
Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2021

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	The Group					
		6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	Change %	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000	Change %
Revenue	4	142,875	182,730	(22%)	286,159	372,296	(23%)
Cost of sales		(120,942)	(120,214)	1%	(222,453)	(269,088)	(17%)
Gross profit		21,933	62,516	(65%)	63,706	103,208	(38%)
Other income	5	124,654	5,944	>100%	128,602	11,796	>100%
Selling and administrative expenses		(18,011)	(20,026)	(10%)	(32,921)	(42,355)	(22%)
Impairment loss on property, plant and equipment		(3,930)	(28,117)	(86%)	(6,927)	(283,473)	(98%)
Impairment loss on investment in an associate		-	-	n.m.	-	(17,288)	n.m.
Impairment loss on investment in a joint venture		-	-	n.m.	-	(1,430)	n.m.
Impairment losses on trade and other receivables		(1,312)	(7,925)	(83%)	(1,312)	(16,120)	(92%)
Inventories written down		-	(20,028)	n.m.	-	(33,533)	n.m.
Other operating expenses		(2,440)	(63,920)	(96%)	(25,892)	(75,384)	(66%)
Operating profit/(loss)		120,894	(71,556)	<(100%)	125,256	(354,579)	<(100%)
Finance costs		(15,387)	(16,834)	(9%)	(33,758)	(38,201)	(12%)
Share of results of equity accounted joint ventures, net of tax		880	(2,366)	<(100%)	(1,047)	(2,873)	(64%)
Share of results of equity accounted associates, net of tax		674	(490)	<(100%)	674	(1,703)	<(100%)
Profit/(Loss) before tax	6	107,061	(91,246)	<(100%)	91,125	(397,356)	<(100%)
Income tax expense	7	(5,954)	(5,501)	8%	(7,136)	(6,968)	2%
Profit/(Loss) for the financial period/year		101,107	(96,747)	<(100%)	83,989	(404,324)	<(100%)

n.m. : Not meaningful

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

	Note	The Group				
		6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	Change %	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Other comprehensive income						
Exchange differences on translating foreign operations		(5,055)	(4,186)	21%	4,630	(4,404) <(100%)
Other comprehensive income for the financial period, net of tax		<u>(5,055)</u>	<u>(4,186)</u>	21%	<u>4,630</u>	<u>(4,404) <(100%)</u>
Total comprehensive income/(loss) for the financial period/year		<u>96,052</u>	<u>(100,933)</u>	<(100%)	<u>88,619</u>	<u>(408,728) <(100%)</u>
Profit/(Loss) attributable to:						
Owners of the parent		104,458	(96,029)	<(100%)	86,689	(404,156) <(100%)
Non-controlling interest		(3,351)	(718)	>100%	(2,700)	(168) >100%
Profit/(Loss) for the financial period/year		<u>101,107</u>	<u>(96,747)</u>	<(100%)	<u>83,989</u>	<u>(404,324) <(100%)</u>
Total comprehensive income/(loss) attributable to:						
Owners of the parent		99,403	(100,215)	<(100%)	91,319	(408,560) <(100%)
Non-controlling interest		(3,351)	(718)	>100%	(2,700)	(168) >100%
Total comprehensive income/(loss) for the financial period/year		<u>96,052</u>	<u>(100,933)</u>	<(100%)	<u>88,619</u>	<u>(408,728) <(100%)</u>
Earnings per share for loss for the period/year attributable to the owners of the Company						
Weighted average number of shares in issue (basic)		7,816,909,146	7,272,640,629		7,629,024,672	7,257,562,225
Weighted average number of shares in issue (diluted)		7,816,909,146	7,272,640,629		7,629,024,672	7,257,562,225
Basic loss per share (Malaysia sen)		1.34	(1.32)		1.14	(5.57)
Diluted loss per share (Malaysia sen)		<u>1.34</u>	<u>(1.32)</u>		<u>1.14</u>	<u>(5.57)</u>

The basic and diluted loss per share are the same as the outstanding contingently issuable shares were anti-dilutive.

Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	390,324	485,627	-	-
Subsidiaries	15	-	-	-	-
Joint ventures		1,996	667	-	-
Associates		680	-	-	-
		<u>393,000</u>	<u>486,294</u>	<u>-</u>	<u>-</u>
Current assets					
Inventories		23,968	17,922	-	-
Trade and other receivables	11	156,751	125,423	152	213
Prepayments		5,143	2,367	78	23
Current tax recoverable		706	1,113	-	-
Fixed deposits		1,233	1,005	-	-
Cash and bank balances		25,472	95,350	77	158
		<u>213,273</u>	<u>243,180</u>	<u>307</u>	<u>394</u>
TOTAL ASSETS		<u>606,273</u>	<u>729,474</u>	<u>307</u>	<u>394</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	12	3,836	3,552	3,836	3,552
Share premium	12	309,357	303,028	309,357	303,028
Treasury shares		(4,097)	(4,097)	(4,097)	(4,097)
Other reserves		315,106	310,361	781,384	781,199
Accumulated losses		(1,301,078)	(1,387,767)	(1,898,378)	(1,860,274)
		<u>(676,876)</u>	<u>(774,923)</u>	<u>(807,898)</u>	<u>(776,592)</u>
Non-controlling interest		<u>995</u>	<u>3,494</u>	<u>-</u>	<u>-</u>
Total equity		<u>(675,881)</u>	<u>(771,429)</u>	<u>(807,898)</u>	<u>(776,592)</u>
Non-current liabilities					
Deferred tax liabilities		2,839	3,126	-	-
Lease liabilities		9,873	990	-	-
Trade and other payables		-	127,675	-	-
		<u>12,712</u>	<u>131,791</u>	<u>-</u>	<u>-</u>

