



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

ANNOUNCEMENT

RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST

1. The Board of Directors ("**Board**") of Nam Cheong Limited ("**Company**") and its subsidiaries (together the "**Group**") refers to:
 - (a) its announcements dated 9 October 2017 and 24 October 2017 in relation to the Company's application on 6 October 2017 to the High Court of the Republic of Singapore ("**Court**") pursuant to (a) Section 210(1) of the Companies Act (Cap. 50) ("**Companies Act**"); and (b) Section 211B of the Companies Act and/or the inherent jurisdiction of the Court (collectively, the "**Application**");
 - (b) its announcement dated 30 October 2017 in relation to the grant of the Application by the Court to convene a meeting of its creditors for the purposes of considering and approving with or without modification a scheme of arrangement proposed to be made between the Company and its creditors pursuant to Section 210(1) of the Companies Act;
 - (c) its announcement dated 16 November 2017 in relation to the grant of the Company's key subsidiaries, Nam Cheong Dockyard Sdn Bhd and Nam Cheong International Ltd's application to convene the requisite meeting of creditors to approve schemes of arrangement with their respective scheme creditors by the High Court of Malaya;
 - (d) its announcement dated 23 November 2017 in relation to the Scheme Documents dated 23 November 2017 containing details of the scheme of arrangement ("**Proposed Scheme**") proposed to be made between the Company and its Creditors (as defined in the Proposed Scheme);
 - (e) its announcement dated 4 December 2017 ("**Rights Issue Announcement**") in relation to the proposed capital reorganisation and proposed renounceable non-underwritten rights issue under the Proposed Scheme; and
 - (f) its announcements dated 22 January 2018 and 24 January 2018 in relation to the outcome of the court convened meetings of Nam Cheong Dockyard Sdn Bhd and Nam Cheong International Ltd and the scheme meeting of the Company.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Rights Issue Announcement.

2. The Board is pleased to announce that the Singapore Exchange Securities Trading Limited ("**SGX-ST**") has on 16 July 2018 granted its in-principle approval for:
 - (a) the listing and quotation of:
 - (i) up to 2,096,465,885 new ordinary shares to be issued pursuant to the Proposed Rights Issue 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 ("**Rights Shares**");

- (ii) up to 3,883,587,031 new ordinary shares to be issued to entitled Creditors pursuant to the non-sustainable debt conversion under the Proposed Scheme (“**Debt Conversion Shares**”);
 - (iii) up to 787,280,931 new ordinary shares to be issued as partial payment of the accrued term loan interest pursuant to the term loan facility under the Proposed Scheme (“**Term Loan Shares**”);
 - (iv) up to 22,299,375 new ordinary shares to be issued to RHB Bank Labuan pursuant to the additional term loan facility granted by RHB Bank Labuan (“**Additional Loan Shares**”), and
 - (v) new ordinary shares to be issued in connection with the proposed adoption of the Nam Cheong Management Incentive Plan under the Proposed Scheme (“**Management Shares**”); and
- (b) the resumption of trading in the Company’s shares.
3. The SGX-ST’s in-principle approval is subject to the following:
- (a) Compliance with the SGX-ST’s listing requirements;
 - (b) Shareholders’ approval for the issue of the Rights Shares, Debt Conversion Shares, Term Loan Shares, Additional Loan Shares and Management Shares (“**New 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.
4. Shareholders should note that the SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the New Shares, the Proposed Scheme, the Company and/or its subsidiaries.
5. A circular to Shareholders containing further details on the Proposed Scheme, including the Proposed Rights Issue, and the notice of the special general meeting to be convened will be despatched to Shareholders in due course. Further announcements will be made by the Company as and when appropriate.
6. Trading in the Company’s securities on the SGX-ST has been voluntarily suspended by the Company on 21 July 2017. Pending the completion of the restructuring, stakeholders and potential investors should exercise caution when trading in the Company’s securities. When in doubt as to the action they should take, stakeholders and potential investors should consult their financial, tax or other advisers.

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

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

16 July 2018