
**First Quarter Ended 31 March 2019 Financial Statements
and Related Announcement**

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1. Unaudited Financial Statements

1(a)(i) Statement of Comprehensive Income (Group)

| | 1st Quarter ended 31.3.2019 RM'000 | 1st Quarter ended 31.3.2018 RM'000 | Change % |
|---|---|---|-------------|
| Revenue | 29,938 | 8,530 | >100% |
| Cost of sales | (22,512) | (10,348) | >100% |
| Gross profit/(loss) | <u>7,426</u> | <u>(1,818)</u> | <-100% |
| Other income | 13,554 | 549,454 | (98%) |
| Administrative expenses | (8,017) | (7,536) | 6% |
| Other operating expenses | (2,403) | (2,784) | (14%) |
| Operating profit | <u>10,560</u> | <u>537,316</u> | (98%) |
| Finance costs | (7,566) | (12,633) | (40%) |
| Share of results of equity accounted joint ventures, net of tax | (872) | (984) | (11%) |
| Share of results of equity accounted associate, net of tax | (1,662) | (2,055) | (19%) |
| Profit before tax | <u>460</u> | <u>521,644</u> | (100%) |
| Income tax expense | (55) | 205 | <-100% |
| Profit for the financial period | <u>405</u> | <u>521,849</u> | (100%) |

1. Unaudited Financial Statements (Contd.)

| | 1st Quarter ended 31.3.2019 RM'000 | 1st Quarter ended 31.3.2018 RM'000 | Change % |
|--|---|---|-------------|
| Other comprehensive income | | | |
| Exchange differences on translating foreign operations | 7,579 | 63,737 | (88%) |
| Fair value loss on available-for-sale | (162) | (2,890) | (94%) |
| Other comprehensive income for the financial period, net of tax | 7,417 | 60,847 | (88%) |
| Total comprehensive income for the financial period | 7,822 | 582,696 | (99%) |
| Profit attributable to : | | | |
| Owners of the parent | 420 | 522,476 | (100%) |
| Non-controlling interest | (15) | (627) | (98%) |
| Profit for the financial period | 405 | 521,849 | (100%) |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 7,837 | 583,323 | (99%) |
| Non-controlling interest | (15) | (627) | (98%) |
| Total comprehensive income for the financial period | 7,822 | 582,696 | (99%) |

1. Unaudited Financial Statements (Contd.)

1(a)(ii) Notes to the Statement of Comprehensive Income

| | 1st Quarter ended 31.3.2019 RM'000 | 1st Quarter ended 31.3.2018 RM'000 | Change % |
|--|---|---|--------------|
| Other income | | | |
| Gain on disposal of asset-held-for-sale | - | 1,164 | (100%) |
| Impairment of trade receivables written back | 188 | - | n.m. |
| Interest income | 702 | 473 | 48% |
| Inventories written back | 12,244 | - | n.m. |
| Miscellaneous | 420 | 1,953 | (78%) |
| Rental income | - | 377 | (100%) |
| Waiver of debts | - | 545,487 | (100%) |
| | <u>13,554</u> | <u>549,454</u> | <u>(98%)</u> |
| Profit before tax | | | |
| The following amounts have been included in arriving at profit before tax: | | | |
| <i>Selling and administrative expenses</i> | | | |
| Amortisation of prepaid land lease payments | 67 | 67 | 0% |
| Depreciation of property, plant and equipment | 5,898 | 3,480 | 69% |
| <i>Other operating expenses</i> | | | |
| Foreign exchange loss, net | 1,659 | 142 | n.m. |
| Legal and professional expenses | 744 | - | n.m. |
| Restructuring expenses | - | 2,641 | n.m. |
| Income tax expense | | | |
| Current income tax | 55 | (205) | n.m. |