Condensed Interim Statements of Financial Position (Cont'd)

	The Group		The Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
EQUITY AND LIABILITIES (Contd.)				
Current liabilities				
Lease liabilities	7,543	714	-	-
Borrowings	13 947,705	997,175	681,138	670,869
Trade and other payables	268,770	325,424	83,031	62,081
Current tax payable	1,388	1,763	-	-
Provisions	44,036	44,036	44,036	44,036
	<u>1,269,442</u>	<u>1,369,112</u>	<u>808,205</u>	<u>776,986</u>
Total liabilities	<u>1,282,154</u>	<u>1,500,903</u>	<u>808,205</u>	<u>776,986</u>
TOTAL EQUITY AND LIABILITIES	<u>606,273</u>	<u>729,474</u>	<u>307</u>	<u>394</u>

Condensed Interim Statements of Changes in Equity

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available-for-sale reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000	Non-controlling interest RM'000	Total equity RM'000
The Group										
At 1 January 2021	3,552	303,028	(4,097)	312,171	(4,401)	2,591	(1,387,767)	(774,923)	3,494	(771,429)
Profit for the year	-	-	-	-	-	-	86,689	86,689	(2,700)	83,989
Other comprehensive income	-	-	-	4,630	(70)	-	-	4,560	-	4,560
Issuance of										
non-sustainable debt shares	218	4,848	-	-	-	-	-	5,066	-	5,066
Issuance of term loan shares	66	1,481	-	-	-	-	-	1,547	-	1,547
Issuance of shares to										
non-controlling interest										
of a subsidiary	-	-	-	-	-	-	-	-	201	201
Share grant plan expenses	-	-	-	-	-	185	-	185	-	185
At 31 December 2021	3,836	309,357	(4,097)	316,801	(4,471)	2,776	(1,301,078)	(676,876)	995	(675,881)
At 1 January 2020	3,484	300,417	(4,097)	316,575	(4,401)	1,351	(983,611)	(370,282)	6,062	(364,220)
Loss for the period	-	-	-	-	-	-	(404,156)	(404,156)	(168)	(404,324)
Other comprehensive income	-	-	-	(4,404)	-	-	-	(4,404)	-	(4,404)
Issuance of term loan shares	68	2,611	-	-	-	-	-	2,679	-	2,679
Share grant plan expenses	-	-	-	-	-	1,240	-	1,240	-	1,240
Dividend paid to										
non-controlling interest										
of a subsidiary	-	-	-	-	-	-	-	-	(2,400)	(2,400)
At 31 December 2020	3,552	303,028	(4,097)	312,171	(4,401)	2,591	(1,387,767)	(774,923)	3,494	(771,429)

Condensed Interim Statements of Changes in Equity (Cont'd)

	Share capital RM'000	Share premium RM'000	Share grant reserve RM'000	Treasury shares RM'000	Contributed surplus RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000
The Company							
At 1 January 2021	3,552	303,028	2,591	(4,097)	778,608	(1,860,274)	(776,592)
Loss for the period	-	-	-	-	-	(38,104)	(38,104)
Issuance of non-sustainable debt shares	218	4,848	-	-	-	-	5,066
Issuance of term loan shares	66	1,481	-	-	-	-	1,547
Share grant plan expenses	-	-	185	-	-	-	185
At 31 December 2021	3,836	309,357	2,776	(4,097)	778,608	(1,898,378)	(807,898)
At 1 January 2020	3,484	300,417	1,351	(4,097)	778,608	(1,805,737)	(725,974)
Loss for the period	-	-	-	-	-	(54,537)	(54,537)
Issuance of term loan shares	68	2,611	-	-	-	-	2,679
Share grant plan expenses	-	-	1,240	-	-	-	1,240
At 31 December 2020	3,552	303,028	2,591	(4,097)	778,608	(1,860,274)	(776,592)

Note:

On 9 March 2020, share awards amounted to 70,179,408 shares was granted in respective financial years, pursuant to the Nam Cheong Management Incentive Plan ("NCMI Plan").

