

All Net Proceeds arising from the Rights Issue will be received by the Company for allocation to the principal intended uses as set out in Paragraph 3 of this Part.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

For illustrative purposes only, the table below sets out the proposed use of the Net Proceeds by the Company based on the Maximum Subscription Scenario and the Minimum Subscription Scenario:

Purpose	Maximum Subscription Scenario		Minimum Subscription Scenario	
	% of Net Proceeds	S\$ (million)	% of Net Proceeds	S\$ (million)
1) To meet the Company's obligation under the Cash Out Option ⁽¹⁾ pursuant to the Proposed Scheme ⁽²⁾	11	3.3	20	3.3
2) Available for the operations of the Group	89	26.1	80	13.3
Total	100	29.4	100	16.7

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Notes:

- (1) The Total Cash Out Payment to be made to all the relevant Creditors who elected the Cash Out Option is approximately US\$2.4 million (or approximately S\$3.3 million based on the Scheme Exchange Rate).
- (2) Payments under the Cash Out Option will be funded by the proceeds arising from the Major Shareholder Irrevocable Undertaking to subscribe for his entitlement of the Rights Shares through his direct and deemed interests in the Shares and any Excess Rights Shares under the Rights Issue of up to the Committed Sum. Proceeds from the subscription by other Shareholders shall be used for the operations of the Group.

The above allocations are based on the Maximum Subscription Scenario and the Minimum Subscription Scenario only and subject to certain assumptions. In the event that the Net Proceeds falls in between the Maximum Subscription Scenario and the Minimum Subscription Scenario, the Company will make the necessary announcements on the revised allocations once the final Net Proceeds have been determined. It is anticipated that the allocations will not deviate significantly from the above illustrations.

Pending deployment of the gross/net proceeds (as the case may be) of the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds, the Company will state the reason(s) for such deviation.

In relation to the Net Proceeds which are set aside for general working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in announcements and annual reports.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Rights Issue beyond the amount which will be raised pursuant to the Irrevocable Undertaking by the Major Shareholder and taking into consideration the intended use of Net Proceeds as disclosed above.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

As the final proceeds from the Rights Issue cannot be determined as at the Latest Practicable Date, please find below the breakdown based on the gross proceeds in the event of the Maximum Subscription Scenario and the Minimum Subscription Scenario:

Use of gross proceeds from the Rights Issue	Maximum Subscription Scenario		Minimum Subscription Scenario	
	Estimated amount (\$ million)	Per S\$ of gross proceeds	Estimated amount (\$ million)	Per S\$ of gross proceeds
1) To meet the Company's obligation under the Cash Out Option ⁽¹⁾ pursuant to the Proposed Scheme ⁽²⁾	3.3	0.11	3.3	0.2
2) Available for the operations of the Group	26.1	0.89	13.3	0.8
3) Estimated expenses incurred in connection with the Rights Issue	-(3)	-(3)	-(3)	-(3)
Total	29.4	1.00	16.7	1.00

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Notes:

- (1) The Total Cash Out Payment to be made to all the relevant Creditors who elected the Cash Out Option is approximately US\$2.4 million (or approximately S\$3.3 million based on the Scheme Exchange Rate).
- (2) Payments under the Cash Out Option will be funded by the proceeds arising from the Major Shareholder Irrevocable Undertaking to subscribe for his entitlement of the Rights Shares through his direct and deemed interests in the Shares and any Excess Rights Shares under the Rights Issue of up to the Committed Sum. Proceeds from the subscription by other Shareholders shall be used for the operations of the Group.
- (3) As mentioned in Paragraph 2 of Part IV (Key Information) of this Offer Information Statement, all the expenses in relation to the Rights Issue will be funded by the Company's internal resources

-
- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds to be raised from the Rights Issue, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

-
- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds, directly or indirectly, to finance or refinance the acquisition of another business.

-
- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

It is intended that the proceeds raised from the subscription of the Major Shareholder for entitlement of his Rights Shares (both direct and deemed interest) and any additional Rights Shares in excess of the Major's Shareholder's provisional allotments of Rights Shares of an aggregate value up to RM50 million will be used to fund the Cash Out Option (as defined below), and any remaining proceeds raised from the Proposed Rights Issue will be used for the operations of the Group.

Background

Prior to the collapse in oil prices in late 2014, the Group reported healthy profits in both its shipbuilding and chartering business. To finance its growing operations, the Company (together with NCCPL) established, on 12 October 2011, a multicurrency medium note programme under which the Company could issue a maximum aggregate principal amounting to S\$200,000,000 of notes from time to time. The maximum aggregated principal was subsequently increased to S\$600,000,000 on 17 December 2013. The total Unpaid Amount under the Notes owed to the Noteholders based on the amount admitted by the Scheme Manager for voting purposes is approximately US\$267 million and the amount of monies in the ISRAs of the Series 003 Notes and Series 004 Notes is approximately US\$5.6 million. Save for a residual sum of S\$216.95, all monies in the ISRA of the Series 002 Notes have been released to Noteholders of Series 002 Notes on 28 August 2017 as payment of coupon and partial repayment of principal.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Company also stood as guarantor for (a) the Key Subsidiaries in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For Key Subsidiary, some of which are secured by the Secured Assets; and (b) the JV Companies in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For JV Company, which are secured by the Secured Assets. As at 30 September 2017, the Company has provided guarantees to certain lenders for the Key Subsidiaries for a total amount of approximately US\$139 million and guarantees to certain lenders for the JV Companies for a total amount of approximately US\$19 million.

The Company believes that the Group's recent financial difficulties resulted from the significant weakness and volatility in the oil price environment which has persisted as a result of the worldwide reduction in oil and gas activities since 2014. To mitigate the slow down or deterioration in the business prospects of the Group arising from the significant and sustained volatility and weakness in the oil price environment and continued reduction in the exploration, development and production of oil and natural gas, the Group responded by deferring the delivery dates of vessels currently under construction. However, the persistent depressed charter rates and reduced charter utilisation caused the Group to face a cash crunch and severely disrupted operations. As a result of the cash crunch, the Group defaulted in payments under its bank facility agreements.

The Company had, on 23 April 2017 and 20 July 2017, announced the steps taken by the Company to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company, and to address various obligations owed by the Group that have fallen due and will fall due from time to time, including the Notes.

In order to restructure its debts and liabilities, the Company had on 6 October 2017 filed an application to the Court ("**SG Application**") to, *inter alia*, propose the Proposed Scheme with its creditors pursuant to Section 210(1) of the Act, and the Court had on 27 October 2017 made certain orders including, *inter alia*, that (a) the Company be at liberty to convene a meeting of its creditors ("**Scheme Meeting**") within three (3) months (or such other period as the Court may order) from 27 October 2017 for the purposes of approving the Proposed Scheme; and (b) in the event that the Proposed Scheme is approved at the Scheme Meeting, pursuant to Section 210(4) of the Act, the Company be at liberty to apply for an order of Court approving the Proposed Scheme, with such modifications as are approved at the Scheme Meeting (if any), so as to be binding on the Company and its creditors ("**Court Approval**").

Parallel to the SG Application, NCD and NCI had also made an application in the High Court of Malaya to convene the requisite meeting of creditors to approve schemes of arrangement ("**Subsidiary Schemes**") with their respective scheme creditors. On 15 November 2017, the High Court of Malaya granted the application and ordered, *inter alia*, that (a) a meeting of creditors of NCD and NCI be convened for the purpose of considering, and if thought fit, approving with or without modification the scheme of arrangement and compromise proposed between each of NCD and NCI and its respective creditors ("**Malaysian Court Convened Meeting**"); and (b) NCD and NCI are at liberty to fix the date and venue of the Malaysian Court Convened Meeting within 90 days of 15 November 2017.

The Proposed Scheme and the Subsidiary Schemes are inter-conditional upon each other.

The Malaysian Court Convened Meeting and the Scheme Meeting were convened on 22 January 2018 and 24 January 2018, respectively, and the Proposed Scheme and Subsidiary Schemes were duly approved by the Creditors. The Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018 and the Proposed Scheme (with modifications) was sanctioned by the Singapore Court on 3 August 2018. A copy of the Order of Court sanctioning the Proposed Scheme was duly lodged with ACRA on 16 August 2018.

The Proposed Scheme

The Proposed Scheme shall only apply to the unsecured liabilities (whether actual, contingent or otherwise) owing to all Creditors who have Claims against the Company as at the Cut-Off Date, including (i) any Claim in connection with the Notes; and (ii) any Claim in connection with the Corporate Guarantees, but shall not apply to the Claims of Excluded Creditors.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Based on the notice of repayment exercise distributed to all Creditors following the Scheme Meeting, the amount admitted by the Scheme Manager for voting purposes was approximately US\$425 million, consisting of the following amounts:

- (a) secured liabilities, which are the Company's liabilities that were secured by the Secured Assets with a then aggregate Initial Value of approximately US\$45 million, monies in the ISRAs for Series 003 Notes and Series 004 Notes of approximately US\$1.3 million for payment of interest up till 31 December 2017 and partial repayment of principal. As the Proposed Scheme restructures only unsecured liabilities, these secured liabilities are excluded from the Proposed Scheme;
- (b) the Company's contingent liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of US\$19 million which have not Crystallised as at the Latest Practicable Date. Approximately US\$8 million of these contingent liabilities are secured, such that approximately US\$11 million of these contingent liabilities will form part of the unsecured liabilities to be restructured under the Proposed Scheme if the Eligible Debt Crystallises before or by the termination of the Proposed Scheme (see Section 2.6.3 of this Circular); and
- (c) the remaining total unsecured liabilities to be restructured under the Proposed Scheme of approximately US\$359 million (including the Notes held by SK Global of approximately US\$11 million and excluding the Company's unsecured contingent liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of approximately US\$11 million).

Under the Proposed Scheme, the unsecured debt of approximately US\$359 million (based on the notice of repayment exercise distributed to all Creditors following the Scheme Meeting, and after deducting the Initial Value of the Secured Assets of approximately US\$45 million, monies in the ISRAs for Series 003 Notes and Series 004 Notes of approximately US\$1.3 million for payment of interest up till 31 December 2017 and partial repayment of principal, and excluding the Company's liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of US\$19 million which have not Crystallised as at the Latest Practicable Date) shall be restructured into:

- (ii) the financial indebtedness of the Group that is not supported by the projected cashflows and assets value of the Group for the Scheme Period ("**Non-sustainable Debt**"); and
- (iii) the financial indebtedness of the Group that the Group is able to sustain based on the projected cashflows and assets value of the Group ("**Sustainable Debt**").

The Non-sustainable Debt shall constitute 35% of the aggregate of the Eligible Debt of all Creditors ("**Total Eligible Debt**") ("**Non-sustainable Debt Ratio**"); and the Sustainable Debt shall constitute 65% of the Total Eligible Debt ("**Sustainable Debt Ratio**").

Notwithstanding that the Proposed Scheme and the Subsidiary Schemes were not yet effective, as a gesture of goodwill, the Company had, on 22 June 2018, announced that it will make the following payments to the Creditors from the Company's own funds and not out of the Series 003 Notes and Series 004 Notes ISRAs pursuant to the terms of the Proposed Scheme and the Subsidiary Schemes:

- (a) for each Creditor that has elected the Term Loan Option (as defined below) ("**Term Loan Creditor**"), a pre-scheme payment ("**Pre-Scheme Term Loan Payment**") of 2% per annum cash interest for the first Interest Period of six (6) months (that is, from 1 January 2018 to 30 June 2018), this being 1% on the Term Loan Offered Debt (as defined below) under the Term Loan Facility (as defined below) ("**First Interest Period Interest**"); and
- (b) for each Creditor that has elected the Cash Out Option (as defined below) ("**Cash Out Creditor**"), a pre-scheme payment of 1% of its relevant Cash Out Offered Debt (as defined below) ("**Pre-Scheme Cash Out Payment**")

(collectively the "**Scheme Payments**").

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Scheme Payments will be made on the following conditions, which shall be deemed accepted by each Creditor upon receipt of the same:

- (a) that upon the Proposed Scheme and the Subsidiary Schemes becoming effective, the Pre-Scheme Term Loan Payment to each Term Loan Creditor shall be deemed performance of the Nam Cheong Restructuring Group's obligations in relation to the First Interest Period Interest under the relevant terms of the Proposed Scheme and the Subsidiary Schemes; and
- (b) that upon the Proposed Scheme and the Subsidiary Schemes becoming effective, the Cash Out Payment due to each Cash Out Creditor shall be reduced by the Pre-Scheme Cash Out Payment.

Repayment of Sustainable Debt

In respect of the repayment of the Sustainable Debt ("**SD Repayment Exercise**"), each Creditor may elect only once either of the following two (2) options to have:

- (i) all its portion of the Sustainable Debt be fully repaid under the Term Loan option ("**Term Loan Option**"); or
- (ii) all its portion of the Sustainable Debt be fully repaid under the Cash Out option ("**Cash Out Option**").

At the Scheme Meeting convened on 24 January 2018, a majority of 97.047% in number, representing 94.139% of the total value of the Creditors present and voting, approved the Proposed Scheme.

Of the 94.139% of the total value of Creditors who have voted "For the Scheme":

- (i) 94.420% in value of such creditors have elected the Term Loan Option; and
- (ii) 5.580% in value of such creditors have elected the Cash Out Option.

Of the 5.861% in value of the Creditors who have voted "Against the Scheme", all such creditors are deemed to have elected the Term Loan Option.

Term Loan Option

The Creditors who elect the Term Loan Option or are deemed to have elected the Term Loan Option will have its portion of Sustainable Debt restructured as a term loan ("**Term Loan**") facility ("**Term Loan Facility**") granted by it to the Company. Pursuant to the results of the Scheme Meeting, approximately US\$228 million of the Sustainable Debt, which includes the sustainable debt portion of the Bilateral Facilities Unsecured Debt (as defined below) and subject to adjudication for entitlement and Crystallisation and adjudication of the Eligible Debt of the Other Creditor with Corporate Guarantees For JV Company, will be restructured as the Term Loan. For more details on the Term Loan, please see **Appendix A** of this Offer Information Statement.

Cash Out Option

A Creditor who wants to exit the Proposed Scheme early by accepting a voluntary haircut in exchange for cash may elect the Cash Out Option to cash out its portion of its Sustainable Debt.

The Cash Out Option will be funded by the proceeds of RM50 million ("**Committed Sum**") arising from (i) the Major Shareholder's irrevocable undertaking to subscribe for his entitlement of the Rights Shares through his direct and deemed interest in the Shares and any Excess Rights Shares under the Proposed Rights Issue of up to the Committed Sum; or (ii) in the event that the value of the Rights Shares and Excess Rights Shares made available for the Major Shareholder's subscription in the Proposed Rights Issue does not amount to the Committed Sum of RM50 million, the actual subscription consideration paid by the Major Shareholder for the subscription for his entitlement of the Rights Shares through his direct

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

and deemed interest in the Shares and any Excess Rights Shares (“**Actual Subscription Amount**”), and an interest-free loan granted by the Major Shareholder to the Company of an amount equivalent to the shortfall between the Committed Sum and the Actual Subscription Amount (“**Cash Out Fund**”). Such loan shall be subordinated to the indebtedness or liabilities of all Creditors who participate in the Term Loan Facility and will be repayable by the Company on a date to be determined by the Company after full repayment of the Term Loan Facility.

Subject to a minimum recovery of US\$0.05 per US\$1 of Sustainable Debt and a maximum recovery capped at US\$0.20 per US\$1 of Sustainable Debt, the Company shall pay, as consideration for extinguishing the debt offered by the Creditor under the Cash Out Option (“**Cash Out Offered Debt**”), an amount (each such amount, a “**Cash Out Payment**”) determined by the following formula:

$$\frac{\text{Cash Out Offered Debt of that Creditor}}{\text{Total Cash Out Offered Debt}} \times \text{Cash Out Fund}$$

The Cash Out Payment as determined by the formula above shall be reduced by the aggregate Pre-Scheme Cash Out Payment which the Company had on 12 July 2018, prior to the Effective Date, paid to all Creditors who elected the Cash Out Option (including their successors, transferees and assigns).

Pursuant to the results of the Scheme Meeting, 5.580% of Creditors who voted “For the Scheme” elected the Cash Out Option, representing approximately US\$19 million of the total debt to be restructured under the Proposed Scheme. Accordingly, the total Cash Out Offered Debt is approximately US\$12 million (being 65% of US\$19 million). Accordingly, recovery under the Cash Out Option shall be at the maximum recovery cap of US\$0.20 per US\$1 of the Cash out Offered Debt of the relevant Creditor. Accordingly, the total Cash Out Payment to be made to all the relevant Creditors who elected the Cash Out Option is approximately US\$2.4 million.

The remainder of the Cash Out Payments, after deduction of the aggregate Pre-Scheme Cash Out Payments that were made by the Company on 12 July 2018 amounting to approximately S\$165,000, shall be paid to the relevant Creditor on (1) the Implementation Date; (2) as soon as practicable after the Disputes Resolution Date; or (3) as soon as practicable after the Crystallisation Date, as the case may be.

The payment of the remainder of the Cash Out Payments shall constitute full and final settlement of the Cash Out Offered Debt.

After the payment of the Cash Out Payments (including the Pre-Scheme Cash Out Payments), the Cash Out Fund shall be reduced by an amount equal to the aggregate Cash Out Payments made (that is, approximately US\$2.4 million or approximately RM10.3 million based on the Scheme Exchange Rate) and the remaining monies of approximately RM39.7 million shall be used for the operations of the Group.

Further details of the Proposed Scheme are set out in **Appendix A** of this Offer Information Statement and the Circular in relation to, *inter alia*, the Rights Issue.

-
- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Information on the Relevant Entity

9. Provide the following information:

9(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);

Registered office

Registered office address : Clarendon House 2 Church Street
Hamilton HM 11 Bermuda

Telephone number of registered office address : (441) 295 5950

Facsimile number of registered office address : (441) 292 4720

Principal place of business

Principal place of business : 140 Paya Lebar Road
#07-02 AZ@Paya Lebar
Singapore 409105

Telephone number of principal place of business : (65) 6578 6780

Facsimile number of principal place of business : (65) 6316 5301

9(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The Company was incorporated as an exempted company with limited liability and domiciled in Bermuda on 17 September 1998. The principal activity of the Company is that of an investment holding company. The Group is an offshore marine group that specialises in the provision of Offshore Support Vessels ("OSVs") used in the offshore oil and gas exploration and production ("E&P") and oilfield services industries, including Safety Standby Vessels ("SSVs"), Anchor Handling Tug Supply ("AHTS") vessels, Platform Supply Vessels ("PSVs") accommodation work barges and maintenance work vessels.

The Group's customers consist primarily of ship owners and marine services operators that provide logistics support, offshore construction and field operation services to companies operating in the offshore oil and gas support industry in Malaysia, Singapore, Indonesia, Vietnam, the People's Republic of China, Netherlands, India, Tunisia, the Middle East, the United States and West Africa and Latin America. To expand its business in the offshore marine industry, the Group ventured into the vessel chartering business and commenced vessel chartering operations in 2007.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Subsidiaries and joint venture companies

As at the Latest Practicable Date, the principal activities of the subsidiaries, joint venture company and associated companies of the Group are as follows:

Name	Country of incorporation	Principal activities	Effective interest held by the Company (%)
Subsidiaries held by the Company			
NCCPL	Singapore	Dormant	100
NCD	Malaysia	Shipbuilding	100
Subsidiaries held through NCD			
NCI	Federal Territory of Labuan, Malaysia	Shipbuilding	100
S.K. Marine Sdn. Bhd.	Malaysia	Vessel chartering	100
Nam Cheong Marine Ltd.	The Republic of the Marshall Islands	Dormant	100
Nam Cheong Marine Pte. Ltd.	Singapore	Vessel chartering	100
NC Design Pte. Ltd.	Singapore	Design services	100
Nam Cheong Pioneer Sdn. Bhd.	Malaysia	Investment holding	100
SKOSV Sdn. Bhd.	Malaysia	Vessel chartering	70
SK Global Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Offshore & Marine Sdn. Bhd.	Malaysia	Vessel chartering	100
Joint venture company held through NCD			
Synergy Kenyalang Offshore Sdn. Bhd.	Malaysia	Vessel chartering	40
Subsidiary held by the Company and NCD			
Nam Cheong Offshore Pte. Ltd.	Singapore	Shipbuilding	100
Subsidiaries held through NCI			
Nam Cheong OSV Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
Nam Cheong Venture Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Venture Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Machine Ltd.	Federal Territory of Labuan, Malaysia	Trading	100
Subsidiaries held through SK Global Ltd.			
SK Pride Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Patriot Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Name	Country of incorporation	Principal activities	Effective interest held by the Company (%)
SK Power Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Precious Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Prudence Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SK Capital Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
SKOM Ltd.	Federal Territory of Labuan, Malaysia	Vessel chartering	100
Joint venture company held through SK Global Ltd.			
Marco Polo Offshore (IV) Pte Ltd	Federal Territory of Labuan, Malaysia	Vessel chartering	50
Subsidiary held through Nam Cheong Offshore Pte Ltd			
Nam Cheong Property Pte. Ltd.	Singapore	Investment holding	100
Joint venture company held through Nam Cheong Pioneer Sdn. Bhd.			
P.T. Bahtera Niaga Indonesia	Indonesia	Vessel chartering	49
Associated company held through Nam Cheong Pioneer Sdn. Bhd.			
P.T. Pelayaran Nasional Bina Buana Raya TBK	Indonesia	Vessel chartering	30
Joint venture company held through Marco Polo Offshore (IV) Pte Ltd			
SK Marco Polo Sdn Bhd	Malaysia	Vessel chartering	50

9(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

The significant developments of the business of the Group in chronological order since FY2015 to the Latest Practicable Date are set out below. The significant developments described in this section include matters extracted from the related announcements released by the Company via the SGXNET and such information presented herein is correct as at the dates of the relevant announcements. Shareholders are advised to refer to the related announcements for further details.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

FY2015

On 11 March 2015, the Company announced that it has secured sale contracts for two (2) vessels with a total value worth approximately US\$58 million.

On 13 July 2015, the Company issued S\$75,000,000 6.5% fixed rate notes due July 2018 under its S\$600,000,000 Multicurrency Medium Term Note Programme (“**MTN**”).

FY2016

In January 2016, the Company announced the passing of an extraordinary resolution of the noteholders of the MTN in connection with the consent solicitation exercise launched by the Company to seek the approval of the noteholders to amend the trust deed and the conditions of the Notes.

In March 2016, the Company announced the purported termination/cancellation of a contract in relation to the sale of vessel, by Petra Offshore Limited (“**POL**”), a wholly-owned subsidiary of Perdana Petroleum Berhad (“**Perdana**”).

In December 2016, the Company announced that its subsidiary, NCI, has served a notice of arbitration to POL pursuant to the Kuala Lumpur Regional Centre For Arbitration Rules 2013 on 22 December 2016. NCI claims, among other things, that POL’s purported termination of the POL Contract (as such term is defined herein) is wrongful and unwarranted, and the Deposit (as such term is defined herein) paid shall be forfeited to NCI. NCI is also claiming damages for wrongful termination of the Contract. Prior to the hearing of the arbitration proceedings, the parties have agreed to amicably settle their respective claim and counterclaim. Please refer to paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement for more information.

FY2017

On 17 March 2017, the Company announced that its independent auditors, BDO LLP, have included an emphasis of matter with respect to the material uncertainty related to going concern in their report on the financial statements of the Group for the financial year ended 31 December 2016.

On 23 April 2017, the Company announced the steps taken by the Company to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company, and to address various obligations owed by the Group that have fallen due and will fall due from time to time, including the Notes.

On 19 June 2017, the Company and NCI received a writ of summons dated 2 June 2017 and statement of claim dated 16 May 2017 by Oversea-Chinese Banking Corporation Limited (License No. 940026C) (“**OCBC Labuan**”) in the High Court of Labuan, Malaysia. Pursuant to the writ of summons, OCBC Labuan is claiming against NCI as borrower under a credit facility granted by OCBC Labuan and against the Company as guarantor of the said facility for the sum of USD10,044,653.59 as at 30 April 2017, together with interest, late payment charges and costs allegedly due to OCBC for the breach of the facility agreement. Please refer to paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement for more information.

On 9 August 2017, the Company and its subsidiary, NCD, received a writ of summons and statement of claim dated 7 August 2017 filed by AmBank (M) Berhad (“**AmBank**”) in the Malaysia Court at Kuala Lumpur, Malaysia. Pursuant to the said writ of summons, AmBank is claiming against NCD as borrower under credit facilities granted by AmBank and against the Company as guarantor of the said facilities for the sum of RM70,402,636.90 as at 31 July 2017, together with interest and costs on a solicitor-client basis allegedly due to AmBank for the breach of the facilities. Please refer to paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement for more information.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 7 September 2017, the Company announced that Nam Cheong Property Pte. Ltd. (“**NCPPL**”), a wholly-owned subsidiary of the Company, will grant an option to purchase (“**Suntec Option**”) to a third party purchaser in relation to the sale of its office lots located at Unit #41-01, Unit #41-02 and Unit #41-03 of 8 Temasek Boulevard, Suntec Tower Three, Singapore 038988 (“**Suntec Property**”) on the terms and subject to the conditions of the option to purchase, for a consideration of S\$25,040,560. The Suntec Option was granted on 21 September 2017.

On 15 September 2017, the Company announced that its subsidiary, Nam Cheong Offshore Pte. Ltd., granted an option to purchase dated 15 September 2017 (“**Ace Building Option**”) to third party purchasers in relation to the sale of the unit located at 146B Paya Lebar Road, #02-01 Ace Building, Singapore 409017 (“**Paya Lebar Property**”), on the terms and subject to the conditions of the option to purchase, for a consideration of S\$4,500,000.

On 9 October 2017, the Company announced that it had on 6 October 2017 filed the SG Application for, amongst others, the proposed scheme of arrangement and moratorium. Parallel to the SG Application, NCD and NCI had also made an application to the High Court of Malaya to convene the requisite meeting of creditors to approve the Subsidiary Schemes with their respective scheme creditors (“**Subsidiary Schemes Application**”).

On 30 October 2017, the Company announced that the High Court of the Republic of Singapore had on 27 October 2017 granted the SG Application, and made certain orders including, amongst others, that the Company be at liberty to convene a Scheme Meeting within three (3) months (or such other period as the High Court of the Republic of Singapore may order) from the date of the order to seek approval for the Proposed Scheme.

On 16 November 2017, the Company announced that the High Court of Malaya had on 15 November 2017 granted the Subsidiary Schemes Application, and ordered, amongst others, that (a) a Malaysian Court Convened Meeting be convened to seek approval for the Subsidiary Schemes; and (b) NCD and NCI be at liberty to fix the date and venue of the Malaysian Court Convened Meeting within 90 days of 15 November 2017.

On 23 November 2017, the Company announced that the Scheme Meeting is to be held on 24 January 2018.

On 4 December 2017, the Company announced, amongst others, that under the Proposed Scheme, it is proposing to undertake the Rights Issue.

From 1 January 2018 to the Latest Practicable Date

On 4 January 2018, the Company announced that the disposal of the Paya Lebar Property has been completed on 28 December 2017 and all proceeds from the disposal will be applied towards the settlement of the outstanding amount under a credit facility granted by DBS Bank Limited.

On 5 January 2018, the Company announced that the Malaysian Court Convened Meeting is to be held on 22 January 2018.

On 19 January 2018, the Company announced that the Major Shareholder has deposited the Committed Sum of RM 50 million into an escrow account for the purposes of fulfilling his obligations under the Irrevocable Undertaking.

On 22 January 2018, the Company announced that, at the Malaysian Court Convened Meeting, the Subsidiary Schemes were duly approved by the requisite majority in value of the Creditors present and voting, either in person or by proxy.

On 24 January 2018, the Company announced that, at the Scheme Meeting, the Proposed Scheme was duly approved by the requisite majority in number and value of the Creditors present and voting, either in person or by proxy.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

On 9 February 2018, the Company announced that the disposal of the Suntec Property has been completed on 9 February 2018 and all proceeds from the disposal will be applied towards the settlement of the outstanding amount under a credit facility granted by DBS Bank Limited, which was secured by the Suntec Property.

On 30 April 2018, the Company announced the placement ("**NCLL Placement**") of new shares in the capital of Nam Cheong (Labuan) Ltd ("**NCLL**") to third party investors ("**NCLL Subscribers**") which resulted in a dilution of the Group's interest in NCLL from 100% to approximately 0.01% ("**Dilution**"). In connection with the NCLL Placement, the NCLL Subscribers also extended a shareholders' loan to NCLL ("**NCLL Shareholders' Loan**"). All proceeds from the NCLL Placement and the NCLL Shareholders' Loan have been applied towards the partial repayment of the outstanding amount under a credit facility granted by DBS Bank Limited ("**NCLL DBS Credit Facility**") to NCLL, which was secured by a vessel owned by NCLL and a Corporate Guarantee provided by the Company. Following the partial repayment, the security over the vessel will be discharged and no further drawdowns can be made on the NCLL DBS Credit Facility.

On 22 June 2018, the Company announced the Scheme Payments notwithstanding that the Proposed Scheme and the Subsidiary Schemes were not yet effective.

As announced by the Company on 16 July 2018, the Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018.

On 16 July 2018, the Company announced that the SGX-ST granted in-principle approval for, *inter alia*, the listing and quotation of the Rights Shares on the Mainboard of the SGX-ST to be issued pursuant to the Proposed Rights Issue and the resumption of trading of the Company's Shares, subject to certain conditions.

On 24 July 2018, the Company announced that (i) its independent auditors, BDO, LLP have issued a disclaimer of opinion in their report with respect to the use of the going concern basis of accounting in the preparation of the financial statements of the Group for the financial year ended 31 December 2017; and (ii) subsequent to the release of the unaudited FY2017 results and upon finalisation of the audit by the auditors, certain adjustments have been made to the audited FY2017 financial statements as compared to what was disclosed in the unaudited FY2017 results.

On 25 July 2018, the Company announced that it had sought an extension of time for it to (i) convene its annual general meeting in respect of FY2017 by 31 August 2018; and (ii) announce its 1Q2018 financial results and 2Q2018 financial results by 31 August 2018. The SGX had, on 17 August 2018, granted the waiver subject to certain conditions, and the Company had announced on 21 August 2018 that all such conditions have been satisfied.

As announced by the Company on 3 August 2018, the Proposed Scheme (with modifications) was sanctioned by the Singapore Court on 3 August 2018. The Company has extracted the Order of Court and lodged a copy of the Order of Court with ACRA on 16 August 2018.

On 20 August 2018, Shareholders of the Company had, at the SGM, approved all the resolutions in relation to the Proposed Scheme as set out in the Notice of SGM dated 27 July 2018 issued together with the Circular. Accordingly, the Company had, on 21 August 2018, announced that (i) the Proposed Scheme has become effective as of 20 August 2018; (ii) resumption of trading of the Company's Shares will take place from 9.00 a.m. on 23 August 2018; and (iii) the Proposed Capital Reorganisation as set out in the Circular will take effect from 9.00 a.m. on 31 August 2018.

On 24 August 2018, the Company announced that the Books Closure Date in relation to the Proposed Rights Issue and the record date in relation to the Proposed Non-sustainable Debt Shares Issuance under the Proposed Scheme and the payment of monies from the interest service reserve accounts for Series 003 Notes and Series 004 Notes shall be 5.00 p.m. on 3 September 2018.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

9(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

Issued and Paid-Up Share Capital as at the Latest Practicable Date⁽¹⁾ : HK\$210,314,448.20

Number of Issued and Paid-Up Shares as at the Latest Practicable Date (excluding treasury shares) : 2,096,465,885

Number of treasury shares : 6,678,597

Loan Capital as at the Latest Practicable Date : Nil

Note:

- (1) 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. Accordingly, in connection with the Rights Issue, the Company will be undertaking a capital reorganisation to, *inter alia*, reduce the par value of the Shares from HK\$0.10 to HK\$0.001 per Share. Upon such capital reorganisation taking effect, the issued and paid-up share capital (based on the number of issued Shares as at the Latest Practicable Date) will be HK\$2,103,144.482 (divided into 2,103,144,482 Shares with a par value of HK\$0.001 each). The number of issued Shares will remain unchanged at 2,103,144,482 Shares (including treasury Shares). As announced by the Company on 21 August 2018, the capital reorganisation will take effect on 31 August 2018.

9(e) where –

- (i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, state the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company, were as follows:

Name of Substantial Shareholders	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Datuk Tiong Su Kouk ⁽¹⁾	104,936,517	5.00	969,768,115	46.26
S.K. Tiong Enterprise Sdn Bhd ⁽²⁾	574,342,840	27.40	319,954,845	15.26
Hung Yung Enterprise Sdn Bhd	319,954,845	15.26	-	-
Puan Sri Datin Wong Bak Hee ⁽³⁾	15,420,430	0.74	1,059,284,202	50.53

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, his wife, Puan Sri Datin Wong Bak Hee and 60,000,000 shares held by UOB Nominees (Private) Limited (as nominee), by virtue of Sections 4 and 133 of the Securities and Futures Act (Cap. 289).
- (2) 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).
- (3) 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 and her husband, Tan Sri Datuk Tiong Su Kouk and 50,000 shares held by Philip Securities Pte Ltd (as nominee) by virtue of Section 4 of the Securities and Futures Act (Cap. 289).