n.m. : Not meaningful

1. Unaudited Financial Statements (Contd.)

1(b)(i) Statement of Financial Position

| | Group | | Company | |
|---------------------------------|---------------------|----------------------|---------------------|----------------------|
| | 31.3.2019 RM'000 | 31.12.2018 RM'000 | 31.3.2019 RM'000 | 31.12.2018 RM'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 618,903 | 613,249 | - | - |
| Prepaid land lease payments | 6,796 | 6,863 | - | - |
| Investment in joint ventures | 2,154 | 3,024 | - | - |
| Investment in an associate | 21,226 | 22,888 | - | - |
| | <u>649,079</u> | <u>646,024</u> | <u>-</u> | <u>-</u> |
| Current assets | | | | |
| Inventories | 148,224 | 147,284 | - | - |
| Trade and other receivables | 54,776 | 86,742 | - | - |
| Prepayments | 17,294 | 11,459 | 41 | 53 |
| Fixed deposits | 37,872 | 40,872 | - | - |
| Cash and bank balances | 64,879 | 68,808 | 289 | 318 |
| | <u>323,045</u> | <u>355,165</u> | <u>330</u> | <u>371</u> |
| TOTAL ASSETS | <u>972,124</u> | <u>1,001,189</u> | <u>330</u> | <u>371</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 3,484 | 3,417 | 3,484 | 3,417 |
| Share premium | 300,417 | 297,796 | 300,417 | 297,796 |
| Treasury shares | (4,097) | (4,097) | (4,097) | (4,097) |
| Other reserves | 294,360 | 286,595 | 859,336 | 778,608 |
| Accumulated losses | (1,046,952) | (1,047,372) | (1,858,525) | (1,779,064) |
| | <u>(452,788)</u> | <u>(463,661)</u> | <u>(699,385)</u> | <u>(703,340)</u> |
| Non-controlling interest | <u>5,182</u> | <u>5,197</u> | <u>-</u> | <u>-</u> |
| Total equity | <u>(447,606)</u> | <u>(458,464)</u> | <u>(699,385)</u> | <u>(703,340)</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 220 | 220 | - | - |
| Trade and other payables | 135,379 | 143,711 | - | - |
| Loans and borrowings | 1,006,748 | 1,009,516 | 665,580 | 670,223 |
| | <u>1,142,347</u> | <u>1,153,447</u> | <u>665,580</u> | <u>670,223</u> |

1. Unaudited Financial Statements (Contd.)

1(b)(i) Statement of Financial Position (contd.)

| | Group | | Company | |
|---|---------------------|----------------------|---------------------|----------------------|
| | 31.3.2019 RM'000 | 31.12.2018 RM'000 | 31.3.2019 RM'000 | 31.12.2018 RM'000 |
| Current liabilities | | | | |
| Trade and other payables | 277,383 | 306,206 | 34,135 | 33,488 |
| | <u>277,383</u> | <u>306,206</u> | <u>34,135</u> | <u>33,488</u> |
| Total liabilities | <u>1,419,730</u> | <u>1,459,653</u> | <u>699,715</u> | <u>703,711</u> |
| TOTAL EQUITY AND LIABILITIES | <u>972,124</u> | <u>1,001,189</u> | <u>330</u> | <u>371</u> |

1(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities

| | As at 31.3.2019 | | As at 31.12.2018 | |
|--|-------------------|---------------------|-------------------|---------------------|
| | Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| Amount repayable in one year or less, or on demand | - | - | 100,870 | 908,646 |
| Amount repayable after one year | <u>91,568</u> | <u>915,180</u> | <u>-</u> | <u>-</u> |

Details of any collaterals

The Group borrowings are primarily secured by fixed deposits, proceeds from sale of vessels, and charges over certain properties and assets.

1. Unaudited Financial Statements (Contd.)

1(c) Statement of Cash Flows (Group)

| | 1st Quarter ended 31.3.2019 RM'000 | 1st Quarter ended 31.3.2018 RM'000 |
|---|---|---|
| Operating activities | | |
| Profit before tax | 460 | 521,644 |
| Adjustments for: | | |
| Amortisation of prepaid land lease payments | 67 | 67 |
| Depreciation of property, plant and equipment | 5,898 | 3,480 |
| Gain on disposal of property, plant and equipment | - | (1,164) |
| Impairment of trade and other receivables written back | (188) | - |
| Inventories written back | (12,244) | - |
| Interest expense | 7,566 | 12,633 |
| Interest income | (702) | (473) |
| Share grant expense | 348 | - |
| Share of results of equity accounted joint ventures, net of tax | 872 | 984 |
| Share of results of equity accounted associate, net of tax | 1,662 | 2,055 |
| Unrealised (gain) / loss on foreign exchange | 1,808 | 3,537 |
| Waiver of debts | - | (545,487) |
| Total adjustments | 5,087 | (524,368) |
| Operating cash flows before working capital changes | 5,547 | (2,724) |
| Changes in working capital: | | |
| Changes in inventories | (1,181) | (60,105) |
| Changes in receivables | 42,454 | (7,387) |
| Changes in prepayments | (5,916) | (1,326) |
| Changes in contract assets | - | 38,484 |
| Changes in payables | (35,041) | (107,576) |
| Changes in contract liabilities | - | (668) |
| Total changes in working capital | 316 | (138,578) |
| Interest paid | (1,455) | (3,488) |
| Taxes paid, net of refund | - | 331 |
| Net cash flows from / (used in) operating activities | 4,408 | (144,459) |
| Investing activities | | |
| Acquisition of property, plant and equipment | (6,188) | (386) |
| Interest received | 702 | 473 |
| Proceeds from available-for-sale financial assets | - | 120 |
| Net cash flows (used in) / from investing activities | (5,486) | 207 |
| Financing activities | | |
| Repayments of term loans | (1,952) | (8,080) |
| Increase in fixed deposits pledged | - | 33 |
| Net cash flows used in financing activities | (1,952) | (8,047) |