Condensed Interim Consolidated Statements of Cash Flows

	The Group			
	6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
	Operating activities			
Profit/(Loss) before tax	107,061	(91,246)	91,125	(397,356)
Adjustments for:				
Accretion of non-current trade payables	13,232	7,931	19,089	15,298
Depreciation of property, plant and equipment	14,960	13,072	27,924	30,079
Gain on disposal of a subsidiary	(83)	-	(83)	-
(Gain)/Loss on disposal of property, plant and equipment	-	(3,262)	564	(3,433)
Contract termination expenses relating to prepayments for inventories	-	47	-	47
Impairment loss on property, plant and equipment	3,930	28,117	6,927	283,473
Impairment loss on investment in an associate	-	-	-	17,288
Impairment loss on investment in a joint venture	-	-	-	1,430
Impairment losses on trade and other receivables	1,312	7,925	1,312	16,120
Inventories written down	-	20,028	-	33,533
Interest expense	15,387	16,834	33,758	38,201
Interest income	(617)	(2,164)	(1,707)	(3,292)
Property, plant and equipment written off	3,681	1	3,681	793
Share grant expense	-	267	185	1,240
Share of results of equity accounted joint ventures, net of tax	(880)	2,366	1,047	2,873
Share of results of equity accounted associate, net of tax	(674)	490	(674)	1,703
Gain on waiver of debts	(123,270)	-	(123,270)	(805)
Waiver of prepaid land lease payments	-	-	-	(2,528)
Provision for financial guarantee	-	44,036	-	44,036
Total adjustments	(73,022)	135,688	(31,247)	476,056
Operating cash before working capital changes	34,039	44,442	59,878	78,700
Changes in working capital:				
Changes in inventories	(3,265)	(6,518)	(6,046)	34,880
Changes in receivables	16,992	(25,376)	15,058	13,693
Changes in prepayments	24	1,298	(2,787)	2,956
Changes in payables	(1,808)	(32,331)	(9,843)	(109,406)
Total changes in working capital	11,943	(62,927)	(3,618)	(57,877)
Cash from operations	45,982	(18,485)	56,260	20,823
Interest paid	(3,887)	(6,419)	(10,262)	(14,613)
Taxes paid, net of refund	(6,158)	(1,754)	(7,404)	(3,143)
Net cash from/(used in) operating activities	35,937	(26,658)	38,594	3,067

Condensed Interim Consolidated Statements of Cash Flows (Cont'd)

	The Group			
	6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Investing activities				
Acquisition of property, plant and equipment	(10,060)	(10,095)	(23,175)	(11,126)
Interest received	617	2,164	1,707	3,292
Acquisition of shares in an associate	-	-	-	(490)
Subscription of shares in an associate	(2)	-	(2)	-
Subscription of shares in a joint venture	-	-	(2,383)	-
Proceeds from disposal of property, plant and equipment	-	61,610	-	61,784
Repayment to trade payables	(73,856)	-	(73,856)	-
Net cash (used in)/from investing activities	(83,301)	53,679	(97,709)	53,460
Financing activities				
Repayments of bank borrowings	-	-	-	(2,309)
Payments of lease liabilities	(3,275)	(533)	(6,288)	(533)
Proceeds from issuance of shares to non-controlling interest of a subsidiary	201	-	201	-
Increase in fixed deposits pledged	-	-	-	(18)
Dividend paid	-	(2,400)	-	(2,400)
Net cash used in financing activities	(3,074)	(2,933)	(6,087)	(5,260)
Net changes in cash and cash equivalents	(50,438)	24,088	(65,202)	51,267
Effects of exchange fluctuations on cash and cash equivalents	(3,310)	(2,800)	(4,448)	(2,408)
Cash and cash equivalents at 1 July/1 January	80,164	74,778	96,066	47,207
Cash and cash equivalents at 31 December	26,416	96,066	26,416	96,066
Cash and cash equivalents comprise the following as at the statements of financial position date:				
Fixed deposits with licensed banks	1,233	1,005	1,233	1,005
Cash and bank balances	25,472	95,350	25,472	95,350
	26,705	96,355	26,705	96,355
Less: Restricted fixed deposits with licensed banks	(289)	(289)	(289)	(289)
Total cash and cash equivalents	26,416	96,066	26,416	96,066

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Nam Cheong Limited (the "Company") is incorporated as a limited liability company and domiciled in Bermuda. The Company's shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those relating to investment holding. The principal activities of the Group are those of shipbuilding and vessel chartering.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS"). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Malaysia ringgit ("RM") which is the Company's functional currency. All financial information is presented in RM and rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period. The vessels utilisation of the chartering business is affected by monsoon.

4. Segment and revenue information

The Group is organised into the following main business segments:

- (i) Shipbuilding
- (ii) Vessel chartering
- (iii) Others - investment holding and trading of vessel machineries

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2021					
Revenue					
External revenue	-	142,875	-	-	142,875
Results					
Interest income	664	605	5,702	(6,354)	617
Depreciation of property, plant and equipment	(642)	(14,317)	(1)	-	(14,960)
Gain on disposal of a subsidiary	-	-	83	-	83
Impairment loss on property, plant and equipment	-	(3,930)	-	-	(3,930)
Gain on waiver of debt	-	123,484	-	(214)	123,270
Impairment losses on trade and other receivables	(348)	(901)	(63)	-	(1,312)
Restructuring expenses	-	-	(464)	-	(464)

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2021					
Finance costs	-	(14,352)	(7,421)	6,386	(15,387)
Share of results of joint ventures	-	-	880	-	880
Share of results of associates	-	-	674	-	674
Profit before tax	1,270	102,393	3,614	(216)	107,061
6 months ended 31 December 2020					
Revenue					
External revenue	20,044	162,686	-	-	182,730
Results					
Interest income	1,047	817	6,512	(6,212)	2,164
Depreciation of property, plant and equipment	(922)	(12,495)	(2)	347	(13,072)
Impairment loss on property, plant and equipment	-	(28,117)	-	-	(28,117)
Impairment losses on trade and other receivables reversed/(made)	180	(8,109)	4	-	(7,925)
Inventories written down	(20,078)	50	-	-	(20,028)
Restructuring expenses	-	-	(1,589)	-	(1,589)
Finance costs	(11,809)	(6,150)	(5,638)	6,763	(16,834)
Share of results of joint ventures	-	-	(2,366)	-	(2,366)
Share of results of associates	-	-	(490)	-	(490)
(Loss)/Profit before tax	(97,108)	37,161	(43,597)	12,298	(91,246)

