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

APPLICATION FOR EXTENSION OF TIME IN RESPECT OF SUBMITTING THE RESUMPTION OF TRADING PROPOSAL

---

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 24 April 2020 informing, inter alia, that the Company is on the course of holding discussions with its principal lenders with a view to address significant debt maturities, which may include, inter alia, extension of the maturities and/or restructuring of existing loans (the "**Restructuring**");

(f) its announcement dated 28 April 2020 in relation to the voluntary suspension in the trading of the Company's securities;

(g) its announcement dated 1 October 2020 informing, inter alia, that the Corporate Debt Restructuring Committee of Malaysia ("**CDRC**") had accepted the application of NCD and its subsidiaries for CDRC's assistance to mediate a debt restructuring between NCD and its financial creditors; and

(h) its announcement dated 25 May 2022 in relation to the update on the Restructuring.

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

2. APPLICATION FOR EXTENSION OF TIME IN RESPECT OF SUBMITTING THE RESUMPTION OF TRADING PROPOSAL

In accordance with Rule 1304(1) of the SGX-ST Listing Manual, the Company was required to submit a resumption of trading proposal (the "**Resumption Proposal**") to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") within 12 months of the date of suspension (i.e., by 27 April 2021) (the "**Resumption Proposal Deadline**"), and in accordance

with Rule 1304(2), to implement the Resumption Proposal within 6 months from the date the SGX-ST indicates that it has no objection to the Resumption Proposal.

Whilst the Company understood that it had to submit its Resumption Proposal (or alternatively, a request for an extension of time) by the Resumption Proposal Deadline, the Company was unable to formally submit its Resumption Proposal to the SGX-ST by the Resumption Proposal Deadline at that point, given that, at the material time, all of the FI Creditors had just rejected a previous restructuring proposal submitted by the Company.

In light of the circumstances that there was no in-principle agreement with all the FI Creditors at the relevant time, the Restructuring was still in flux, and there was correspondingly no certainty as to whether the Company then would be able to implement the Restructuring successfully and continue as a going concern. Consequently, the Company was not in a position to put forward its application for an extension of time to submit its Resumption Proposal at that time, given the lack of progress on and the uncertainty surrounding the Restructuring. Critically, the Company would not have been able to provide an indicative timeline to its resumption of trading in view of the then circumstances.

It was only sometime in the middle of May 2022 that the Company managed to obtain the in-principle approval of the FI Creditors to the Restructuring proposal. It should be noted that it was only after obtaining the in-principle approval of all of the FI Creditors, that it can finally be said that there is some certainty as to the implementation of the Restructuring.

In this regard, the Company had, on 14 October 2022, made an application to the SGX-ST for an extension of time to submit the Resumption Proposal by 31 March 2023 (the "**Extension Application**") for the following reasons:

(a) the Company has reached an in-principle agreement with the FI Creditors for the Restructuring and has engaged Raslan Loong, Shen & Eow to assist on the definitive agreements (governed by Malaysian law) to be entered into with the FI Creditors. Since then, the first drafts of the definitive agreements have been prepared and circulated in mid-August 2022 by Raslan Loong, Shen & Eow and will need to be further negotiated with the FI Creditors and their respective legal advisors accordingly. In this regard, Rajah & Tann Singapore LLP has been appointed as Singaporean legal advisors to the FI Creditors who have Singapore law-governed claims against the Group, and Shook Lin & Bok has been appointed as Malaysian legal advisors to the FI Creditors who have Malaysian law-governed claims against the Group, to review and agree on the definitive agreements and / or amendments to existing documents. While the legal advisor fees are borne by the Company, it should be noted that each of Rajah & Tann Singapore LLP and Shook Lin & Bok's duty of care in this regard is towards the respective FI Creditors and not to the Company;

(b) the first drafts of the definitive agreements have been exchanged with the legal advisors to the FI Creditors, and they had on 10 October 2022 responded with their comments and proposed amendments, which is subject to further approval, input and comments from the FI Creditors. The Company is currently reviewing the same;

(c) the Company is currently working to engage with the other creditors of the Company/Group (as necessary) with a view of restructuring the unsecured liabilities of the Company, which is likely to be done, *inter alia*, through a scheme of arrangement (the "**Scheme**"). In this regard, the Company intends to hold a series of townhall meetings with the other creditors in this respect. Nonetheless, it is envisaged that the process of engaging with and negotiating with the other creditors of the Company/Group in relation to the Scheme will also require a somewhat significant amount of time to be expended;

(d) Tan Sri Datuk Tiong Su Kouk ("**TST**"), a substantial shareholder of the Company, is also committed to continue supporting the Company, proposing to inject RM 30 million into the Company by way of a private placement, the proceeds of which will be used to fund the cash pay-out option under the Scheme (the "**Cash Pay-Out**"), as well as provide a RM19.2 million guarantee for part of the Scheme. In the event there is any

excess after funding the Cash Pay-Out, such excess will be used by the Company for working capital and capital expenditure purposes. As TST is a substantial shareholder of the Company, there will be a requirement for a waiver to be obtained from the Securities Industry Council from the requirement for TST and his concert parties to make a mandatory takeover offer pursuant to the relevant provisions of the Singapore Takeover Code; and

(e) the Company currently envisages that the definitive agreements and the Scheme will potentially involve a debt-to-equity swap, with the specific details of such arrangements to be further worked out through the ongoing negotiations with both the FI Creditors and the other creditors of the Company/Group. In this regard, it is expected that when the Company/Group and the FI Creditors as well as the other creditors of the Company/Group finalise the definitive agreements and the details of the Scheme, the Company's intention will be to submit, *inter alia*, an additional listing application for the listing and quotation of such shares to the SGX-ST along with the relevant shareholders' circular and resumption proposal for the SGX-ST's consideration and approval.

3. GRANT OF EXTENSION OF TIME IN RESPECT OF SUBMITTING THE RESUMPTION OF TRADING PROPOSAL

The Board is pleased to announce that the SGX-ST had, on 28 October 2022, informed the Company that based on the submissions and representations made to the SGX-ST, the SGX-ST has no objection to the Company's Extension Application (the "**Waiver**"), subject to the following:

a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

b) submission of a written confirmation from the Company that the application and waiver do not contravene any laws and regulations governing the Company or the constitution of the Company; and

c) the Company submitting its resumption proposal by 31 March 2023,

(collectively, the "**Waiver Conditions**").

The Waiver will not be effective if any of the Waiver Conditions have not been fulfilled.

With respect to the Waiver Condition under paragraph 3(a), this is the announcement by the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied.

With respect to the Waiver Condition under paragraph 3(b), on 2 November 2022, the Company had submitted the written confirmation dated 1 November 2022 to the SGX-ST that the Extension Application and the Waiver do not contravene any laws and regulations governing the Company or the constitution of the Company.

With respect to the Waiver Conditions under paragraph 3(c), the Company is still working toward submitting its Resumption Proposal by 31 March 2023 and will make an update announcement once the Resumption Proposal has been submitted.

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.

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

3 November 2022