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 9(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;
-

On 1 December 2016, POL, a wholly owned subsidiary of Perdana, had cancelled the sale of an accommodation work barge made between NCI and POL. On 9 December 2016, POL had served a letter of demand to NCI claiming the refund of the deposit paid, in an amount of USD8,400,000. Being unable to resolve the contractual obligations amicably, on 22 December 2016, NCI had issued a Notice of Arbitration to POL, to claim amongst others, the forfeiture of the deposit paid. The parties have filed their respective pleadings. The parties have also filed their witnesses' statements and experts evidence and the hearing of the arbitration proceedings was fixed for 27 August 2018 to 30 August 2018. Prior to the hearing of the arbitration proceedings, the parties have agreed to amicably settle their respective claim and counterclaim. To the best of NCI's knowledge, the settlement in respect of the arbitration proceedings is not expected to have any material impact on the financial position or profitability of the Group.

As set out in Paragraph 7 of this Part, the Company had, on 23 April 2017 and 20 July 2017, announced the steps taken by the Company to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company, and to address various obligations owed by the Group that have fallen due and will fall due from time to time, including the Notes. The Group had received, from time to time, letters of demand as well as reservation of rights letters from its counterparties, including financial lenders. The Company has various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time.

On 19 June 2017, the Company and NCI received a writ of summons dated 2 June 2017 and statement of claim dated 16 May 2017 by OCBC Labuan in the High Court of Labuan, Malaysia. Pursuant to the writ of summons, OCBC Labuan is claiming against NCI as borrower under a credit facility granted by OCBC Labuan and against the Company as guarantor of the said facility for the sum of USD10,044,653.59 as at 30 April 2017, together with interest, late payment charges and costs allegedly due to OCBC Labuan for the breach of the facility agreement. The credit facility granted by OCBC Labuan is intended to be restructured under the Proposed Scheme. The Company and NCI entered a defence on 24 July 2017. On 27 September 2017, OCBC Labuan filed a summary judgment application in the High Court of Labuan, Malaysia against the Company and NCI pursuant to the aforementioned claim ("**OCBC Labuan Summary Judgment Application**"). The hearing of the OCBC Labuan Summary Judgment Application has been adjourned to 13 November 2018. If the Proposed Scheme and Subsidiary Schemes come into effect, the relevant facility agreements with OCBC Labuan will be restructured under the Proposed Scheme and OCBC Labuan would have to withdraw its claim.

On 9 August 2017, the Company and NCD received a writ of summons and statement of claim dated 7 August 2017 filed by AmBank in the Malaysia Court at Kuala Lumpur, Malaysia. Pursuant to the said writ of summons, AmBank is claiming against NCD as borrower under credit facilities granted by AmBank and against the Company as guarantor of the said facilities for the sum of RM70,402,636.90 as at 31 July 2017, together with interest and costs on a solicitor-client basis allegedly due to AmBank for the breach of the facilities. The credit facilities granted by AmBank are intended to be restructured under the Proposed Scheme. The Company and NCI entered a defence on 13 September 2017 and AmBank has since entered a reply to the Company and NCI's defence on 28 September 2017. On 13 October 2017, AmBank filed a summary judgment application in the High Court of Malaya at Kuala Lumpur against the Company and NCD pursuant to the aforementioned claim ("**AmBank Summary Judgment Application**"). The AmBank Summary Judgment Application was heard on 11 January 2018 and the Court had fixed 6 July 2018 to give its decision. On 5 July 2018, the Company and NCD had agreed with AmBank for AmBank to withdraw the AmBank Summary Judgment Application on the condition that if Company does not complete the listing of the Rights Shares pursuant to the terms of the Proposed Scheme by 30 September 2018 or such other date as may be agreed to by AmBank at its sole and absolute discretion, AmBank may enter consent judgment against the Company and NCD. The suit by

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

AmBank is now fixed for case management on 9 October 2018. If the Proposed Scheme and Subsidiary Schemes come into effect, and the Company launches the Proposed Rights Issue under the Proposed Scheme and allots and issues the Rights Shares, the relevant facilities with AmBank will be restructured under the Proposed Scheme, the Subsidiary Schemes and the relevant Bilateral Facilities Agreement (as defined below) and AmBank would have to withdraw its claim.

Pursuant to the SG Application, the Company had also successfully sought an order from the Singapore Court pursuant to an application to the Singapore Court under Section 211B(1) of the Companies Act (Cap.50) and/or the inherent jurisdiction of the Singapore Court that for a period of six (6) months from 6 October 2017 or until further order:

- (a) no appointment shall be made of a receiver or manager over any property or undertaking of the Company;
- (b) no action or proceedings in Singapore or elsewhere shall be commenced or continued against Company (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act), except with the consent of Company or the leave of the Singapore Court and subject to such terms as the Court imposes;
- (c) no execution, distress or other legal process in Singapore or elsewhere against any property of the Company shall be commenced, continued or levied, except with the consent of the Company or the leave of the Singapore Court and subject to such terms as the Singapore Court imposes;
- (d) no step to enforce any security over any property of the Company, or to repossess any goods held by the Company under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken or continued in Singapore or elsewhere, except with the consent of the Company or the leave of the Singapore Court and subject to such terms as the Singapore Court imposes; and
- (e) no enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company in Singapore or elsewhere shall be commenced or continued (including any enforcement pursuant to sections 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the consent of the Company or the leave of the Singapore Court and subject to such terms as the Singapore Court imposes.

As announced by the Company on 4 April 2018, the Company had, on 3 April 2018, successfully obtained an extension from the Court of the foregoing order for a period of four (4) months until 6 August 2018. Further to the hearing of the application made to the Singapore Court seeking the sanction of the Proposed Scheme (with modifications) ("**NCL Sanction Application**") on 3 August 2018 where the Singapore Court had sanctioned the Proposed Scheme (with modifications), the Company had withdrawn prayers in the NCL Sanction Application relating to a further extension of the foregoing order.

The Malaysian Court Convened Meeting and the Scheme Meeting were convened on 22 January 2018 and 24 January 2018, respectively, and the Proposed Scheme and Subsidiary Schemes were duly approved by the Creditors. As announced by the Company on 16 July 2018, the Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018. The Proposed Scheme (with modifications) was sanctioned by the Singapore Court on 3 August 2018.

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, as at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

- 9(g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
 - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests;**
-

No securities or equity interests have been issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

- 9(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
-

As part of the Restructuring, the relevant Key Subsidiaries had entered into respective Bilateral Facilities Agreements with the relevant Other Creditor, details of which are set out in section 2.6.2 of the Circular, the extract of which is set out in **Appendix A** of this Offer Information Statement. Save for the Bilateral Facilities Agreements and the following contracts disclosed below, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) on 21 September 2017, NCPPL granted the Suntec Option dated 21 September 2017 to a third party purchaser in relation to the sale of its office lots located at Unit #41-01, Unit #41-02 and Unit #41-03 of 8 Temasek Boulevard, Suntec Tower Three, Singapore 038988 on the terms and subject to the conditions of the Suntec Option, for a consideration of S\$25,040,560; and
- (b) on 15 September 2017, Nam Cheong Offshore Pte. Ltd. granted the Ace Building Option dated 15 September 2017 to third party purchasers in relation to the sale of the unit located at 146B Paya Lebar Road, #02-01 Ace Building, Singapore 409017, on the terms and subject to the conditions of the Ace Building Option, for a consideration of S\$4,500,000.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART V OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
 - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

The audited consolidated income statements of the Group for FY2015, FY2016 and FY2017 and the unaudited consolidated income statements of the Group for 1H2018 are set out below:

	FY2015	FY2016	FY2017	1H2018
	RM'000	RM'000	RM'000	RM'000
	Audited	Audited	Audited	Unaudited
Revenue	950,030	170,424	319,578	135,718
Cost of sales	(800,027)	(161,971)	(283,758)	(117,815)
Gross profit	150,003	8,453	35,820	17,903
Other income	18,093	106,065	24,194	593,625
Selling and administrative expenses	(58,383)	(42,824)	(33,766)	(14,648)
Other operating expenses	(29,303)	(91,175)	(2,919,899)	(5,510)
Operating profit / (loss)	80,410	(19,481)	(2,893,651)	591,370
Finance costs	(24,216)	(15,463)	(73,391)	(27,357)
Share of results of equity accounted joint ventures, net of tax	6,633	6,593	(4,936)	(672)
Share of results of equity accounted associate, net of equity tax	(31,873)	(14,271)	(46,610)	(3,709)
Profit / (Loss) before income tax	30,954	(42,622)	(3,018,588)	559,632
Income tax expense	(3,029)	(149)	813	(28)
Profit / (Loss) for the financial year / period	27,925	(42,771)	(3,017,775)	559,604

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

	FY2015 RM'000 Audited	FY2016 RM'000 Audited	FY2017 RM'000 Audited	1H2018 RM'000 Unaudited
Other comprehensive income				
<i>Items that will or may be reclassified subsequently to profit and loss</i>				
Exchange differences on translating foreign operations	184,936	27,071	(6,801)	(160)
Changes to cash flow hedges reserves	31,428	6,617	-	-
Fair value loss on available-for-sale	-	-	(2,372)	(2,547)
Other comprehensive income / (loss) for the financial year / period, net of tax	216,364	33,688	(9,173)	(2,707)
Total comprehensive income / (loss) for the financial year / period	244,289	(9,083)	(3,026,948)	556,897
Profit / (Loss) attributable to:				
Owners of the parent	28,516	(42,014)	(3,020,051)	557,215
Non-controlling interest	(591)	(757)	2,276	2,389
Profit / (Loss) for the financial year / period	27,925	(42,771)	(3,017,775)	559,604
Total comprehensive income / (loss) attributable to:				
Owners of the parent	244,880	(8,326)	(3,029,224)	554,508
Non-controlling interest	(591)	(757)	2,276	2,389
Total comprehensive income / (loss) for the financial year / period	244,289	(9,083)	(3,026,948)	556,897
Earnings / (Loss) per share				
Basic (in Sen)	1.36	(2.00)	(144.05)	26.69
Diluted (in Sen)	1.36	(2.00)	(144.05)	26.69
Earnings / (Loss) per share after adjusting for rights issue				
Basic (in Sen)	0.68	(1.00)	(72.03)	13.35
Diluted (in Sen)	0.68	(1.00)	(72.03)	13.35
Dividend per Share				
In cents	-	-	-	
In Sen	-	-	-	

3. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

FY2016 vs FY2015

Revenue for the financial year ended 31 December 2016 (“**FY2016**”) was approximately RM170.4 million, which was approximately RM779.6 million, or 82%, lower than the revenue for FY2015 of approximately RM950.0 million. The shipbuilding segment recorded revenue of approximately RM146.4 million in FY2016, representing a decrease of approximately RM759.2 million, or 84%, as compared to approximately RM905.6 million recorded for FY2015. This decrease in revenue for the shipbuilding segment was mainly due to a decrease in the number of vessels delivered in FY2016 as compared to FY2015. Two (2) units of vessels were completed and delivered in FY2016 as compared to 11 units of vessels in FY2015.

The vessel chartering segment also registered a decrease in revenue of approximately RM20.4 million, or 46%, from approximately RM44.4 million for FY2015 to approximately RM24.0 million for FY2016, and this decrease was mainly due to lower utilisation rate for FY2016.

Gross profit decreased by 94%, from approximately RM150.0 million for FY2015 to approximately RM8.5 million recorded for FY2016, which was in tandem with lower revenue recorded in FY2016. The gross profit margin for FY2016 of 5% was lower as compared to 16% in FY2015. The gross profit margin for the shipbuilding segment was consistent at 17%. The chartering segment recorded gross loss in FY2016 due to lower utilisation rate of vessels.

Other income for FY2016 of approximately RM106.1 million was higher as compared to approximately RM18.1 million recorded in FY2015, and this increase was mainly due to the deposit which was forfeited due to Perdana Petroleum Berhad’s cancellation of two (2) Accommodation Work Barges as well as the foreign exchange gain.

Selling and administrative expenses decreased by approximately RM15.6 million or 27% from RM58.4 million in FY2015 to RM42.8 million in FY2016, and this decrease was mainly due to our cost rationalisation measures which improve overall efficiency. Other operating expenses of approximately RM91.2 million in FY2016 mainly consist of inventories written down and impairment on investment in an associate, deposit and prepayment written off and impairment on property, plant and equipment.

Finance cost decreased by approximately RM8.8 million or 36% from approximately RM24.4 million in FY2015 to approximately RM15.5 million in FY2016, as a result of higher interest expense being capitalised in cost of construction of vessels.

The net loss after taxation for FY2016 was RM42.8 million.

The shipbuilding segment continued to be the main revenue generator, contributing approximately RM146.4 million or 86% of the Group’s total revenue of approximately RM170.4 million in FY2016. The remaining 14% of the Group’s total revenue in FY2016 was attributed to the vessel chartering segment. The contributing revenue from the vessel chartering segment increased from 5% in FY 2015 to 14% in FY2016.

Share of profit in jointly controlled entities recorded a gain of approximately RM6.6 million which was offset by the share of loss in an associate of approximately RM14.3 million in FY2016 due to low vessel utilisation.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

FY2017 vs FY2016

Revenue for full year ended 31 December 2017 (“**FY2017**”) of RM319.6 million was RM149.2 million, or 87%, higher as compared to RM170.4 million recorded FY2016. The shipbuilding segment recorded revenue of RM239.4 million for FY2017, representing an increase of 96% as compared to RM121.9 million recorded for FY2016. This was mainly attributed to the sale and delivery of three (3) vessels in FY2017.

The vessel chartering segment also registered an increase in revenue of RM31.7 million, or 65%, from RM48.5 million for FY2016 to RM80.2 million for FY2017, mainly attributed to the addition of four (4) vessels to the chartering fleet in FY2017.

Overall, the Group’s gross profit quadrupled from RM8.5 million in FY2016 to RM35.8 million in FY2017, which was due mainly to the improved gross profit generated by the vessel chartering segment of RM41.0 million, against gross loss of RM25.6 million in FY2016. Meanwhile, the gross profit margin stabilised at 11% in FY2017.

Primarily due to the absence of a foreign exchange gain of RM44.3 million and forfeited deposit received of RM46.2 million which was recorded in FY2016, other income in FY2017 declined 77% to RM24.2 million.

Selling and administrative expenses decreased by 21% to RM33.8 million during FY2017, mainly due to the decrease in banking facilities expenses of RM7.9 million. Finance cost increased by RM57.9 million in FY2017 compared to FY2016, as a result of lower interest expense being capitalised in cost of construction.

Share of result in joint ventures and associate recorded a loss of RM4.9 million and RM46.6 million respectively in FY2017 due to lower vessel utilisation rate.

During FY2017, the Group provided for assets impairment and writing down of RM2.8 billion, which consist of impairment on property, plant and equipment, investment in associate, investment properties, amount due from customers on contracts and trade and other receivables of RM638.1 million as well as inventories written down and prepayment written off of RM2.19 billion. Subsequent to FY2017, as a result of the successful cancellation of certain shipbuilding contracts in February 2018, the Group’s payables amounting to RM558.2 million will be waived.

Mainly as a result of the assets impairment and writing down of RM2.8 billion, the Group recorded a net loss after taxation of RM3.02 billion in FY2017.

1H2018 vs 1H2017

Revenue for 1H2018 of RM135.7 million is RM33.4 million, or 20%, lower as compared to RM169.1 million achieved in 1H2017. The shipbuilding segment recorded revenue of RM98.8 million for 1H 2018, representing a decrease of 30% as compared to RM141.8 million recorded for 1H 2017 despite the sale and delivery of two (2) vessels in both 1H 2018 and 1H 2017 respectively. This was due to the progressive recognition of revenue from the vessels under construction during 1H 2017 prior to the adoption of IFRS 15 - Revenue from Contracts with Customers from 1 January 2018 onwards.

On the other hand, the vessel chartering segment registered an increase in revenue of RM9.7 million, or 35%, from RM27.3 million for 1H 2017 to RM36.9 million for 1H 2018, mainly attributed to the increase in utilisation rate and addition of new vessels to the chartering fleet during 2Q 2018.

Gross profit decreased by RM1.2 million or 6%, from RM19.2 million in 1H 2017 to RM18.0 million recorded in 1H 2018. The gross profit margin for shipbuilding segment normalised at 9% in 1H 2018. The chartering segment had shown significant improvement by registering a gross profit of RM9.2 million in 1H 2018 as compared to gross loss of RM0.3 million in 1H 2017, mainly attributed to the increase in utilisation rates and addition of new vessels into the chartering fleet during 2Q 2018.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Other income increased from RM5.7 million in 1H 2017 to RM593.6 million in 1H 2018 mainly due waiver of debts by the trade creditors amounting to RM557.5 million and foreign exchange gain of RM30.6 million.

Selling and administrative expenses decreased by RM0.2 million or 2% to RM14.6 million during 1H 2018, primarily due to the continuous effort in cost rationalisation.

Finance cost increased from RM16.1 million in 1H 2017 to RM27.4 million in 1H2018, as a result of lower interest expense being capitalised in cost of construction in 1H 2018.

Share of result in joint ventures and associate recorded net losses of RM0.7 million and RM3.7 million respectively in 1H 2018 due to low vessel utilisation rate.

Mainly as a result of the waiver of debts and no assets impairment and writing down, the Group registered a net profit after tax of RM559.6 million in 1H2018 as compared to a net loss after tax of RM2.1 billion in 1H 2017.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
- (a) **the most recent completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**
5. **The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:—**
- (a) **number of shares after any adjustment to reflect the sale of new securities;**
 - (b) **net assets or liabilities per share; and**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities.**
-

The audited consolidated statement of financial position of the Group as at 31 December 2017 and the unaudited consolidated statement of financial position of the Group as at 30 June 2018 are set out below.

	As at 30 June 2018	As at 31 December 2017
	RM'000	RM'000
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	295,105	268,703
Prepaid land lease payments	6,380	7,133
Investment in joint ventures	3,369	4,041
Investment in an associate	20,131	23,840
Available-for-sale financial assets	3,056	3,226
Trade receivables – long term	16,675	16,797
	344,716	323,740

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

	As at 30 June 2018 RM'000 Unaudited	As at 31 December 2017 RM'000 Audited
Current assets		
Inventories	445,029	382,043
Trade and other receivables	93,663	65,079
Prepayments	8,679	4,724
Current income tax recoverable	1,187	1,526
Due from customers on contracts	-	38,484
Cash and cash equivalents	110,800	224,417
	659,358	716,273
Asset-held-for-sale	-	74,676
TOTAL ASSETS	1,004,074	1,114,689
EQUITY AND LIABILITIES		
Equity		
Share capital	81,192	81,192
Share premium	82,347	82,347
Treasury shares	(4,097)	(4,097)
Reserves	316,903	318,614
Accumulated losses	(1,603,881)	(2,138,467)
Equity attributable to owners of parents	(1,127,536)	(1,660,411)
Non-controlling interest	3,885	1,496
Total equity	(1,123,651)	(1,658,915)
Non-current liabilities		
Deferred tax liabilities	211	220
Trade and other payables	122,939	2,582
	122,728	2,802
Current liabilities		
Due to customers on contracts	-	700
Loans and borrowings	1,571,695	1,639,247
Trade and other payables	400,711	1,098,475
Provisions	32,380	32,380
	2,004,786	2,770,802
Total liabilities	2,127,725	2,773,604
TOTAL EQUITY AND LIABILITIES	1,004,074	1,114,689
Number of shares after adjusting for rights issue ('000)	4,192,932	4,192,932
NTL per shares (sen)	53.6	79.2
NTL per shares after adjusting for rights issue (sen)	26.8	37.5

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of -
- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated cash flow statement of the Group for FY2017 and the unaudited consolidated cash flow statement of the Group for 1H2018 are set out below:

	1H2018	FY2017
	RM'000	RM'000
	Unaudited	Audited
Operating activities		
Profit / (Loss) before income tax	559,632	(3,018,588)
Adjustments for:		
Amortisation of prepaid land lease payments	135	108
Depreciation of property, plant and equipment	7,086	19,214
Depreciation of investment properties	-	930
Gain on disposal of property, plant and equipment	(1,167)	(7,081)
Loss on disposal for available-for-sale financial assets	-	1,170
Allowance for trade receivables written back	-	(2)
Impairment on amount due from customers on contracts	-	198,660
Impairment on property, plant and equipment	-	346,767
Impairment on investment in associate	-	5,237
Impairment on amount owing by joint ventures	-	-
Impairment on investment properties	-	15,233
Allowance for trade and other receivables	-	71,732
Inventories written down	-	2,085,877
Inventories written off	-	639
Interest expense	27,357	73,391
Interest income	(814)	(5,444)
Bad debts written off	-	3,389
Prepayments for inventories written off	-	105,899
Contract termination expenses relating to prepayments for inventories	-	8,363
Property, plant and equipment written off	-	482
Share of post-tax results of equity accounted joint ventures	672	4,936
Share of post-tax results of equity accounted associate	3,709	46,610
Unrealised loss on foreign exchange	67,408	36,766
Waiver of debts	(557,513)	-
Total adjustments	(554,767)	3,012,876

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

	1H2018	FY2017
	RM'000	RM'000
	Unaudited	Audited
Operating cash flows before working capital changes		
Changes in working capital:	14,865	(5,712)
(Increase) / Decrease in inventories	(126,817)	(433,204)
Decrease / (Increase) in receivables	8,083	(35,006)
(Increase) / Decrease in prepayments	(4,083)	30,960
(Increase) / Decrease in amount due from customers on contracts	38,484	202,317
Increase / (Decrease) in payables	(38,282)	300,176
Increase / (Decrease) in amount due to customers on contracts	(668)	(2,868)
(Decrease) in provision	-	32,180
Total changes in working capital	(123,283)	94,555
Cash flows from / (used in) operations	(108,418)	88,843
Interest paid	(5,712)	(39,483)
Taxes paid, net of refund	311	(297)
Net cash flows from / (used in) operating activities	(113,279)	49,063
Investing activities		
Acquisition of property, plant and equipment	(1,006)	(2,922)
Interest received	814	5,444
Proceeds from disposal available-for- sale financial assets	120	25,760
Proceeds from disposal of property, plant and equipment	-	7
(Repayment from)/Advances to joint ventures	-	(3,685)
Sundry receivables relating to sales of leasehold property	-	13,857
Deposit received relating to asset-held-for-sale	-	5,313
Net cash flows from / (used in) investing activities	(72)	43,774
Financing activities		
Proceeds from revolving credit	-	42,432
Proceeds from trust receipt	-	8,802
Proceeds from project invoice financing	-	4,462
Repayments of revolving credit	-	(123,196)
Repayments of trust receipt	-	(14,159)
Repayments of term loans	(8,080)	(41,732)
Repayments of medium term notes	-	(5,818)
Decrease in fixed deposit pledged	33	101,187
Interest paid	-	(31,627)
Net cash flows from / (used in) financing activities	(8,047)	(59,649)
Net increase / (decrease) in cash and cash equivalents	(121,398)	33,188
Effects of foreign exchange rate changes	(9,568)	(12,783)
Cash and cash equivalents at beginning of financial year	182,023	162,618
Cash and cash equivalents at end of the financial year	52,057	183,023

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

FY2017

Net cash flows from operating activities of RM49.1 million for FY2017 was mainly due to the collection from the sale and delivery of three (3) vessels in FY2017.

Net cash flows from investing activities of RM43.8 million for FY2017 was mainly attributed to the proceeds from disposal of available-for-sale financial assets of RM25.8 million.

Net cash flows used in financing activities of RM59.6 million for FY2017 was mainly attributed to due to the repayment of bank borrowings of RM179.1 million which was partially funded with the fixed deposits pledged of RM101.2 million.

1H2018

Net cash flows used in operating activities of RM113.3 million in 1H 2018 was mainly due to decrease in inventories of RM126.8 million.

Net cash flows from investing activities of RM0.1 million in 1H 2018 was due to the acquisition of property, plant and equipment of RM1.0 million which was partially offset with interest received of RM0.8 million.

Net cash flows used in financing activities of RM8.0 million in 1H 2018 was mainly due to the repayment of bank borrowings.

-
- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
-

As at the date of the lodgment of this Offer Information Statement, the Directors of the Company are of the opinion that, barring unforeseen circumstances, and on the basis that the Proposed Scheme has become effective on 20 August 2018 (whereby the outstanding liabilities owing to the Creditors will consequently be substantially reduced) and no material claims from creditors (which are not part of the Proposed Scheme and Subsidiary Schemes) that are reasonably likely to have a material effect on the Group's financial conditions and operations are brought against the Group, and taking into account the Group's internal resources, operating cashflows, working capital facilities and the estimated minimum Net Proceeds of S\$16.7 million raised from the Rights Issue in the Minimum Subscription Scenario, the Group will have sufficient resources to meet its present funding requirements.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
-

As set out in Paragraph 7 of Part IV (Key Information) of this Offer Information Statement, the Company (together with NCCPL) had established a multicurrency medium note programme under which the Company could issue a maximum aggregate principal amounting to S\$200,000,000 of notes from time to time. The maximum aggregated principal was subsequently increased to S\$600,000,000 on 17 December 2013. The total Unpaid Amount under the Notes owed to the Noteholders based on the amount admitted by the Scheme Manager for voting purposes is approximately US\$267 million and the amount of monies in the ISRAs of the Series 003 Notes and Series 004 Notes is approximately US\$5.6 million. In addition, the Company had stood as guarantor for (a) the Key Subsidiaries in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For Key Subsidiary, some of which are secured by the Secured Assets; and (b) the JV Companies in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For JV Company, which are secured by the Secured Assets. As at 30 September 2017, the Company has provided guarantees to certain lenders for the Key Subsidiaries for a total amount of approximately US\$139 million and guarantees to certain lenders for the JV Companies for a total amount of approximately US\$19 million.

To mitigate the slow down or deterioration in the business prospects of the Group arising from the significant and sustained volatility and weakness in the oil price environment and continued reduction in the exploration, development and production of oil and natural gas, the Group responded by deferring the delivery dates of vessels currently under construction. However, the persistent depressed charter rates and reduced charter utilisation caused the Group to face a cash crunch and severely disrupted operations. As a result of the cash crunch, the Group defaulted in payments under its bank facility agreements.

The Company had, on 23 April 2017 and 20 July 2017, announced the steps taken by the Company to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company, and to address various obligations owed by the Group that have fallen due and will fall due from time to time, including the Notes. The Group was in discussions with its principal lenders to address significant debt maturities, which may include, *inter alia*, refinancing and/or restructuring of existing loans ("**Restructuring**"). The Group had received, from time to time, letters of demand as well as reservation of rights letters from its counterparties, including financial lenders. The Company has various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time. These obligations include the Group's loans and borrowings of an aggregate amount of RM948,720,000 that were classified as current as at 31 December 2016, of which RM278,566,000 pertain to the medium term notes that were due for repayment on 28 August 2017. The Group was in discussions with a number of its creditors and key stakeholders, including its financial lenders and vendors, in relation to the Restructuring options for these obligations.

Subsequently, the Company announced on 20 July 2017 that while the Restructuring is ongoing, the Company will temporarily cease repayment on all of the Company's borrowings. Please refer to Paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement for more details on the claims made by OCBC Labuan and AmBank.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As set out in Paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement, the Company had received the Singapore Court's approval to convene a meeting of its Creditors to propose a scheme of arrangement within three (3) months from 27 October 2017 and had also successfully sought an order from the Singapore Court for a stay of all proceedings against the Company for a period of six (6) months from 6 October 2017 or until further order. The Company had, on 3 April 2018, successfully obtained an extension from the Court of the foregoing order for a period of four (4) months until 6 August 2018. Further to the hearing of the NCL Sanction Application on 3 August 2018 where the Singapore Court had sanctioned the Proposed Scheme (with modifications), the Company had withdrawn prayers in the NCL Sanction Application relating to a further extension of the foregoing order. Please refer to Paragraph 9(f) of Part IV (Key Information) of this Offer Information Statement for further details.

Based on the notice of repayment exercise distributed to all Creditors following the Scheme Meeting, the amount admitted by the Scheme Manager for voting purposes was approximately US\$425 million, consisting of the following amounts:

- (a) secured liabilities, which are the Company's liabilities that were secured by the Secured Assets with a then aggregate Initial Value of approximately US\$45 million, monies in the ISRAs for Series 003 Notes and Series 004 Notes of approximately US\$1.3 million for partial repayment of principal. As the Proposed Scheme restructures only unsecured liabilities, these secured liabilities are excluded from the Proposed Scheme;
- (b) the Company's contingent liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of US\$19 million which have not Crystallised as at the Latest Practicable Date. Approximately US\$8 million of these contingent liabilities are secured, such that approximately US\$11 million of these contingent liabilities will form part of the unsecured liabilities to be restructured under the Proposed Scheme if the Eligible Debt Crystallises before or by the termination of the Proposed Scheme; and
- (c) the remaining total unsecured liabilities to be restructured under the Proposed Scheme of approximately US\$359 million (including the Notes held by SK Global of approximately US\$11 million and excluding the Company's unsecured contingent liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of approximately US\$11 million).

The Company had, on 23 November 2017, despatched a scheme document dated 23 November 2017 to its Creditors in relation to the Proposed Scheme to be considered at a meeting of Creditors to be held on 24 January 2018. The Malaysian Court Convened Meeting and the Scheme Meeting were convened on 22 January 2018 and 24 January 2018, respectively, and the Proposed Scheme and Subsidiary Schemes were duly approved by the Creditors. As announced by the Company on 16 July 2018, the Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018. As announced by the Company on 3 August 2018, the Proposed Scheme (with modifications) was sanctioned by the Singapore Court on 3 August 2018. The Company has extracted the Order of Court and lodged a copy of the Order of Court with ACRA on 16 August 2018. Further details of the Proposed Scheme are set out in **Appendix A** of this Offer Information Statement and the Circular in relation to, *inter alia*, the Rights Issue.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
-

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled “**Cautionary Note on Forward-Looking Statements**” of this Offer Information Statement for further details.

The Group believes that a stable outlook can generally be expected for AHTS and PSV to fulfil exploration and production commitment. However, comparatively lower activities can be expected for higher capacity AHTS, in the current cost optimisation environment. As for accommodation and maintenance vessels, steady outlook can be expected as brownfield Hook-Up and Commissioning (HUC) will persist due to increasing number of projects and ageing facilities.

In response to the uptick in offshore and marine activities in Malaysia, the Group has been deploying its vessels for charter in Malaysia, and hence the Group’s vessels chartering segment is expected to continue its growth momentum.

On the other hand, the Group will continue to monitor and review the shipbuilding schedule, together with deferment and cancellation plans, for its remaining vessels which has yet to be delivered, through ongoing communication and consultation with its stakeholders.

The comprehensive restructuring of the Group’s liabilities creates a platform for the Group to recalibrate its business strategy and fleet composition to take advantage of increasing opportunities in the offshore and marine market. The Group will also continue to capitalise on its strong history as an international shipbuilder and charterer, as well as good relationships with its various customers in the oil and gas industry. With the implementation of the Proposed Scheme, the Group will be able to meaningfully deployed its funds and assets for its fleet expansion and the development of other business opportunities for the benefit of its stakeholders.

Notwithstanding, the Group expects the offshore and marine sector to gradually recover from the current downturn over the next few years, where the vessel selling prices and charter rates are expected to recover.

Certain business factors or risks which could materially affect the Group’s profitability are set out in **Appendix B** entitled “**Risk Factors**” of this Offer Information Statement. There are uncertainties, demands, commitments or events that may have a material and adverse impact on the business, results of operations, financial condition and prospects of the Group, should they take place. **Appendix B** of this Offer Information Statement is only a summary, and is not an exhaustive description, of all uncertainties, demands, commitments or events. There may be additional uncertainties, demands and commitments or events not presently known to the Group or that the Group may currently deem immaterial, which could affect its business, results of operations, financial condition and prospects. Save as disclosed in this Offer Information Statement and, in particular, **Appendix B** of this Offer Information Statement, the Company’s annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group’s net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.
-

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes / Meaning of “published”

15. Disclose any event that has occurred from the end of –

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET, the Directors are not aware of any event which has occurred since 30 June 2018 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART VI THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
-

The Issue Price for each Rights Share is S\$0.014, payable in full on acceptance and/or application.

The expenses incurred by the Company in respect of the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

The Company understands based on information from the Participating Banks that a non-refundable administrative fee will be incurred for each application made through the ATMs of the respective Participating Banks. Such administrative fee shall be borne by the applicants of the Rights Shares.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

The Rights Shares shall be traded on the Mainboard of the SGX-ST. As the Company's Shares were suspended from trading on the Mainboard of the SGX-ST since 21 July 2017, the Issue Price of S\$0.014 for each Rights Share was determined by the Company, in consultation with the financial advisers of the Group, having regard to the last trading share price of S\$0.02 per Share for trades done on the SGX-ST on 20 July 2017 (being the Last Trading Day immediately before the Company's request for its Shares to be suspended from trading on the Mainboard of the SGX-ST).