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
12 months ended 31 December 2021					
Revenue					
External revenue	-	286,159	-	-	286,159
Results					
Interest income	1,174	1,185	11,256	(11,908)	1,707
Depreciation of property, plant and equipment	(1,279)	(26,642)	(3)	-	(27,924)
Gain on disposal of a subsidiary	-	-	83	-	83
Loss on disposal of property, plant and equipment	-	(564)	-	-	(564)
Impairment loss on property, plant and equipment	-	(6,927)	-	-	(6,927)
Gain on waiver of debt	-	123,484	-	(214)	123,270
Impairment losses on trade and other receivables	(348)	(901)	(63)	-	(1,312)
Restructuring expenses	-	-	(1,344)	-	(1,344)
Finance costs	-	(30,933)	(14,731)	11,906	(33,758)
Share of results of joint ventures	-	-	(1,047)	-	(1,047)
Share of results of associates	-	-	674	-	674
(Loss)/Profit before tax	(9,662)	125,779	(24,776)	(216)	91,125
As at 31 December 2021					
Additions to non-current assets	322	44,849	-	-	45,171
Investment in joint ventures	-	-	1,996	-	1,996
Investment in associate	-	-	680	-	680
Segment assets	262,491	802,967	6,977	(466,162)	606,273
Segment liabilities	1,458,187	1,537,266	1,144,951	(2,858,250)	1,282,154

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
12 months ended 31 December 2020					
Revenue					
External revenue	72,212	300,084	-	-	372,296
Results					
Interest income	1,099	1,893	12,041	(11,741)	3,292
Depreciation of property, plant and equipment	(1,613)	(29,109)	(51)	694	(30,079)
Gain on waiver of debt	-	805	-	-	805
Gain on waiver of prepaid land lease payments	2,528	-	-	-	2,528
Impairment loss on investment in an associate	-	-	(17,288)	-	(17,288)
Impairment loss on investment in a joint venture	-	-	(1,430)	-	(1,430)
Impairment loss on property, plant and equipment	-	(283,473)	-	-	(283,473)
Impairment losses on trade and other receivables reversed/(made)	660	(16,784)	4	-	(16,120)
Inventories written down	(33,032)	(501)	-	-	(33,533)
Restructuring expenses	-	-	(1,589)	-	(1,589)
Finance costs	(23,118)	(14,910)	(12,471)	12,298	(38,201)
Share of results of joint ventures	-	-	(2,873)	-	(2,873)
Share of results of associates	-	-	(1,703)	-	(1,703)
Loss before tax	(136,039)	(190,339)	(83,276)	12,298	(397,356)

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
As at 31 December 2020					
Additions to non-current assets	1,186	11,002	-	-	12,188
Investment in joint ventures	-	-	667	-	667
Segment assets	78,469	1,420,235	25,299	(794,529)	729,474
Segment liabilities	1,565,615	1,624,154	1,034,466	(2,723,332)	1,500,903

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Revenue				
Malaysia	142,875	162,686	273,383	300,084
United Kingdom	-	20,044	-	72,212
Vietnam	-	-	12,776	-
	<u>142,875</u>	<u>182,730</u>	<u>286,159</u>	<u>372,296</u>
			31.12.2021 RM'000	31.12.2020 RM'000
Non-current assets				
Malaysia			392,993	486,284
Singapore			7	10
			<u>393,000</u>	<u>486,294</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	31.12.2021	31.12.2020
	RM'000	RM'000
Property, plant and equipment	390,324	485,627
Investment in associates	680	-
Investment in joint ventures	1,996	667
	<u>393,000</u>	<u>486,294</u>

A breakdown of sales:

	Financial Year	The Group Financial Year	
	Ending	Ending	Increase/ (Decrease)
	31.12.2021	31.12.2020	RM'000
	RM'000	RM'000	
Sales reported for first half year	143,284	189,566	(46,282)
Operating loss after tax before deducting non-controlling interests reported for first half year	(17,118)	(307,577)	290,459
Sales reported for second half year	142,875	182,730	(39,855)
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	<u>101,107</u>	<u>(96,747)</u>	<u>197,854</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

5. Other income

	The Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	-	3,262	-	3,433
Interest income	617	2,164	1,707	3,292
Miscellaneous	684	518	2,147	1,738
Insurance claim proceeds	-	-	1,395	-
Gain on waiver of debts	123,270	-	123,270	805
Gain on waiver of prepaid land lease payments	-	-	-	2,528
Gain on disposal of a subsidiary	83	-	83	-
	<u>124,654</u>	<u>5,944</u>	<u>128,602</u>	<u>11,796</u>