1. Unaudited Financial Statements (Contd.)

1(c) Statement of Cash Flows (Group) (Contd.)

| | 1st Quarter ended 31.3.2019 RM'000 | 1st Quarter ended 31.3.2018 RM'000 |
|---|---|---|
| Net decrease in cash and cash equivalents | (3,030) | (152,299) |
| Effects of foreign exchange rate changes | (3,899) | (6,490) |
| Cash and cash equivalents at 1 January | 106,709 | 183,023 |
| Cash and cash equivalents at 31 March | <u>99,780</u> | <u>24,234</u> |

Cash and cash equivalents comprise the following as at the statements of financial position date:

| | | |
|---|----------------|---------------|
| Fixed deposits with licensed banks | 37,872 | 23,505 |
| Cash and bank balances | 64,879 | 61,267 |
| Bank overdrafts | - | (37,033) |
| | <u>102,751</u> | <u>47,739</u> |
| Less: Restricted fixed deposits with licensed banks | (2,971) | (23,505) |
| Total cash and cash equivalents | <u>99,780</u> | <u>24,234</u> |

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity

| | Share capital RM'000 | Share premium RM'000 | Treasury shares RM'000 | Foreign currency translation reserve RM'000 | Available- for-sale reserve RM'000 | Share grant reserve RM'000 | Accumulated losses RM'000 | Equity attributable to owners of the parent RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
|---|----------------------------|----------------------------|------------------------------|---|---|----------------------------------|---------------------------------|---|---|---------------------------|
| Group | | | | | | | | | | |
| At 1 January 2018 | 81,192 | 82,347 | (4,097) | 320,986 | (2,372) | - | (2,138,467) | (1,660,411) | 1,496 | (1,658,915) |
| Adoption of IFRS 15 | - | - | - | 996 | - | - | (19,370) | (18,374) | - | (18,374) |
| At 1 January 2018, restated | 81,192 | 82,347 | (4,097) | 321,982 | (2,372) | - | (2,157,837) | (1,678,785) | 1,496 | (1,677,289) |
| Profit for the period | - | - | - | - | - | - | 522,476 | 522,476 | (627) | 521,849 |
| Other comprehensive income | - | - | - | 63,737 | - | - | - | 63,737 | - | 63,737 |
| Fair value loss on available for- sales | - | - | - | - | (2,890) | - | - | (2,890) | - | (2,890) |
| At 31 March 2018 | 81,192 | 82,347 | (4,097) | 385,719 | (5,262) | - | (1,635,361) | (1,095,462) | 869 | (1,094,593) |
| At 1 January 2019, previously reported | 3,417 | 297,796 | (4,097) | 290,996 | (4,401) | - | (1,047,372) | (463,661) | 5,197 | (458,464) |
| Profit for the period | - | - | - | - | - | - | 420 | 420 | (15) | 405 |
| Other comprehensive income | - | - | - | 7,579 | - | - | - | 7,579 | - | 7,579 |
| Fair value loss on available for- sales | - | - | - | - | (162) | - | - | (162) | - | (162) |
| Allotment and issuance of the Term Loan Shares | 67 | 2,621 | - | - | - | - | - | 2,688 | - | 2,688 |
| Share grant plan expenses | - | - | - | - | - | 348 | - | 348 | - | 348 |
| At 31 March 2019 | 3,484 | 300,417 | (4,097) | 298,575 | (4,563) | 348 | (1,046,952) | (452,788) | 5,182 | (447,606) |

1. Unaudited Financial Statements (Contd.)

1(d)(i) Statements of Changes in Equity (Contd.)