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Save for the Nil-paid Rights, none of the Shareholders has pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement. Please refer to the section entitled **"Eligibility of Shareholders to Participate in the Rights Issue"** of this Offer Information Statement for further information.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
-

On 21 July 2017, on the Company's request, the Company's Shares were suspended from trading on the Mainboard of the SGX-ST. The trading suspension was lifted on 23 August 2018. Accordingly, the price range and volume of the Shares traded on the SGX-ST for the month of July 2017 and for the period from 1 August 2018 to the Latest Practicable Date are as follows:

Month	Price Range		Volume of Shares traded ⁽³⁾ (million)
	High ⁽¹⁾ (S\$)	Low ⁽²⁾ (S\$)	
July 2017 ⁽⁴⁾	0.022	0.019	44.819
1 August 2018 to Latest Practicable Date	0.030	0.021	49.534

Notes:

- (1) Based on highest market price for the Shares in a particular month/period.
- (2) Based on lowest market price for the Shares in a particular month/period.
- (3) Based on total volume of the Shares traded in a particular month/period.
- (4) On 21 July 2017, on the Company's request, the Company's Shares were suspended from trading on the Mainboard of the SGX-ST.

Source: Bloomberg L.P.. Bloomberg L.P. has not consented for the purposes of Section 249 and Section 277 of the SFA to the inclusion of the information above which is publicly available, and is thereby not liable for these statements under Section 253 and Section 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of these statements. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to these quotes.

- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities-
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
-

Not applicable. The Shares have been listed for quotation on the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

- (c) **disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**
-

There were temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com> in accordance with the requirements of the Listing Manual. For instance, on 17 October 2014, a trading suspension was requested by the Company pending announcement in relation the securing of letters of intent with a mix of sale and charter of vessels by the Company. Please refer to the announcements made by the Company on 17 October 2014.

On 21 July 2017, a trading suspension was requested by the Company. Please refer to the announcements by the Company dated 20 July 2017 and 21 July 2017 for further details. The trading suspension was lifted on 23 August 2018.

Save as disclosed above, there has been no trading suspension that has occurred during the three (3) years immediately preceding the Latest Practicable Date.

- (d) **disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**
-

On 21 July 2017, on the Company's request, the Company's Shares were suspended from trading on the Mainboard of the SGX-ST. The trading suspension was lifted on 23 August 2018. Please refer to part (a) of this paragraph for the price range and volume of the Shares traded on the SGX-ST for the month of July 2017 and for the period from 1 August 2018 to the Latest Practicable Date.

5. **Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –**

- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**
-

Not applicable. The Rights Shares, upon allotment and issue, shall rank *pari passu* in all respects with the existing Shares and with each other, save for any dividends, rights, allotments or other distributions, the Books Closure Date for which falls before the date of allotment and issue of the Rights Shares.

The Rights Shares are to be issued pursuant to the specific approval granted by Shareholders to the Directors at the Company's special general meeting held on 20 August 2018.

DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling effects of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
-

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at the Issue Price of S\$0.014 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the Existing Issued Share Capital of the Company of 2,096,465,885 Shares as at the Latest Practicable Date, up to 2,096,465,885 Rights Shares will be issued.

The Rights Shares are payable in full upon acceptance and/or application and will, on allotment and issue, rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

Entitled Shareholders shall be at liberty to accept, decline, or otherwise renounce or (in the case of Entitled Depositors) trade their provisional allotments of Rights Shares and are eligible to apply for Excess Rights Shares under the Rights Issue. Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the Rights Trading Period. **For the avoidance of doubt and notwithstanding anything in this Offer Information Statement, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.**

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold Nil-paid Rights of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Bye-Laws of the Company and the instructions contained in the PAL, the ARE, the ARS and/or any other application form for Rights Shares, be aggregated and issued to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board of the Company and the Major Shareholder, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The Rights Shares are not offered through the selling efforts of any broker or dealer.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement.

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, the PAL, the ARE and the ARS.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

-
- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
-

Not applicable. The Rights Issue is non-underwritten. Please refer to Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for details relating to the Irrevocable Undertaking.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART VII ADDITIONAL INFORMATION

Statement by Experts

1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –
- (a) state the date on which the statement was made;
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26 (2) or (3) applies.
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Manager and Underwriters

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.
-

Not applicable. No issue manager or underwriter has been appointed for this Rights Issue.

Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –
- (a) the relevant entity's business operations or financial position or results; or
 - (b) investments by holders of securities in the relevant entity.
-

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET and to the best of the Directors' knowledge, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Group's business operations, financial position, or results or investments by holders of securities in the Company.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

**PART VIII ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF
DEBENTURES**

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

PART IX ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

**PART X ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES
BY WAY OF RIGHTS ISSUE**

1. Provide –
- (a) the particulars of the rights issue;
 - (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;
 - (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;
 - (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;
 - (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;
-

Please refer to the section entitled “**Principal Terms of the Rights Issue**” of this Offer Information Statement for particulars of the Rights Issue.

Last date and time for splitting : 14 September 2018 at 5.00 p.m.

Last date and time for acceptance and payment : 20 September 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)

Last date and time for renunciation and payment : 20 September 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for more details.

The allotment and issue of the Rights Shares are governed by the terms and conditions as set out in this Offer Information Statement, and in the ARE, the ARS and the PAL.

-
1. (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the entity to subscribe for their entitlements; and
-

To show support for the Rights Issue and to demonstrate his commitment to and confidence in the Company, the Major Shareholder had on 4 December 2017, given the Irrevocable Undertaking pursuant to which the Major Shareholder has unconditionally and irrevocably undertaken to the Company, *inter alia*:

- (a) to fully subscribe and/or procure subscription for all of his Rights Shares entitlement through his direct and deemed interest in the Shares as at the Books Closure Date under the Rights Issue;
- (b) to fully subscribe and/or procure subscription for any Excess Rights Shares which are not subscribed for or otherwise taken up and/or applied for by the other Entitled Shareholders, on the basis that he will rank last in priority for the allotment of Excess Rights Shares which are not taken up by the other Entitled Shareholders, provided that the aggregate amount payable by the Major Shareholder pursuant to (a) and (b) above shall not be more than the Committed Sum of RM50 million (“**Committed Sum**”);

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

- (c) to vote or procure the voting of, all of his shareholding, whether held directly or indirectly, in favour of the proposed Rights Issue in order to procure the passing of the resolutions for the proposed Rights Issue tabled at the SGM;
- (d) to deposit the Committed Sum of RM50 million into the Escrow Account for the purposes of fulfilling his obligations pursuant to the Irrevocable Undertaking; and
- (e) that in the event that the value of the Rights Shares and Excess Rights Shares made available for the Major Shareholder's subscription in the Proposed Rights Issue does not amount to the Committed Sum of RM50 million, the shortfall between the Committed Sum of RM50 million and the actual subscription amount paid by the Major Shareholder which remains in the Escrow Account shall be transferred to the Company pursuant to an interest-free loan granted by the Major Shareholder to the Company ("**Major Shareholder's Loan**"), and such loan shall be subordinated to the indebtedness or liabilities of all Creditors who participate in the Term Loan Facility.

The Irrevocable Undertaking was subject to and conditional upon the following:

- (A) the Proposed Scheme becoming effective;
- (B) the in-principle approval being granted by the SGX-ST for the dealing in, listing of and quotation of the Rights Shares under the proposed Rights Issue on the Mainboard of the SGX-ST being obtained and such in-principle approval not being withdrawn or revoked as at the completion of the proposed Rights Issue;
- (C) the proposed Rights Issue being approved by the Shareholders at the SGM; and
- (D) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), by the Company in respect of the proposed Rights Issue with the Authority,

(collectively, the "**Undertaking Conditions**").

If any of the Undertaking Conditions were not fulfilled, the Irrevocable Undertaking shall terminate and the Committed Sum in the Escrow Account shall be returned to the Major Shareholder, and no party shall have any claim against the other party.

On 19 January 2018, the Company announced that the Major Shareholder has deposited the Committed Sum of RM50 million into an escrow account for the purposes of fulfilling his obligations under the Irrevocable Undertaking.

In connection with the Irrevocable Undertaking, the Company had, on 6 June 2018, entered into a side letter with the Major Shareholder pursuant to which the parties agreed that:

- (a) upon the fulfilment of the Undertaking Conditions, they shall procure the Escrow Agent to release the Committed Sum of RM50 million to NCD, as the Company's nominee, in fulfilment of the Major Shareholder's obligations under the Irrevocable Undertaking; and
- (b) for the purpose of paying the aggregate subscription amount due from the Major Shareholder for his subscription of the Rights Shares and Excess Rights Shares under the Proposed Rights Issue, the exchange rate to be used to convert the Committed Sum from RM to SGD shall be Bank Negara Malaysia's mid-day rate on the day NCD receives the Committed Sum from the Escrow Agent.

By the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), by the Company in respect of the proposed Rights Issue with the Authority, all of the Undertaking Conditions will have been fulfilled.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF THE
SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND
DEBENTURES) REGULATIONS 2005**

-
1. (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.
-

The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking and the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees.

Please refer to Paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement for details relating to the Irrevocable Undertaking.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE UNDER
APPENDIX 8.2 OF THE LISTING MANUAL**

1. A review of the working capital for the last three (3) financial years and the latest half year, if applicable.

The summary of the working capital of the Group as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 June 2018 are as follows:

	Audited As at 31 December 2015 (RM'000)	Audited As at 31 December 2016 (RM'000)	Audited As at 31 December 2017 (RM'000)	Unaudited As at 30 June 2018 (RM'000)
Total Current Assets	3,194,101	3,453,382	716,273	659,358
Total Current Liabilities	1,388,390	1,851,374	2,770,802	2,004,786
Net Working Capital	<u>1,805,711</u>	<u>1,602,008</u>	<u>(2,054,529)</u>	<u>(1,345,428)</u>

A review of the working capital of the Group for the relevant periods is set out below.

As at 31 December 2016 compared to 31 December 2015

The decrease in net working capital of approximately RM203.7 million, or 11%, from approximately RM1.81 billion as at 31 December 2015 to approximately RM1.60 billion as at 31 December 2016, and this decrease was mainly due to the reclassification of approximately RM306.4 million of the non-current portion of the loan and borrowings to current liabilities.

As at 31 December 2017 compared to 31 December 2016

The decrease in net working capital of approximately RM3.65 billion, or 228%, from approximately RM1.60 billion as at 31 December 2016 to negative working capital of approximately RM2.05 billion as at 31 December 2017 was mainly due to the decrease in inventories and amount due from contract customers of approximately RM2.02 billion and approximately RM423.9 million respectively, coupled with the reclassification of the non-current portion of the loan and borrowings of approximately RM874.8 million in FY2016 to current liabilities.

As at 30 June 2018 compared to 30 June 2017

The increase in net working capital of approximately RM709.1 million, or 34.5%, from negative working capital of RM2.05 billion as at 31 December 2017 to negative working capital of RM1.35 billion as at 30 June 2018 was mainly due to the decrease in trade payables of approximately RM697.8 million.

2. Convertible Securities

- (i) **Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832**
 - (ii) **Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences**
-

(i) Not applicable. The Rights Issue does not involve an issue of convertible securities.

(ii) Not applicable.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR THE RIGHTS ISSUE UNDER
APPENDIX 8.2 OF THE LISTING MANUAL**

3. Responsibility Statement by the Issue Manager

A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonably enquiry.

Not applicable. No issue manager has been appointed for this Rights Issue.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

We set out below selected extracts of the Circular which are in relation to the Proposed Scheme. All capitalised terms used in this **Appendix A** of the Offer Information Statement shall have the meanings set out in the Circular. Please note that certain events (such as the effectiveness of the Proposed Scheme) have occurred since the latest practicable date prior to the printing of the Circular. Accordingly, please refer to the Offer Information Statement for updated information in relation to these events.

2. THE PROPOSED RESTRUCTURING PLANS

2.1 Background to the Company's financial difficulties

The principal activity of the Company is that of an investment holding company. As an investment holding company, the Company's primary assets are its investments in its subsidiaries and the receivables from its subsidiaries. The Company does not have fixed assets and operational cash-flow and is thus dependent on returns from its subsidiaries to meet its own financial obligations. The key operating subsidiaries of the Group are NCD and NCI. Both NCD and NCI are incorporated in Malaysia. Please refer to **Appendix C** of this Circular for details of the Company's subsidiaries, joint venture company and associated companies.

Prior to the collapse in oil prices in late 2014, the Group reported healthy profits in both its shipbuilding and chartering business. To finance its growing operations, the Company (together with NCCPL) established, on 12 October 2011, a multicurrency medium note programme under which the Company could issue a maximum aggregate principal amounting to S\$200,000,000 of notes from time to time. The maximum aggregated principal was subsequently increased to S\$600,000,000 on 17 December 2013. As at the Latest Practicable Date, the total Unpaid Amount under the Notes is approximately US\$266 million and the amount of monies in the ISRAs of the Series 003 Notes and Series 004 Notes is approximately US\$5.6 million. All monies in the ISRA of the Series 002 Notes have been released to Noteholders of Series 002 Notes on 28 August 2017 as payment of coupon and partial repayment of principal.

The Company also stood as guarantor for (a) the Key Subsidiaries in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For Key Subsidiary, some of which are secured by the Secured Assets; and (b) the JV Companies in respect of certain credit facility agreements with the Other Creditors with Corporate Guarantee For JV Company, which are secured by the Secured Assets. As at 30 September 2017, the Company has provided guarantees to certain lenders for the Key Subsidiaries for a total amount of approximately US\$139 million and guarantees to certain lenders for the JV Companies for a total amount of approximately US\$19 million. For more information, please refer to Sections 2.5.2 and 2.6 of this Circular.

The Company believes that the Group's recent financial difficulties resulted from the significant weakness and volatility in the oil price environment which has persisted as a result of the worldwide reduction in oil and gas activities since 2014. This weakness and volatility have caused global concerns to both oil and gas and oilfield services operators resulting in a worldwide reduction in all expenditure in the exploration, development and production of oil and natural gas, along with the deferment of projects.

The Group's financial position has suffered as its business has been adversely impacted by an extremely challenging operating environment. The prolonged reduction in oil and gas activities led to the oversupply of offshore support vessels along with influx of newly built vessels and overall reduction in charter rates and utilisation. The Group's businesses have been adversely impacted by the reduction in demand for the Group's built vessels leading to deferment in delivery of the Group's vessels and bringing about potential threats by shipyards.

The aforementioned factors have resulted in little or no returns from the Company's investments in its business, contributing to liquidity constraints, and resulting in the Company's difficult financial position today.

In January 2016, crude oil prices collapsed to approximately US\$27 per barrel, the lowest level since 2013. While oil prices did increase significantly through 2016, the volatility of oil prices caused a tapering in capital expenditure by oil companies. This has in turn depressed charter rates

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

and reduced charter utilisation. An oversupply of offshore support vessels along with the influx of newly built vessels resulting in low competitive charter rates compounded the Group's financial difficulties. This resulted in an 84% decrease in the Group's ship chartering revenue in the financial year ended 31 December 2016 as compared to the financial year ended 31 December 2015.

2.2 Actions taken by the Company

To mitigate the slow down or deterioration in the business prospects of the Group arising from the significant and sustained volatility and weakness in the oil price environment and continued reduction in the exploration, development and production of oil and natural gas, the Group responded by deferring the delivery dates of vessels currently under construction.

However, the persistent depressed charter rates and reduced charter utilisation caused the Group to face a cash crunch and severely disrupted operations. Consequently, the Group recorded revenue of RM170.4 million (a reduction of RM779.6 million from FY2015) and suffered a net loss of RM42.6 million (compared to a profit of RM27.9 million for FY2015) for FY2016.

By the end of 2016, it became apparent to the Group that in light of its financial situation, the Group needed to focus its strategy on: (a) improving cash to be generated from sale of substantial stocks and receipts from receivables; (b) implementing cost control and operational efficiency measures; and (c) restructuring of its liabilities to creditors.

As a result of the cash crunch, the Group defaulted in payments under its bank facility agreements.

On 23 April 2017, the Company announced that in light of the severe and protracted downturn in the global oil and gas industry, the Company had taken steps to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company. The Group was in discussions with its principal lenders to address significant debt maturities, which may include, *inter alia*, refinancing and/or restructuring of existing loans ("**Restructuring**"). The Group had received, from time to time, letters of demand as well as reservation of rights letters from its counterparties, including financial lenders, further information on the claims made by certain banks are set out in Section 2.3 of this Circular. The Company has various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time. These obligations include the Group's loans and borrowings of an aggregate amount of RM948,720,000 that were classified as current as at 31 December 2016, of which RM278,566,000 pertained to the medium term notes that were due for repayment on 28 August 2017. The Group was in discussions with a number of its creditors and key stakeholders, including its financial lenders and vendors, in relation to the Restructuring options for these obligations.

Subsequently, the Company announced on 20 July 2017 that while the Restructuring is ongoing, the Company will temporarily cease repayment of all the Company's borrowings.

On 21 July 2017, on the Company's request, the Company's Shares were suspended from trading on the Mainboard of the SGX-ST.

In order to restructure its debts and liabilities, the Company had filed the SG Application to, *inter alia*, propose the Proposed Scheme, and parallel to the SG Application, NCD and NCI had also made an application in the High Court of Malaya to convene the requisite meeting of creditors to approve the Subsidiary Schemes with their respective scheme creditors. The Proposed Scheme and the Subsidiary Schemes are inter-conditional upon each other.

Further, the Company had also successfully sought an order from the Court pursuant to an application to the Court under Section 211B(1) of the Companies Act (Cap.50) and/or the inherent jurisdiction of the Court that for a period of six (6) months from 6 October 2017 or until further order:

- (a) no appointment shall be made of a receiver or manager over any property or undertaking of the Company;

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- (b) no action or proceedings in Singapore or elsewhere shall be commenced or continued against Company (other than proceedings under Sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act), except with the consent of Company or the leave of the Court and subject to such terms as the Court imposes;
- (c) no execution, distress or other legal process in Singapore or elsewhere against any property of the Company shall be commenced, continued or levied, except with the consent of the Company or the leave of the Court and subject to such terms as the Court imposes;
- (d) no step to enforce any security over any property of the Company, or to repossess any goods held by the Company under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken or continued in Singapore or elsewhere, except with the consent of the Company or the leave of the Court and subject to such terms as the Court imposes; and
- (e) no enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company in Singapore or elsewhere shall be commenced or continued (including any enforcement pursuant to Sections 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the consent of the Company or the leave of the Court and subject to such terms as the Court imposes.

As announced by the Company on 4 April 2018, the Company had, on 3 April 2018, successfully obtained an extension from the Court of the foregoing order for a period of four (4) months until 6 August 2018. The Company has made an application to the Court for a further extension of the foregoing order and the hearing date has currently been fixed for 15 August 2018. The Company is applying for the application to be heard before the current moratorium order expires.

The Malaysian Court Convened Meeting and the Scheme Meeting were convened on 22 January 2018 and 24 January 2018, respectively, and the Proposed Scheme and Subsidiary Schemes were duly approved by the Creditors. As announced by the Company on 16 July 2018, the Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018.

Further details of the Proposed Scheme are set out in Section 2.8 of this Circular.

2.3 Claims by bank lenders

On 19 June 2017, the Company and NCI received a writ of summons dated 2 June 2017 and statement of claim dated 16 May 2017 by Oversea-Chinese Banking Corporation Limited (License No. 940026C) (“**OCBC Labuan**”) in the High Court of Labuan, Malaysia. Pursuant to the writ of summons, OCBC Labuan is claiming against NCI as borrower under a credit facility granted by OCBC Labuan and against the Company as guarantor of the said facility for the sum of USD10,044,653.59 as at 30 April 2017, together with interest, late payment charges and costs allegedly due to OCBC Labuan for the breach of the facility agreement. The credit facility granted by OCBC Labuan is intended to be restructured under the Proposed Scheme, further details of which are set out in Section 2.6.2 of this Circular. The Company and NCI entered a defence on 24 July 2017. On 27 September 2017, OCBC Labuan filed a summary judgment application in the High Court of Labuan, Malaysia against the Company and NCI pursuant to the aforementioned claim (“**OCBC Labuan Summary Judgment Application**”). The hearing of the OCBC Labuan Summary Judgment Application has been adjourned to 13 November 2018. If the Proposed Scheme and Subsidiary Schemes come into effect, the relevant facilities with OCBC Labuan will be restructured under the Proposed Scheme and OCBC Labuan would have to withdraw its claim.

On 9 August 2017, the Company and NCD received a writ of summons and statement of claim dated 7 August 2017 filed by AmBank (M) Berhad (“**AmBank**”) in the Malaysia Court at Kuala Lumpur, Malaysia. Pursuant to the said writ of summons, AmBank is claiming against NCD as borrower under credit facilities granted by AmBank and against the Company as guarantor of the said facilities for the sum of RM70,402,636.90 as at 31 July 2017, together with interest and costs on a solicitor-client basis allegedly due to AmBank for the breach of the facilities. The credit facilities granted by AmBank are intended to be restructured under the Proposed Scheme,

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

further details of which are set out in Section 2.6.2 of this Circular. The Company and NCI entered a defence on 13 September 2017 and AmBank has since entered a reply to the Company and NCI's defence on 28 September 2017. On 13 October 2017, AmBank filed a summary judgment application in the High Court of Malaya at Kuala Lumpur against the Company and NCD pursuant to the aforementioned claim ("**AmBank Summary Judgment Application**"). The AmBank Summary Judgment Application was heard on 11 January 2018 and the Court had fixed 6 July 2018 to give its decision. On 5 July 2018, the Company and NCD had agreed with AmBank for AmBank to withdraw the AmBank Summary Judgment Application on the condition that if Company does not complete the listing of the Rights Shares pursuant to the terms of the Proposed Scheme by 30 September 2018 or such other date as may be agreed to by AmBank at its sole and absolute discretion, AmBank may enter consent judgment against the Company and NCD. The suit by AmBank is now fixed for case management on 9 October 2018. If the Proposed Scheme and Subsidiary Schemes come into effect, and the Company launches the Proposed Rights Issue under the Proposed Scheme and allots and issues the Rights Shares, the relevant facilities with AmBank will be restructured under the Proposed Scheme, the Subsidiary Schemes and the relevant Bilateral Facilities Agreement (as defined in Section 2.6.2 of this Circular) and AmBank would have to withdraw its claim.

2.4 Noteholders

The total Unpaid Amount under the Notes owed to the Noteholders based on the amount admitted by the Scheme Manager for voting purposes is approximately US\$267 million and the amount of monies in the ISRAs of the Series 003 Notes and Series 004 Notes is approximately US\$5.6 million. Please refer to Section 2.5.2 of this Circular for more details.

2.5 Financial information of the Group

Selected audited consolidated financial information of the Group for FY2015, FY2016 and FY2017 are set out in Appendix A of this Circular. Such selected financial information include the Group's income statement, statement of financial position, statement of cash flow and the working capital position as well as a review thereof, and should be read together with the annual reports, the consolidated audited accounts and consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

2.5.1 Assets of the Company

As the Company is the ultimate holding company of the Group, the Company's primary assets are its investments in its subsidiaries and the receivables from its subsidiaries. The Company has no other fixed assets and operations cash flow.

As at 30 June 2017, the book value and estimated realisable value of significant assets of the Company are estimated at US\$546,512,700 and US\$18,295,370, respectively:

No.	Description of assets	Book value as at 30 June 2017 (US\$)	Estimated realisable value as at 30 June 2017 (US\$)
1.	Investment in NCD	235,217,701	0
2.	Investment in Nam Cheong Offshore Pte Ltd	20,060,264	0
3.	Amount owing to the Company by NCI	291,234,735	18,295,370
	Total	546,512,700	18,295,370

The estimated realisable value of the significant assets of the Company was calculated on the following bases and assumptions:

- (a) the realisable value of significant assets is estimated based on a fire sale basis. This is based on if available the latest selling price of a similar asset and applying an additional fire sale discount. If latest selling price is not available, a fire sale discount is applied on the current book value or contractual value of the asset based on the general sentiment of the marketability of said asset;

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- (b) the estimated realisable value for receivable and amount owed from a contract customer is based on a commercial view and the credit history of the debtor and at times a discount is applied to incentivise the completion of certain sales; and
- (c) the liquidation fee is assumed at 2% of gross realisation of assets and an additional agency cost (commission and brokerage) is applied during the fire sale of physical assets.

2.5.2 Liabilities of the Company

Noteholders

The total Unpaid Amount under the Notes owed to the Noteholders based on the amount admitted by the Scheme Manager for voting purposes is approximately US\$267 million and the amount of monies in the ISRAs of the Series 003 Notes and Series 004 Notes is approximately US\$5.6 million.

All monies in the ISRA of Series 002 Notes have been released to Noteholders of Series 002 Notes on 28 August 2017 as payment of coupon and partial repayment of principal. Interest accruing at 5% per annum on the outstanding principal amount in relation to the Series 002 Notes for the period of 28 August 2017 to 31 December 2017 (both dates inclusive) was paid on 24 January 2018.

The balance monies in the ISRAs for Series 003 Notes and Series 004 Notes, after payment of outstanding contractual interest (excluding default interest) up to 31 December 2017 by DBS Trustee Limited, shall be available for payment by DBS Trustee Limited to the Noteholders of Series 003 Notes and Series 004 Notes respectively as repayment of principal after the Proposed Scheme becomes effective. Approximately US\$1.3 million will be available in the ISRAs for principal repayment and will not form part of the Eligible Debt of the Noteholders of Series 003 Notes and Series 004 Notes, resulting in approximately US\$266 million owing under the Notes to be restructured under the Proposed Scheme.

A summary of the remaining unsecured liabilities of the Company owing to the Noteholders based on the amount admitted by the Scheme Manager for voting purposes is set out below:

Noteholders	Unpaid principal under the Notes (US\$)	Amount in the ISRA (US\$) ⁽¹⁾	Outstanding contractual interest up to 31 December 2017 (US\$)	Total unpaid amount under the Notes to be restructured under the Proposed Scheme (US\$)
Noteholders holding Series 002 Notes	64,575,530	–	–	64,575,530
Noteholders holding Series 003 Notes	147,232,038	3,768,531 ⁽²⁾	2,607,419	146,128,981
Noteholders holding Series 004 Notes	55,212,014	1,805,820	1,592,829	54,999,023
Total	267,019,582	5,574,350	4,200,248	265,703,535

Notes:

- (1) Save for SK Global's entitlement as set out in note (2) below, the amounts in the ISRA will be applied towards the full repayment of the outstanding contractual interest up to 31 December 2017 and the balance amounts in the ISRAs after such interest repayment shall be applied towards the partial repayment of the unpaid principal under the Notes.
- (2) SK Global's entitlement of approximately US\$58,056 shall be used to defray the fees and expenses (including legal adviser's fees) of DBS Trustee Limited.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Other Creditors

A summary of the liabilities of the Company owing to Other Creditors based on the amount admitted by the Scheme Manager for voting purposes is set out below:

No.	Other Creditors	Borrower	Amount admitted ⁽¹⁾ (US\$)
Other Creditors with Corporate Guarantee For Key Subsidiary			
1.	DBS Bank Limited ⁽²⁾	Nam Cheong Labuan Ltd	46,279,461 ⁽⁸⁾
		Nam Cheong OSV Ltd	
		SK Venture Ltd	
		Nam Cheong Venture Ltd	
		NCI	
2.	CIMB Bank Berhad ⁽³⁾	NCI	2,820,317
3.	Ambank (M) Berhad ⁽²⁾	NCD	16,477,719
4.	Malayan Banking Berhad ⁽²⁾⁽⁴⁾	NCD	7,162,063
5.	Maybank Islamic Berhad ⁽²⁾⁽⁴⁾	NCD	1,170,190
6.	RHB Bank Berhad ⁽²⁾	NCD	11,893,468
7.	RHB Bank Labuan ⁽²⁾	NCI	22,255,233
8.	Bank of China (Malaysia) Berhad ⁽³⁾	NCD	5,609,078
9.	Hong Leong Bank Berhad ⁽³⁾	NCI	15,000,000
10.	OCBC Labuan ⁽³⁾	NCI	10,000,000
Other Creditors with Corporate Guarantee For JV Company			
1.	PT Bank OCBC NISP TBK (“PT Bank OCBC”) ⁽²⁾	PT Bahtera Niaga Indonesia ⁽⁷⁾	3,390,450 ⁽⁵⁾⁽⁶⁾
2.	Oversea-Chinese Banking Corporation Limited (“OCBC”) ⁽²⁾	Marco Polo Offshore (IV) Pte Ltd	15,911,040 ⁽⁵⁾⁽⁶⁾
		PT Bahtera Niaga Indonesia ⁽⁷⁾	
Total			157,969,019

Notes:

- (1) Subject to adjudication for entitlement under the Proposed Scheme and prior to deducting the Initial Value of the Secured Assets (if applicable).
- (2) Other Creditors whose Existing Facility or Existing JV Facility, as the case may be, is secured by Secured Assets.
- (3) Other Creditors whose Existing Facility is not secured by any Secured Assets.
- (4) Malayan Banking Berhad and Maybank Islamic Berhad share one common security.
- (5) As the borrower of this Existing JV Facility is a JV Company, this amount under the Corporate Guarantee provided by the Company is largely proportionate to the Company’s effective equity interest in the JV Company.
- (6) These represent amounts that have been admitted for voting purposes in relation to the Proposed Scheme and are subject to adjustment by the Scheme Manager to determine the Eligible Debt of PT Bank OCBC and OCBC. Under the Proposed Scheme, the Corporate Guarantees For JV Company will be liable to be released on the Implementation Date and PT Bank OCBC and OCBC will receive entitlements in respect of its respective Eligible Debt if the Eligible Debt Crystallises before or by the termination of the Proposed Scheme.
- (7) PT Bank OCBC and Oversea-Chinese Banking Corporation Limited provided 30% and 70%, respectively, of the financing under this Existing JV Facility, and therefore have a proportionate claim on the security.
- (8) As the proceeds from the disposal of the Suntec Property as well as from the NCLL Placement and the NCLL Shareholders’ Loan have been applied towards the repayment of the outstanding amounts under credit facilities granted by DBS Bank Limited, the resultant amount to be restructured under the Proposed Scheme for DBS Bank Limited is US\$25,795,598.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Excluded Creditors

As mentioned in Section 1.1 of this Circular, the Proposed Scheme shall only apply to the unsecured liabilities (whether actual, contingent or otherwise) owing to all Creditors who have Claims against the Company as at the Cut-Off Date, including (i) any Claim in connection with the Notes; and (ii) any Claim in connection with the Corporate Guarantees, but shall not apply to the Claims of Excluded Creditors. Accordingly, the Proposed Scheme does not apply to any Claim in connection with the following:

- (a) corporate guarantee granted by the Company in respect of the indebtedness of Synergy Kenyalang Offshore Sdn Bhd (“**SKOSB**”) under a facility granted by Bank Pembangunan Malaysia Berhad to SKOSB. SKOSB is a joint venture company in which NCD holds 40% shareholding interest. As at the Cut-Off Date, SKOSB is in good financial health and there is no amount due under the facility granted by Bank Pembangunan Malaysia Berhad. The Secured Assets granted by SKOSB to secure SKOSB’s indebtedness under the facility granted by Bank Pembangunan Malaysia Berhad are in excess of the indebtedness of SKOSB; and
- (b) performance guarantee granted by the Company in respect of the indebtedness of NCI owing to Fujian Southeast Shipbuilding Co Ltd under a shipbuilding contract in respect of vessel SK511. All shipbuilders are excluded from the Proposed Scheme – for more details, please refer to Section 2.7.3 of this Circular. As at the Cut-Off Date, NCI and Fujian Southeast Shipbuilding Co Ltd have agreed on a repayment plan in respect of the indebtedness of NCI owing to Fujian Southeast Shipbuilding Co Ltd and there is no amount outstanding under the repayment plan.

For more details on the Excluded Creditors of the Company, please refer to Section 2.7 of this Circular.

2.6 Other Creditors

2.6.1 Background

As mentioned in Section 2.1 of this Circular, the Company also stood as guarantor for (a) the Key Subsidiaries in respect of certain credit facility agreements with the Other Creditors, some of which are secured by the Secured Assets; and (b) the JV Companies in respect of certain credit facility agreements with certain Other Creditors, which are secured by the Secured Assets. The aggregate amount admitted by the Scheme Manager for voting purposes and subject to adjudication for entitlement under the Proposed Scheme and prior to the deduction of the Initial Value of the Secured Assets (if applicable) is approximately US\$158 million, consisting of (i) approximately US\$139 million in respect of Corporate Guarantees to the Other Creditors For Key Subsidiaries; and (ii) approximately US\$19 million is in respect of the Corporate Guarantees to the Other Creditors For JV Companies. Following the disposal of the Suntec Property and the Dilution, the Initial Value of the Secured Assets (and correspondingly the secured liabilities of the Company) is approximately US\$33 million, consisting of approximately US\$25 million in respect of Secured Assets that secured the Corporate Guarantees For Key Subsidiaries and approximately US\$8 million in respect of the Secured Assets that secure the Corporate Guarantees to the Other Creditors For JV Companies. Please refer to Section 2.5.2 of this Circular for details of the Other Creditors.