6. Profit/(Loss) before tax

	The Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at profit/(loss) before tax:				
Cost of sales				
Depreciation of property, plant and equipment	<u>14,115</u>	<u>11,956</u>	<u>26,244</u>	<u>28,032</u>
Administrative expenses				
Depreciation of property, plant and equipment	<u>845</u>	<u>1,116</u>	<u>1,680</u>	<u>2,047</u>
Other operating expenses				
Accretion of non-current trade payables	13,232	7,931	19,089	15,298
Contract termination expenses relating to prepayments for inventories	-	47	-	47
Impairment loss on property, plant and equipment	3,930	28,117	6,927	283,473
Impairment losses on trade and other receivables	1,312	7,925	1,312	16,120
Inventories written down	-	20,028	-	33,533
Property, plant and equipment written off	3,681	1	3,681	793
Impairment loss on investment in an associate	-	-	-	17,288
Impairment loss on investment in a joint venture	-	-	-	1,430
Foreign exchange (gain)/loss, net	(14,937)	10,316	1,214	13,621
Loss on disposal of property, plant and equipment	-	-	564	-
Provision for financial guarantee	-	44,036	-	44,036
Restructuring expenses	<u>464</u>	<u>1,589</u>	<u>1,344</u>	<u>1,589</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 30.12.2020 RM'000
	Current income tax expense:			
- Current year	4,350	1,986	5,650	2,994
- Underprovision in prior year	1,775	981	1,775	1,440
Deferred tax expense:				
- (Over)/Underprovision in prior year	(171)	2,534	(289)	2,534
	5,954	5,501	7,136	6,968

8. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following are transactions with related parties made at terms agreed between the parties:

	The Group			
	6 months ended 31.12.2021 RM'000	6 months ended 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
	Joint ventures			
- interest income	511	481	980	970
Other related parties in which directors and key management have interest				
- purchases	7	110	110	251
- rental expense	401	406	788	924
	401	406	788	924

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

9. Net asset value

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net asset value per ordinary share (Malaysia sen)	(8.6)	(10.6)	(10.3)	(10.7)
Ordinary shares in issue	7,816,909,146	7,272,640,629	7,816,909,146	7,272,640,629

10. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to RM10,060,000 (31 December 2020: RM10,095,000) and disposed of assets amounting to RM90,854,000 (31 December 2020: RM69,617,877) which mainly in relation to the settlement of amount owing to trade payables.

Including in the additions to property, plant and equipment is right-of-use assets of RMNil (31 December 2020: RM998,000).

During the six months ended 31 December 2021, the Group recognised additional impairment on property, plant and equipment of RM3,930,000 based on the difference between the carrying amount of the vessels and the estimated selling price of the vessels in the market.

11. Trade and other receivables

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables from a third party	11,060	15,482	-	-
Less: Allowance for impairment losses	(11,060)	(15,482)	-	-
	-	-	-	-
Current				
Trade receivables	121,663	106,951	-	-
Less: Allowance for impairment losses	(20,516)	(17,362)	-	-
	101,147	89,589	-	-
Amount due from subsidiaries (non-trade)	-	-	98,241	86,764
Amounts due from associates and joint ventures (non-trade)	56,393	34,334	-	-
Deposits and other receivables	26,416	25,053	152	213
Less: Allowance for impairment losses				
- amount due from subsidiaries (non-trade)	-	-	(98,241)	(86,764)
- amounts due from associate and joint ventures (non-trade)	(25,000)	(21,349)	-	-
- other receivables	(2,205)	(2,204)	-	-
	55,604	35,834	152	213
Total trade and other receivables	156,751	125,423	152	213

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

11. Trade and other receivables (Cont'd)

As at even date, RM52.9 million (or 52.3%) of the net trade receivables of RM101.1 million in FY2021 has been collected from the customers subsequent to FY2021. The Group continue to monitor the aging and collection of receivables on an on-going basis. For those receivables which are past due and doubtful of collection, reminders have been sent to the relevant customers before issuance of demand letters and the recovery of debts via legal proceedings where necessary.

12. Share capital and share premium

	The Group and the Company			
	31.12.2021 '000	31.12.2020 '000	31.12.2021 RM'000	31.12.2020 RM'000
Number of ordinary shares				
<u>Share capital</u>				
Issued and fully paid				
At 1 January	7,272,641	7,144,299	3,552	3,484
Issuance of non-sustainable debt shares	416,918	-	218	-
Issuance of term loan shares	127,350	128,342	66	68
	7,816,909	7,272,641	3,836	3,552

Share premium

	The Group		The Company	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
At 1 January	303,028	300,417	303,028	300,417
Issuance of non-sustainable debt shares	4,848	-	4,848	-
Issuance of term loan shares	1,481	2,611	1,481	2,611
	309,357	303,028	309,357	303,028

Share premium is the amount subscribed for ordinary shares in the capital of the Company in excess of the nominal value.

13. Borrowings

	The Group		The Company	
	31.12.2021 RM'000	31.12.2020 RM'000	30.12.2021 RM'000	31.12.2020 RM'000
Bilateral facilities debt (secured)	102,626	100,568	-	-
Term loan - sustainable debts (unsecured)	845,079	896,607	681,138	670,869
	947,705	997,175	681,138	670,869
Represented by:				
Current	947,705	997,175	681,138	670,869

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

13. Borrowings (Cont'd)

Bilateral Facilities Debt

The maturity date of the Bilateral Facilities Debt was 31 December 2020.

