



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

ANNOUNCEMENT

ACQUISITION OF A 49% INTEREST IN SK HULL SDN BHD BY A SUBSIDIARY COMPANY

The Board of Directors of Nam Cheong Limited (the “Company” or together with its subsidiaries the “Group”) wishes to announce that Nam Cheong Dockyard Sdn Bhd (“NCD”), a direct subsidiary of the Company, has acquired a 49% equity interest in SK Hull Sdn Bhd (“SKHull”) by the purchase of all shares issued in SKHull from Leong Juin Zer Jonathan (“Jonathan Leong”), at a total cash consideration of RM49,000.00 for 49,000 shares (the “Acquisition”).

The information relating to SKHull as at the date of Acquisition is as follows:

Country of Incorporation: Malaysia

Date of Incorporation: 7 November 2017

Registered capital: RM100,000.00 comprising of 100,000 shares

Principal activity: Oil and gas extraction services related activities

The consideration was arrived at on a willing-buyer and willing-seller basis based on the net tangible assets of SKHull.

The objective of the Acquisition is to enable the Group to explore and diversify into the provision of services related to Engineering Procurement Construction Installation and Commissioning (“EPCIC”) within the Offshore and Marine sector.

Jonathan Leong is the grandson of Tan Sri Datuk Tiong Su Kouk, the Executive Chairman, nephew of Mr Tiong Chiong Hiiung, the Executive Vice Chairman cum Director, and the son of Mr Leong Seng Keat, the CEO.

Jonathan is regarded to be an associate of Mr Leong Seng Keat, the CEO of the Company and as such, would be regarded to be an interested person within the meaning defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX Listing Manual”).

Rule 905(1) and (2) of the SGX Listing Manual does not apply as the value of this Acquisition is below S\$100,000/-.

The audit committee of the Company has reviewed the aforesaid interested person transaction and is of the view that the aforesaid interested person transaction is transacted on a normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

Subsequent to the completion of the Acquisition, SKHull increased its registered capital to RM1,000,000 by way of rights issue, in which NCD subscribed for additional 441,000 shares for a total consideration of RM441,000.00 (“Additional Subscription”), to maintain its equity interest in SKHull.

Saved as disclosed in this announcement, none of the directors or controlling or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

The Acquisition and the Additional Subscription were funded through internal resources and is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Group for the current financial year ending 31 December 2020.

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

Tan Sri Datuk Tiong Su Kouk
Executive Chairman
10 March 2020