2.6.2 Arrangements with Other Creditors with Corporate Guarantee For Key Subsidiary

The Company has granted Corporate Guarantees in respect of certain credit facilities granted by the Other Creditors to the Key Subsidiaries, for more details, please refer to Section 2.5.2 of this Circular.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Save for CIMB Bank Berhad, Bank of China (Malaysia) Berhad, Hong Leong Bank Berhad and OCBC Labuan (collectively, the “**Unsecured Other Creditors**”), the respective Existing Facility (as defined below) of the rest of the Other Creditors with Corporate Guarantee For Key Subsidiary are secured by Secured Assets. The Secured Assets comprise of vessels and real property.

At the Scheme Meeting for the Proposed Scheme, all the Other Creditors with Corporate Guarantee For Key Subsidiary elected or were deemed to have elected the Term Loan Option in relation to the portion of such Creditor’s Eligible Debt that falls under the Sustainable Debt portion under the Proposed Scheme. Further details of the Term Loan Facility are set out in Section 6.2 of this Circular.

Other Creditors with Secured Assets

Where the existing credit facility between the relevant Other Creditor and the relevant Key Subsidiary (“**Existing Facility**”) is secured by Secured Assets, the relevant Other Creditor and the relevant Key Subsidiary will enter into respective bilateral agreements (“**Bilateral Facilities Agreements**”) to restructure the outstanding amount under the Existing Facility as at the Cut-Off Date into two (2) portions, namely the secured debt, which is the amount represented by the Initial Value of the Secured Asset(s) of approximately US\$25 million in aggregate (“**Bilateral Facilities Secured Debt**”) and the remaining unsecured debt, which is the amount not represented by any security of the relevant Other Creditor (“**Bilateral Facilities Unsecured Debt**”).

On 4 May 2018, DBS Bank Limited has entered into Bilateral Facilities Agreements with Nam Cheong OSV Ltd, SK Venture Ltd and Nam Cheong Venture Ltd. On 11 June 2018, Ambank (M) Berhad, Malayan Banking Berhad, Maybank Islamic Berhad, RHB Bank Berhad and RHB Bank Labuan have entered into their respective Bilateral Facilities Agreements with the relevant Key Subsidiaries.

The Bilateral Facilities Agreements are conditional upon the Proposed Scheme and the Subsidiary Schemes becoming effective and are on terms which are generally similar and the material terms include, *inter alia*, the following:

(a) Bilateral Facilities Secured Debt

- (i) The aggregate principal amount of the Bilateral Facilities Secured Debt is, at the outset, an amount equal to the Initial Value of the Secured Asset(s) (subject to adjustment as provided for in the relevant Bilateral Facilities Agreement). The Bilateral Facilities Secured Debt shall be excluded from the Proposed Scheme and the Subsidiary Schemes, for more details, please refer to Section 2.7.2 of this Circular. The maturity date of the Bilateral Facilities Secured Debt shall be 31 December 2020 or such other date as may be mutually agreed by both parties (“**Maturity Date**”).

(b) Bilateral Facilities Unsecured Debt

- (i) The Bilateral Facilities Unsecured Debt is the outstanding amount under the Existing Facility less the Bilateral Facilities Secured Debt;
- (ii) The Bilateral Facilities Unsecured Debt shall be divided into Sustainable Debt (i.e. 65% of the Bilateral Facilities Unsecured Debt) and Non-sustainable Debt (i.e. 35% of the Bilateral Facilities Unsecured Debt) and be restructured under the Proposed Scheme and, where the relevant Key Subsidiary is NCD or NCI, the Subsidiary Schemes;
- (iii) The Non-sustainable Debt portion of the Bilateral Facilities Unsecured Debt shall be converted into Non-sustainable Debt Shares which shall be allotted and issued to the relevant Other Creditor (A) on the Implementation Date (in the event the Secured Assets are disposed of before or on the Implementation Date); or (B) within 21 Business Days following: (i) the completion of the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date); or

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

(ii) the Maturity Date (in the event there is no disposal of the Secured Assets by the Maturity Date). The Sustainable Debt portion of the Bilateral Facilities Unsecured Debt shall be restructured under the Term Loan Option.

(c) Interest

(i) From 1 October 2017 to 31 December 2017

(A) The interest on the outstanding amount under the Existing Facility for the period 1 October 2017 to 31 December 2017 shall be based on the terms of the Existing Facility.

(ii) From 1 January 2018 onwards until the Bilateral Facilities Secured Debt and Bilateral Facilities Unsecured Debt have been repaid

(A) Unless otherwise agreed between the relevant Other Creditor and the relevant Key Subsidiary, the interest on the Bilateral Facilities Secured Debt from 1 January 2018 onwards until the completion of the disposal of the Secured Asset(s) shall be based on the terms of the respective Existing Facility.

(B) The interest on the Sustainable Debt portion of the Bilateral Facilities Unsecured Debt shall follow the terms of the Term Loan Facility. Under the terms of the Term Loan Facility, interests on the outstanding amount of the Sustainable Debt portion of the Bilateral Facilities Unsecured Debt shall accrue from 1 January 2018 onwards at a rate of 4% per annum, 50% of such accrued interests shall be payable in cash half yearly in arrears and the remaining 50% of such accrued interests shall be payable by way of Term Loan Shares yearly in arrears - for more details, please refer to Section 6 of this Circular.

(d) Disposal of Secured Asset(s)

(i) The Secured Asset(s) shall be disposed of:

(A) by the relevant Key Subsidiary (or its related companies) prior to the Maturity Date, but any Disposal of the Secured Asset(s) initiated by the relevant Key Subsidiary (or its related companies) shall be subject to the consent of the relevant Other Creditor ("**Key Subsidiary Initiated Disposal**"); or

(B) when the relevant Other Creditor, at any time from 1 July 2019, exercises the option to dispose of the Secured Asset(s), which was granted to it, to dispose the Secured Asset(s) ("**Other Creditor Initiated Disposal**").

(ii) The Secured Assets may be sold separately.

(iii) The sale proceeds of the respective Secured Assets after deducting reasonable related costs, fees and expenses of the Disposal ("**Disposal Proceeds**") shall be used to repay the respective outstanding Bilateral Facilities Secured Debt (as represented by the Initial Value of each Secured Asset).

(iv) If there is no disposal of the Secured Assets by the Maturity Date:

(A) the relevant Key Subsidiary shall repay the Bilateral Facilities Secured Debt in cash based on either (a) the Initial Value less any interim prepayments made; or (b) if provided for in the relevant Bilateral Facilities Agreement, the Adjusted Value plus any interim prepayments made (which shall collectively be deemed to form the revised Bilateral Facilities Secured Debt) (in the case where the Other Creditor is RHB Bank Labuan, after deducting the amounts required to

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

settle the Term Loan 2 Facility), whereupon sub-paragraph (e)(ii)(A)(I)(1.) below shall apply *mutatis mutandis*; and thereafter the security interest in respect of the relevant Secured Asset shall be released and discharged; and

- (B) the Company shall allot and issue the Non-sustainable Debt Shares in respect of the Non-sustainable Debt portion of the Bilateral Facilities Unsecured Debt to the relevant Other Creditor within 21 Business Days after the Maturity Date.

- (e) Shortfall or surplus arising from Disposal

- (i) In the event of a shortfall

- (A) if (1) the Disposal Proceeds of the respective Secured Assets; and (2) any other payments, if any (which may comprise of, amongst others, charter proceeds from the charter of the Secured Asset, if any) made to the relevant Other Creditor is less than the Initial Value of the Secured Asset, the relevant Key Subsidiary shall pay the shortfall (being the Initial Value less the Disposal Proceeds and any other payments made) to the relevant Other Creditor in cash; or (in the case of the Bilateral Facilities Agreement between RHB Bank Labuan and NCI) if the Disposal Proceeds of the relevant Secured Asset is less than the Initial Value of the relevant Secured Asset, the relevant Key Subsidiary shall pay the amount of the shortfall (being the difference between the Initial Value of the Secured Asset and the Disposal Proceeds) to the relevant Other Creditor in cash. Unlike in the event of a surplus arising from Disposal (as detailed below), there shall be no adjustment to the principal amount of the Bilateral Facilities Secured Debt (and accordingly, no adjustment to the interest thereon) and to the Bilateral Facilities Unsecured Debt.

Such shortfall shall be due and payable to the relevant Other Creditor as follows:

- (I) on Maturity Date in the case of an Other Creditor Initiated Disposal; or
 - (II) immediately on the date of Disposal in the case of a Key Subsidiary Initiated Disposal;
 - (B) the Company shall (1) on the Implementation Date (in the event the Secured Assets are disposed of before or on the Implementation Date); or (2) within 21 Business Days following the completion of the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date), allot and issue the Non-sustainable Debt Shares in respect of the Non-Sustainable Debt portion of the respective Bilateral Facilities Unsecured Debt to the relevant Other Creditor – for more details on the allotment and issue of the Non-sustainable Debt Shares, please refer to Section 5 of this Circular.

- (ii) In the event of a surplus

- (A) if (1) the Disposal Proceeds of the respective Secured Assets; and (2) any other payments, if any (which may comprise of, amongst others, charter proceeds from the charter of the Secured Asset, if any) made to the relevant Other Creditor exceeds the Initial Value of the Secured Asset (or in the case where the Other Creditor is RHB Bank Labuan, if (1) the Disposal Proceeds and (2) any other payments made to RHB Bank Labuan exceeds the sum of the Initial Value of the Secured Asset and the principal amounts owing under the Term Loan 2 Facility), the outstanding amount under the Existing Facility as at the Cut-Off Date shall be adjusted as follows:

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

(I) Bilateral Facilities Secured Debt

1. The Disposal Proceeds of the respective Secured Assets and any other payments, if any (which may comprise of, amongst others, charter proceeds from the charter of the Secured Asset, if any) (but in the case where the Other Creditor is RHB Bank Labuan, after deducting the amounts required to settle Term Loan 2 Facility in full) shall be deemed to form the revised principal amount of the Bilateral Facilities Secured Debt effective from 1 January 2018 (“**Adjusted Bilateral Facilities Secured Debts**”); and
2. The interest on the Bilateral Facilities Secured Debt shall be increased accordingly in proportion to the increase in the deemed principal amount of the Adjusted Bilateral Facilities Secured Debt. The relevant Key Subsidiary shall pay any shortfall in interest (“**Additional Secured Debt Interest**”) to the relevant Other Creditor within 30 days from the completion of Disposal.

(II) Bilateral Facilities Unsecured Debt

The outstanding amount under the Existing Facility as at the Cut-Off Date less the Adjusted Bilateral Facilities Secured Debt (as adjusted pursuant to sub-paragraph (e)(ii)(A)(I)(1.) above) shall be deemed to be the revised Bilateral Facilities Unsecured Debt effective 1 January 2018 (“**Adjusted Bilateral Facilities Unsecured Debt**”) and shall be divided into Sustainable Debt and Non-sustainable Debt.

1. In relation to the Sustainable Debt portion of the Adjusted Bilateral Facilities Unsecured Debt:
 - (aa) the principal amount of the Term Loan Facility shall be reduced accordingly effective 1 January 2018; and
 - (bb) the cash interest on the Term Loan Facility shall be reduced accordingly based on the reduced principal amount of the Term Loan Facility. The excess cash interest paid to the relevant Other Creditor (“**Excess Cash Interest**”) shall be refunded to the relevant Key Subsidiary. The relevant Key Subsidiary shall be entitled to set-off/deduct from the Additional Secured Debt Interest an amount equivalent to the Excess Cash Interest. There shall be no adjustment to the Term Loan Shares allotted and issued to the relevant Other Creditor.
2. In relation to the Non-sustainable Debt portion of the Adjusted Bilateral Facilities Unsecured Debt, this shall be deemed reduced accordingly and the Company shall allot and issue the Non-sustainable Debt Shares to the relevant Other Creditor (aa) on the Implementation Date (in the event the Secured Assets are disposed of before or on the Implementation Date); or (bb) within 21 Business Days following; (i) the completion of the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date); or (ii) the Maturity Date (in the event there is no disposal of the Secured Assets by the Maturity Date) – for more details on the allotment and issue of the Non-sustainable Debt Shares, please refer to Section 5 of this Circular.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

In addition, on the occurrence of the Implementation Date, the Key Subsidiaries' obligations in relation to the Bilateral Facilities Secured Debt will be secured by corporate guarantees granted by the Company to the relevant Other Creditors pursuant to the relevant Bilateral Facilities Agreements to guarantee the payment of the secured indebtedness owing under the relevant Bilateral Facilities Agreement, in each case, up to a maximum amount equivalent to the Initial Value of the Secured Asset(s).

The Company believes that there are no material changes in the commercial terms made to the secured debt between the terms of the Existing Facility between the relevant Other Creditor and the relevant Key Subsidiary and the Bilateral Facilities Agreements, except as disclosed above and summarised below:

- (a) the secured debt is now an amount equal to the Initial Value of the Secured Asset(s);
- (b) the relevant Key Subsidiary has an obligation to dispose the Secured Asset(s) by the Maturity Date and the Disposal Proceeds shall be used to repay the outstanding Bilateral Facilities Secured Debt (as represented by the Initial Value of each Secured Asset); and
- (c) if there is no disposal of the Secured Assets by the Maturity Date, the relevant Key Subsidiary is to repay the Bilateral Facilities Secured Debt in cash based on either (a) the Initial Value less any interim prepayments made; or (b) if provided for in the relevant Bilateral Facilities Agreement, the Adjusted Value plus any interim prepayments made (in the case where the Other Creditor is RHB Bank Labuan, after deducting the amounts required to settle the Term Loan 2 Facility in full).

Unsecured Other Creditors without Secured Assets

The respective Existing Facilities of the Unsecured Other Creditors are not secured by Secured Assets. Accordingly, the liabilities of the Company under the Corporate Guarantee For Key Subsidiary in respect of the Unsecured Other Creditors, being unsecured, will be included and restructured under the Proposed Scheme and Subsidiary Schemes.

As all the Other Creditors with Corporate Guarantee For Key Subsidiary, including the Unsecured Other Creditors, have elected or are deemed to have elected the Term Loan Option at the Scheme Meeting, in accordance with the terms of the Proposed Scheme, 65% of their debt shall be considered as Sustainable Debt and repaid in accordance with the Term Loan Facility, and the remaining 35% of their debts shall be considered as Non-sustainable Debt and converted into Non-sustainable Debt Shares – for more details, please refer to Section 2.8 of this Circular.

2.6.3 Arrangement with Other Creditor with Corporate Guarantee For JV Company

The Company has also granted Corporate Guarantees in respect of certain credit facilities granted by the relevant Other Creditors to the JV Companies – for more details, please refer to Section 2.5.2 of this Circular.

At the Scheme Meeting for the Proposed Scheme, all the Other Creditors with Corporate Guarantee For JV Company elected the Term Loan Option, further details of the Term Loan Facility are set out in Section 6.2 of this Circular.

All the Other Creditors with Corporate Guarantee For JV Company's Existing JV Facility (as defined below) are secured by Secured Asset(s). In respect of such existing credit facility between the relevant Other Creditor and the relevant JV Company ("**Existing JV Facility**") that is secured by Secured Asset(s), the liabilities of the Company under the Corporate Guarantee For JV Company (which is largely proportionate to the Group's effective equity interest in the JV Company) shall be divided into (i) an amount represented by the value of the Secured Assets ("**JV Facilities Secured Debt**"), and (ii) an amount not represented by any security ("**JV Facilities Unsecured Debt**") as follows:

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- (a) the JV Facilities Secured Debt is an amount equal to the Initial Value of the Secured Assets and shall be excluded from the Proposed Scheme – for more details, please refer to Section 2.7.2 of this Circular; and
- (b) the JV Facilities Unsecured Debt has been admitted by the Scheme Manager for voting purposes under the Proposed Scheme and will, subject to adjudication by the Scheme Manager for entitlement, form the Eligible Debt of the Other Creditor with Corporate Guarantee For JV Company under the Proposed Scheme.

As the Corporate Guarantees For JV Company have not Crystallised and the Company does not have control over the JV Companies, no date for the disposal of the Secured Asset(s) in relation to the Existing JV Facilities has been determined.

Under the Proposed Scheme, the Corporate Guarantee For JV Company will be liable to be released on the Implementation Date and the relevant Other Creditor with Corporate Guarantee For JV Company will receive its entitlements in respect of its Eligible Debt if the Eligible Debt Crystallises before or by the termination of the Proposed Scheme. In the event that the Eligible Debt does not Crystallise before or by the termination of the Proposed Scheme, such Eligible Debt is not a legally valid and binding debt actually due from the Company, and accordingly no payment shall be made and no Shares shall be issued to such relevant Other Creditor under the Proposed Scheme in respect thereof.

In the event the Eligible Debt of the Other Creditor with Corporate Guarantee(s) For JV Company Crystallises before or by the termination of the Proposed Scheme, the Other Creditor with Corporate Guarantee For JV Company will receive its entitlements in respect of its Eligible Debt (ie, the JV Facilities Unsecured Debt) under the Proposed Scheme in the following manner:

- (a) JV Facilities Unsecured Debt:
 - (i) The JV Facilities Unsecured Debt is the Company's liability under the Corporate Guarantee on the outstanding amount under the Existing JV Facility on the Crystallisation Date less the JV Facilities Secured Debt;
 - (ii) The JV Facilities Unsecured Debt shall be divided into Sustainable Debt (i.e. 65% of the JV Facilities Unsecured Debt) and Non-sustainable Debt (i.e. 35% of the JV Facilities Unsecured Debt) which shall be restructured under the Proposed Scheme;
 - (iii) The Non-sustainable Debt portion of the JV Facilities Unsecured Debt shall be converted into Non-sustainable Debt Shares which shall be allotted and issued to the relevant Other Creditor (A) on the Implementation Date (in the event the Secured Assets are disposed of before or on the Implementation Date); or (B) as soon as practicable following the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date), and the Sustainable Debt portion of the JV Facilities Unsecured Debt shall be repaid under the Term Loan Option as follows:
 - (A) the relevant Other Creditor will be a party to the Term Loan Facility effective from the Crystallisation Date, and the principal amount of the Term Loan Facility shall be increased accordingly effective from the Crystallisation Date; and
 - (B) the interest on the Term Loan Facility to the relevant Other Creditor shall accrue from the Crystallisation Date and payment shall commence from the Crystallisation Date in accordance with the terms of the Term Loan Facility – for more details, please refer to Section 6 of this Circular,

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

(b) Disposal Proceeds are less than the Initial Value:

If the Disposal Proceeds are less than the Initial Value of the Secured Asset:

- (i) the Company shall pay the amount of the shortfall being the difference between the Initial Value and the Disposal Proceeds to the relevant Other Creditor in cash; and
- (ii) the Company shall allot and issue the Non-sustainable Debt Shares in respect of the Non-sustainable Debt portion of the JV Facilities Secured Debt to the relevant Other Creditor (1) on the Implementation Date (in the event the Secured Assets are disposed of before or on the Implementation Date); or (2) as soon as practicable following the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date).

(c) In the event that the Disposal Proceeds are higher than the Initial Value:

If the Disposal Proceeds exceed the Initial Value, the JV Facilities Secured Debt and the JV Facilities Unsecured Debt shall be adjusted as follows:

- (i) JV Facilities Secured Debt
 - (A) the Disposal Proceeds shall be deemed to form the principal amount of the JV Facilities Secured Debt effective from the Crystallisation Date (“**Adjusted JV Facilities Secured Debt**”); and
 - (B) the interest on the JV Facilities Secured Debt shall be increased accordingly in proportion to the increase in the deemed principal amount of the JV Facilities Secured Debt (“**Adjustment**”). The Company shall pay in cash any shortfall in interest (“**Adjusted JV Secured Debt Interest**”) to the relevant Other Creditor within 30 days from the completion of the disposal of the Secured Asset(s).
- (ii) JV Facilities Unsecured Debt

Following the Adjustment, the outstanding liabilities of the Company under the Corporate Guarantee For JV Company less the Adjusted JV Facilities Secured Debt (as adjusted pursuant to sub-paragraph (d)(i)(A) above) shall be deemed to form the JV Facilities Unsecured Debt effective from the Crystallisation Date (“**Adjusted JV Facilities Unsecured Debt**”), and be divided into Sustainable Debt and Non-sustainable Debt:

- (A) In relation to the Sustainable Debt portion of the JV Facilities Unsecured Debt:
 - (1) the principal amount of the Term Loan Facility shall be reduced accordingly from the Crystallisation Date; and
 - (2) the cash interest on the Term Loan Facility shall be deemed reduced accordingly based on the reduced principal amount of the Term Loan Facility. The relevant Other Creditor shall refund or return to the Company any excess of cash interest paid to the relevant Other Creditor as soon as practicable upon the completion of the disposal of the Secured Asset(s). The Company shall be entitled to set-off/deduct from the Adjusted JV Secured Debt Interest an amount equivalent to the excess cash interest. There shall be no adjustment to the Term Loan Shares allotted and issued to the relevant Other Creditor.
- (B) In relation to the Non-sustainable Debt portion of the Adjusted JV Facilities Unsecured Debt, this shall be deemed reduced accordingly and the Company shall allot and issue the Non-sustainable Debt Shares to the relevant Other Creditor (1) on the Implementation Date (in the event the Secured Assets are

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

disposed of before or on the Implementation Date); or (2) as soon as practicable following the disposal of the Secured Assets (in the event that the Secured Assets are disposed of after the Implementation Date) – for more details on the allotment and issue of the Non-sustainable Debt Shares, please refer to Section 5 of this Circular.

2.7 Liabilities excluded from the Proposed Scheme

2.7.1 Bank Pembangunan Malaysia Berhad

As mentioned in Section 2.5.2 of this Circular, the Company has granted a corporate guarantee in respect of the indebtedness of SKOSB under a facility granted by Bank Pembangunan Malaysia Berhad to SKOSB. As at the Cut-Off Date, SKOSB is in good financial health and there is no amount due under the facility granted by Bank Pembangunan Malaysia Berhad. The Secured Assets granted by SKOSB to secure SKOSB's indebtedness under the facility granted by Bank Pembangunan Malaysia Berhad are in excess of the indebtedness of SKOSB.

2.7.2 Bilateral Facilities Secured Debt and JV Facilities Secured Debt

The Bilateral Facilities Secured Debt shall be excluded from the Proposed Scheme and the Subsidiary Schemes and shall be repaid using the Disposal Proceeds and other payments, if any (which may comprise of, amongst others, charter proceeds from the charter of the Secured Asset, if any). In the event that there is no disposal of the Secured Assets by the Maturity Date, the relevant Key Subsidiary shall repay the Bilateral Facilities Secured Debt in cash based on either (a) the Initial Value less any interim prepayments made; or (b) if provided for in the relevant Bilateral Facilities Agreement, the Adjusted Value plus any interim prepayments made (which shall collectively be deemed to form the revised Bilateral Facilities Secured Debt) (in the case where the Other Creditor is RHB Bank Labuan, after deducting the amounts required to settle the Term Loan 2 Facility in full), whereupon Section 2.6.2(e)(ii)(A)(I)(1.) of this Circular shall apply *mutatis mutandis*; and thereafter, the Security Interest in respect of the Secured Asset shall be released and discharged. In the event that the Disposal Proceeds and any other payments, if any, are less than the Initial Value of the Secured Assets, the relevant Key Subsidiary shall pay the shortfall (being the Initial Value less the Disposal Proceeds and any other payments made) to the relevant Other Creditor in cash; or (in the case of the Bilateral Facilities Agreement between RHB Bank Labuan and NCI) if the Disposal Proceeds of the relevant Secured Asset is less than the Initial Value of the relevant Secured Asset, the relevant Key Subsidiary shall pay the amount of the shortfall (being the difference between the Initial Value of the Secured Assets and the Disposal Proceeds) to the relevant Other Creditor in cash (a) on the Maturity Date in the case of an Other Creditor Initiated Disposal; or (b) immediately on the date of Disposal in the case of a Key Subsidiary Initiated Disposal.

Following the disposal of the Suntec Property and the Dilution (the proceeds of which have been applied towards the repayment of the Company's secured liabilities), the Initial Value of the Secured Assets of the Other Creditors with Corporate Guarantees for Key Subsidiary (being the Bilateral Facilities Secured Debt), is approximately US\$25 million. For more details on the arrangements for the repayment of the Bilateral Facilities Secured Debt, please refer to Section 2.6.2 of this Circular.

The JV Facilities Secured Debt shall also be excluded from the Proposed Scheme and, in the event that the Eligible Debt of the Other Creditor with Corporate Guarantee(s) For JV Company Crystallises, the JV Facilities Secured Debt shall be repaid using the Disposal Proceeds. In the event that the Disposal Proceeds are less than the Initial Value, the Company shall pay the amount of the shortfall being the difference between the Initial Value and the Disposal Proceeds to the relevant Other Creditor in cash as soon as practicable after the completion of the disposal of the Secured Assets. For more details on the arrangements for the repayment of the JV Facilities Secured Debt, please refer to Section 2.6.3 of this Circular.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

2.7.3 Shipyards in the PRC

The Group has outsourced the construction of its vessels to shipyards in the PRC. These shipyards are excluded from the Proposed Scheme.

The shipyards in the PRC can be categorised into the Fujian Group Shipyards and the Non-Fujian Group Shipyards as follows:

- (a) NCI has reached an agreement with the Fujian Group Shipyards in respect of its liabilities under the relevant shipbuilding contracts. In particular, NCI has, on 7 February 2018, entered into an agreement (“**MFA**”) in relation to an overall package arrangement in respect of 38 vessels which are under various shipbuilding contracts with the Fujian Group Shipyards. The purpose of the MFA is to reduce outstanding liabilities to the Fujian Group Shipyards from approximately US\$496 million to US\$62.7 million by taking delivery of certain vessels and terminating remaining shipbuilding contracts. Pursuant to the MFA, NCI shall take delivery of seven (7) vessels over the next two (2) years for an aggregate consideration of approximately US\$62.7 million on a credit basis, mostly for a period of five (5) years. The shipbuilding contracts for all the remaining 31 vessels will be mutually terminated on the basis that each party releases and discharges the other party from all claims or demands under or in connection with the relevant shipbuilding contracts. Under the MFA, if the approval of the Singapore court on sanctioning the Proposed Scheme is not obtained, this shall be treated as a breach of the MFA.
- (b) For the Non-Fujian Group Shipyards, NCI has also entered into shipbuilding contracts for 25 vessels with the Non-Fujian Group Shipyards (“**Non-Fujian Shipbuilding Contracts**”). Three (3) shipbuilding contracts with the relevant Non-Fujian Group Shipyards have already been mutually terminated, while the shipbuilding contracts for another three (3) vessels have been fully settled. NCI has also reached an in-principle understanding with the Non-Fujian Group Shipyards in relation to the remaining 19 existing Non-Fujian Shipbuilding Contracts with the view to take delivery of certain vessels while deferring or terminating the remaining Non-Fujian Shipbuilding Contracts to minimise any financial exposure. The outstanding liabilities to the Non-Fujian Group Shipyards under the remaining Non-Fujian Shipbuilding Contracts are approximately US\$247 million.

2.7.4 Other Excluded Creditors

Other Excluded Creditors comprise mainly:

- (a) creditors in relation to essential operating expenses of a recurring nature;
- (b) creditors in relation to the costs of inventory and related essential expenses owed to trade suppliers in the ordinary course of business;
- (c) the professional and legal advisors to the Group and the informal steering committee of the Noteholders to the extent of their claims for remuneration, costs, fees and expenses incurred before, on or after the Effective Date in connection with the Proposed Scheme;
- (d) the Scheme Manager to the extent of his claim in respect of remuneration, costs, fees and expenses (including but not limited to the fees of his professional, legal and/or other advisors) in respect of or in connection with the Proposed Scheme;
- (e) subsidiaries of the Company;
- (f) the Inland Revenue Authority of Singapore;
- (g) the CDP (in its capacity other than as depository of the Notes); and
- (h) the SGX-ST.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

As at 31 December 2017, the aggregate amount of debts due and owing to the aforementioned Excluded Creditors (other than subsidiaries of the Company) is approximately RM2.3 million and shall be satisfied by the Company in cash. In the case of Excluded Creditors who are subsidiaries of the Company, such debts shall be settled by the creation of new intercompany loans.

2.8 The Proposed Scheme

2.8.1 Background

In order to restructure its debts and liabilities, the Company had filed the SG Application to, *inter alia*, propose the Proposed Scheme, and parallel to the SG Application, NCD and NCI had also made an application in the High Court of Malaya to convene the requisite meeting of creditors to approve the Subsidiary Schemes with their respective scheme creditors. The Proposed Scheme and the Subsidiary Schemes are inter-conditional upon each other.

The Malaysian Court Convened Meeting and the Scheme Meeting were convened on 22 January 2018 and 24 January 2018, respectively, and the Proposed Scheme and Subsidiary Schemes were duly approved by the Creditors. As announced by the Company on 16 July 2018, the Subsidiary Schemes (with modifications) were sanctioned by the High Court of Malaya on 12 July 2018.

Shareholders are to note that the implementation of the Proposed Scheme is conditional upon the fulfilment of a number of conditions, including but not limited to, the approval of Shareholders being obtained for the Proposed Capital Reorganisation, the Proposed Rights Issue, the proposed Nam Cheong Management Incentive Plan, and the allotment and issue of the Rights Shares, Non-sustainable Debt Shares, Term Loan Shares and Plan Shares, further details of such conditions are set out in Section 2.8.4 of this Circular, and there is no certainty or assurance that the Proposed Scheme will become effective or be successfully concluded.

2.8.2 Rationale for the Proposed Scheme and business prospects of the Group

The Company, NCD and NCI (collectively, the “**Nam Cheong Restructuring Group**”) is presently not in a position to meet all its liabilities as and when they fall due. The Proposed Scheme would allow for a restructuring of its debts and liabilities to enable the Group to strengthen and rebuild its balance sheet and cash flow situations.

The Group expects the offshore and marine sector to gradually recover from the current downturn over the next few years, where the vessel selling prices and charter rates are expected to recover back to the pre-crisis price levels in 2014.

In response to the challenging current market condition for shipbuilding, the Group has switched its focus from shipbuilding to vessel chartering by actively participating in the tendering of charter contracts. The Group has also deployed vessels that were initially categorised as inventories to its chartering fleet to enable the utilisation of idle assets while waiting for buyers. This has, in turn, helped strengthened the Group’s financial position through the generation of charter income to cover operating expenses, general and administrative expenses and also interest payments.

The Group believes that it can recover in the near future if given the chance to do so. This should, in turn, allow the Group to return to profitability and allow the creditors to recover a higher proportion of their claims from the Group than they otherwise would if the Nam Cheong Restructuring Group is liquidated prematurely. Based on the financial position of the Group for the second quarter ended 30 June 2017, liquidation of NCL is estimated to provide only a return of approximately 6% for the Creditors. Accordingly, the Company proposes the Proposed Scheme which seeks to repay and discharge the outstanding liabilities of the Company in a manner that would be beneficial to the Company and all its Creditors. The Company believes that the implementation of the Proposed Scheme will improve the Group’s ability to restructure and consolidate its finances and operations and improve the Group’s operational performance which, in turn, will allow the Creditors to recover a larger part of their claims from the Company than they otherwise would if the Company is liquidated prematurely. It is believed that if the Company is wound up, it would most likely be that there will be negligible funds available for distribution to the Creditors.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

In this connection, the objectives of the Proposed Scheme are: (i) to avoid a compulsory winding up of the Company, as this will result in the Creditors receiving significantly less than they would have under the Proposed Scheme; (ii) to enable the business of the Company and the Group to continue as a going concern; (iii) to enable the Creditors to realise a higher return than otherwise possible in a compulsory winding up; (iv) to prevent a scramble for the assets of the Company by the Creditors; (v) to ensure an orderly distribution of monies to the Creditors; and (vi) to allow the Company to recover its debts.

Upon the Implementation Date, the Company shall be completely and absolutely released and discharged from all liabilities in relation to or in connection with the Claims of the Creditors, other interest payable from 30 September 2017 to 31 December 2017 in accordance with the Proposed Scheme and all obligations and liabilities arising under the Proposed Scheme.

As at the Latest Practicable Date, the Board of Directors is of the view that assuming that the Proposed Scheme becomes effective (whereby the outstanding liabilities owing to the Creditors will consequently be substantially reduced) and no material claims from the Excluded Creditors, which are not part of the Proposed Scheme and Subsidiary Schemes, that are reasonably likely to have a material effect on the Group's financial conditions and operations are brought against the Group, and taking into account the Group's internal resources, operating cashflows, working capital facilities and the estimated minimum Net Proceeds raised from the Proposed Rights Issue in the Minimum Subscription Scenario, the Group will have sufficient resources to meet the Company's obligations and continue to operate as a going concern.

2.8.3 Key Terms of the Proposed Scheme

(a) The creditors and debts which the Proposed Scheme applies to

The Proposed Scheme shall only apply to the unsecured liabilities (whether actual, contingent or otherwise) owing to all Creditors (who will not be divided into classes and will constitute a single class of creditors of the Company) who have Claims against the Company as at the Cut-Off Date, including:

- (i) any Claim in connection with the Notes; and
- (ii) any Claim in connection with Corporate Guarantees,

but shall not apply to the Claims of the Excluded Creditors.

Each Creditor shall accept the distribution and payment pursuant to the Proposed Scheme as full and final satisfaction and discharge of all its Eligible Debt against the Company.

(b) Excluded Creditors

The Proposed Scheme shall not apply to the Excluded Creditors.