| | Share capital RM'000 | Share premium RM'000 | Share grant reserve RM'000 | Treasury shares RM'000 | Contributed surplus RM'000 | Accumulated losses RM'000 | Equity attributable to owners of the parent RM'000 |
|--|-------------------------|-------------------------|-------------------------------|---------------------------|-------------------------------|------------------------------|---|
| Company | | | | | | | |
| At 1 January 2018 | 81,192 | 82,347 | - | (4,097) | 778,608 | (2,515,853) | (1,577,803) |
| Profit for the period | - | - | - | - | - | 42,515 | 42,515 |
| At 31 March 2018 | 81,192 | 82,347 | - | (4,097) | 778,608 | (2,473,338) | (1,535,288) |
| At 1 January 2019 | 3,417 | 297,796 | - | (4,097) | 858,988 | (1,859,444) | (703,340) |
| Profit for the period | - | - | - | - | - | 919 | 919 |
| Share grant plan expenses | - | - | 348 | - | - | - | 348 |
| Allotment and issuance of the Term Loan Shares | 67 | 2,621 | - | - | - | - | 2,688 |
| At 31 March 2019 | 3,484 | 300,417 | 348 | (4,097) | 858,988 | (1,858,525) | (699,385) |

Note:

There were 70,179,408 share granted in 1Q of FY2019 under the Nam Cheong Management Incentive Plan ("NCMI Plan").

1. Unaudited Financial Statements (Contd.)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Pursuant to the terms of the NCL Scheme, the NCD Scheme and the NCI Scheme (collectively the "Scheme"), an aggregate of 126,358,100 term loan shares have been issued and allotted on 18 January 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and corresponding period of immediately preceding year.

As at 31 March 2019 and 31 March 2018, the total number of issued shares excluding treasury shares was 7,144,298,867 and 2,096,465,885 respectively.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on preceding year.

There were no movement in the treasury shares during 1Q 2019. As at 31 March 2019, total of 6,678,597 treasury shares were held as treasury shares by the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2018.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| | Group | |
|--|--|--|
| | 1st Quarter ended 31.3.2019 | 1st Quarter ended 31.3.2018 |
| Earnings / (loss) per ordinary shares of the Group for the financial period based on net profit / (loss) attributable to shareholders: | | |
| (i) Based on weighted average | | |
| number of ordinary shares in issue (Sen) | 0.01 | 24.92 |
| Weighted average number of shares | 7,112,007,353 | 2,096,465,885 |
| (ii) On a fully diluted basis (Sen) | | |
| Adjusted weighted average number of shares | 7,133,840,946 | 2,096,465,885 |

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

| | Group | | Company | |
|---------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| As at to-date, the Group has utilised | As at 31.3.2019 | As at 31.12.2018 | As at 31.3.2019 | As at 31.12.2018 |
| Net asset value | | | | |
| per ordinary share (Sen) | (6.3) | (6.5) | (9.8) | (10.0) |
| Ordinary shares in issue | 7,144,298,867 | 7,017,940,767 | 7,144,298,867 | 7,017,940,767 |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Group Performance

(a) Statements of comprehensive income (Group)

1Q 2019 vs 1Q 2018

| | 1Q 2019 | | | | 1Q 2018 | | | | Variance | | | |
|-------------------|---------|------|--------------|---------------------|---------|------|------------|---------------------|----------|------|--------------|--------|
| | Revenue | | Gross Profit | Gross Profit Margin | Revenue | | Gross Loss | Gross Profit Margin | Revenue | | Gross Profit | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | RM'000 | RM'000 | % | RM'000 | % |
| Shipbuilding | - | 0% | - | n.m. | - | 0% | - | n.m. | - | n.m. | - | n.m. |
| Vessel Chartering | 29,938 | 100% | 7,426 | 25% | 8,530 | 100% | (1,818) | (21%) | 21,408 | 251% | 9,244 | (508%) |
| Total | 29,938 | 100% | 7,426 | 25% | 8,530 | 100% | (1,818) | (21%) | 21,408 | 251% | 9,244 | (508%) |

For the first quarter ended 31 March 2019 ("1Q 2019"), the Group recorded a higher revenue of RM30.0 million as compared to RM8.5 million recorded during the previous corresponding first quarter ended 31 March 2018 ("1Q 2018"). The revenue from vessel chartering segment has shown significant improvement with the increase of 251%, mainly attributed to a larger fleet and higher utilisation rates achieved during the period.

Conversely, the shipbuilding segment did not register any revenue for both 1Q 2019 and 1Q 2018 as there was no vessel scheduled for delivery during the period.

8. (contd.)

Review of Group Performance (Contd.)

(a) Statements of comprehensive income (Group) (Contd.)

1Q 2019 vs 1Q 2018

The Group has shown significant improvement by recorded a gross profit of RM7.4 million in 1Q 2019 as compared to gross loss of RM1.8 million in 1Q 2018 mainly due to a larger fleet and higher utilisation rates from vessel chartering segment.

