



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

GROUP RESTRUCTURING

The Board of Directors (“**Board**”) of Nam Cheong Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 17 March 2017 (“**Announcement**”).

The Company wishes to announce that in light of the severe and protracted downturn in the global oil and gas industry, the Company has taken steps to review its options to restructure its businesses, operations and balance sheet to preserve value for the stakeholders of the Company (“**Initiatives**”). In this regard, the Company wishes to update shareholders of the following steps taken by the Group as part of on-going measures to position the Group to ride out the challenging market environment:

- (a) The Group, together with its advisers, are holding discussions with its principal lenders to address significant debt maturities, which may include, *inter alia*, refinancing and/or restructuring of existing loans (“**Restructuring**”).
- (b) The Group, together with its advisers, are in the midst of carrying out a review of the cash flow projections, costs cutting measures as well as discussions with various parties regarding possible transactions to contain operating costs.
- (c) The Group is focused on stepping up efforts to improve its financial position whilst continuing its cost rationalisation measures to improve overall competitiveness.

Subsequent to the Announcement and as part of the Initiatives, the Group received, from time to time, letters of demand as well as reservation of rights letters from its counterparties, including its financial lenders. The Company also has various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time. These obligations include the Group’s loans and borrowings of an aggregate amount of RM948,720,000 that were classified as current as at 31 December 2016, of which RM278,566,000 pertain to the medium term notes that are due for repayment on 28 August 2017. The Group is in discussions with a number of its creditors and key stakeholders, including its financial lenders and vendors, in relation to the Restructuring options for these obligations.

No definitive agreements in relation to the Restructuring have been entered into by the Group as at the date of this announcement. There can be no assurance or reasonable certainty that any discussions or any Restructuring options will materialise or be successfully concluded. In the event the Restructuring is not favourably completed in a timely manner, the Company and the Group will 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 any 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

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

23 April 2017