(c) Eligible Debt

Details of the liabilities of the Company are set out in Section 2.5.2 of this Circular. Under the Proposed Scheme:

- **Default interest**

The Creditors waive all default interest, premium, additional amounts, make whole amounts, fees, commissions and penalties chargeable accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of the Eligible Debt, as at or after the Cut-Off Date under or in connection with any other agreement relating to a Claim.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- **Noteholders**

The balance monies (if any) in the ISRAs for Series 003 Notes and Series 004 Notes, after payment of outstanding contractual interest (excluding default interest) up to 31 November 2017 by DBS Trustee Limited, shall be available for payment by DBS Trustee Limited to the Noteholders of Series 003 Notes and Series 004 Notes respectively as repayment of principal.

- **Unsecured Creditors**

Based on the notice of repayment exercise distributed to all Creditors following the Scheme Meeting, the amount admitted by the Scheme Manager for voting purposes was approximately US\$425 million, of which unsecured liabilities amounting to an aggregate of approximately US\$359 million (including the Note held by SK Global of approximately US\$11 million and excluding the Company's unsecured contingent liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of approximately US\$11 million) will be restructured under the Proposed Scheme. The unsecured contingent liabilities of approximately US\$11 million will form part of the unsecured liabilities to be restructured under the Proposed Scheme if the Eligible Debt Crystallises before or by the termination of the Proposed Scheme. Please refer to Section 1.1 of the Circular for more details.

The unsecured debt shall be restructured into:

- (i) the financial indebtedness of the Group that is not supported by the projected cashflows and assets value of the Group for the Scheme Period ("**Non-sustainable Debt**"); and
- (ii) the financial indebtedness of the Group that the Group is able to sustain based on the projected cashflows and assets value of the Group ("**Sustainable Debt**").

The projected cashflows (and the assumptions thereto) of the Group were prepared by the Company, in consultation with the financial advisers of the Group, PricewaterhouseCoopers Advisory Services Pte. Ltd., and were considered by the Creditors at the Scheme Meeting. The assets value of the Group refers to the projected realisable value of the assets owned by the Group. The Non-sustainable Debt shall constitute 35% of the aggregate of the Eligible Debt of all Creditors ("**Total Eligible Debt**") ("**Non-sustainable Debt Ratio**"); and the Sustainable Debt shall constitute 65% of the Total Eligible Debt ("**Sustainable Debt Ratio**").

Accordingly, the amount of:

- (i) Sustainable Debt as at the Cut-Off Date owed to each Creditor shall be determined by the following formula:

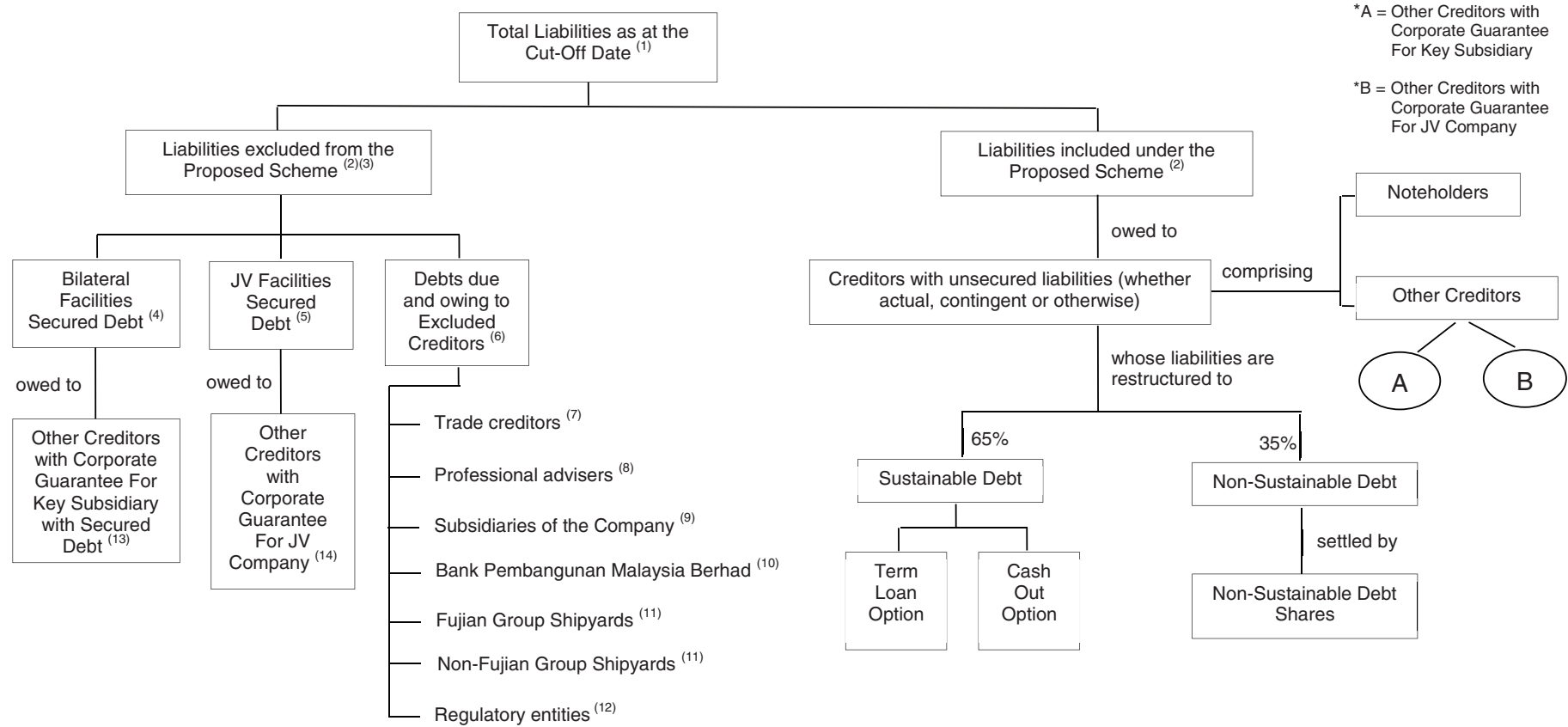
$$\begin{array}{ccc} \text{Eligible Debt} & & \text{Sustainable Debt} \\ \text{of the Creditor} & \times & \text{Ratio} \end{array}$$

- (ii) Non-sustainable Debt as at the Cut-Off Date owed to each Creditor shall be determined by the following formula:

$$\begin{array}{ccc} \text{Eligible Debt} & & \text{Non-sustainable Debt} \\ \text{of the Creditor} & \times & \text{Ratio} \end{array}$$

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

For illustration purposes:



APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Notes:

- (1) Being 30 September 2017.
- (2) The Proposed Scheme shall only apply to the unsecured liabilities (whether actual, contingent or otherwise) owing to all Creditors who have Claims against the Company as at the Cut-Off Date, including (i) any Claim in connection with the Notes; and (ii) any Claim in connection with the Corporate Guarantees, but shall not apply to the Claims of Excluded Creditors.
- (3) For more information on the liabilities excluded from the Proposed Scheme, please refer to Section 2.7 of this Circular.
- (4) The Bilateral Facilities Secured Debt shall be excluded from the Proposed Scheme and the Subsidiary Schemes and shall be repaid using the Disposal Proceeds and other payments, if any (which may comprise of, amongst others, charter proceeds from the charter of the Secured Asset, if any). For more details on the arrangements for the repayment of the Bilateral Facilities Secured Debt, please refer to Section 2.6.2 of this Circular.
- (5) The JV Facilities Secured Debt shall be excluded from the Proposed Scheme and, in the event that the Eligible Debt of the Other Creditor with Corporate Guarantee(s) For JV Company Crystallises, the JV Facilities Secured Debt shall be repaid using the Disposal Proceeds. For more details on the arrangements for the repayment of the JV Facilities Secured Debt, please refer to Section 2.6.3 of this Circular.
- (6) For more details on the Excluded Creditors, please refer to Sections 2.7.1, 2.7.3 and 2.7.4 of this Circular.
- (7) Trade creditors comprise creditors in relation to essential operating expenses of a recurring nature and creditors in relation to the costs of inventory and related essential expenses owed to trade suppliers in the ordinary course of business. Debts due and owing to this Excluded Creditor shall be satisfied by the Company in cash, please refer to Section 2.7.4 of this Circular for more information.
- (8) Professional advisers comprise the professional and legal advisors to the Group and the informal steering committee of the Noteholders to the extent of their claims for remuneration, costs, fees and expenses incurred before, on or after the Effective Date in connection with the Proposed Scheme and the Scheme Manager to the extent of his claim in respect of remuneration, costs, fees and expenses (including but not limited to the fees of his professional, legal and/or other advisors) in respect of or in connection with the Proposed Scheme. Debts due and owing to this Excluded Creditor shall be satisfied by the Company in cash, please refer to Section 2.7.4 of this Circular for more information.
- (9) In the case of Excluded Creditors who are subsidiaries of the Company, such debts shall be settled by the creation of new intercompany loans.
- (10) As mentioned in Section 2.5.2 of this Circular, the Company has granted a corporate guarantee in respect of the indebtedness of SKOSB under a facility granted by Bank Pembangunan Malaysia Berhad to SKOSB. As at the Cut-Off Date, SKOSB is in good financial health and there is no amount outstanding under the facility granted by Bank Pembangunan Malaysia Berhad. The Secured Assets granted by SKOSB to secure SKOSB's indebtedness under the facility granted by Bank Pembangunan Malaysia Berhad are in excess of the indebtedness of SKOSB.
- (11) The Group has outsourced the construction of its vessels to shipyards in the PRC. The shipyards in the PRC can be categorized into the Fujian Group Shipyards and the Non-Fujian Group Shipyards. For more information on the arrangements in respect of the shipbuilding contracts with the Fujian Group Shipyards and the Non-Fujian Group Shipyards, please refer to Section 2.7.3 of this Circular.
- (12) Regulatory entities comprise the Inland Revenue Authority of Singapore, the CDP (in its capacity other than as depository of the Notes) and the SGX-ST. Debts due and owing to this Excluded Creditor shall be satisfied by the Company in cash, please refer to Section 2.7.4 of this Circular for more information.
- (13) The list of Other Creditors with Corporate Guarantee For Key Subsidiary is set out in Section 2.5.2 of this Circular. Save for CIMB Bank Berhad, Bank of China (Malaysia) Berhad, Hong Leong Bank Berhad and OCBC Labuan (collectively, the “**Unsecured Other Creditors**”), the respective Existing Facility of the rest of the Other Creditors with Corporate Guarantee For Key Subsidiary are secured by Secured Assets. The liabilities of the Company under the Corporate Guarantee For Key Subsidiary in respect of the Unsecured Other Creditors, being unsecured, will be included and restructured under the Proposed Scheme and Subsidiary Schemes.
- (14) The list of Other Creditors with Corporate Guarantee For JV Company is set out in Section 2.5.2 of this Circular. The Existing JV Facility of all the Other Creditors with Corporate Guarantee For JV Company are secured by Secured Asset(s).

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

(d) Repayment of Non-sustainable Debt

Every US\$1 of Non-sustainable Debt shall be converted into 30 Non-sustainable Debt Shares on a *pari passu* basis at an issue price of S\$0.045 per Non-sustainable Debt Share. For more details on the Proposed Non-sustainable Debt Shares Issuance, please refer to Section 5 of this Circular.

(e) Repayment of Sustainable Debt

In respect of the repayment of the Sustainable Debt, each Creditor may elect only once either of the following two (2) options to have:

- (i) all its portion of the Sustainable Debt be fully repaid under the Term Loan option (“**Term Loan Option**”); or
- (ii) all its portion of the Sustainable Debt be fully repaid under the Cash Out option (“**Cash Out Option**”).

At the Scheme Meeting convened on 24 January 2018, a majority of 97.047% in number, representing 94.139% of the total value of the Creditors present and voting, approved the Proposed Scheme. Of the 94.139% of the total value of Creditors who have voted “For the Scheme”:

- (ii) 94.420% in value of such Creditors have elected the Term Loan Option; and
- (iii) 5.580% in value of such Creditors have elected the Cash Out Option.

Of the 5.861% in value of the Creditors who have voted “Against the Scheme”, all such Creditors are deemed to have elected the Term Loan Option.

(f) Term Loan Option

The Creditors who elect the Term Loan Option or are deemed to have elected the Term Loan Option will have its portion of Sustainable Debt restructured as a term loan (“**Term Loan**”) facility (“**Term Loan Facility**”) granted by it to the Company. Pursuant to the results of the Scheme Meeting, approximately US\$228 million of the Sustainable Debt, which includes the sustainable debt portion of the Bilateral Facilities Unsecured Debt and subject to adjudication for entitlement and Crystallisation of and adjudication of the Eligible Debt of the Other Creditor with Corporate Guarantees For JV Company, will be restructured as the Term Loan. For more details on the Term Loan Option and the Proposed Term Loan Shares Issuance, please refer to Section 6 of this Circular, respectively.

(g) Cash Out Option

A Creditor who wants to exit the Proposed Scheme early by accepting a voluntary haircut in exchange for cash may elect the Cash Out Option to cash out its portion of its Sustainable Debt.

The Cash Out Option will be funded by the proceeds of RM50 million (“**Committed Sum**”) arising from (i) the Major Shareholder’s irrevocable undertaking to subscribe for his entitlement of the Rights Shares through his direct and deemed interest in the Shares and any Excess Rights Shares under the Proposed Rights Issue of up to the Committed Sum; or (ii) in the event that the value of the Rights Shares and Excess Rights Shares made available for the Major Shareholder’s subscription in the Proposed Rights Issue does not amount to the Committed Sum of RM50 million, the actual subscription consideration paid by the Major Shareholder for the subscription for his entitlement of the Rights Shares through his direct and deemed interest in the Shares and any Excess Rights Shares (“**Actual Subscription Amount**”), and an interest-free loan granted by the Major Shareholder to the Company of an amount equivalent to the shortfall between the Committed Sum and

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

the Actual Subscription Amount (“**Cash Out Fund**”). Such loan shall be subordinated to the indebtedness or liabilities of all Creditors who participate in the Term Loan Facility and will be repayable by the Company on a date to be determined by the Company after full repayment of the Term Loan Facility. For more information on the Proposed Rights Issue, please refer to Section 4 of this Circular.

Subject to a minimum recovery of US\$0.05 per US\$1 of Sustainable Debt and a maximum recovery capped at US\$0.20 per US\$1 of Sustainable Debt, the Company shall pay, as consideration for extinguishing the debt offered by the Creditor under the Cash Out Option (“**Cash Out Offered Debt**”), an amount (each such amount, a “**Cash Out Payment**”) determined by the following formula:

$$\frac{\text{Cash Out Offered Debt of that Creditor}}{\text{Total Cash Out Offered Debt}} \times \text{Cash Out Fund}$$

The Cash Out Payment as determined by the formula above shall be reduced by the aggregate Pre-Scheme Cash Out Payment which the Company had on 12 July 2018, prior to the Effective Date, paid to all Creditors who elected the Cash Out Option (including their successors, transferees and assigns).

Pursuant to the results of the Scheme Meeting, 5.580% of Creditors who voted “For the Scheme” elected the Cash Out Option, representing approximately US\$19 million of the total debt to be restructured under the Proposed Scheme. Accordingly, the total Cash Out Offered Debt is approximately US\$12 million (being 65% of US\$19 million). Accordingly, recovery under the Cash Out Option shall be at the maximum recovery cap of US\$0.20 per US\$1 of the Cash Out Offered Debt of the relevant Creditor. Accordingly, the total Cash Out Payment to be made to all the relevant Creditors who elected the Cash Out Option is approximately US\$2.4 million.

The remainder of the Cash Out Payments, after deduction of the aggregate Pre-Scheme Cash Out Payments that were made by the Company on 12 July 2018 amounting to approximately S\$165,000, shall be paid to the relevant Creditor on (1) the Implementation Date; (2) as soon as practicable after the Disputes Resolution Date; or (3) as soon as practicable after the Crystallisation Date, as the case may be.

The payment of the remainder of the Cash Out Payments shall constitute full and final settlement of the Cash Out Offered Debt.

After the payment of the Cash Out Payments (including the Pre-Scheme Cash Out Payments), the Cash Out Fund shall be reduced by an amount equal to the aggregate Cash Out Payments made (that is, approximately US\$2.4 million or approximately RM10.3 million based on the Scheme Exchange Rate) and the remaining monies of approximately RM39.7 million shall be used for the operations of the Group.

(h) Proposed Capital Reorganisation and Proposed Rights Issue

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.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares with a par value of HK\$0.10 each, of which 2,096,465,885 Shares (excluding 6,678,597 Shares held in treasury) have been issued and fully paid up.

In connection with the Proposed Scheme, the Company intends to (i) undertake the Proposed Rights Issue, which involves a renounceable non-underwritten rights issue of up to 2,096,465,885 Rights Shares at an issue price of S\$0.014 for each Rights Shares (equivalent to approximately HK\$0.081 per Share based on the Latest Exchange Rate),

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

which is less than the par value of the Shares; and (ii) issue new Shares pursuant to the Proposed Rights Issue, Proposed Non-sustainable Debt Shares Issuance, Proposed Term Loan Shares Issuance and Nam Cheong Management Incentive Plan.

Accordingly, 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, such as the proposed allotment and issue of Rights Shares, Non-sustainable Debt Shares, Term Loan Shares and Plan Shares, and facilitate corporate actions which may require the issuance of new Shares, such as the issue of the Rights Shares at the issue price of S\$0.014 per Rights Share under the Proposed Rights Issue. For more information on the Proposed Capital Reorganisation, please refer to Section 3 of this Circular.

Under the Proposed Rights Issue, if all Shareholders were to subscribe for their entitlements, the Proposed Rights Issue will raise up to S\$29,350,522.39. It is intended that the proceeds raised from the subscription by the Major Shareholder for entitlement of his Rights Shares (both direct and deemed interest) and any additional Rights Shares in excess of the Major's Shareholder's provisional allotments of Rights Shares of an aggregate value up to the Committed Sum of RM50 million will be used to fund the Cash Out Option, and any remaining proceeds raised from the Proposed Rights Issue will to be used for the operations of the Group. Pursuant to the results of the Scheme Meeting, approximately RM10.3 million of the Committed Sum will be used to fund the Cash Out Option with the balance of approximately RM39.7 million to be used as working capital of the Group – for more details, please refer to Section 2.8.3(g) of this Circular. For more information on the Proposed Rights Issue (including the use of proceeds from the Proposed Rights Issue), please refer to Section 4 of this Circular.

(i) Nam Cheong Management Incentive Plan

Notwithstanding the implementation of the Proposed Scheme, the day to day management of the Company will still continue, as presently done, to be vested in the Management, which is authorised by the Board of Directors of the Company to carry out the day to day management of the Company. The Scheme Manager will perform their duties in consultation with the Management.

The Company is of the view that the Management plays a critical role in the Group's businesses and operations, and their continued involvement in the Group is significant in ensuring the success of the Proposed Scheme. Accordingly, the Company intends to implement the Nam Cheong Management Incentive Plan to enable the Management to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance and to give recognition to the Management who have contributed significantly to the Group's growth and performance.

The Management comprises of Leong Seng Keat (Chief Executive Officer), Tiong Chiong Soon (General Manager), Tiong Chiong Hiiung (Executive Vice-Chairman cum Financial Director) and other members of the management as may be determined by the Remuneration Committee of the Company.

Under the proposed Nam Cheong Management Incentive Plan, the Company shall issue or transfer Shares free of charge ("**Award Shares**") to the Management, if the Company satisfies the following criteria ("**Management Award Criteria**"):

- (i) 1% of the total number of issued Shares on the Implementation Date per Review Year from Review Year 1 to Review Year 7 if the Group meets the cashflow projections and scheduled interest payment of the Term Loan Facility to the Creditors who participated in the Term Loan Facility, for the relevant Review Year in accordance with the terms of the Proposed Scheme; and

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- (ii) an additional 1% of the total number of issued Shares on the Implementation Date per Review Year from Review Year 4 to Review Year 7 if the Company meets the cashflow projections and scheduled interest payment and principal repayment of the Term Loan Facility to the Creditors who participated in the Term Loan Facility, for the relevant Review Year in accordance with the terms of the Proposed Scheme and either:
 - (A) the Group exceeds the cashflow projection in respect of net cash generated by the Group by at least 20%; or
 - (B) the Group prepays the interest and principal of the Term Loan Facility by at least 20% above the scheduled interest payment and principal repayment.

After taking into consideration the Excess Cash (as defined in the Cash Management Principles), the management of the Company will recommend whether to make any prepayment and the amount of prepayment to the Board of Directors for approval. Directors who are participants of the Plan (if any) will abstain from recommending, approving or voting on any resolution relating to such prepayment. Prepayment (if any) of the Term Loan Facility will be made in accordance with the terms of the Term Loan Facility and the Cash Management Principles as set out in Appendix 1 to the Rules of the Nam Cheong Management Incentive Plan as set out in Appendix B of this Circular.

In addition, the Monitoring Accountant appointed in relation to the Proposed Scheme shall, *inter alia*:

- (i) review the Group's financial performance and compare to the cash flow projections (as set out in the Scheme Document) at the end of each Review Year;
- (ii) review and confirm the calculation of the Excess Cash by the Group;
- (iii) review the entitlement under the Nam Cheong Management Incentive Plan; and
- (iv) review the amount of interest and principal to be repaid to each Creditor who has participated in the Term Loan Facility in accordance with the repayment terms of the Proposed Scheme prepared by the Company.

The Monitoring Accountant shall provide an update to the Creditors who have participation in the Term Loan Facility on its review.

For each Review Year where the Group satisfies the Management Award Criteria, the Committee shall grant the Award Shares that the Management is entitled to in that Review Year and such Award Shares shall be released to the Management as follows:

- (ii) 50% of the entitlement shall be released to the Management as soon as practicable after the Group's audited financial statements for the applicable Review Year is announced on the SGXNET by the Company ("**Announcement**"); and
- (iii) the remaining 50% of the entitlement shall be released to the Management on the first anniversary of the Announcement.

For more information on the proposed Nam Cheong Management Incentive Plan, please refer to Section 8 of this Circular.

(j) Moratorium imposed on Major Shareholder

In order to demonstrate the Major Shareholder's commitment on the Proposed Scheme, the Major Shareholder will not sell, grant options over, transfer, charge, pledge or dispose of or enter into any agreement to dispose of: (i) the Moratorium Shares for the Scheme Period; and (ii) the Rights Shares held by the Major Shareholder, for a period of 12 months from the Implementation Date.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

2.8.4 Conditions precedent to the effectiveness of the Proposed Scheme

The Proposed Scheme is subject to and conditional upon, the following:

- (a) the Committed Sum of RM50 million being deposited into Escrow Account;
- (b) the approval by the Requisite Majority at the Scheme Meeting;
- (c) the approval by a majority of seventy-five per centum of the total value of the scheme creditors of NCD present and voting in person or by proxy at the Malaysian Court Convened Meeting of NCD;
- (d) the approval by a majority of seventy-five per centum of the total value of the scheme creditors of NCI present and voting in person or by proxy at the Malaysian Court Convened Meeting of NCI;
- (e) the approval of the Court with or without modifications, additions or conditions imposed by the Court pursuant to Section 210 of the Act sanctioning the Proposed Scheme;
- (f) the approval of the High Court of Malaya with or without modifications, additions or conditions imposed by the High Court of Malaya pursuant to Section 366(4) of the Companies Act 2016 of Malaysia and a copy of the order of the High Court of Malaya sanctioning the Subsidiary Scheme of NCD being lodged with the Registrar of the Companies Commission of Malaysia;
- (g) the approval of the High Court of Malaya with or without modifications, additions or conditions imposed by the High Court of Malaya pursuant to Section 366(4) of the Companies Act 2016 of Malaysia and a copy of the order of the High Court of Malaya sanctioning the Subsidiary Scheme of NCI being lodged with the Labuan Financial Services Authority;
- (h) the approval of the SGX-ST for the listing and quotation of the Rights Shares, the Non-sustainable Debt Shares, the Term Loan Shares and the Plan Shares;
- (i) the approval of the SGX-ST for the trading resumption proposal submitted by the Company with a view to resuming trading in its securities;
- (j) the approval of the Shareholders of the Company being obtained for the Proposed Capital Reorganisation, the Proposed Rights Issue, the proposed Nam Cheong Management Incentive Plan, and the allotment and issue of the Rights Shares, the Non-sustainable Debt Shares, the Term Loan Shares and the Plan Shares at the SGM;
- (k) the entry into the Bilateral Facilities Agreement with the relevant Other Creditor and the relevant Key Subsidiary to amend or replace the existing Facility Agreement;
- (l) the SIC granting a waiver to the Major Shareholder and his parties acting in concert from the requirement of making a general mandatory offer in connection with the Proposed Management Incentive Plan (if applicable) and the Shareholders passing a resolution to waive the making of any general mandatory offer pursuant to the Code (if applicable); and
- (m) a copy of the Order of Court sanctioning the Proposed Scheme being lodged with ACRA in accordance with Section 210(5) of the Act,

(collectively, the “**Conditions**”).

The Condition in sub-paragraph (l) may be waived by the Major Shareholder in his sole and absolute discretion. All the Conditions are inter-conditional and are required to be fulfilled or waived in order for the Proposed Scheme to become effective. Accordingly, if any of the above Conditions are not fulfilled or waived, the Proposed Scheme will not become effective.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

As at the date of this Circular, the Conditions set out at sub-paragraphs (a), (b), (c), (d), (f), (g), (h), (i) and (k) above have been satisfied and the Major Shareholder has waived the Condition set out at sub-paragraph (l). In relation to the Condition set out at sub-paragraph (e), the Company has made an application to the Court for approval with or without modifications, additions or conditions imposed by the Court sanctioning the Proposed Scheme. The hearing date has currently been fixed for 15 August 2018 and the Company is applying for the application to be heard earlier.

2.8.5 Repayment to Creditors

Pursuant to the terms of the Proposed Scheme, the Company shall:

- (a) allot and issue the Non-sustainable Debt Shares and Term Loan Shares;
- (b) make cash payment under the Cash Out Option. The cash payments under the Cash Out Option will be funded by the proceeds of RM50 million of Committed Sum from the Major Shareholder; and
- (c) repay the Term Loan Facility in accordance with the provisions of the cash management principles set out in the Scheme Document, to all the Creditors (where applicable), on a *pari passu* basis.

2.8.6 Effectiveness and Implementation of the Proposed Scheme

Upon the Effective Date, the arrangement and compromise effected by the Proposed Scheme shall be binding on all Creditors and their respective predecessors, successors and assigns, regardless of whether such Creditors attended or voted (in favour of or against the Proposed Scheme) at the Scheme Meeting.

All rights of each Creditor to the distribution in accordance with the Proposed Scheme shall be accepted in full and final settlement and absolute discharge of all of its Claims.

Upon the effectiveness of the Proposed Scheme, the Company shall take the necessary steps to implement the Proposed Scheme, whereby the Company shall:

- (a) launch the Proposed Rights Issue by lodging the Offer Information Statement in respect of the Proposed Rights Issue with the Authority, and the Company shall observe the relevant timetable published by the SGX-ST with respect to the Proposed Rights Issue;
- (b) allot and issue the Rights Shares to relevant Shareholders who have subscribed for the Rights Shares under the Proposed Rights Issue;
- (c) allot and issue the Non-sustainable Debt Shares to the relevant Creditors; and
- (d) make payment under the Cash Out Option to relevant Creditors who elected the Cash Out Option.

The date on which all the steps set out in paragraphs (a) to (d) above have been fulfilled is referred to as the “**Implementation Date**”.

2.8.7 Resumption of Trading and Indicative Timetable of Events

The Shares were suspended from trading on the Mainboard of the SGX-ST on 21 July 2017 on the Company’s request.

As set out in Section 2.8.2 of this Circular, the Company believes that with the implementation of the Proposed Scheme, the outstanding liabilities owing to the Creditors will be substantially reduced and the Group will be able to strengthen and rebuild its balance sheet and cash flow situation. Assuming that the Proposed Scheme becomes effective and no material claims from the Excluded Creditors, which are not part of the Proposed Scheme and Subsidiary Schemes, that

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

are reasonably likely to have a material effect on the Group's financial conditions and operations are brought against the Group, and taking into account the Group's internal resources, operating cashflows, working capital facilities and the estimated minimum Net Proceeds raised from the Proposed Rights Issue in the Minimum Subscription Scenario, the Company believes that it will have sufficient resources to meet the Company's obligations and continue to operate as a going concern. Accordingly, the Company has submitted a trading resumption proposal to the SGX-ST.

On 16 July 2018, the SGX-ST granted its in-principle approval for (i) the listing and quotation of the Rights Shares, the Non-sustainable Debt Shares, the Term Loan Shares, the Plan Shares and the Additional Loan Shares; and (ii) the resumption of trading of the Shares on the Mainboard of the SGX-ST, subject to the following:

- (a) Compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the issue of the Rights Shares, Non-sustainable Debt Shares, the Term Loan Shares, the Additional Loan Shares and the Plan Shares;
- (c) A written undertaking from the Company that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the issue of Rights Shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) A written undertaking from the Company that it will comply with Listing Rule 803;
- (e) A written undertaking from the Company that it will comply with Listing Rule 812(1);
- (f) A written undertaking from the Company that it will comply with Listing Rule 877(10) with regards to the allotment of any excess Rights Shares; and
- (g) A written confirmation from financial institution(s) as required under Listing Rule 877(9) that the undertaking shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Rights Issue, the Rights, the Rights Shares, the Non-sustainable Debt Conversion, the Non-sustainable Debt Shares, the Term Loan Shares, the Nam Cheong Management Incentive Plan, the Plan Shares, the Additional Loan Shares and the Company and/or its subsidiaries.

The indicative timetable for the resumption of trading and implementation of the Proposed Scheme is set out below for reference:

Indicative date	Event
20 August 2018	SGM
21 August 2018	Resumption of trading
3 September 2018	Books closure date for the Proposed Rights Issue
3 September 2018	Lodgement of the Offer Information Statement for the Proposed Rights Issue
6 September 2018	Commencement of trading of nil-paid Rights
14 September 2018, 5.00 p.m.	Last date and time for trading of nil-paid Rights
20 September 2018, 5.00 p.m.	Last date and time for acceptance and payment of Rights Shares
28 September 2018, 9.00 a.m.	Listing and quotation of Rights Shares and Non-sustainable Debt Shares

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

The above timetable is indicative only and is subject to change at the Company's discretion, with the agreement of the Scheme Managers. It assumes that approval of the Court sanctioning the Proposed Scheme will be obtained and a copy of the Order of Court sanctioning the Proposed Scheme will be lodged with ACRA before 21 August 2018, the resumption of trading will be on 21 August 2018, the lodgement of the Offer Information Statement for the Proposed Rights Issue will be on 3 September 2018, and the listing and quotation of the Rights Shares and Non-sustainable Debt Shares will be 28 September 2018. All dates and times referred to above are Singapore dates and times.

The above timetable and procedure may be subject to such modifications as the SGX-ST may, in its discretion, decide, including the decision to permit the resumption of trading and the listing and quotation of the Rights Shares and Non-sustainable Debt Shares.

2.8.8 Release and Discharge

Should the Proposed Scheme become effective, on and from the Implementation Date, the Creditors shall completely and absolutely discharge and release the Company from all Claims, obligations and liabilities (whether actual, contingent or otherwise) and indebtedness whether as principal debtor or surety) of the Company to each and all the Creditors (regardless of whether or not it has submitted a proof of debt or voting instruction form under the Proposed Scheme or the Subsidiary Schemes) whatsoever and howsoever arising out of or in connection with any and all agreements, transactions, dealings and matters effected or entered into or occurring at any time on or prior to the Cut-Off Date, other than the contractual interest payable from the Cut-Off Date to 31 December 2017 in accordance with the Proposed Scheme and all obligations and liabilities arising under the Proposed Scheme.

2.8.9 Termination of the Proposed Scheme

The Proposed Scheme shall terminate by performance when:

- (a) the Scheme Manager (acting reasonably) certifies under hand that the Proposed Scheme has been completed or so substantially completed that it cannot be continued without needlessly protracting the Proposed Scheme;
- (b) the Creditors in general meeting resolve by Special Resolution to terminate the Proposed Scheme upon issuance of the Scheme Manager's certification pursuant to clause (a) above that the Proposed Scheme has been completed or so substantially completed that it cannot be continued without needlessly protracting the Proposed Scheme; and
- (c) an order of the Singapore Court sanctioning the termination of the Proposed Scheme is obtained.

In addition, the Proposed Scheme shall also terminate if the Creditors in a general meeting resolve by Special Resolution to terminate the Proposed Scheme upon any of the following events occurring:

- (a) if the Company does not comply with any provision of the Proposed Scheme, provided that no failure of the Company to comply with any provision of the Proposed Scheme shall be deemed to have occurred if the failure to comply is capable of remedy and is remedied within thirty (30) days of any Creditor giving notice to the Company;
- (b) if the Company ceases or threatens to cease to carry on its business or any material part thereof or materially changes the nature or mode of conduct of its trading in any material respect;
- (c) if an order is made for the Company to be placed under judicial management and for the appointment of a judicial manager;

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

- (d) if a receiver and/or manager or other similar officer is appointed over the undertakings, properties, assets, or revenues of the Company;
- (e) if an order is made for the winding-up of the Company or a resolution passed or if a notice is issued convening a meeting for the purpose of passing any such resolution;
- (f) if, in Singapore or elsewhere, the Company is declared by the Minister to be a declared company under the provisions of Part IX of the Act;
- (g) if any of the Subsidiary Schemes is terminated; or
- (h) if a material situation shall arise which in the opinion of any of the Creditors (acting reasonably) makes it improbable that the Company will be able to perform its obligations under the Proposed Scheme.