Other income was lower at RM13.6 million in 1Q 2019 as compared to RM549.5 million in 1Q 2018 mainly due to the absence of the waiver of debts of RM545.5 million recorded in 1Q 2018.

Administrative expenses increased by RM0.5 million or 6% to RM8.0 million during 1Q 2019 as compared to RM7.5 million in 1Q 2018, primarily due to increase in vessel chartering activities which was consistent with the increase in revenue.

Finance costs decreased by RM5.1 million to RM7.6 million in 1Q 2019 as compared to RM12.6 million recorded in 1Q 2018, mainly as a result of the adjustment of interest expense in accordance with the Scheme of Arrangements.

Share of result in joint ventures and associate recorded net losses of RM0.9 million and RM1.7 million respectively in 1Q 2019 due to low vessel utilisation rate.

Mainly as a result of the absence in waiver of debts recorded during previous corresponding quarter, the Group registered a lower net profit after tax of RM0.4 million in 1Q 2019 as compared to net profit after tax of RM521.8 million in 1Q 2018.

8. (contd.)

Review of Group Performance (contd.)

(b) Statements of financial position (Group)

Total Assets

Total assets of the Group decreased by 3% or RM29.3 million from RM1.0 billion as of 31 December 2018 ("FY2018") to RM971.9 million in 1Q 2019 mainly due to the decrease in trade and other receivables of RM32.2 million.

Total Liabilities

Total liabilities of the Group decreased by 2.7% or RM39.9 million from RM1.46 billion in FY 2018 to RM1.42 billion in 1Q 2019 mainly due to the decrease in trade and other payables of RM37.2 million.

(c) Statement of Cash Flows (Group)

1Q 2019 vs 1Q 2018

Net cash flows from operating activities of RM4.4 million in 1Q 2019 was mainly due to decrease in receivables of RM42.5 million which was partially offset with decrease in payables of RM35.0 million and interest paid of RM1.5 million.

Net cash flows used in investing activities of RM5.5 million in 1Q 2019 was mainly due to acquisition of property, plant and equipment of RM6.2 million.

Net cash flows used in financing activities of RM2.0 million in 1Q 2019 was mainly due to repayment of term loans.

Use of Proceeds

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

| <u>Application of Rights Issue Net Proceeds</u> | <u>Amount (S\$ million)</u> |
|--|-----------------------------|
| Net proceeds | 22.00 |
| Repayment of the Cash Out Option pursuant to the Schemes | (3.2) ¹ |
| Operations for the Group | (0.1) ¹ |
| Settlement with trade creditors in the course of the operations of the Group | (11.0) |
| Balance as at the date of this report | <u>7.7</u> |

The above utilisation of the Net Proceeds is in accordance with the stated use and within the amount allocated for the operations of the Group, as previously stated in the Offer Information Statement dated 3 September 2018.

¹ The balance S\$0.1 million originally allocated for the repayment of the Cash Out Option pursuant to the Schemes has been reallocated towards the other intended use of the Net Proceeds, being for use in the operations of the Group. This balance amount is due to a reduction in the S\$ equivalent of the Total Cash Out Payment (being approximately US\$2.4 million) as a result of the exchange rate between US\$ and S\$ at the time of payment of the Cash Out Option.

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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material change from the previous prospect statement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to the Petronas Activity Outlook 2019-2021, a positive outlook is expected for anchor handling tug supply vessels (AHTS), platform supply vessels (PSV), as well as accommodation and maintenance vessels. A pickup in drilling and development activities is also expected to bolster demand for AHTS and PSV.

Meanwhile, a positive outlook for the Maintenance, Construction, and Modification (MCM) segment and an expected increase in man hours required in the brownfield Hook-up & Commissioning (HUC) segment further boost expected demand for accommodation and maintenance vessels.

In response to the uptick in the offshore and marine activities in Malaysia, the Group has been deploying its vessels for charter in Malaysian waters, and expects the vessel chartering unit to continue its growth momentum. The Group will continue to monitor and review the shipbuilding schedule for the remaining vessels which have yet to be delivered, including potential deferment and cancellation plans, through ongoing communication and consultation with its stakeholders.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared in the period under review as the Company is working through its restructuring arrangement and wishes to enhance the financial strength of the Company.

13. General mandate relating to interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of Nam Cheong Limited hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

15. Confirmation from the Board

We, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and of the Company for the three months ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Leong Seng Keat
Chief Executive Officer

Singapore
14 May 2019