



**NAM CHEONG LIMITED**  
**(Incorporated in Bermuda)**  
**(Company Registration Number 25458)**

---

## **RESPONSE TO QUESTIONS FROM SHAREHOLDERS**

---

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

- (a) the Company’s annual report for the financial year ended 31 December 2021 (“**AR FY2021**”);
- (b) the notice of the annual general meeting (“**AGM**”) issued on 13 April 2022 informing the shareholders of the Company that the AGM will be convened and held by way of electronic means on 29 April 2022 at 10.00 am; and
- (c) the accompanying announcement in relation to the AGM (“**AGM Announcement**”).

The Company would like to thank the shareholders for their co-operation in submitting their queries in accordance to the deadline set out in the AGM Announcement.

The Company has set out its responses to all questions in this announcement.

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

Kong Wei Fung  
Cheok Hui Yee  
Company Secretaries

24 April 2022

### **Shareholder's Question 1:**

**We would like to know if NAM CHEONG has plans to make monetary repayments to the bondholders (Term Loan Creditors) based on the promised Restructured Repayments Obligations. If not, what are NAM CHEONG's reasons and forward decisions.**

**Kindly provide an update with regards to the outstanding Bond (Term Loan). Would there be further restructuring with the bondholders (Term Loan Creditors) on the outstanding bond?**

**When would Nam Cheong shares resume trading on SGX?**

### **Company's Response:**

Despite the recent increase in global oil prices, oil majors remain cautious about committing to higher levels of capital expenditure and continue to rationalise costs, prolonging the tight margins earned by service providers across the value chain, including the Group. Daily charter rates remain low and costs associated with the COVID-19 pandemic are increasing. Offshore Support Vessel ("OSV") owners and operators across the oil and gas industry are encountering these continuous adverse circumstances, this was highlighted by the Malaysia OSV Owners' Association ("MOSVA") in the news recently<sup>1</sup>. Consequently, this has resulted in cash constraints and the ability of the Company to honour its commitments. As announced on 24 December 2021, we regret that repayment of Term Loan Principal due on 31 December 2021 and Term Loan Cash Interest portion for the Interest Period from 1 July 2021 to 31 December 2021 ("8th Interest Period") has been suspended.

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 FI and trade creditors and prepared an initial debt restructuring proposal for review by the CDRC and which was subsequently presented to the FI creditors.

After a series of discussions and negotiations, 7 out of 8 FI creditors have responded favourably to the debt restructuring proposal. The one remaining FI creditor is awaiting further deliberation and approval from their Board committee, which is envisaged to take place around the mid of 2022. Obtaining the requisite approvals from the FI creditors will allow the Group's restructuring efforts to progress to the next stage, i.e. to propose a restructuring to the creditors of the Company, which includes the Term Loan Creditors, by way of a Scheme of Arrangement pursuant to the Singapore Companies Act 1967 or otherwise.

In the interim, the Company wishes to express its appreciation of the Term Loan Creditors' indulgence and understanding to date. We shall revert in the near future with an update of the ongoing negotiations with the FI creditors, and updates on the proposed business plan. Ensuring continuing underlying viability of the Group and operating with a strengthened balance sheet, including the ability to withstand future shocks, are critical aspects of this current exercise.

Trading in the Company's securities on the SGX-ST were voluntarily suspended on 28 April 2020. The resumption of trading in the Company's securities will be subject to, inter alia, the completion of the Restructuring (as defined in the Company's announcement dated 1 October 2020) and approval from SGX.

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.

---

<sup>1</sup> *Local O&G players in limbo despite high oil prices – The Edge Markets, March 14, 2022*

No definitive agreements in relation to any future Restructuring (as defined in the Company's announcement dated 1 October 2020) options have been entered into by the Group as at the date of this announcement. There is no assurance or reasonable certainty that any discussions or any Restructuring options will materialise or be successfully concluded, although we are hopeful that the Group can reach a viable solution. 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.

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.