5. THE PROPOSED NON-SUSTAINABLE DEBT SHARES ISSUANCE

5.1 Background

Pursuant to the terms of the Proposed Scheme, the Non-sustainable Debt shall be converted into Non-sustainable Debt Shares on a *pari passu* basis at an issue price of S\$0.045 per Non-sustainable Debt Share ("**Non-sustainable Debt Share Issue Price**").

5.2 Non-sustainable Debt Shares

Every US\$1 of Non-sustainable Debt shall be converted into 30 Non-sustainable Debt Shares.

The number of Non-sustainable Debt Shares to be allotted and issued to each Creditor shall be determined by the following formula:

$$\frac{\text{Non-sustainable Debt owed to the Creditor}}{\text{Non-sustainable Debt Share Issue Price}}$$

Briefly:

- (a) in respect of the arrangement with the Other Creditor with Corporate Guarantee for Key Subsidiary (other than the Unsecured Other Creditors):
 - (i) the Bilateral Facilities Secured Debt prior to the Disposal is an amount equal to the Initial Value of the Secured Assets ("**Pre-Disposal Bilateral Facilities Secured Debt**"), and the Bilateral Facilities Unsecured Debt prior to Disposal is the outstanding amount under the Existing Facility less the Pre-Disposal Bilateral Facilities Secured Debt ("**Pre-Disposal Bilateral Facilities Unsecured Debt**"); and
 - (ii) in the event that there is no Disposal or if following the Disposal of the Secured Assets the Disposal Proceeds are lower than the Initial Value, the relevant Key Subsidiary will pay the shortfall amount between the Initial Value and the Disposal Proceeds using cash. Accordingly, the amount of unsecured debt under the Existing Facility post-Disposal ("**Maximum Post-Disposal Bilateral Facilities Unsecured Debt**") remains unchanged (that is, the amount of Maximum Post-Disposal Bilateral Facilities Unsecured Debt is the amount of Pre-Disposal Bilateral Facilities Unsecured Debt) ("**Scenario A**"); and
 - (iii) in the event that following the Disposal of the Secured Assets the Disposal Proceeds are higher than the Initial Value, the Disposal Proceeds shall be deemed to form the principal amount of the Bilateral Facilities Secured Debt ("**Post-Disposal Bilateral Facilities Secured Debt**"). Accordingly, the amount of unsecured debt under the

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Existing Facility post-Disposal will be the outstanding amount under the Existing Facility minus the Post-Disposal Bilateral Facilities Secured Debt (“**Minimum Post-Disposal Bilateral Facilities Unsecured Debt**”) (“**Scenario B**”).

Under Scenario A, the aggregate Maximum Post-Disposal Bilateral Facilities Unsecured Debt owed to the Other Creditor(s) with Secured Assets is estimated to be US\$45 million, and the Non-sustainable Debt portion of the Bilateral Facilities Unsecured Debt is estimated to be US\$14 million. Under Scenario B and assuming that the Disposal Proceeds is equal to the entire outstanding amount under the Existing Facility, the Minimum Post-Disposal Bilateral Facilities Unsecured Debt is zero, and the Non-sustainable Debt portion of the Bilateral Facilities Unsecured Debt will be zero.

- (b) similarly, in respect of the arrangement with the Other Creditor with Corporate Guarantee for JV Company:
- (i) in the event that the Eligible Debt of the Other Creditor with Corporate Guarantee For JV Company Crystallises, the JV Facilities Secured Debt prior to the Disposal is an amount equal to the Initial Value of the Secured Assets (“**Pre-Disposal JV Facilities Secured Debt**”), and the unsecured debt under the Existing JV Facility prior to Disposal is the outstanding amount under the Existing JV Facility less the Pre-Disposal JV Facilities Secured Debt (“**Pre-Disposal JV Facilities Unsecured Debt**”); and
 - (ii) in the event that there is no Disposal or if following the Disposal of the Secured Assets the Disposal Proceeds are lower than the Initial Value, the Company will pay the shortfall amount between the Initial Value and the Disposal Proceeds using cash. Accordingly, the amount of unsecured debt under the Existing JV Facility (“**Maximum Post-Disposal JV Facilities Unsecured Debt**”) remains unchanged (that is, the amount of Maximum Post-Disposal JV Facilities Unsecured Debt is the amount of Pre-Disposal JV Facilities Unsecured Debt) (“**Scenario C**”); and
 - (iii) in the event that following the Disposal of the Secured Assets the Disposal Proceeds are higher than the Initial Value, the Disposal Proceeds shall be deemed to form the principal amount of the JV Facilities Secured Debt (“**Post-Disposal JV Facilities Secured Debt**”). Accordingly, the amount of unsecured debt under the Existing JV Facility will be the outstanding amount under the Existing JV Facility minus the Post-Disposal JV Facilities Secured Debt (“**Scenario D**”).

Under Scenario C, the aggregate Maximum Post-Disposal JV Facilities Unsecured Debt owed to the Other Creditor(s) with Corporate Guarantee for JV Company is estimated to be US\$11 million, and the Non-sustainable Debt portion of the JV Facilities Unsecured Debt that will be restructured under the Term Loan Facility is estimated to be US\$4 million. Under Scenario D and in the event that the Disposal Proceeds is equal to the entire outstanding amount under the Existing JV Facility, there will be no Post-Disposal JV Facilities Unsecured Debt, and accordingly, there will be no Non-sustainable Debt portion of the JV Facilities Unsecured Debt.

Please refer to Sections 2.6.2 and 2.6.3 of this Circular for more information on the arrangement with the Other Creditor with Corporate Guarantee for Key Subsidiary (other than the Unsecured Other Creditors) and the arrangement with the Other Creditor with Corporate Guarantee for JV Company, respectively.

Purely for illustrative purposes:

- (a) (i) assuming Scenario A and Scenario C apply to the Other Creditors with Secured Assets and Other Creditors with Corporate Guarantee for JV Company; and; (ii) the estimated amount of Non-sustainable Debt owed to other Creditors under the Proposed Scheme (“**Non-Corporate Guarantee Creditors**”) is US\$112 million, an aggregate estimated Non-sustainable Debt of US\$129 million shall be converted into an aggregate of 3,883,587,031

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Non-sustainable Debt Shares, at the Non-sustainable Debt Share Issue Price of S\$0.045 per Non-sustainable Debt Share (“**Maximum Non-sustainable Debt Shares Issuance Scenario**”); and

- (b) (i) assuming Scenario B (whereby the Disposal Proceeds is equal to the entire outstanding amount under the Existing Facility) and Scenario D (whereby the Disposal Proceeds is equal to the entire outstanding amount under the Existing JV Facility); and (ii) the estimated amount of Non-sustainable Debt owed to Non-Corporate Guarantee Creditors is US\$112 million, an aggregate estimated Non-sustainable Debt of US\$112 million shall be converted into an aggregate of Non-sustainable Debt Shares of 3,348,856,129, at the Non-sustainable Debt Share Issue Price of S\$0.045 per Non-sustainable Debt Share (“**Minimum Non-sustainable Debt Shares Issuance Scenario**”).

In the Maximum Non-sustainable Debt Shares Issuance Scenario, the 3,883,587,031 Non-sustainable Debt Shares to be allotted and issued represent approximately (i) 185% of the Company’s Existing Issued Share Capital of 2,096,465,885 Shares as at the Latest Practicable Date; (ii) 118% of the Company’s Minimum Post-Rights Enlarged Share Capital of 3,299,372,106 Shares; and (iii) 93% of the Company’s Maximum Post-Rights Enlarged Share Capital of 4,192,931,770 Shares.

In the Minimum Non-sustainable Debt Shares Issuance Scenario, the 3,348,856,129 Non-sustainable Debt Shares to be allotted and issued represent approximately (i) 160% of the Company’s Existing Issued Share Capital of 2,096,465,885 Shares as at the Latest Practicable Date; (ii) 101% of the Company’s Minimum Post-Rights Enlarged Share Capital of 3,299,372,106 Shares; and (iii) 80% of the Company’s Maximum Post-Rights Enlarged Share Capital of 4,192,931,770 Shares.

The Non-sustainable Debt Shares shall (a) be duly authorised, validly issued and credited as fully paid up; (b) rank *pari passu* in all respects with any other Shares in the Company then in issue; and (c) free from all encumbrances and entitled to all the rights attached thereto in or after the date of issue.

5.3 Non-sustainable Debt Share Issue Price

In accordance with the terms of the Proposed Scheme, the Non-sustainable Debt Share Issue Price is S\$0.045 per Non-sustainable Debt Share. This represents a premium of approximately 125% to the closing price of the Shares of S\$0.02 per Share, on 20 July 2017, being the Last Trading Day prior to the voluntary suspension of trading of the Shares on the Mainboard of the SGX-ST.

The rationales for the Proposed Scheme and, more particularly, the proposed allotment and issue of the Non-sustainable Debt Shares pursuant to the Non-sustainable Debt Conversion under the Proposed Scheme (“**Proposed Non-sustainable Debt Shares Issuance**”) are set out in Sections 2.8.2 and 5.4 of this Circular, respectively.

5.4 Rationale for the Proposed Non-sustainable Debt Shares Issuance

The Company believes that the Proposed Non-sustainable Debt Shares Issuance will allow the Company to address its solvency issues, eliminate the need for cash repayment of its Non-sustainable Debt thereby alleviating pressures on the Group’s cash flow, facilitate the continuing operations of the Company and provide an opportunity for entitled Creditors to benefit from the potential rehabilitation of the Company. The approval of Shareholders of the Company for the Proposed Non-sustainable Debt Shares Issuance is a condition precedent to the Proposed Scheme. Accordingly, if Shareholders’ approval of the Proposed Non-sustainable Debt Shares Issuance is not obtained, the Proposed Scheme will not be able to come into effect. The rationale for the Proposed Scheme is set out in Section 2.8.2 of this Circular.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

5.5 Approval in-principle from the SGX-ST

On 16 July 2018, the SGX-ST granted its in-principle approval for the dealing in, listing of and quotation of, *inter alia*, the Non-sustainable Debt Shares on the Mainboard of the SGX-ST, subject to certain conditions, further details of which are set out in Section 12 of the Circular.

5.6 Use of proceeds

There will not be any proceeds in cash from the Proposed Non-sustainable Debt Shares Issuance as the Non-sustainable Debt Shares are issued in consideration of the repayment of outstanding Non-sustainable Debts of the Company in accordance with the terms of the Proposed Scheme.

5.7 Rule 812(1) of the Listing Manual

None of the Non-sustainable Debt Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

5.8 Financial Effects of the Proposed Non-sustainable Debt Shares Issuance

Please refer to Section 13 of this Circular for further details on the financial effects of, *inter alia*, the Proposed Non-sustainable Debt Shares Issuance.

6. THE PROPOSED TERM LOAN SHARES ISSUANCE

6.1 Background

In relation to the portion of the Creditor's Eligible Debt that falls under the Sustainable Debt portion, each Creditor may elect either the Term Loan Option or the Cash Out Option. Creditors who elect the Term Loan Option or are deemed to have elected the Term Loan Option pursuant to the terms of the Proposed Scheme will have its portion of Sustainable Debt restructured as a Term Loan granted by it to the Company. The Sustainable Debt owed by the Company to SK Global arising from the Notes held by SK Global shall be restructured as the Term Loan. To demonstrate the commitment of the Group on the Proposed Scheme, as SK Global is an indirect wholly-owned subsidiary of the Company, the entitlement of SK Global under the Term Loan Facility (whether principal or interest) shall be subordinated to the indebtedness or liabilities of all Creditors who participate in the Term Loan Facility.

Pursuant to the results of the Scheme Meeting, approximately US\$228 million of the Sustainable Debt, which includes the sustainable debt portion of the Bilateral Facilities Unsecured Debt and subject to adjudication for entitlement and Crystallisation of and adjudication of the Eligible Debt of the Other Creditor with Corporate Guarantees For JV Company, will be restructured as the Term Loan.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

6.2 Term Loan Option

The material terms of the Term Loan Facility include, *inter alia*, as set out below:

Principal	:	<p>Subject to the Principal Amount Adjustments as described below, the principal on the Implementation Date shall be an amount equal to the aggregate amount of Sustainable Debt associated with the Term Loan Option or deemed associated with the Term Loan Option granted by the Creditors that elected the Term Loan Option or are deemed to have elected the Term Loan Option (other than the Other Creditors with Corporate Guarantee For JV Company). Accordingly, pursuant to the results of the Scheme Meeting, the principal amount of the Term Loan Facility (including the sustainable debt portion of the Bilateral Facilities Unsecured Debt) is US\$228 million.</p> <p>The principal shall be adjusted (i) when the Other Creditors with Corporate Guarantee For JV Company become a party to the Term Loan Facility on Crystallisation Date; and (ii) from time to time in accordance with the Proposed Scheme (“Principal Amount Adjustments”).</p>
Tenor	:	From 1 January 2018 to 31 December 2024
Repayment of Principal	:	<p>There shall be no repayment of the principal from Review Year 1 to Review Year 3 although prepayment of the principal may be made in Review Year 4 based on the Excess Cash calculation for Review Year 3 subject to the terms outlined under the cash management principles set out in Appendix D of this Circular.</p> <p>The Company shall repay the principal outstanding under the Term Loan Facility in eight (8) half-yearly instalments commencing from Review Year 4 in the following percentages on the last day of the Interest Period (as defined below):</p> <ul style="list-style-type: none"> (a) Review Year 4: 10%; (b) Review Year 5: 20%; (c) Review Year 6: 30%; and (d) Review Year 7: 40%. <p>The Company shall repay and/or prepay the Term Loan Facility in accordance with the cash management principles set out in Appendix D of this Circular.</p>

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

<p>Interest</p>	<p>:</p>	<p>The applicable interest rate on the amount outstanding under the Term Loan Facility shall be 4% per annum. 50% of the accrued interest shall be payable in cash and the remaining 50% of the accrued interest shall be payable by way of Term Loan Shares.</p> <p>The interest period shall be six (6) months (“Interest Period”). The first Interest Period shall start on 1 January 2018.</p> <p>On the last day of the Interest Period, the Company shall pay 50% of the accrued interest by cash to the Creditors on a <i>pari passu</i> basis, save that the Company had on 12 July 2018, prior to the Effective Date, paid all Creditors who have participation in the Term Loan Facility as at 5 July 2018, 5.00 p.m. (including their successors, transferees and assigns) 50% of the accrued interest payable in cash for the first Interest Period (i.e., from 1 January 2018 to 30 June 2018), and such payment shall be deemed payment of the first Interest Period and the Company shall have no further obligations whatsoever to make payment of the first Interest Period.</p> <p>On the last day of each Review Year, the Company shall convert the remaining 50% of the accrued interest for the Review Year into Term Loan Shares.</p> <p>Every US\$1 of accrued interest shall be converted into 30 Term Loan Shares (“Term Loan Shares Conversion Ratio”). Accordingly, every one (1) Term Loan Share is allotted and issued at a conversion price of S\$0.045 per Term Loan Share.</p>
<p>Adjustment to the Term Loan Facility arising from disposal of the Secured Assets in respect of Other Creditors with Corporate Guarantee For Key Subsidiary (other than the Unsecured Other Creditors)</p>	<p>:</p>	<p>If the Disposal Proceeds and any other payments made to the relevant Other Creditor (if any) exceed the Initial Value (and in the case where the relevant Other Creditor is RHB Bank Labuan, after deducting the amounts required to settle the Term Loan 2 Facility in full), such amount shall be deemed to form the principal amount of the Bilateral Facilities Secured Debt effective from 1 January 2018. The outstanding amount under the Existing Facility less the Bilateral Facilities Secured Debt (as adjusted) shall be deemed to form the Bilateral Facilities Unsecured Debt effective 1 January 2018 and be divided into Sustainable Debt and Non-sustainable Debt.</p> <p>In relation to the Sustainable Debt portion of the Bilateral Facilities Unsecured Debt, where the relevant Other Creditor had elected the Term Loan Option:</p> <p>(a) the principal amount of the Term Loan Facility shall be reduced accordingly effective from 1 January 2018; and</p>

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

		(b) the cash interest on the Term Loan Facility shall be reduced accordingly based on the reduced principal amount of the Term Loan Facility. The relevant Other Creditor shall refund or return to the relevant Key Subsidiary any excess of cash interest paid to the relevant Other Creditor. There shall be no adjustment to the Term Loan Shares allotted and issued to the relevant Other Creditor.
Adjustment to the Term Loan Facility arising from the disposal of the Secured Assets in respect of Other Creditors with Corporate Guarantee For JV Company	:	<p>If the Disposal Proceeds and any other payments made to the relevant Other Creditor (if any) exceed the Initial Value, such amount shall be deemed to form the principal amount of the JV Facilities Secured Debt effective from the Crystallisation Date. The outstanding liabilities of the Company under the Corporate Guarantee For JV Company less the JV Facilities Secured Debt (as adjusted) shall be deemed to form the JV Facilities Unsecured Debt effective from the Crystallisation Date and be divided into Sustainable Debt and Non-sustainable Debt.</p> <p>In relation to the Sustainable Debt portion of the JV Facilities Unsecured Debt, where the relevant Other Creditor had elected the Term Loan Option:</p> <p>(a) the principal amount of the Term Loan Facility shall be deemed reduced accordingly effective from the Crystallisation Date; and</p> <p>(b) the cash interest on the Term Loan Facility shall be reduced accordingly based on the reduced principal amount of the Term Loan Facility. The relevant Other Creditor shall refund or return to the Company any excess of cash interest paid as soon as practicable upon the completion of the disposal of the Secured Asset(s). There shall be no adjustment to the Term Loan Shares allotted and issued to the relevant Other Creditor.</p>
Security	:	The Term Loan Facility shall be unsecured.

6.3 Term Loan Shares

In the event where the Disposal Proceeds after the disposal of the Secured Assets exceed the Initial Value, the relevant Other Creditors (other than the Unsecured Other Creditors) who have elected or are deemed to have elected the Term Loan Option in respect of their Bilateral Facilities Unsecured Debt or JV Facilities Unsecured Debt, as the case may be, will have the principal amount of the Term Loan Facility reduced, which in turn, reduces the cash interests payable on the Term Loan, and any excess of cash interest already paid to the Other Creditor will have to be refunded or returned, but there will be no adjustment to the Term Loan Shares allotted and issued to the relevant Other Creditor. Please refer to Sections 2.6.2 and 2.6.3 of this Circular for more information.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

Purely for illustrative purposes only, based on US\$228 million being the principal amount of the Term Loan Facility (including the sustainable debt portion of the Bilateral Facilities Unsecured Debt) and the Term Loan Shares Conversion Ratio:

- (a) assuming Scenario A (in the event that the Post-Disposal Bilateral Facilities Unsecured Debt owed to the Other Creditors with Secured Assets is at its maximum) and Scenario C (in the event that the Post-Disposal JV Facilities Unsecured Debt owed to the Other Creditors with Corporate Guarantee for JV Company is at its maximum) as illustrated in Section 5.2 of this Circular, the estimated aggregate Sustainable Debt will be US\$228 million, and the Company shall allot and issue an aggregate of 787,280,931 Term Loan Shares to the entitled Creditors in accordance with the terms of the Proposed Scheme by the end of the facility period of the Term Loan (assuming that there is no prepayment of the principal amount of the Term Loan Facility over the Scheme Period), on a *pari passu* basis, at the Term Loan Shares Issue Price (“**Maximum Term Loan Shares Issue Scenario**”); and
- (b) assuming (i) Scenario B (in the event that the Post-Disposal Bilateral Facilities Unsecured Debt owed to the Other Creditors with Secured Assets is at its minimum) and that the Disposal of the Secured Assets occurs before the end of Review Year 1; (ii) the Eligible Debt of the Other Creditor with Corporate Guarantee For JV Company does not Crystallise before or by the termination of the Proposed Scheme (that is, no amount is owed to the Other Creditors with Corporate Guarantee for JV Company); and (iii) the Company makes a full prepayment of the Term Loan Facility in June of Review Year 4, the Company shall allot and issue an aggregate of 409,699,463 Term Loan Shares to the entitled Creditors in accordance with the terms of the Proposed Scheme in June of Review Year 4, on a *pari passu* basis, at the Term Loan Shares Issue Price (“**Minimum Term Loan Shares Issue Scenario**”).

Under the Maximum Term Loan Shares Issue Scenario, the 787,280,931 Term Loan Shares to be allotted and issued represent approximately (i) 38% of the Company’s Existing Issued Share Capital of 2,096,465,885 Shares as at the Latest Practicable Date; (ii) 12% of the Company’s enlarged issued share capital of 6,648,228,235 Shares following the Minimum Subscription Scenario and the Minimum Non-sustainable Debt Shares Issuance Scenario; (iii) 11% of the Company’s enlarged issued share capital of 7,182,959,137 Shares following the Minimum Subscription Scenario and the Maximum Non-sustainable Debt Shares Issuance Scenario; (iv) 10% of the Company’s enlarged issued share capital of 7,541,787,899 Shares following the Maximum Subscription Scenario and the Minimum Non-sustainable Debt Shares Issuance Scenario; and (v) 10% of the Company’s enlarged issued share capital of 8,076,518,801 Shares following the Maximum Subscription Scenario and the Maximum Non-sustainable Debt Shares Issuance Scenario.

Under the Minimum Term Loan Shares Issue Scenario, the 409,699,463 Term Loan Shares to be allotted and issued represent approximately (i) 20% of the Company’s Existing Issued Share Capital of 2,096,465,885 Shares as at the Latest Practicable Date; (ii) 6% of the Company’s enlarged issued share capital of 6,648,228,235 Shares following the Minimum Subscription Scenario and the Minimum Non-sustainable Debt Shares Issuance Scenario; (iii) 6% of the Company’s enlarged issued share capital of 7,182,959,137 Shares following the Minimum Subscription Scenario and the Maximum Non-sustainable Debt Shares Issuance Scenario; (iv) 5% of the Company’s enlarged issued share capital of 7,541,787,899 Shares following the Maximum Subscription Scenario and the Minimum Non-sustainable Debt Shares Issuance Scenario; and (v) 5% of the Company’s enlarged issued share capital of 8,076,518,801 Shares following the Maximum Subscription Scenario and the Maximum Non-sustainable Debt Shares Issuance Scenario.

The Term Loan Shares shall be (a) duly authorised, validly issued and credited as fully paid up; (b) rank *pari passu* in all respects with any other Shares in the Company then in issue; and (c) free from all encumbrances and entitled to all the rights attached thereto on or after the date of issue.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

6.4 Term Loan Shares Issue Price

In accordance with the terms of the Proposed Scheme, the issue price of each Term Loan Share is S\$0.045 (“**Term Loan Shares Issue Price**”). This represents a premium of approximately 125% to the closing price of the Shares of S\$0.02 per Share, on 20 July 2017, being the Last Trading Day prior to the voluntary suspension of trading of the Shares on the Mainboard of the SGX-ST.

The rationales for the Proposed Scheme and, more particularly, the Proposed Term Loan Shares Issuance are set out in Sections 2.8.2 and 6.5 of this Circular, respectively.

6.5 Rationale for the Proposed Term Loan Shares Issuance

The Company believes that the proposed allotment and issue of the Term Loan Shares as part payment of the accrued Term Loan interest pursuant to the Term Loan under the Proposed Scheme (“**Proposed Term Loan Shares Issuance**”) will allow the Company to address its solvency issues and eliminate the need for cash repayment of all of the accrued Term Loan interest under the Term Loan thereby alleviating pressures on the Group’s cash flow. The approval of Shareholders of the Company for the Proposed Term Loan Shares Issuance is a condition precedent to the Proposed Scheme. Accordingly, if Shareholders’ approval of the Proposed Term Loan Shares Issuance is not obtained, the Proposed Scheme will not be able to come into effect. The rationale for the Proposed Scheme is set out in Section 2.8.2 of this Circular.

6.6 Approval in-principle from the SGX-ST

On 16 July 2018, the SGX-ST granted its in-principle approval for the dealing in, listing of and quotation of, *inter alia*, the Term Loan Shares on the Mainboard of the SGX-ST, subject to certain conditions, further details of which are set out in Section 12 of the Circular.

6.7 Use of proceeds

There will not be any proceeds in cash from the Proposed Term Loan Shares Issuance as the Term Loan Shares are issued in consideration of the part payment of the accrued Term Loan interest under the Term Loan Facility in accordance with the terms of the Proposed Scheme.

6.8 Rule 812(1) of the Listing Manual

None of the Term Loan Shares will be placed by the Company to any person who is a Director or substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the Listing Manual.

6.9 Financial effects of the Proposed Term Loan Shares Issuance

(a) Share Capital

The number of Shares and issued and paid up share capital of the Company will increase when the Term Loan Shares are issued. The number of Term Loan Shares to be issued will depend on, *inter alia*, (i) the principal amount of the term loan, which may be adjusted under certain circumstances, further details of which are set out in Section 6.2 of this Circular; and (ii) actual amount of interest incurred. Please refer to Section 6.3 of this Circular for more information on the Maximum Term Loan Shares Issue Scenario.

(b) NTA

Under the Maximum Term Loan Shares Issue Scenario, there will be no impact on the NTA as the increase in share capital account and share premium account will be offset by the movement in retained earnings/accumulated losses account.

APPENDIX A – SELECTED EXTRACTS OF THE CIRCULAR

(c) EPS

While the allotment and issuance of the Term Loan Shares will have a dilutive impact on the Company's consolidated EPS as new Shares will be allotted and issued, the impact is not expected to be material in any given financial year due to the increase in the enlarged share base after the allotment and issuance of the Rights Shares and Non-sustainable Debt Shares.

(d) Gearing

Under the Maximum Term Loan Shares Scenario, there will be no impact on the gearing as there is no change to the equity and borrowings of the Group.

Shareholders should note that the financial effects described above are purely for illustration purposes only. Shareholders should also note that the financial effects described above are not to be regarded as advice on the tax position of any person or a full statement regarding the financial or tax implications arising from the Proposed Term Loan Shares Issuance. Shareholders who are in doubt as to their respective tax position or financial or tax implications should consult their own professional advisers.

APPENDIX B – RISK FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Prospective subscribers should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects of the Group could be materially and adversely affected. In that event, the trading price of the Shares and/or the Rights Shares could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares.

The headings herein are inserted for convenience only. Risk factors inserted under a particular division or segment of the Group's business may not be exclusively applicable to such division or segment and may also be applicable to the other business divisions or segments of the Group.

RISKS RELATING TO THE PROPOSED SCHEME

The Proposed Scheme may not be successfully concluded

The Proposed Scheme was approved by the Requisite Majority at the Scheme Meeting. The Proposed Scheme was sanctioned by the Singapore Court on 3 August 2018 and a copy of the Order of Court sanctioning the Proposed Scheme was lodged with ACRA on 16 August 2018. The Proposed Scheme took effect on and from 20 August 2018, when all the Conditions of the Proposed Scheme were met.

Notwithstanding that the Conditions of the Proposed Scheme have been met, there is no assurance that the Proposed Scheme will be successfully concluded. Pursuant to the terms of the Proposed Scheme, the Proposed Scheme shall be terminated if the Creditors in general meeting resolve by Special Resolution (as such term is defined in the Scheme Document) to terminate the Proposed Scheme upon the occurrence of certain events including, *inter alia*, if (a) the Company does not comply with any provision of the Proposed Scheme, provided that no failure of the Company to comply with any provision of the Proposed Scheme shall be deemed to have occurred if the failure to comply is capable of remedy and is remedied within 30 days of any Creditor giving notice to the Company; (b) the Company ceases or threatens to cease to carry on its business or any material part or materially changes the nature or mode of conduct of its trading in any material respect; (c) an order is made for the Company to be placed under judicial management and for the appointment of a judicial manager; (d) if a receiver and/or manager or other similar officer is appointed over the undertakings, properties, assets or revenues of the Company; (e) an order is made for the winding up of the Company or a resolution passed or if a notice is issued convening a meeting for the purpose of passing any such resolution; and (h) if a material situation shall arise which in the opinion of any of the Creditors (acting reasonably) makes it improbable that the Company will be able to perform its obligations under the Proposed Scheme ("**Scheme Termination Events**"). Should any of the Scheme Termination Events occur, it may result in the termination of the Proposed Scheme, which could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, and its ability to satisfy its obligations in respect of its indebtedness.

There is no assurance that the Proposed Scheme will not be prematurely terminated. In the event that the Proposed Scheme is terminated prematurely, there is also no assurance that the Company will be able to enter into other alternative arrangements with its creditors to restructure its debts, or at all. In the event that the Proposed Scheme is terminated prematurely and the Company is not able to enter into other alternative arrangements with its creditors to restructure its debts, the Group will be in default on substantially all of its existing indebtedness. Consequently, secured creditors may enforce or foreclose on the assets over which security interests have been granted, and other unsecured creditors may also

APPENDIX B – RISK FACTORS

commence litigation against the Group, which could materially and adversely affect its business, financial condition, results of operations and prospects. The Company would also, in all likelihood be unable to pay its debts as they fell due, and hence deemed insolvent. In addition to the abovementioned risks of default, enforcement and litigation, the Company would also be susceptible to issuances of statutory demands from its creditors, as well as winding up or judicial management proceedings being taken out against it by its creditors.

AmBank may enter consent judgment against the Company and NCD if the Rights Shares are not listed by 30 September 2018.

As disclosed in Paragraphs 9(c) and 9(f) of Part IV (Key Information) of this Offer Information Statement AmBank is claiming against NCD as borrower under credit facilities granted by AmBank and against the Company as guarantor of the said facilities for the sum of RM70,402,636.90 as at 31 July 2017, together with interest and costs on a solicitor-client basis allegedly due to AmBank for the breach of the facilities. On 13 October 2017, AmBank filed the AmBank Summary Judgment Application in the High Court of Malaya at Kuala Lumpur against the Company and NCD pursuant to the aforementioned claim. The AmBank Summary Judgment Application was heard on 11 January 2018 and the Court had fixed 6 July 2018 to give its decision. On 5 July 2018, the Company and NCD had agreed with AmBank for AmBank to withdraw the AmBank Summary Judgment Application on the condition that if Company does not complete the listing of the Rights Shares pursuant to the terms of the Proposed Scheme by 30 September 2018 or such other date as may be agreed to by AmBank at its sole and absolute discretion, AmBank may enter consent judgment against the Company and NCD.

RISKS RELATING TO THE INDEBTEDNESS OF THE GROUP

The Group has experienced net losses

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017, the Group experienced net losses of RM3.02 billion principally as a result of assets impairment and written down. In view of the challenging market conditions in the offshore and marine sector resulting in lower vessel utilisation and downward pressure on charter rates, there is no assurance that the Group will not incur additional impairments or net losses in the future. It is uncertain that the Group will generate positive cash flow or achieve or sustain profitability in the future.

Historically, the Group has financed its operations via internally generated cash and bank borrowings. However, in view that the Group will be under a scheme of arrangement and the level of indebtedness, this may, *inter alia*, restrict its access to, and may adversely impact the terms of, current or future financings, further details of which are set out in the risk factor entitled “The Group’s level of indebtedness could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in its business or its industry and place it at a competitive disadvantage”. The inability to generate positive operating cash flow and/or obtained additional banking borrowings on acceptable terms or at all would materially and adversely affect the Group’s ability to satisfy its working capital requirements, and its repayment obligations of the restructured debts under the Proposed Scheme, further details of which are set out in the risk factor entitled “The Group may not be able to general sufficient cash flow to meet its debt obligations”.

The Group may not be able to generate sufficient cash flow to meet its debt obligations

The continuing depressed charter market has caused uncertainty and may affect the Group’s ability to generate sufficient cash flow from its operations to finance its debt obligations, including the restructured debts under the Proposed Scheme.

A range of economic, competitive, business, and industry factors will affect the Group’s future financial performance and as a result, the Group’s ability to generate cash flow from its operations and to repay its debt obligations, including the restructured debts under the Proposed Scheme. Many of these factors, such as oil and gas prices, economic and financial conditions in the Group’s industry and the global economy and competitive initiatives of the Group’s competitors are beyond its control.

APPENDIX B – RISK FACTORS

For instance, worldwide downturns in the shipping industry may be experienced as a result of generally weak economic conditions. The commercial shipbuilding and shipping industries are cyclical in nature as they are sensitive to the cyclical nature of the industries that they serve, such as offshore oil and gas, marine infrastructure and construction, transportation and other trade-related industries. The demand for and pricing of the Group's services are sensitive to global and regional economic conditions. The prolonged reduction in oil and gas activities has led to the oversupply of offshore support vessels along with influx of newly built vessels and overall reduction in charter rates and utilisation. The Group's businesses have been adversely impacted by the reduction in demand for the Group's built vessels leading to cancellation and deferment in delivery of the Group's vessels. The aforementioned factors have resulted in little or no returns from the Company's investments in its business, contributing to liquidity constraints, and adversely and materially affecting the Group's business, operations and financial performance. Continued or increased weakness in economic conditions would exacerbate these risks.

