



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

RESTRUCTURING PROCEEDINGS COMMENCED IN SINGAPORE AND MALAYSIA

1. INTRODUCTION

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

- (i) made on 23 April 2017 in relation to 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 to position the Group to ride out the challenging market environment, including the steps taken by the Group to address various obligations owed by the Group that have fallen due and will fall due from time to time (“**Restructuring**”); and
- (ii) made on 20 July 2017 in relation to *inter alia* the Company’s debt standstill with its key creditors on all of the Company’s borrowings to facilitate the ongoing Restructuring, (collectively, the “**Announcements**”).

2. APPLICATIONS FOR THE PROPOSED SCHEMES OF ARRANGEMENT AND MORATORIUM

Further to the Announcements, the Company wishes to announce that the Company has, on 6 October 2017, filed an application with the High Court of the Republic of Singapore (“**Court**”) seeking, amongst others (“**Application**”) that:

- (a) For a period of six (6) months from the date of the Application or until further order: -
 - (i) No appointment shall be made of a receiver or manager over any property or undertaking of the Company;
 - (ii) No action or proceedings in Singapore or elsewhere shall be commenced or continued against the Company (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act), except with the consent of the Company or the leave of the Court and subject to such terms as the Court imposes;
 - (iii) 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;

- (iv) 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
- (v) 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,

(collectively the “**Moratorium**”);

- (b) The Moratorium shall not preclude DBS Trustee Limited (“**Trustee**”), as trustee of the following notes issued by the Company, from taking any steps to enforce its rights to seek the release and payment of such monies held in the relevant interest service reserve accounts by the Trustee in favour of the holders of the following notes:
 - (i) S\$200,000,000 5.05 per cent notes due 2019 comprised in Series 003 of the S\$600,000,000 Multicurrency Medium Term Note issued on 23 August 2014; and
 - (ii) S\$75,000,000 6.50 per cent notes due 2018 comprised in Series 004 of the S\$600,000,000 Multicurrency Medium Term Note issued on 23 July 2015;
- (c) The Company be at liberty to convene a meeting of its scheme creditors (“**Scheme Meeting**”) within three (3) months (or such other period as the Court may order) from the date of the order, for the purposes of considering and, if thought fit, approving with or without modification (which modification can be made any time prior to and/or at the Scheme Meeting) a Scheme of Arrangement proposed to be made between the Company and its scheme creditors pursuant to Section 210(1) of the Companies Act (the “**Proposed Scheme of Arrangement**”); and
- (d) In the event that the Proposed Scheme of Arrangement is approved at the Scheme Meeting, pursuant to Section 210(4) of the Companies Act, the Company be at liberty to apply for an order of Court approving the Proposed Scheme of Arrangement, with such modifications as are approved at the Scheme Meeting (if any), so as to be binding on the Company and its scheme creditors.

Parallel to the Application, the Company’s key subsidiaries, Nam Cheong Dockyard Sdn Bhd as well as Nam Cheong International Limited (together with the Company, the “**Nam Cheong Restructuring Group**”) have also made an application in the High Court of Malaya to convene the requisite meeting of creditors to approve schemes of arrangement with their respective scheme creditors (together with the Application, the “**Applications**”).

The Applications are intended to preserve the assets of the Company as well as to put in place a holistic and effective restructuring of the debt of the Nam Cheong Restructuring Group. The Applications, if granted, will enable the Nam Cheong Restructuring Group to take all available

and necessary steps to carry out a successful Restructuring which will be fair and equitable to all stakeholders of the Nam Cheong Restructuring Group.

The Application will be heard on a date to be fixed by the Court at a pre-trial conference in respect of the Application scheduled on 12 October 2017.

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

9 October 2017