



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

**NOTICE OF RECORD AND PAYMENT DATE OF THE PRE-SCHEME PAYMENTS
AND PROPOSED AMENDMENTS TO THE NCL SCHEME**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nam Cheong Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) refers to its announcement dated 22 June 2018 (“**22 June Announcement**”) in relation to, *inter alia*, the Pre-Scheme Payments which the Company will be making to the creditors pursuant to the schemes of arrangement (“**Scheme(s)**”) proposed by the Company, and its subsidiaries Nam Cheong Dockyard Sdn Bhd (“**NCD**”) and Nam Cheong International Ltd (“**NCI**”, together with NCL and NCD, the “**Nam Cheong Restructuring Group**”). Unless otherwise defined, terms used in the 22 June Announcement or the Schemes shall have the same meaning when used herein.

2. PRE-SCHEME PAYMENTS

The Company previously stated in the 22 June 2018 Announcement that it will make the following Pre-Scheme Payments to the Creditors:

- (a) for each Creditor that has elected the Term Loan Option (“**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 months (i.e. from 1 January 2018 to 30 June 2018), this being 1% on the Term Loan Offered Debt under the Term Loan Facility (“**First Interest Period Interest**”); and
- (b) for each Creditor that has elected the Cash Out Option (“**Cash Out Creditor**”), an amount equal to 1% of its relevant Cash Out Offered Debt (“**Pre-Scheme Cash Out Payment**”).

(collectively, the “**Pre-Scheme Payments**”).

With respect to Creditors that are Noteholders, the Company wishes to clarify that the Pre-Scheme Payments are not payments to be made pursuant to the terms of the Notes. The Pre-Scheme Payments are intended to be advance payments to Creditors under the terms of the Schemes, as a gesture of goodwill by the Nam Cheong Restructuring Group to its Creditors, even though the Schemes are not yet effective.

Further, Creditors are to note that the Pre-Scheme Payments are subject to the following conditions, which shall be deemed accepted by each Creditor upon receipt of the same:

- (a) that upon the Schemes becoming effective, the payment of 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 cash portion of the First Interest Period Interest under the relevant terms of the Schemes;

- (b) that upon the Schemes becoming effective, the Cash Out Payment due to each Cash Out Creditor shall be reduced by an amount equal to the Pre-Scheme Cash Out Payment;
- (c) for the avoidance of doubt, conditions (a) and (b) above shall also be binding on any Creditor's (including any Cash Out Creditor or Term Loan Creditor) successors, transferees and assigns.

Any person who acquires the Notes after the record date and time for determining the eligibility to receive the Pre-Scheme Payments would not be entitled to the Pre-Scheme Payments and would not receive the cash portion of the First Interest Period or would have its Cash Out Payment reduced by an amount equal to the Pre-Scheme Cash Out Payment, as the case may be.

The Company will be seeking Court approval of the amendments to the NCL Scheme as set out in Annex A hereto to reflect the Pre-Scheme Payments and the conditions thereto when seeking sanction of the NCL Scheme by the High Court of the Republic of Singapore.

Creditors who have queries on the Pre-Scheme Payments may contact the proposed Scheme Manager at nam.cheong.scheme.sg@sg.pwc.com or at +65 8697 9217.

3. RECORD AND PAYMENT DATE FOR THE PRE-SCHEME PAYMENTS

NOTICE IS HEREBY GIVEN that the payment date for the Pre-Scheme Payments will be **on Thursday, 12 July 2018 ("Payment Date")**.

The record date and time for the purpose of determining the persons who are eligible to receive the Pre-Scheme Payments on the Payment Date (being five business days prior to the Payment Date) will be **Thursday, 5 July 2018, 5:00pm**.

Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

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

28 June 2018

Annex A

Proposed Amendments to NCL Scheme in relation to the Pre-Scheme Payments

Insertion of new Clause 11.2A and amendment to Clause 11.3 as follows to take into account the Pre-Scheme Payments that were made to Creditors who elected the Cash Out Option:

“11.2A. The Cash Out Payment as determined by the formula set out at Clause 11.2 above shall be reduced by the Cash Out Payment, being an amount equal to 1% of the Cash Out Offered Debt, which the Company had on 12 July 2018, prior to the Effective Date, paid to all Creditors who have participation in the Cash Out Option on 5 July 2018 at 5:00pm (including their successors, transferees and assigns).”

11.3 The remainder of the ~~The~~ Cash Out Payments, after deduction of the Cash Out Payment that was made in accordance with Clause 11.2A above, shall be paid to the Creditors who elected the Cash Out Option on the Implementation Date or as soon as practicable after the Disputes Resolution Date or the Crystallisation Date (as the case may be).”

Amendment to Clause 12.6 as follows to take into account the Pre-Scheme Payments that were made to Creditors who elected the Term Loan Option:

“12.6 On the last day of the Interest Period, the Company shall pay 50% of the accrued interest by cash to the Creditors on a pari passu 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 on 5 July 2018 at 5:00pm (including their successors, transferees and assigns) 50% of the accrued interest payable in cash for the first Interest Period (i.e., 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.”