In addition, the shipbuilding and vessel chartering industries are highly competitive and the Group faces competition from existing competitors as well as new entrants. Some of the Group's competitors have more resources than the Group does while certain competitors may have lower costs of operations. They may also engage in aggressive pricing in order to gain market share. In the event that the Group's competitors are able to provide comparable services at a lower price and as a result, necessitate the Group to lower prices significantly in order to secure new contracts, this will result in the Group having a lower profit margin, which could in turn, have a material and adverse effect on the Group's financial performance.

The Group's inability to generate sufficient cash flows to satisfy its outstanding debt obligations, or to refinance its obligations on commercially reasonable terms, would have a material adverse effect on its business, financial condition and results of operations.

The Group's level of indebtedness could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in its business or its industry and place it at a competitive disadvantage

The Group is highly leveraged and has significant short-term liquidity requirements. As at 31 December 2017, the Group had approximately RM1.64 billion of current interest-bearing borrowings. Notwithstanding the implementation of the Proposed Scheme, the Group will continue to have substantial indebtedness.

The Group's ability to service its debt will depend on its future performance which, in turn, depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for the Group's vessels and chartering services, costs of raw materials and other factors specific to industry or specific projects, many of which are beyond the Group's control. The Group may not be able to generate sufficient cash flow from operations and future sources of capital may not be available to the Group in an amount sufficient to enable it to service its indebtedness, or to fund its other liquidity needs.

If the Group does not generate sufficient cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its debts, selling assets, reducing or delaying scheduled expansions and capital investments, or seeking to raise additional capital. There is no assurance that the Group would be able to enter into these alternative financing plans on commercially reasonable terms, or at all. However, any alternative financing plans that the Group undertakes, if necessary, may not allow it to meet its debt obligations. The Group's inability to generate sufficient cash flow to satisfy its debt obligations or to obtain alternative financing could materially and adversely affect its business, results of operations, financial condition and business prospects, as well as its ability to satisfy its obligations in respect of the restructured debt under the Proposed Scheme.

The Group's substantial indebtedness could result in, *inter alia*, the following:

- (a) limit its ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- (b) increases its costs of borrowing;

APPENDIX B – RISK FACTORS

- (c) require a substantial portion of its cash flow from operations to be used for payments on its debt and therefore reducing its ability to reinvest its cash flow from operations in its business;
- (d) limit its ability to fund future capital expenditures and working capital, or otherwise realise the value of its assets and opportunities fully because of the need to dedicate a substantial portion of its cash flow from operations to payment of debts or to comply with any restrictive terms of its debt;
- (e) limit its flexibility in planning for, or reacting to changes in its business and its ability to take advantage of future business opportunities;
- (f) place it at a competitive disadvantage to certain of its competitors with less indebtedness or greater resources who are therefore able to take advantage of opportunities that the Group's indebtedness prevents it from exploring; and
- (g) limit its ability to react to changing market conditions, changes in the industries that it does business in or economic downturns.

The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, and its ability to satisfy its obligations under the Proposed Scheme and any of its other indebtedness. The inability to satisfy its obligations under the Proposed Scheme may result in the premature termination of the Proposed Scheme which may, in turn, result in, *inter alia*, the Company being unable to pay its debts as they fell due and deemed insolvent, and making it more susceptible to issuances of statutory demands from its creditors, as well as winding up or judicial management proceedings being taken out against it by its creditors, further details of which are set out in the risk factor entitled "The Proposed Scheme may not be successfully concluded".

RISKS RELATING TO THE BUSINESS OF THE GROUP

The Group operates in competitive industries

The shipbuilding and vessel chartering industries are highly competitive and the Group faces competition from existing competitors as well as new entrants. The Group competes on the basis of, *inter alia*, its ability for timely delivery of vessels constructed by it and the shipbuilding contractors in the PRC which under take construction of vessels for the Group from time to time ("**PRC Contractors**"), the type, price and quality of its vessels, the capabilities and capacity of its shipyard and the PRC Contractors and the type of equipment. The Group's future business prospects are dependent to a large degree on its ability to continue to meet changing customer needs, anticipate and respond to technological changes, develop effective and competitive relationships with its customers and suppliers and secure financing necessary to win new contracts. The vessel chartering industry is fragmented with many global and regional charterers, owners and operators of vessels and is characterised by intense competition. For the vessel chartering business, competitive factors include charter rates and the quality and availability of the vessels. The Group's competitors may, from time to time, engage in aggressive pricing in order to gain market share and this could reduce the Group's market share or affect the prices it charges for its vessels and vessel chartering services. Some of the Group's competitors may have greater financial and technical resources and lower operating costs than it or may have greater negotiating leverage or market share in the markets which it operates in or intends to venture into. Further, the Group's competitors may be able to respond more quickly to changes in customers' requirements than it or may have a competitive strength in building or supplying certain types of vessels as compared to it. Accordingly, the Group's business would be adversely and materially affected if it is unable to maintain its competitive strength and compete successfully against its competitors and any new entrants to these industries in the future.

A significant number of the Group's vessels are built before securing a shipbuilding contract

The Group does not build all of its vessels on a secured contract basis. The Group frequently initiates the building of its vessels in anticipation of procuring sales contracts for these vessels at a later stage in the shipbuilding process. Although the Group typically undertakes extensive market research so as to reduce the risk that its build-to-stock vessels may not have a market demand upon completion, there is no assurance that, when completed, the build-to-stock vessels will have a market demand and if no

APPENDIX B – RISK FACTORS

buyers can be secured for these vessels by the time of their completion, the Group would have to either sell the vessels at reduced prices or add them to its chartering fleet and operate them until the market improves, which may affect its revenue and profits.

The Group's business is dependent upon the availability of financing and may be subject to liquidity risk

The Group operates in a capital-intensive industry. Its shipbuilding operations require significant working capital during the construction phase. The Group presently finances its operations via internally generated cash and bank borrowings. Bank facilities and/or refund guarantees for individual shipbuilding projects are approved on a project-by-project basis. These facilities may be renewed by the Group's lenders on an annual or ongoing basis. However, as mentioned in the risk factor entitled "The Group's level of indebtedness could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in its business or its industry and place it at a competitive disadvantage", the Group's substantial level of indebtedness may result in, *inter alia*, limitations on its ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes and increased costs of borrowing. In addition, the Group cannot assure that it will be able to renew the facilities upon their expiration, or that they will be granted on the same terms.

The Group's growth strategy and the further expansion of its business may require significant additional investments and capital. The Group's shipbuilding operations and expansion plans are dependent upon and limited by its ability to secure additional financing on commercially favourable terms, or at all. The terms of its debt financing arrangements and guarantee facilities may require it to pledge collateral to the lenders and may contain restrictive financial covenants or other covenants which increase its costs or restrict its business and operations. As such, it may not be able to raise the additional capital required to fund its operations and growth, which would have a material adverse effect on its business, results of operations and prospects. Further, should the Group breach any financial or other covenants contained in any of its financing agreements, it may be required to immediately repay its borrowings together with any related costs, which could adversely impact its business, results of operations and prospects.

Based on the notice of repayment exercise distributed to all Creditors following the Scheme Meeting, the amount admitted by the Scheme Manager for voting purposes is approximately US\$425 million ("**Pre-Adjudication and Set Off Liabilities**"), and after deducting the Initial Value of the Secured Assets of approximately US\$45 million, monies in the ISRAs for Series 003 Notes and Series 004 Notes of approximately US\$1.3 million for payment of interest up till 31 December 2017 and partial repayment of principal, and excluding the Company's liabilities in relation to the Corporate Guarantees to the Other Creditors For JV Companies of US\$19 million which have not Crystallised as at the Latest Practicable Date, the total liabilities under the Proposed Scheme is approximately US\$359 million (including the Notes held by SK Global of approximately US\$11 million) ("**Post-Adjudication and Set Off Liabilities**"). The Nam Cheong Restructuring Group is presently not in a position to meet all its liabilities as and when they fall due.

The Group has historically serviced its financing obligations through funds generated from its operations. However, as mentioned in the risk factor entitled "The Group's level of indebtedness could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in its business or its industry and place it at a competitive disadvantage", the Group's substantial level of indebtedness may result in, *inter alia*, limitations on its ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes and a substantial portion of the Group's cash flow from operations to be used for payments of its debts. There can be no assurance that the Group's cash flow will be sufficient to meet its payment obligations for its outstanding indebtedness or its trade payables in the future. Further, where the Group undertakes to construct build-to-stock vessels, there will be no cash inflows until it is able to secure a buyer at a later stage of the construction process, which may pose further problems in it meeting its financial obligations. If the Group is not able to generate sufficient cash from its operations to meet its payment obligations as and when they fall due or to raise additional funds at commercially acceptable rates when necessary or at all, it may default on these obligations which would in turn have an adverse effect on its business, operations, financial condition, results of operations and prospects.

APPENDIX B – RISK FACTORS

In the event that the Group is unable to meet the requirements and obligations in relation to such borrowings or they are withdrawn by its lenders, and it is unable to procure alternative financing to meet its operational needs, its business may be adversely affected.

Any disruptions, uncertainty or volatility in the stock and credit markets may limit the Group's access to capital. Prolonged disruptions to the credit markets or weak financial performance could limit the Group's ability to borrow funds from its current funding sources, provide refund guarantees for customer advances, or cause its continued access to funds to become more expensive. Non-availability of working capital funding and/or refund guarantees may also result in loss of shipbuilding orders that the Group could have otherwise secured. The Group may also be forced to delay raising capital or pay unattractive interest rates, which would increase its interest expenses, decrease its profitability and reduce its financial flexibility.

In addition, should the financing available to the Group not be sufficient to meet its financing needs, the Group may be forced to reduce or delay capital expenditures, discontinue ongoing shipbuilding projects, or sell assets or businesses at unanticipated times and/or on unfavourable prices or other terms, or to seek additional equity capital or to restructure or refinance its debt. There can be no assurance that such measures would be successful or adequate to raise the necessary financing and/or to meet its debt and other obligations as they come due. If such measures prove to be unsuccessful or inadequate, it would have a material adverse effect on its business and results of operations.

The Group faces risks relating to the outsourcing of the construction of vessels to the PRC Contractors

Prior to 2015, the Group has been receiving shipbuilding orders in excess of its internal capacity. To fulfil these orders and increase its capacity, the Group outsourced the construction of certain vessels to the PRC Contractors. The Group does not have any long-term sub-contracting arrangement with the PRC Contractors and its shipbuilding contracts with them are entered into on a vessel-by-vessel basis. As at the Latest Practicable Date, more than 90% of the vessels under the Group's current shipbuilding programme are expected to be fulfilled by the PRC Contractors.

The Group believes that the PRC Contractors would be affected by, *inter alia*, economic, legal, regulatory, political, social and other conditions in the PRC. If their operations are affected by any such conditions (including changes in such conditions or the interpretation thereof), this may affect their ability to carry out their obligations to the Group and/or otherwise affect their ability to continue working with the Group.

The Group's future growth and success also depends, in part, on its relationships with the PRC Contractors and the available production capacity and capabilities of these PRC Contractors. There is no assurance that the PRC Contractors will continue to work with the Group or that they will continue to provide the Group with the same level of support in terms of production capacity, timelines in delivery of the vessels or the same level of quality in terms of service, which they have provided in the past. Any deterioration in the quality of service rendered by the PRC Contractors or where the PRC Contractors are unable to meet the specific requirements of the Group's customers during the shipbuilding process or any breach of the terms or conditions of the shipbuilding contracts may result in the Group being unable to fulfil its contractual obligations or lose future business opportunities and may also adversely affect its business.

There are currently no exclusivity or non-competition provisions in the Group's shipbuilding contracts with the PRC Contractors, and there is no assurance that the PRC Contractors will not compete with the Group by dealing directly with the Group's end customers. Further, some of the PRC Contractors build OSVs for the Group's competitors.

In addition, the Group may be required under the terms of the shipbuilding contracts with the PRC Contractors to make certain payments based on specified milestones. For example, the first instalment is usually payable upon signing of a contract with a PRC Contractor. In the event that the PRC Contractors do not fulfil their contractual obligations, become insolvent or are not permitted by local, provincial or central governmental authorities to carry on business, there is no assurance that the Group will be able to recover the full amount of such payments. The Group generally does not obtain refund or performance guarantees from financial institutions in respect of the payments made by the Group to the PRC

APPENDIX B – RISK FACTORS

Contractors. The quantum for which the Group may be liable to its customers may be greater than the amount which the Group may recover (if at all) from the PRC Contractors. The PRC Contractors are entities based and/or established in the PRC and the Group believes their main assets and operations are located there. It could be difficult for the Group to effect service of process and/or to enforce any judgment obtained in Malaysia against them. It could also be difficult and costly for the Group to take legal action against the PRC Contractors in the PRC.

The Group has outsourced a portion of its shipbuilding to the PRC Contractors since 2006 and the PRC Contractors have thus far delivered constructed vessels according to the contracted terms. However, the Group may not be aware of potential issues that could arise.

The Group operates in highly regulated industries and any changes in or non-compliance with Malaysian or international regulations could impact the Group

The shipbuilding industry is highly regulated. The Group has no control over the regulations that could impact it. Any breach or non-compliance with these laws and regulations may result in the suspension, withdrawal or termination of the Group's business licences or permits, or the imposition of penalties, by the relevant authorities. Further, if more stringent Malaysian or international regulations applicable to the shipbuilding industry are imposed in the future or if additional regulations or controls requiring the adoption of new construction requirements are introduced such that the Group cannot satisfy them in a cost-efficient manner or the Group is unable to pass all or part of any additional costs resulting from these new requirements to its customers or material delays in its shipbuilding activities are caused, its operating results or financial condition would be adversely affected. The Group is unable to predict the extent to which its future earnings may be affected due to any non-compliance with such new regulations.

The Group's vessel chartering operations are affected by extensive and evolving environmental protection, health and human safety and other requirements in the form of various international conventions, national, state and local laws and/or regulations in force in the jurisdictions in which its vessels operate, as well as in the countries in which such vessels are registered. Subject to arrangements with the charterer concerned, compliance with such laws and regulations may entail significant expenses on its part. The Group could also face substantial liability for penalties, fines, damages and remedial costs associated with hazardous substance spills or other discharges into the environment under such laws and regulations. Additional laws and regulations may be adopted which could limit its ability to conduct business, including its ability to renew its licences and permits, which could have a material adverse effect on its business.

Under the terms of its shipbuilding contracts, the Group typically has the right to terminate a shipbuilding contract if the customer defaults on its obligations, usually when a customer is unable to obtain sufficient financing for the project or when its financial condition has been adversely affected, in which case the Group is entitled to retain the instalment payments received as well as the finished or unfinished vessels for resale to recover the contract price and interest on outstanding instalment payments. To the extent that the sum of the instalment payments and the resale proceeds is insufficient to satisfy the contract price and interest, the customer can be held liable for such deficiency. The Group cannot assure investors that the Group will be able to replace orders which are terminated by its customers or the Group or find purchasers for the finished or unfinished vessels to recover its costs and expenses, or to recover any deficiency from the customer. In addition, its order book may decrease, which could adversely affect its sales revenue and profits. The Group cannot guarantee that its results of operations will not be materially and adversely affected if its order book were to decrease substantially through termination of existing contracts.

The Group is exposed to risk of default by its customers and/or payment delays

The Group's customers may be unable to meet their contractual payment obligations to it, either in a timely manner or at all, or may otherwise default on these obligations. The reasons for such non-payment or payment delays may include the customer's insolvency, a general downturn in the market for vessels and demand for OSVs, inability of customers to raise sufficient financing for the purchase of the vessel, and other business-related decisions by its customers. There have been occasional delays in payment which were not material, and did not affect the financial performance of the Group.

APPENDIX B – RISK FACTORS

While the Group generally requires down payments of 10% to 30% of the contract value for its shipbuilding contracts, the remainder of the contract price is typically due upon delivery. As a result, the Group incurs significant costs, primarily for equipment, which can be of significant value, and for direct labour costs related to shipbuilding, before its customers are obligated to make corresponding payments.

Although prior to entering into a contract the Group considers each customer's ability to pay based on the customer's reputation and history, and at times requires financial assurances (such as bank guarantees) from its customers, the Group cannot assure investors that its customers will make their instalment payments on time, or at all. Prior to delivery of a vessel, the aggregate amount of the instalment payments received are typically significantly less than the aggregate amount of the construction loans and costs and overhead expenses the Group has incurred. Any failure by its customers to meet their contractual payment obligations to the Group could materially and adversely affect its cash flows or result in significant losses on a contract or several contracts. In the event a customer fails to pay, although the Group may take certain actions depending on the contractual terms in order to recover its construction costs, including seeking to sell the vessel to a third party, the Group may be unable to sell the vessel in question to another customer, either at a comparable price or in a timely manner, or at all.

Furthermore, the lender who has provided the construction financing loan facility typically has a first priority mortgage on the vessel under construction. If the Group defaults on its payment obligations to the lender, its claim to such potential sales proceeds would consequently be contractually subordinated to that of the lender.

The Group's customers may also request delivery delays due to their financial position or other reasons. Although customers generally agree to an increase in their payment obligations in such circumstances, such delays may have the effect of delaying recognition of revenue and cash inflow for the Group, and there is no guarantee that the customer will make the payment as agreed, or at all. In addition, the Group may not be able to enforce its contractual rights to receive payment or compensation through legal proceedings.

The occurrence of any such events could have a material adverse effect on the Group's financial condition and results of operations.

The Group is exposed to the risk of increases in the price of raw materials and equipment

The major components of its cost of sales for its shipbuilding business include engines, propellers, bulk tanks, compressors, winches, generator sets and direct materials such as steel plates, welding rods and pipes. Shortages in the supply of such raw materials and equipment may result in an increase in the price of these raw materials and equipment. In addition, the costs of certain raw materials and equipment may fluctuate in line with any changes in their global supply and demand. In the event that its raw materials and equipment increase in prices and if the Group is unable to pass on all or part of these increases in costs to its customers in a timely manner or at all, its business, financial condition, results of operations and prospects could be adversely affected.

Information relating to the Group's order book may not necessarily be indicative of its future revenue, results of operations or financial condition

The contracts that make up the Group's order book have a significant impact on its future revenue and profits. However, delays, scope adjustments or cancellations to such contracts may occur. As its work progress is constrained by the capacity of its production facilities, any delay or scope adjustments in respect of any of its outstanding shipbuilding contracts could have an adverse effect on the progress of the other contracts in the Group's order book. If the Group does not achieve its expected margins or it suffers losses on one (1) or more of these contracts, its profits would be reduced. Although projects in its order book represent business that the Group considers firm, defaults or scope adjustments by the customers or other unforeseen delays may occur. Due to these uncertainties, the Group cannot assure when or if the projects in its order book will be performed and will generate revenue. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to the Group. There is no assurance that the Group would be able to recover against such defaulting parties. There may also be delays associated with collection

APPENDIX B – RISK FACTORS

of receivables from customers. Any delay, cancellation or payment default could materially harm its cash flow position, revenue or profits and adversely affect its business, financial condition, results of operations and prospects.

The Group is dependent on a few of its major customers

The Group's shipbuilding business is a project-based business and individual contracts can have a significant contribution to its revenue. Depending on the delivery schedules of the vessels, its revenue and results may fluctuate significantly from year to year. In addition, the Group frequently enters into more than one (1) shipbuilding contract with a single customer at or about the same time, which increases that customer's contribution to its revenue in any given period.

If any of its major customers is unable to make payment for vessels it has ordered or otherwise defaults on its payment obligations or cease to have dealings with the Group or materially reduces the level of frequency of its orders for new vessels from the Group and the Group is unable to secure new orders from other sources to replace such a loss or reduction, its shipbuilding business, financial condition, results of operations and prospects will be materially and adversely affected.

The Group is dependent on its suppliers and manufacturers of equipment

In undertaking shipbuilding projects, the Group procures materials and components from third party manufacturers and suppliers over whom the Group has no control. Depending on the specifications of its customers and the vessels, the Group may be required to acquire specialised equipment or components used in its shipbuilding business, such as main engines, propellers, bulk tankers, compressors, winches and generator sets. At times, such specialised equipment or components may only be sourced from a single or a limited number of manufacturers and suppliers. For example, Rolls Royce Marine AS, Caterpillar Marine Power Systems and Yanmar Asia (Singapore) Corporation Pte Ltd are recognised in the shipbuilding industry as leaders for the manufacturing and delivery of main engines.

The Group has previously experienced some delays in obtaining supplies of engines and raw materials for its shipbuilding operations due to the shortage of such supplies globally or delayed delivery of critical equipment or components from its suppliers. If for any reason the Group is unable to purchase the required specialised equipment or components from its suppliers, the Group may not be able to find replacement suppliers of main engines that are suitable for its vessels at commercially acceptable terms, or at all. If the Group is unable in such circumstances to seek alternative and sufficient sources in a timely manner or on favourable terms or at all, the cost of equipment may increase or the Group may not be able to undertake or to complete a particular project at all. Any of these factors may have an adverse effect on its revenue, profits and reputation and the Group may be subject to contractual claims by its customers.

The Group relies on third parties for the provision of certain services and in other areas in which it lacks know-how

The success of the Group's business depends in part on its ability to offer its customers vessels built to modern designs with high technical specifications, which the Group from time to time needs to purchase from third party designers due to its customers' requests or the unique design capability of such third party designer. There can be no assurance that, when third party designs are used, such third party designs will meet the customers' specifications or its engineering and construction standards. In the event of a delay in vessel delivery due to design flaws, its design purchase contract typically provides for compensation by way of liquidated damages. However, the contracts typically include a cap on the compensation amount, and the compensation available under the contracts may be less than the actual losses suffered by the Group.

Similarly, there can be no assurance that as third party designers continue to improve designs and as new designs or technical improvements in materials and equipment come to market, the Group will be able to purchase at any given time such preferred designs, materials or technology. If the Group is unable to do so, its competitors may be able to offer vessels built to designs that the Group is unable to offer as well as vessels with higher technical specifications than its vessels, which could have a material adverse effect on its business and results of operations.

APPENDIX B – RISK FACTORS

The Group is reliant on its sub-contractors for vessels constructed at its Miri yard, in Sarawak, East Malaysia (“Miri yard”)

The Group outsources certain jobs such as fabrication work, outfitting, blasting, welding, painting as well as electrical and piping works to its sub-contractors for vessels constructed at its Miri yard. However, the Group does not have long-term contracts with these sub-contractors nor do these subcontractors carry out work exclusively for it. These sub-contractors may also use defective or poor quality materials or less skilled workers. In the event that the Group is unable to secure the services of such sub-contractors at all or at competitive rates, or if they default on their contractual obligations or fail to carry out the works in accordance with the prescribed specifications, the Group may not be able to deliver the vessels to its customers at all or within the required timeframe or in accordance with the agreed quality and/or specifications, its business may be adversely affected.

The Group’s sub-contractors are typically required to provide insurance coverage for all workers hired by them as well as to ensure that all workers have valid work permits. In the event that a sub-contractor fails and/or neglects to provide such insurance or an accident which is not covered by such policies occurs or fails to arrange for valid work permits, the Group may have to bear substantial liabilities arising from such breaches of labour ordinances or accidents. In addition, in the event that its sub-contractors are unable to secure the necessary work permits for their workers, or where there are any disputes between its subcontractors and their workers resulting in work stoppages, its operations may be disrupted.

The Group’s shipbuilding contracts are usually on a fixed price basis and it may incur losses as a result of cost overruns

Most of its shipbuilding projects are fixed price contracts, with any change to the price subject to an agreement with its customer. The Group typically enters into these contracts between one (1) and three (3) years prior to the scheduled delivery of a vessel. The Group attempts to forecast its costs of labour and supplies when the Group enters into its contracts. The actual costs incurred and profits the Group realises on a contract may vary from its estimates due to factors including:

- (a) underestimation of its costs and construction time at the initial project bidding stage;
- (b) unanticipated variations in costs of labour, equipment productivity, supplies, materials, parts, subcontracting and overheads, which may result from factors such as unforeseeable general cost increases, inflation, shortages, increased demand from shipbuilding companies and companies in other industries, regulatory changes and unfavourable weather conditions;
- (c) unanticipated delays in delivery of equipment, components and supplies for construction of vessels;
- (d) failures or defaults by suppliers and defects in components and supplies for construction of vessels;
- (e) delays and corrective measures due to poor workmanship or any other failure to meet customer specifications, including as a result of design defects; and
- (f) unanticipated unfavourable foreign exchange movements.

Under its fixed price contracts, the Group retains all cost savings on completed contracts but is also liable for the full amount of all cost overruns unless these were due to modifications requested by the customer. The pricing of fixed price contracts is crucial to its profitability, as is its ability to quantify risks to be borne by the Group and to provide for contingencies in such contracts accordingly. In particular, with respect to contracts with extended delivery times, it is more difficult to accurately estimate the prices of raw materials and other costs at the time the contract is entered into. Significant cost overruns or unanticipated cost increases and/or shortages in the supply of materials and components may materially and adversely affect its financial condition and results of operations.

APPENDIX B – RISK FACTORS

The Group may not be able to meet its construction schedules and may face delays in the delivery of vessels to its customers

A number of factors may affect the construction schedules of the Group and its ability to deliver its vessels on the contractual delivery dates, including weather conditions and delays in delivery of materials, equipment and components from its suppliers. The Group is dependent on its suppliers for the timely delivery of certain key materials, equipment and components such as winch systems, propulsion systems and main engines.

Prior to contracting a new order, the Group typically secures binding orders for some of the main components. However, the Group may encounter situations where the Group is unable to deliver its ships on schedule due to, among other reasons, late delivery or shortage of materials, equipment and components from its suppliers, as well as design or scope adjustments.

Many of the Group's fixed price contracts provide for damages for late delivery. Any substantial delay in the completion and delivery of the vessels under its shipbuilding contracts may result in the Group being liable to pay its customers certain liquidated damages under the relevant agreement. Under the shipbuilding contracts with its customers, the Group generally has a 30 to 60 day grace period beyond the contractual delivery date to deliver the vessels to its customers. If a delay extends beyond the grace period, its customers have the right to adjust the contract price according to the contract terms except where such a delay is due to a reasonable cause. If a delay continues significantly beyond the date of delivery stipulated in the contract, its customer may rescind its shipbuilding contract with the Group and make claims against it for damages. Certain shipbuilding contracts of the Group do not provide for liquidated damages for late delivery but allow the Group to notify its customers to propose a new delivery date. Upon such notification, its customers will have the option of terminating the contract or accepting the new delivery date.

With such provisions and *in situations* where the Group is unable to deliver the vessels to its customers on a timely basis and/or in accordance with specifications for whatever reasons, or in the event of a material breach by the Group of a shipbuilding contract, its customers may seek compensation from the Group or may rescind their contracts. In cases where its customers elect to rescind the contract while work is in progress, the Group is typically required to refund all the progress payments made by its customers under the shipbuilding contract together with interest and are left with the progress work/vessel for which the Group could complete construction of and sell in the open market or retain for its vessel chartering business. They may also claim on any refund guarantee issued by its bankers and the Group may become, in turn, obliged to indemnify its banks. In such circumstances, its reputation and business may be adversely affected.

The Group cannot assure investors that there will not be delays in the future or that its customers will not cancel their contracts with the Group as a result of such delays. Any such delay or cancellation or termination could have an adverse impact on its business reputation, financial condition and results of operations.

The Group is exposed to foreign exchange risks

The majority of the Group's revenue for shipbuilding is denominated in US dollars. The shipbuilding segment contributed to approximately 81% of the Group's total revenue in FY2017. Therefore any significant depreciation of US dollars may affect its revenue adversely. In respect of its contracts with the PRC Contractors, they are denominated in US dollars. Further, the Group's purchases are also primarily denominated in foreign currencies.

The Group is also exposed to fluctuations in foreign exchange arising from the difference in timing between its receipt and payment of funds. To the extent that its sales, purchases and operating expenses are not matched in terms of currency and timing, the Group is faced with a foreign exchange exposure. The Group's functional and reporting currency is RM. Hence, any fluctuation in currency exchange rates will also result in foreign exchange gains or losses arising from transactions carried out in foreign currencies as well as translation of foreign currency monetary assets and liabilities as at the balance sheet dates. All resultant foreign exchange differences are dealt with through the respective profit and loss account in each entity under the Group.

APPENDIX B – RISK FACTORS

The Group may suffer an uninsured loss which is unanticipated

Shipbuilding involves the fabrication and refurbishment of large steel structures, the operation of cranes and other heavy machinery and other operating hazards. Owing to the nature of shipyard operations, the Group is subject to the risk of accidents resulting in personal injuries or fatalities occurring either to its employees or to third parties who may be involved in accidents while on its premises or vessels. These accidents may occur as a result of occurrences such as fires, explosions or other incidents. These risks could expose the Group to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages. Furthermore, its assets could suffer physical damage caused by fires or other causes, leading to work stoppages, loss of production capacity and customer contracts and losses. In addition, certain types of risks (such as war risks, pirate attacks and terrorist acts) may be uninsurable or inadequately insured. Should such a loss occur, the Group could lose the capital invested as well as anticipated future revenue. War risks, pirate attacks or terrorist attacks may also result in substantial increases in the insurance premium payable by the Group. The Group would also remain liable for any debt or other financial obligations related to the assets.

The Group may also be subject to claims resulting from the subsequent operations of vessels the Group has delivered. Although the Group has certain limited insurance for business interruption, its policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective or sufficient. In some of the jurisdictions in which the Group operates, environmental and workers' compensation liability may be assigned to the Group as a matter of law. Customers, suppliers and subcontractors may not have adequate financial resources to meet their indemnity obligations to it.

Although the Group has obtained insurance for its employees as required by the laws and regulations in the countries in which the Group operate, as well as for its important properties and assets, including work-in-progress assets, its insurance may not be adequate to cover all potential losses and liabilities. Further, the Group cannot assure investors that insurance will be generally available in the future or, if available, that the premiums will not increase or remain commercially justifiable. In relation to the vessels built by the PRC Contractors, the Group has not verified whether the PRC Contractors have obtained insurances or adequate insurance coverage as required of them under the relevant shipbuilding contract.

In its vessel chartering business, the Group is exposed to inherent risks and external factors which are beyond its control such as pollution incidents, collisions, grounding, sinking, adverse weather conditions, fires and other calamities as well as arrest, detention or confiscation of its vessels. Any of these factors may cause disruptions to its operations and result in loss or damage to its vessels or cargo transported by its vessels or injuries or loss of lives. In the event of an oil spill or damaged or lost cargo, the Group may incur liability for containment, clean-up and salvage costs and other damages. The Group may also be liable for wreck removal charges or damages or compensation payable to third parties arising from vessel collisions such as in cases where there is negligence or contributory negligence on its part.

If the Group incurs substantial liability and insurance does not or is insufficient to cover the damages, or if the payment of its insurance claim is delayed, its business, financial condition, results of operations and prospects may be adversely affected. In addition, the occurrence of any of these risks could adversely affect its reputation.

The Group's operations may be adversely affected if there is any significant downtime of its shipyard equipment or vessels

The Group's manufacturing processes depend on certain critical shipyard facilities, such as steel cutting machinery and cranes that may be subject to unexpected interruptions, including from natural disasters and man-made accidents. In order to reduce the risk of shipyard facility production interruptions, the Group maintains a maintenance and loss prevention program, has onsite maintenance and repair facilities, and keeps an inventory of key spare parts and machinery. Its shipyard operations could be adversely affected by events such as the breakdown of equipment, difficulties or delays in obtaining spare parts and equipment, labour disputes, raw material shortages, extended power shortages, fire, natural disasters, civil disorders, industrial accidents and the need to comply with government directives concerning matters such as hygiene, safety and environmental protection.

APPENDIX B – RISK FACTORS

Any material breakdown, failure or sub-standard performance of machinery or the Group's vessels may result in operational disruptions and downtime. In particular, such disruption may occur when the Group operates at or close to maximum capacity, and if its equipment or vessels have to be taken out for extensive servicing or repair instead of being utilised for its business. Where the equipment needs to be replaced, the common lead-time would be approximately three (3) months. In such circumstances, the Group may be unable to meet its contractual obligations to its customers. Any such major disruption or disaster at its production facilities could have a material adverse effect on its results of operations and financial condition.

The Group is dependent on key personnel

The Group's success is dependent upon the continued services and efforts of its key personnel and management team headed by its Executive Chairman, Tan Sri Datuk Tiong Su Kouk, and executive directors, who are familiar with its business and are responsible for formulating and implementing its business strategies and corporate development plans. They have been instrumental in charting its business direction and spearheading its growth, as well as maintaining the relationships with its customers and suppliers. The Group believes that its future success will be dependent, to a large extent, on its ability to retain the services of these key personnel and its management team. Competition for qualified personnel is intense and the Group may be unable to identify and recruit such personnel if and when needed on short notice. If the Group loses the services of any of its existing key personnel or management team without timely and suitable replacements or are unable to attract new personnel with suitable experience as the Group grows, its business may be materially and adversely affected.