Term Loan - Sustainable Debts

The tenor of the Term Loan is from 1 January 2018 to 31 December 2024. Interest is charged at 4% per annum. The principal shall be repaid in eight half-yearly instalments from 2021 to 2024 in the percentage of 10%, 20%, 30% and 40%, respectively.

The repayment of the borrowings have been suspended since the financial year ended 31 December 2020. Consequently, the non-current borrowings became repayable on demand and were classified as current liabilities. The Group is currently in discussions with the lenders to review its options of restructuring its debts. Please refer to Paragraph 6 of Other Information Required by Listing Rule Appendix 7.2 for further information.

Borrowings are secured by the underlying assets, comprising leasehold land, buildings and vessels with carrying amount of RM5,813,000 (31.12.2020 – RM5,975,000), RM1,618,000 (31.12.2020 – RM1,663,000) and RM42,734,000 (31.12.2020 – RM43,464,000), respectively.

14. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 December 2021 and 31 December 2020:

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost				
Trade and other receivables	156,751	125,423	152	213
Cash and bank balances	25,472	95,350	77	158
Fixed deposits	1,233	1,005	-	-
	<u>183,456</u>	<u>221,778</u>	<u>229</u>	<u>371</u>
Financial liabilities at amortised cost				
Bilateral facilities debt	102,626	100,568	-	-
Term loan	845,079	896,607	681,138	670,869
Lease liabilities	17,416	1,704	-	-
Trade and other payables	268,143	452,478	82,885	61,935
	<u>1,233,264</u>	<u>1,451,357</u>	<u>764,023</u>	<u>732,804</u>

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

15. Dilution in Interest in SK Majestic Ltd

On 12 August 2021, SK Majestic Ltd ("SKMJ"), an indirect wholly owned subsidiary of the Company issued 999 new ordinary shares, at an issue price of USD1 each, of which 499 shares were subscribed by SK Global Ltd, an indirect wholly owned subsidiary of the Company and 500 shares were subscribed by 3 subscribers.

Following the above changes, SKMJ was deemed disposed of and becomes a 50%-owned associate company of the Group. The following summarises the consideration received, and the amounts of assets disposed of and liabilities transferred at the date of disposal:-

	The Group	
	31.12.2021 RM'000	31.12.2020 RM'000
Property, plant and equipment	7,913	-
Trade and other receivables	3	-
Prepayments	35	-
Trade and other payables	(8,034)	-
Carrying amount of net liabilities deemed disposed of	<u>(83)</u>	-
Foreign exchange translation reserve	*	-
	<u>(83)</u>	-
Consideration received	-	-
Gain on deemed disposal of a subsidiary	<u>(83)</u>	<u>-</u>

* : Amount less than RM500

Other Information Required by Listing Rule Appendix 7.2

1. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on preceding year.

There were no movement in the treasury shares during the six months ended 31 December 2021. As at 31 December 2021, 6,678,597 shares were held as treasury shares by the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent

The condensed consolidated statement of financial position of Nam Cheong Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2020.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

6. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Group Performance

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2021 vs FY2020

	FY2021				FY2020				Variance			
	Revenue		Gross Profit		Revenue		Gross Profit		Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	n.m.	72,212	19%	6,500	9%	(72,212)	n.m.	(6,500)	n.m.
Vessel Chartering	286,159	100%	63,706	22%	300,084	81%	96,708	32%	(13,925)	(5%)	(33,002)	(34%)
Total	286,159	100%	63,706	22%	372,296	100%	103,208	28%	(86,137)	(23%)	(39,502)	(38%)

For the twelve months ended 31 December 2021 ("FY2021"), the Group's revenue from vessel chartering division decreased by 5% from RM300.1 million in the previous corresponding twelve months ended 31 December 2020 ("FY2020") to RM286.2 million in FY2021 due to project delays as a result of the impact from the emergence of the Delta variant and the highly transmissible Omicron variant in FY2021.

The shipbuilding division recorded a revenue of RM72.2 million during FY2020 due to the completion of sale and delivery of an Emergency Response and Rescue Vessel ("ERRV") to a customer based in North Sea and an Anchor Handling Tug Supply Vessel ("AHTS") to a customer based in South East Asia during the previous financial year. Conversely, there was no vessel sale and delivery in FY2021.

In line with the decrease in chartering revenue and the absence of shipbuilding revenue, gross profit decreased by 38% to RM63.7 million in FY2021.

Other income was higher at RM128.6 million in FY2021 as compared to RM11.8 million recorded in FY2020 mainly due to the gain on waiver of debts by trade and financial creditors amounting to RM123.3 million in FY2021 following successful negotiation and settlement with the trade creditors as well as the repayment of certain loan and borrowings via the issuance of non-sustainable debt shares to the financial creditors during the year.

6. (Contd.)

Review of Group Performance (Contd.)

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2021 vs FY2020

Selling and administrative expenses decreased from RM42.4 million to RM32.9 million in FY2021, primarily attributed to the group wide cost rationalisation exercise in FY2020.

Other operating expenses of RM34.1 million in FY2021 was significantly lower than RM427.2 million recorded in FY2020 mainly due to the decrease in impairment made on property, plant and equipment by RM276.5 million, as well as the absence of impairment on investment in an associate of RM17.3 million and inventories written down amounting to RM33.5 million recorded in FY2020.

