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

UPDATE ON RESTRUCTURING

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1. INTRODUCTION

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

(a) its announcement dated 16 July 2018 in relation to, amongst other things, the sanction of the schemes of arrangements (with modifications) proposed between Nam Cheong Dockyard Sdn Bhd ("**NCD**") and Nam Cheong International Ltd ("**NCI**") and their respective creditors ("**NCD Scheme**" and "**NCI Scheme**" respectively);

(b) its circular to Shareholders dated 27 July 2018 relating to, amongst other things, the issuance of the Term Loan Shares ("**Circular**");

(c) its announcement dated 3 August 2018 in relation to, amongst other things, the sanction of the scheme of arrangements (with modifications) proposed between the Company and its creditors ("**NCL Scheme**", collectively with the NCD Scheme and the NCI Scheme, the "**Schemes**");

(d) its announcement dated 28 September 2018 in relation to the implementation of the Schemes;

(e) its announcement dated 1 October 2020 in relation to NCD's admission into the Corporate Debt Restructuring Committee ("**CDRC**") of Malaysia;

(f) its announcement dated 8 January 2021 in relation to the Term Loan Interest;

(g) its announcement dated 4 February 2021 in relation to updates on the issuance of non-sustainable debt shares and term loan shares;

(h) its announcement dated 25 June 2021 in relation to the suspension of repayment of Term Loan Principal due on 30 June 2021 and Term Loan Cash Interest for the 7th Interest Period;

(i) its announcement dated 24 December 2021 in relation to the suspension of repayment of Term Loan Principal due on 31 December 2021 and Term Loan Cash Interest for the 8th Interest Period

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

2. UPDATE ON RESTRUCTURING

As announced on 1 October 2020, NCD was admitted into the CDRC for assistance to mediate a debt restructuring between NCD and its financial institution ("**FI**") creditors. Since November 2020, NCD has been engaging actively with both its financial creditors and trade creditors. After its admission into the CDRC process, NCD, together with its advisors, had prepared an initial debt restructuring proposal for review by the CDRC.

Following many rounds of feedback and negotiations with the FI creditors, NCD, together with its advisors, evolved a revised debt restructuring proposal which was presented to the FI creditors earlier this year.

The Company is pleased to announce that after further rounds of negotiations, the Group had agreed an in-principle agreement with all its FI creditors for the proposed restructuring (the "**Restructuring**"). The Restructuring will now proceed with documentation and subject to conditions that will be set out in definitive agreements to be entered into between all relevant parties. The Group is working closely with all to ensure the process can be completed in an expedient manner.

In parallel with the above, the Group will also work towards the restructuring of its other liabilities and will in due course call a meeting of the creditors of the Company to update them on the next steps.

Any further material developments relating to the Restructuring will be disseminated at the appropriate juncture. There is no assurance or reasonable certainty that any Restructuring options will be successfully concluded, although we are hopeful that the Group can achieve a viable solution going forward. In the event the Restructuring is not concluded within a timely manner, the Company / Group will continue to be faced with a going concern issue.

Further announcements will be made by the Company and the Board via SGXNET as and when there are 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 were voluntarily suspended on 28 April 2020.

Given the above matters and 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

Kong Wei Fung
Cheok Hui Yee
Company Secretaries

25 May 2022