The Group may not be able to manage its expansion successfully

The Group's future operating results will depend on its management's ability to manage its growth, which includes recruiting and retaining qualified employees, controlling costs and expanding its fleet of vessels and facilities and their capacity utilisation. As part of its future plans, the Group intends to develop its shipbuilding programme in respect of build-to-stock vessels and to expand its vessel chartering business. There is a risk that the Group may be unable to identify demand trends correctly or accurately, whereby the Group is not able to secure any contracts for its build-to-stock vessels after the completion of these vessels and consequently, the Group may incur costs or suffer losses. In addition, the Group has a limited track record in the vessel chartering business, as the Group only commenced its chartering operations in 2007, and there can be no assurance that the Group will be successful in this business. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources and may not yield the results the Group expects.

The Group is exposed to fluctuations in charter rates

The Group derives part of its revenue from the chartering of its vessels to third parties, either directly or through its strategic partnerships. The tenure of these contracts can range from a few weeks to years. Rates for these charters are determined principally by the balance of supply and demand in the market for the relevant type of vessel, which is determined by the general global economic conditions. A decrease in the demand for the types of vessels that the Group charters, or an increase in the supply of such vessels, would decrease the rates that the Group and its strategic partners would be able to charge under new charter contracts (and, potentially, the utilisation rate of the fleet). Depending on the market conditions prevailing at the time the charter contracts for its vessels terminate, the Group and its strategic partners may not be able to enter into new contracts on commercially similar terms or at all. Any significant decline in charter rates in the future would have an adverse effect on its revenue and results of operations.

The Group may be unable to attract and retain sufficient skilled and/or qualified personnel

The Group requires skilled employees and qualified personnel at its shipyard such as engineers, technicians, welders, crane and other equipment operators. However, competition for such skilled labours in Malaysia and the PRC is intense. Its competitors may also be expanding their operations and may require additional workers. The Group may therefore from time to time experience difficulties in attracting and retaining highly skilled employees. Labour shortages could increase the costs of labour. If the Group is unable to maintain a sufficient number of skilled and qualified personnel to handle the more

APPENDIX B – RISK FACTORS

sophisticated and complex shipbuilding processes, or is required to pay substantially higher salaries to procure the services of these personnel, its ability to grow could be limited, thus adversely affecting its financial performance.

The Group is dependent on foreign labour

Under the Sarawak Labour Ordinance, the Group is required to apply for a licence to employ foreign workers prior to their employment and these licences are subject to periodic renewal. The Group cannot give assurance that such applications for the licences for its foreign labour force will be approved by the Department of Labour of Sarawak in a timely manner or at all. These would pose further problems to its labour requirements. In the event the Group is unable to secure labour as and when the Group requires, it would have a material adverse effect on its operations, operating results and financial condition. Further, its sub-contractors are also dependent on foreign labour to carry out the sub-contracts at the Group's Miri yard and are hence exposed to similar risks as explained above.

Application of the percentage-of-completion accounting and uncertainties related to revenue estimates could have a significant impact on the Group's period-to-period results of operations

Since the Group's shipbuilding contracts are completed over a period of several months or years, the timing of the recognition of related revenue has a significant impact on its quarter-to-quarter or year to-year results of operations. The Group uses the percentage-of-completion method to recognise and account for revenue the Group derives from its shipbuilding contracts in progress, where such ships are the subject of a sale contract. Under this method, upon the securing of a sales order, its revenue is recognised based on the percentage of costs incurred (including equipment, material, labour and financing costs) compared to estimated total costs for each contract. As a result, due to the differences between actual and estimated costs, the recognition of revenue that the Group reports may differ from revenue that would have been calculated based on actual costs.

The scope of variation orders and extent of potential claims may also affect revenue estimates. In addition, the accuracy of revenue estimates may also be affected by its previous experiences on similar construction projects. Generally, there are greater uncertainties related to revenue estimates of projects with new designs compared with construction of vessels with designs and capacities largely similar to vessels previously built by the Group. Unanticipated events, changes in assumptions and the Group's management's judgments will affect recognition of revenue in any reporting period.

In addition, the Group revises its estimates of the total costs during the construction process, and recognises any additional costs as new information becomes available. The Group does not retrospectively adjust revenue and profit for these amounts. As a result, its margin on each shipbuilding project may vary from period to period during the construction process, which may result in its gross margins and results of operations varying significantly from period to period.

The Group's provisions for warranty claims may not be sufficient to cover the full extent of future warranty claims

The Group may face warranty claims from its customers in respect of defects, poor workmanship or non-conformity to the contractual specifications in respect of vessels it builds. The Group typically grants customers a warranty against manufacturing defects for a period of 12 months following delivery. During this warranty period, the Group is required to provide services to rectify any problems that may arise from construction defects, and may incur additional costs if rectification work is required in order for the Group to satisfy its obligations under these warranties. Although warranties for many of the key parts and components of its vessels, including winch systems, propulsion systems and main engines, are provided by the manufacturers of such parts and components themselves, the Group is liable for the materials and workmanship of the vessels themselves. As at 31 December 2017, the Group has not provided for warranty claims for material and workmanship as the Group does not expect such claims to arise.

Although the Group has not had any material warranty claims to date, there can be no assurance that significant warranty claim liabilities will not arise in the future.

APPENDIX B – RISK FACTORS

RISKS RELATING TO ITS INDUSTRIES

The demand for the Group's OSVs is highly dependent on the oil and gas and offshore marine industries, which are subject to business fluctuations and cyclical changes

As the Group's customers operate mainly in the offshore oil and gas industry, its operations are dependent on the level of activity in the exploration, development and production of oil and gas. Such activities are affected by factors such as the demand for oil, fluctuations in and the forecast of future oil prices, the number and locations of oil fields, the development and availability of new technology related to oil and gas extraction, the demand for and supply of alternative fuels or energy, the prices of alternative fuels or energy, changes in capital expenditure by customers in the offshore oil and gas industry, and general economic, social and political conditions. These activities are also affected by laws, regulations, policies and directives relating to energy, investment and taxation and other laws and regulations promulgated by the various governments from which licenses and permits must be obtained in order to engage in the exploration, development and production of oil and gas or other forms of energy supply.

Further, the Group is dependent on the offshore marine industry, which has traditionally been affected by changes in the demand and supply of vessels, freight and charter rates and capacity utilisation. These factors may contribute to volatility in its financial performance, as these factors can affect its customers' continued demand for its products and services.

In the event that there is deterioration in the oil and gas industry and offshore marine industry, or in global or regional economic conditions, ship owners may defer the building or procurement of new vessels. This may result in a decrease in its business activities, and as a result, its operations and financial position would be adversely affected. In January 2016, crude oil prices collapsed to approximately US\$27 per barrel, the lowest level since 2013. While oil prices did increase significantly through 2016, the volatility of oil prices caused a tapering in capital expenditure by oil companies. Such fluctuations, together with the deterioration in the global economic situation, have inhibited offshore marine players who are its existing or potential customers from raising the requisite financing to acquire offshore vessels. This could have an adverse effect on the Group's business, profitability and prospects.

The Group is subject to the cyclical nature of the shipbuilding and vessel chartering industries

The shipbuilding and vessel chartering industries are cyclical in nature and have traditionally experienced fluctuations in vessel value and charter rates, which are dependent on factors including the demand for and supply of vessels and shipping capacity, market trends in oil field exploration and developments and oil prices. Ship owners tend to order new vessels when freight rates and market expectations are on the rise. This may subsequently lead to overcapacity and may exert a downward pressure on freight rates and adversely affect the demand for new vessels and their value. In addition, there is a lag between the time when vessels are ordered and the time of their delivery. Typically, the number of vessels ordered is based on the projected demand for such vessels in the future. However, at the time of delivery of these vessels, factors such as weather conditions, the impact of port congestions, the number of vessels in efficient operating condition as well as strikes, armed conflicts, riots, social unrest and other political situations beyond its control in the countries within the shipping routes plied by its customers will affect the actual demand for the vessel, thereby creating an over-supply of vessels. The over-supply of vessels may depress the selling price of and charter rates for its vessels and adversely affect its shipbuilding and vessel chartering business. Hence, the cyclical nature of the industries in which the Group operates may contribute to the volatility of its business, financial performance and prospects.

The Group's vessels are subject to rules and requirements issued by designated classification societies and by governmental authorities

The vessels that the Group constructs are subject to rules and requirements issued by designated classification societies, as well as by national and international governmental and quasi-governmental bodies. These rules and requirements are subject to changes and interpretation outside the Group's control. Its ability to interpret, respond to changes in, and generally apply such rules and requirements in its design and construction of vessels is important for its performance. For example, any material failure to comply with the standards and/or regulations or any changes thereto, which are implemented from

APPENDIX B – RISK FACTORS

time to time, may result in non-issuance of certificates. If the appropriate certificates are not issued, the Group would be unable to deliver the vessels to its customers. Should the Group fail to build its vessels in accordance with the applicable rules and requirements, its business and results of operations may be adversely affected.

The Group is affected by regional and worldwide social, political, legal, regulatory and economic conditions

The demand for and pricing of its vessels are highly sensitive to global and regional economic conditions particularly in the South-east Asian region as well as seasonal and regional changes in demand and changes in the global fleet size of the types of vessels which the Group builds. Thus, weak economic conditions or unfavourable social, political, legal and regulatory conditions such as terrorist attacks, war, political and social unrest and riots, trade sanctions and embargoes may result in a downturn in the shipping and shipbuilding industries. Any global and regional economic slowdown could have a material adverse effect on its business. It is not possible to predict what structural and/or regulatory changes may result from deteriorating market conditions or the extent to which such changes may affect its business and prospects. For example, governments may introduce measures to protect domestic industries through subsidies and preferential treatments in various forms which may adversely affect its competitive position. Furthermore, any “local content” requirements imposed by oil producing nations may be expanded, which could increase its cost of production and adversely affect its profitability.

The Group faces risks relating to the occurrence of any acts of God, wars, terrorist attacks and outbreaks of communicable diseases which may adversely and materially affect its business and operations

Acts of God, such as natural disasters which are beyond its control, may materially and adversely affect the economy, infrastructure and livelihood of the local population. Its business and financial performance may be materially and adversely affected should such acts of God occur. Wars, terrorist attacks and outbreaks of communicable diseases may occur which would materially and adversely affect the business and operations of the Group. The Group cannot give any assurance that any wars, terrorist attacks or other hostilities in any part of the world, or outbreaks of communicable diseases will not, directly or indirectly, have a material and adverse effect on its business and financial performance.

RISKS OF OPERATING IN MALAYSIA

The Group faces risks relating to doing business in Malaysia

As its main operations are located in Malaysia, the Group faces risks relating to the general economic and political conditions in Malaysia. Unfavourable changes in the social, economic and political conditions of Malaysia or in Malaysian government policies in the future may have a negative impact on its operations and business in Malaysia, which will in turn adversely affect its overall financial performance.

The Group faces risks relating to the laws and regulations of Malaysia and their interpretation and implementation

From time to time, changes in law and regulations or their implementation may require the Group to obtain additional approvals and licences from Malaysian authorities for the conduct of its business. In such event, the Group may need to incur additional expenses in order to comply with such requirements. This will in turn affect its financial performance as its operational costs will increase. Furthermore, there can be no assurance that such approvals or licences will be granted to the Group promptly or at all. If the Group experiences delay in or are unable to obtain such required approvals or licences, its operations and business in Malaysia, and hence its overall financial performance, will be adversely affected.

The Group's customers are subject to a variety of governmental laws and regulations that may limit the demand for its products

The business of the Group's customers may be significantly affected by various laws and other regulations relating to the oil and gas industries and companies operating globally, changes in these laws and regulations, and the level of enforcement of these laws and regulations.

APPENDIX B – RISK FACTORS

The Group depends to a large extent on demand for its products from companies engaged in activities relating to the oil and gas industries. This demand is affected by changing taxes, price controls and other laws and regulations relating to these industries, including regulations relating to the protection of the environment such as various conventions adopted by the International Maritime Organization, the United Nations agency responsible for improving maritime safety and preventing pollution from ships. For example, in the oil and gas industry, the adoption of laws and regulations curtailing exploration and development for drilling for oil and gas could adversely affect the demand for its products. The vessels constructed by the Group are also required to meet the standards and requirements of the relevant classification society, as well as relevant local rules and regulations, of the country specified by its customer. Its costs would increase if more stringent local and international regulations applicable to the oil and gas industries are imposed or if additional regulations or controls requiring the adoption of new construction requirements are introduced which the Group cannot satisfy in a cost efficient manner. If the Group is unable to pass any additional costs resulting from these new requirements to its customers, it could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's transactions with its subsidiaries may be restricted under fair trade and tax laws of the relevant jurisdictions and the related regulators and regulatory actions may adversely affect its reputation and its business

The Group's business relationships and transactions with its subsidiaries are subject to ongoing compliance and disclosure requirements to ensure, *inter alia*, that such relationships and transactions do not constitute undue financial support amongst companies of the same business group and are properly authorised. These relationships may also be subject to scrutiny by the relevant tax authorities as to, *inter alia*, whether such relationships and transactions have been entered into on arm's length commercial terms.

Material business transactions amongst the subsidiaries, affiliates and member companies of the Group will be subject to approval by NCL's board of directors as well as public disclosure requirements of the SGX-ST. Any future determinations by any governmental agency or authority that the Group has engaged in transactions which breach applicable laws and regulations may result in fines or other punitive measures and may have a material adverse effect on the Group's reputation and business.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Prior to 2015, the Group has been receiving shipbuilding orders in excess of its internal capacity. To fulfil these orders and increase its capacity, the Group outsourced the construction of certain vessels to the PRC Contractors. The Group does not have any long-term sub-contracting arrangement with the PRC Contractors and its shipbuilding contracts with them are entered into on a vessel-by-vessel basis. As at the Latest Practicable Date, more than 90% of the vessels under the Group's current shipbuilding programme are expected to be fulfilled by the PRC Contractors. As a result, future political, legal and social conditions in the PRC, as well as certain actions and policies the government of the PRC may, or may not, take or adopt could have a material adverse effect on the Group's business, financial performance, financial condition, results of operations and prospects.

The Group faces risks associated with economic, political, social and legal developments in the PRC

The shipyards which the Group has outsourced its construction of certain vessels are located in the PRC. The business, financial conditions and/or results of operations of the Group has always been vulnerable to economic, political, social and legal developments in the PRC. There can be no assurance that these factors will not adversely affect the Group's business, financial condition and/or results of operations.

The PRC government has undertaken various reforms of its economic systems, and such reforms have resulted in economic growth of the PRC. However, many of the reforms are unprecedented or experimental, and are expected to be refined or modified from time to time. Other political, economic and social factors may also lead to further readjustment of the reform measures. This refinement and adjustment process may consequently have a material impact on the Group when it does business in the PRC or a material adverse impact on its financial performance. A variety of policies and measures that

APPENDIX B – RISK FACTORS

could be taken by the PRC government to regulate the economy, including the introduction of measures to control inflation, deflation, or reduce growth, changes in the rates or methods of taxation, or the imposition of additional restrictions on currency conversions and remittances abroad, changes in foreign exchange regulations, taxation and import and export restrictions could also materially and adversely affect the Group's business, financial condition and/or results of operations.

The PRC legal system has inherent uncertainties that could negatively impact the Group's business

The PRC legal system is based on the PRC constitution and is made up of written laws, regulations, circulars and directives. Prior court decisions may be cited for reference but have limited precedent value. The PRC government has promulgated laws and regulations dealing with economic matters such as commerce, taxation, trade, utility regulation and public health and safety, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, there is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof will not have an adverse impact on the Group's business, financial performance and prospects.

Further, due to the limited precedents on the interpretation, implementation and enforcement of the PRC laws and the non-binding nature of precedent cases in the courts of the PRC, any particular interpretation of PRC laws and regulations may not be definitive. The outcome of dispute resolutions may not be consistent or predictable as in the other more developed jurisdictions, and it may be difficult to obtain a swift or equitable enforcement of the laws in the PRC, or obtain enforcement of judgement by a court of another jurisdiction.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. The PRC currently does not have any centralised register or official resources where legislation enacted by the central or local authorities is made available to the public. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE, THE RIGHTS SHARES AND THE SHARES

An active trading market may not develop for the Nil-Paid Rights and, if a market does develop, the Nil-Paid Rights may be subject to greater price volatility than the Shares

A trading period for the Nil-Paid Rights has been set from 6 September 2018 at 9.00 a.m. to 14 September 2018 at 5.00 p.m. There is no assurance that an active trading market for the Nil-Paid Rights on the SGX-ST will develop during the Nil-Paid Rights trading period or that any over-the-counter trading market in the Nil-Paid Rights will develop. Even if an active market develops, the trading price of the Nil-Paid Rights, which depends on the trading price of the Shares, may be volatile and subject to the same risks as noted elsewhere in this Offer Information Statement. In addition, in certain jurisdictions, Shareholders are not allowed to participate in the Rights Issue. The Nil-Paid Rights relating to the Shares held by such ineligible Shareholders may be sold by the Company, which could make the market price of the Nil-Paid Rights fall.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

If Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his Nil-paid Rights, or such Nil-paid Rights are sold on his behalf, the consideration he receives, if any, may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

Foreign Shareholders should note that to the extent that it is practicable to do so, arrangements may, at the absolute discretion of the Company, be made for the Rights which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable

APPENDIX B – RISK FACTORS

after commencement of trading of the Rights on a “nil-paid” basis. The net proceeds of such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and paid to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made of amounts of less than S\$10.00 to a single or joint Foreign Shareholder and the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company. No Foreign Shareholder or persons acting for the account or benefit of any such persons shall have any claim whatsoever against the Company, CDP or the Share Transfer Agent and their respective officers in connection therewith.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the expansion of the Group’s business and strengthen its capital base, repay borrowings and/or finance future investments. For example, the Company will be issuing Non-sustainable Debt Shares and Term Loan Shares pursuant to the Proposed Scheme, and the issuances of such shares to creditors may result in other Shareholders to be diluted. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

The Company’s share price may fluctuate

The market price for the Shares on the SGX-ST (including the Nil-paid Rights and the Rights Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market’s perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Group’s control. The sale of a significant amount of Shares on the SGX-ST after the Rights Issue, or the perception that such sales may occur, could materially affect the market price of the Shares. This volatility may adversely affect the price of the Shares, including the Rights Shares, regardless of the Group’s operating performance. Examples of such factors include, *inter alia*:

- (a) variations in the Group’s operating results;
- (b) changes in financial estimates and recommendations by securities analysts;
- (c) success or failure of the Group’s management team in implementing business and growth strategies;
- (d) the gain or loss of an important business relationship or contract;
- (e) the operating and stock price performance of other companies in a similar industry;
- (f) developments affecting the Group, its customers or competitors;
- (g) fluctuations in general stock market prices and trading volume;
- (h) changes or uncertainty in the political, economic and regulatory environment in the markets that the Group operates;
- (i) changes in accounting policies; and
- (j) other events or factors described in this Offer Information Statement.

The issue price is fixed at S\$0.014 for each Rights Share. A fall in the price of the Shares could have a material adverse impact on the value of the Nil-paid Rights and the Rights Shares. There is no assurance that investors will be able to sell the Rights Shares at a price equal to or greater than the Issue Price. Accordingly, investors who are existing Shareholders or have acquired Nil-paid Rights in the secondary market and/or subscribed to the Rights Shares, whether existing Shareholders or not, may suffer a loss.

APPENDIX B – RISK FACTORS

The liquidity of the Shares may not change or improve

Active and liquid trading of securities generally results in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, *inter alia*, the size of the free float, the price of each board lot, institutional interest, the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the SGX-ST may change or improve after the Rights Issue.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Bye-Laws of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix E** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/ Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
 - (i) by hand to **NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588;**

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 20 SEPTEMBER 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — NAM CHEONG RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix C which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Transfer Agent, for the period up to **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from The Central Depository (Pte) Limited. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 10,000 Rights Shares as set out in his ARE on the basis of one (1) Rights Share for every one (1) existing ordinary Share at an issue price of S\$0.014 for each Rights Share. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	Procedures to be taken
(a) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for excess Rights Shares.	(1) Accept his entire provisional allotment of 10,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 20 September 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 10,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$140.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to " CDP — NAM CHEONG RIGHTS ISSUE ACCOUNT " and crossed " NOT NEGOTIABLE, A/C PAYEE ONLY " for the full amount due on acceptance and (if applicable) application, by hand to NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 or by post, at his own risk, in the self-addressed envelope provided to NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 20 September 2018 (or such other time(s) and/or

**APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS
APPLICATION BY ENTITLED DEPOSITORS**

Alternatives	Procedures to be taken
	<p>date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p> <p>NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.</p>
(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.	<p>(1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 20 September 2018; or</p> <p>(2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$14.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than 5.00 p.m. on 20 September 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).</p> <p>The balance of the provisional allotment of 9,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.</p>
(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.	<p>(1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 20 September 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or</p> <p>(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$14.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than 5.00 p.m. on 20 September 2018 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).</p>

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives	Procedures to be taken
	The balance of the provisional allotment of 9,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by 9.30 p.m. on 20 September 2018 or if an acceptance is not made through CDP by 5.00 p.m. on 20 September 2018 .

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 20 SEPTEMBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; AND**
- (B) 5.00 P.M. ON 20 SEPTEMBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix C, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Bye-Laws of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — NAM CHEONG RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **NAM CHEONG LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and excess Rights Shares credited to your Securities Account.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '1' for 'All CDP account related queries'
4. Press '3' for 'Corporate Actions Announcement and Transactions'
5. Press '2' for your rights application status
6. Enter your 12 digit CDP securities account number
7. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Transfer Agent, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the "**Relevant Persons**") for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

PROCEDURE TO COMPLETE THE ARE / ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you

XX,XXX

This is your shareholdings as at the Record Date.

Shares as at
XX January 2015
(Record Date)

This is the date to determine your rights entitlement.

Number of Rights Shares provisionally allotted*

XX,XXX

This is your number of rights entitlement.

Issue Price

SS0.0X per Rights Share

This is the price that you need to pay when you subscribe for one Rights Share.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by XX September 2015 at 9.30 p.m. Participating Banks are XXX, XXX and XXX.

This is the last date and time to subscribe for the Rights Shares through ATM and CDP.

2. MAIL Complete section below and submit this form to CDP by XX September at 5.00 p.m.

You can apply for your Rights Shares through ATMs of these Participating Banks.

(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-XXXXX RIGHTS ISSUE ACCOUNT" will be accepted

(ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**

(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of Participating Banks and payee name on the Cashier's Order.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied:
(Provisionally Allotted + Excess Rights Shares)

--	--	--	--	--	--	--	--	--	--	--	--

ii. Cashier's Order/Banker's Draft Details:
(Input last 6 digits of CO/BD)

--	--	--	--	--	--	--

Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe for within the boxes.

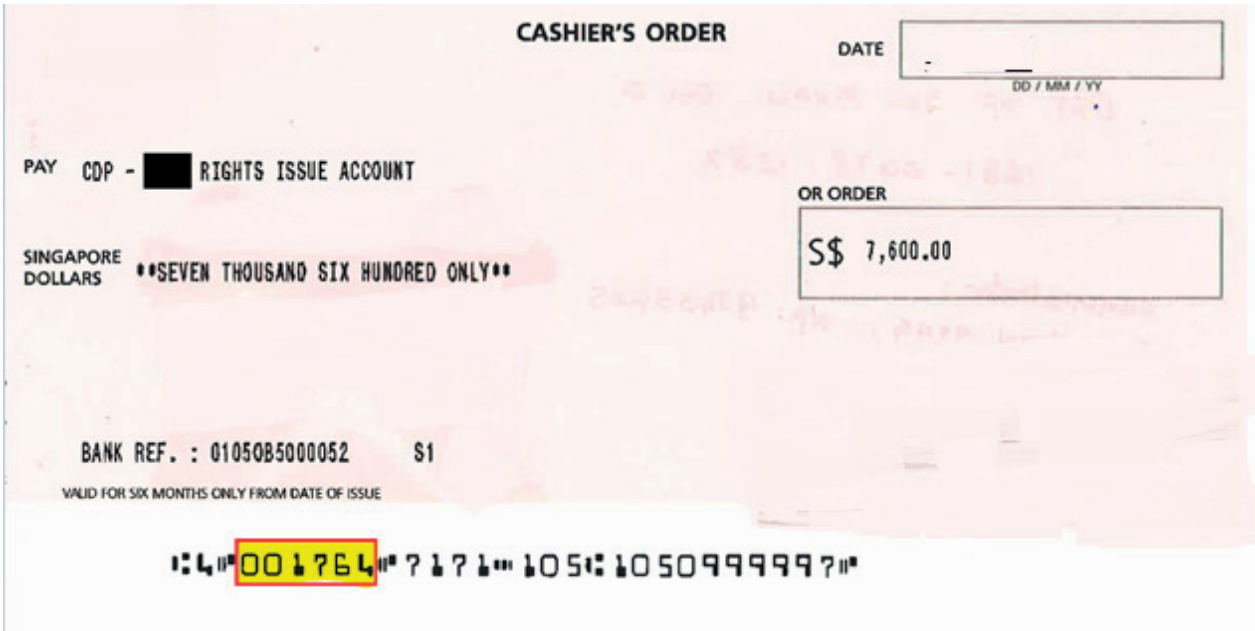
Fill in the 6 digits of the CO / BD number (eg.001764) within the boxes.

Sign within the box.

Note:

- (i) If the total number of Rights Shares applied for exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares applied for will be based on the cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied for quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

3. Sample of a Cashier's Order



APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

- 1.1 Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance : Form A

Request for Splitting : Form B

Form of Renunciation : Form C

Form of Nomination : Form D

Excess Rights Shares Application Form : Form E

- 1.2 The provisional allotment of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Bye-Laws of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements (if any) having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.
- 1.3 **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**
- 1.4 With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Bye-Laws of the Company and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application for Rights Shares and/or Excess Rights in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or Share Transfer Agent may, at its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other processes of remittance at any time after receipt in such manner as they/it may deem fit.
- 1.5 The Company and/or Share Transfer Agent shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares.

APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1.6 Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

1.7 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and
- (b) forward **AT THE SENDER'S OWN RISK**, by post in the self-addressed envelope provided, the PAL in its entirety, duly completed and signed, together with a single remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619**, so as to arrive not later than **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2 Insufficient Payment

The attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix D entitled "**Appropriation**" which sets out the circumstances and manner in which the Company and/or Share Transfer Agent shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and/or the Share Transfer Agent, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)

3.1 Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one (1) person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements.

APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

The duly completed and signed Request for Splitting (Form B) together with the PAL in its entirety should then be returned, by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619**, so as to arrive not later than **5.00 p.m. on 14 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B together with the PAL in its entirety is received after **5.00 p.m. on 14 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing and signing the Form of Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete and sign the Form of Acceptance (Form A) of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded by post at their own risk in the self-addressed envelope provided, to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619**, so as to arrive not later than **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete and sign the Form of Renunciation (Form C) for the number of provisional allotments or Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

- 4.1 The renounee(s) should complete and sign the Form of Nomination (Form D) and forward the Form of Nomination (Form D), together with the PAL in its entirety, duly completed and signed, and a single remittance for the full amount due and payable in the prescribed manner by post **AT HIS/ THEIR OWN RISK**, in the self-addressed envelope provided, to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619**, so as to arrive not later than **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- 4.2 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing the Form of Acceptance (Form A) and the Consolidated Listing Form in the Form of Nomination (Form D) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them.
- 4.3 A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one (1) name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in the Form of Nomination (Form D) of only one (1) PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO THE FORM OF ACCEPTANCE (FORM A) OR THE FORM OF NOMINATION (FORM D) (AS THE CASE MAY BE).

APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

5. PAYMENT

- 5.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**NAM CHEONG LIMITED**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed and signed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided and **AT THE SENDER'S OWN RISK**, to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619** so as to arrive not later than **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 5.2 If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance. Such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST AND AT THE RISK OF THE ENTITLED SCRIPHOLDERS OR THEIR RENOUNCEE(S), AS THE CASE MAY BE**, without interest or any share of revenue or benefit arising therefrom, within 14 days after the Closing Date.

6. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

- 6.1 Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it together with the PAL in its entirety with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out in paragraph 5 of this Appendix D, by post in the self-addressed envelope provided **AT THEIR OWN RISK**, to **NAM CHEONG LIMITED, C/O THE SHARE TRANSFER AGENT, RHT CORPORATE ADVISORY PTE. LTD., AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619**, so as to arrive not later than **5.00 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2 The Excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Bye-Laws of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, the unsold "nil paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, the Excess Rights Shares Application Form (Form E), this Offer Information Statement and (if applicable) the Bye-Laws of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have

APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company and the Major Shareholder, will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under the Excess Rights Shares Application Form (Form E) in any manner as the Directors deem fit and to refuse, in full or in part, any application for Excess Rights Shares without assigning any reason whatsoever.

- 6.3 If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Transfer Agent **AT THEIR OWN RISK**.

7. GENERAL

- 7.1 No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.
- 7.2 **Entitled Scripholders who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser.**
- 7.3 Upon listing and quotation on the Mainboard of the SGX-ST, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the above are available from CDP.
- 7.4 **To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or applying for any Excess Rights Shares, in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them can be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or (if applicable) apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/ or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/ or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and, if applicable, the Excess Rights Shares allotted to them. Such physical share certificates for the Rights Shares, if issued, will be sent by ORDINARY POST to person(s) entitled thereto AT HIS/ THEIR OWN RISK and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.**

APPENDIX D – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

- 7.5 If an Entitled Scripholder's address stated in the PAL is different from his address maintained in the records of CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- 7.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer (including any applicable fee) in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.
- 7.7 **THE LAST TIME AND DATE FOR ACCEPTANCES OF AND/OR (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 20 SEPTEMBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

8. PERSONAL DATA PRIVACY

By completing and delivering the PAL, an Entitled Shareholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the Purposes; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (“**Steps**”).

Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used for the acceptance and (if applicable) excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM of a Participating Bank through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or the Purchaser of the provisional allotment of Rights Shares who accepts or (as the case may be) applies for the Rights Shares through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him by that Participating Bank in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Share Transfer Agent, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM of a Participating Bank unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key (as the case may be). By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key (as the case may be) shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of provisionally allotted Rights Shares standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date (whichever is the lesser number). In the event that the Company decides to allot any lesser number of Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final and binding.
4. If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM) of the number of Rights Shares accepted and/ or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares both by way of the ARE and/or the ARS (as the case may be) and also by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application. The Company and/or CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, or by way of the acceptance through Electronic Application through an ATM of a Participating Bank which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's acceptance.
6. If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of the ARE and also by Electronic Application, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank, which he has authorised or deemed to have authorised to be applied towards the payment in respect of his application.

APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

7. The Applicant irrevocably requests and authorises the Company to:
 - (a) register or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
 - (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
8. **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS A NOMINEE OF ANY OTHER PERSON.**
9. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the CPF Board, the Participating Banks, the Company and/or the Share Transfer Agent) and any events whatsoever beyond the control of CDP, the CPF Board, the Participating Banks, the Company and/or the Share Transfer Agent and if, in any such event, CDP, the CPF Board, the Participating Banks, the Company and/or the Share Transfer Agent do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the CPF Board, the Participating Banks, the Company, the Directors and/or the Share Transfer Agent and their respective officers for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. Electronic Applications shall close at **9.30 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application through an ATM of his Participating Bank shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application through an ATM of his Participating Bank, the Applicant shall promptly notify his Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

14. Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 20 September 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any amendment to this Offer Information Statement or any supplementary document or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, the CPF Board, the Participating Banks nor the Share Transfer Agent shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for Excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical; otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his mailing address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.

APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS

18. In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of the ARE and/or the ARS and/ or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque sent **BY ORDINARY POST AT HIS OWN RISK** to his mailing address as recorded by CDP, or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
 - (b) crediting the Applicant's bank account with the Participating Bank **AT HIS OWN RISK** (if he accepts and (if applicable) applies through an ATM of that Participating Bank), the receipt by such bank being a good discharge to the Company and the CDP of their obligations, if any, thereunder.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled, and the Applicant hereby authorises the Company and CDP, to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE and/or the ARS or any other form of acceptance (including Electronic Application through an ATM of a Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.
- The Applicant hereby acknowledges that the Company's and/or CDP's determination shall be conclusive and binding on him.
20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
21. With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL, (if applicable) the Bye-Laws of the Company and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the Closing Date, the Company and/or CDP may, at their/ its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other processes of remittance at any time after receipt in such manner as they/it may deem fit.

**APPENDIX E - ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC
APPLICATION THROUGH THE ATMS OF PARTICIPATING BANKS**

22. The Company and CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, each application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Applicant, on its own, without regard to any other application and payment that may be submitted by the same Applicant. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Right Shares and (if applicable) application for Excess Rights Shares.

APPENDIX F – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

1. DBS Bank Ltd. (including POSB); and
2. United Overseas Bank Limited

This Offer Information Statement is dated 3 September 2018

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement constitute full and true disclosure of all material facts relating to the Rights Issue, the Group, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of

NAM CHEONG LIMITED

Board of 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

Kan Yut Keong, Benjamin
Independent Director

This page has been intentionally left blank.

This page has been intentionally left blank.