Finance costs decreased to RM33.8 million in FY2021 as compared to RM38.2 million recorded in FY2020, mainly due to the decrease in finance cost related to vessel financing during the year.

Share of results of equity accounted joint ventures and associates improved to loss of RM1.0 million and profit of RM0.7 million in FY2021 as compared to loss of RM2.9 million and RM1.7 million in FY2020 respectively mainly due to higher vessel utilisation rate.

Mainly due to the increase in gain on waiver of debts and the decrease of impairment on property, plant and equipment, the absence of impairment on investment in an associate and inventories written down recorded in FY2020, the Group registered a net profit after tax of RM84.0 million in FY2021 as compared to a net loss after tax of RM404.3 million in FY2020.

2H2021 vs 2H2020

	2H2021				2H2020				Variance			
	Revenue		Gross Profit		Revenue		Gross Profit		Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	n.m.	20,044	-	4,964	n.m.	(20,044)	n.m.	(4,964)	n.m.
Vessel Chartering	142,875	100%	21,933	15%	162,686	89%	57,552	35%	(19,811)	(12%)	(35,619)	(62%)
Total	142,875	100%	21,933	15%	182,730	89%	62,516	34%	(39,855)	(22%)	(40,583)	(65%)

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

6. (Contd.)

Review of Group Performance (Contd.)

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

2H2021 vs 2H2020

For the six months ended 31 December 2021 ("2H2021"), the Group's revenue from vessel chartering division decreased by 12% from RM162.7 million in the previous corresponding six months ended 31 December 2020 ("FY2020") to RM142.9 million in FY2021 due to project delays as a result of the impact from the emergence of the Delta variant and the highly transmissible Omicron variant in FY2021.

The shipbuilding division recorded a revenue of RM20.0 million during 2H2020 due to the completion of sale and delivery of an AHTS to a customer based in South East Asia during the period. There was no vessel delivery in 2H2021.

In line with the decrease in chartering revenue and the absence of shipbuilding revenue, gross profit decreased by 65% to RM21.9 million in 2H2021.

Other income was higher at RM124.7 million in 2H2021 as compared to RM5.9 million recorded in 2H2020 mainly due to the gain on waiver of debts by trade and financial creditors amounting to RM123.3 million in FY2021 following successful negotiation and settlement with the trade creditors as well as the repayment of certain loan and borrowings via the issuance of non-sustainable debt shares to the financial creditors during the year.

Selling and administrative expenses were lower at RM18.0 million in 2H2021 as compared to RM20.0 million in 2H2020, primarily attributed to the group wide cost rationalisation exercise in FY2020.

Other operating expenses of RM7.7 million in 2H2021 was significantly lower than RM120.0 million recorded in 2H2020 mainly due to the decrease in impairment made on property, plant and equipment by RM24.2 million, as well as the absence of inventories written down amounting to RM20.0 million recorded in 2H2020.

Finance costs decreased to RM15.4 million in 2H2021 as compared to RM16.8 million recorded in 2H2020, mainly due to the decrease in finance cost related to vessel financing during the period.

Share of results of equity accounted joint ventures and associates improved to profit of RM0.9 million and RM0.7 million in FY2021 as compared to loss of RM2.4 million and RM0.5 million in FY2020 respectively mainly due to higher vessel utilisation rate.

As a result of the above, the Group registered a net profit after tax of RM101.1 million in 2H2021 as compared to a net loss after tax of RM96.7 million in 2H2020.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

6. (Contd.)

Review of Group Performance (Contd.)

(b) Condensed Interim Statements of Financial Position (Group)

Total Assets

Total assets of the Group decreased by 16.9% or RM123.2 million from RM729.5 million as at 31 December 2020 ("FY2020") to RM606.3 million as at 31 December 2021 ("FY2021") mainly due to:

- (i) Property, plant and equipment decreased by RM95.3 million or 19.6% from RM485.6 million to RM390.3 million mainly due to the return of four units of vessels to the trade creditors as part of the settlement of the respective trade payables during the year; and
- (ii) Cash and bank balances decreased by RM69.8 million or 73.3% from RM95.3 million to RM25.5 million mainly due to the repayment of trade payables during the year.

The decrease in total assets was partially offset by the following:

- (i) Inventories increased by RM6.1 million or 33.7% from RM17.9 million to RM24.0 million mainly due to additional vessel construction work in progress during the year;
- (ii) Trade and other receivables increased by RM31.4 million or 25.0% from RM125.4 million as at FY2020 to RM156.8 million as at FY2021 mainly due to the sale of an AHTS on a deferred payment basis amounting to RM24.3 million as well as additional billing of vessel chartering and related services provided to the customers during the year; and
- (iii) Prepayment increased by RM2.7 million from RM2.4 million to RM5.1 million due to prepayment made for the purchase of engines, equipment, tools and consumables in relation to the Group's vessels.

Total Liabilities

Total liabilities of the Group decreased by 14.6% or RM218.7 million from RM1.50 billion as at FY2020 to RM1.28 billion as at FY2021 mainly due to the decrease in trade payables and borrowings by RM233.8 million in FY2021 as a result of settlement with the trade creditors as well as the repayment of certain loan and borrowings via the issuance of non-sustainable debt shares to the financial creditors during the year.

