NAM CHEONG LIMITED
(Incorporated in Bermuda)
(Company Registration Number 25458)

RESPONSE TO QUESTIONS FROM
SINGAPORE EXCHANGE REGULATION (SGX REGCO)

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

(a) the Company's annual report for the financial year ended 31 December 2022 ("**AR FY2022**"); and
(b) the accompanying announcement in relation to the AR FY2022 dated 25 April 2023.

The Company has received questions from the Singapore Exchange Regulation ("**SGX RegCo**") in relation to the AR FY2022.

The Company has set out its responses to all questions in this announcement.

BY ORDER OF THE BOARD
NAM CHEONG LIMITED

Kong Wei Fung
Cheok Hui Yee
Company Secretaries

1 June 2023

SGX RegCo Question

Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following: -

(a) The issuer's targets to achieve diversity on its board;
(b) The issuer's accompanying plans and timelines for achieving the targets;
(c) The issuer's progress towards achieving the targets within the timelines; and
(d) A description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A has been complied with.

Company's Response:

The Company puts in place a Board Diversity Policy in recognition of the need and benefits of embracing diversity at the Board level to enhance stewardship and decision-making capabilities in line with the Company's operating environment. A well-balanced Board with Directors from diverse backgrounds can provide fresh perspectives to solve business issues, foster growth, create value and enhance corporate governance. A diverse Board reduces the risks of group-thinking whereby conformity and biases may lead to tunnel vision and sub-optimal decisions for the Company.

The Nominating Committee ("NC") reviews and assesses the Board composition on behalf of the Board and recommends the selection, appointment and re-appointment of Directors to the Board. In reviewing the Board composition, the NC will consider diversity factors such as skills, knowledge, experience including familiarity in the Company's core markets, age, gender, as well as other aspects of diversity as may be relevant. The NC will assess the combined factors against the requirements needed to govern and direct the Company's strategic objectives.

The Board comprises directors who are all of high calibre members with wealth of experiences in the Company's business segment. The directors bring a wide range of invaluable experiences, skills, knowledge, extensive business network and expertise in specialised fields, including but without limitation to admiralty matters, shipbuilding and vessel chartering, strategic planning, audit management, taxation, mergers and acquisitions, corporate finance and restructuring, accounting, financing, marketing and business development and legal. The size, composition, range of experience and the varied expertise of current Board members allow discussions on policy, strategy and performance to be critical, informed and effective. Further details of our Board's mix of expertise, background and experience are set out in the profile of each of our Board members found at pages 14 to 16 of the Company's annual report for the financial year ended 31 December 2022. The Board is therefore satisfied of the current composition of the Board and in compliance with the Listing Rule 710A.

The NC shall seek to address Board vacancies, if any, by considering candidates that bring diversity of background and opinion from amongst eligible candidates with related expertise and experience, and who can contribute to the operation of the Group which the Board requires as a whole to be effective. The Board recognizes the importance of gender diversity and will strive to ensure, amongst others, that candidates for appointment to the Board will include a requirement to present female candidates; and female candidates are included for consideration by the NC whenever it seeks to identify a new director for appointment to the Board. All Board appointments will continue to be made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective, and this shall continue to be implemented for future directors' appointment.

The Board is committed to greater diversity and adopting it as a strategic imperative. The NC and the Board recognise that skill-set and core competencies required of the Board may change over time as the business of the Group develops, hence any progress made towards the Board Diversity Policy will be disclosed in the future Corporate Governance Report, as appropriate. The Board's assessment of its composition from a diversity perspective is reflected annually under the Corporate Governance section of the Company's annual report for the financial year ended 31 December 2022.