The decrease was partially offset by the increase in lease liabilities of RM15.7 million in relation to the addition of right-of-use asset during the year.

Negative working capital

The increase in net working capital of RM69.8 million, or 6.2%, from negative RM1.13 billion as at FY2020 to negative RM1.06 billion as at FY2021 was mainly due to the decrease in trade and other payables and borrowings of RM106.1 million and the increase in trade and other receivables by RM31.3 million, which was partially offset by the decrease in cash and bank balance of RM69.8 million.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

6. (Contd.)

Review of Group Performance (Contd.)

(b) Condensed Interim Statements of Financial Position (Group)

Negative working capital (Cont'd)

The following steps, which has been announced previously, have been taken by the Group as part of on-going measures to position the Group to ride out this incredibly challenging market environment and also to address its debt obligations:

- (i) The Group has been holding discussions with its principal lenders and has appointed advisors to help address significant debt maturities, which may include, inter alia, extension of the maturities and/or restructuring of existing loans (“Restructuring”).

As a positive development, the Group’s wholly owned subsidiary, Nam Cheong Dockyard (“NCD”) applied and was formally admitted into the Corporate Debt Restructuring Committee of Malaysia (“CDRC”), a committee under the purview of Bank Negara Malaysia (the Central Bank of Malaysia) in October 2020, for the CDRC’s assistance to mediate between NCD and its financial creditors. These financial institution creditors are expected to observe an informal standstill, and withhold from any proceedings against, inter alia, NCD and its subsidiaries. Since November 2020, NCD has been engaging actively with both financial creditors and trade creditors.

- (ii) The Group has been reviewing its cash flow projections, in the face of the great business uncertainties, operational disruptions and costs containment measures. It has been entering into discussions with various parties regarding possible actions to contain operating costs and to preserve working capital to fund the Group’s operations.
- (iii) The Group has explored various strategies to bolster its financial position whilst continuing its cost rationalisation measures to improve overall competitiveness.

However, no definitive agreements in relation to the Restructuring have been entered into by the Group as at even date. Pending the conclusion of definitive agreements in relation to the Restructuring to be entered into by the Group, there can be no assurance or reasonable certainty that any discussions or any Restructuring options will materialise or be successfully concluded. Please refer to the Company’s announcement on 25 June 2021, 2 July 2021 and 24 December 2021 for more information.

(c) Condensed Interim Consolidated Statements of Cash Flows

FY2021

Net cash from operating activities of RM38.6 million in FY2021 was mainly due to collection from customers during the year.

Net cash used in investing activities of RM97.7 million in FY2021 was mainly due to payment made for acquisition of property, plant and equipment of RM23.2 million, subscription of shares in a joint venture of RM2.4 million and repayment of trade payables amounting to RM73.9 million during the year.

Net cash used in financing activities of RM6.1 million in FY2021 was mainly due to repayment of lease liabilities.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

6. (Contd.)

Review of Group Performance (Contd.)

(c) Condensed Interim Consolidated Statements of Cash Flows (Cont'd)

2H2021

Net cash from operating activities of RM35.9 million in 2H2021 was mainly due to collection from customers during the period.

Net cash used in investing activities of RM83.3 million in 2H2021 was mainly due to payment made for acquisition of property, plant and equipment of RM10.0 million and repayment of trade payable amounting to RM73.9 million.

Net cash used in financing activities of RM3.1 million in 2H2021 was mainly due to repayment of lease liabilities.

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material change from the previous prospect statement.

8. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Driven by the highly transmissible omicron variant, the total number of COVID-19 cases have led to a record number of cases reported within Malaysia. The outlook for the offshore & marine industry continues to remain uncertain but the Group will work closely with its partners and various stakeholders to navigate through this unprecedented and challenging business environment.

The Group has seen success in its negotiations with its trade creditors in FY2021 and will continue to work on the restructuring options with its financial creditors. The Group will provide relevant updates as and when there is further progress.

9. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

9. Dividend (Cont'd)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

10. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared in the period under review as the Company is working through its restructuring arrangement and wishes to enhance the financial strength of the Company.

11. General mandate relating to interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tiong Chiong Soon	51 years	<ul style="list-style-type: none"> 1. Son of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Brother of Executive Vice Chairman, Tiong Chiong Hiiung 3. Brother-in-law of Chief Executive Officer, Leong Seng Keat 	Director of Nam Cheong Dockyard Sdn Bhd since 01.11.2009. Tiong Chiong Soon is responsible for the shipyard in Miri, Sarawak, Malaysia	Not Applicable
Leong Juin Zer Jonathan	31 years	<ul style="list-style-type: none"> 1. Grandson of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Nephew of Executive Vice Chairman, Tiong Chiong Hiiung 3. Son of Chief Executive Officer, Leong Seng Keat 	Executive Director of SKOSV Sdn Bhd since 20.2.2020	Not Applicable

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

13. [Confirmation pursuant to Appendix 7.7 under Rule 720\(1\) of the Listing Manual](#)

The Board of Directors of Nam Cheong Limited hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

14. [Confirmation from the Board](#)

We, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and of the Company for the twelve months ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Leong Seng Keat
Chief Executive Officer

1 March 2022