
Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30 June 2025

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

		The Group		
		Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000	Change %
	Note			
Revenue	4	278,226	311,999	(11%)
Cost of sales		(136,878)	(165,952)	(18%)
Gross profit		141,348	146,047	(3%)
Other income	5	6,250	537,736	(99%)
Selling and administrative expenses		(26,827)	(23,440)	14%
Other operating expenses		(1,380)	(14,201)	(90%)
Operating profit		119,391	646,142	(82%)
Finance costs		(9,771)	(9,266)	5%
Share of results of equity accounted joint ventures, net of tax		3,987	14	>100%
Share of results of equity accounted associates, net of tax		609	29,658	(98%)
Profit before tax	6	114,216	666,548	(83%)
Income tax expense	7	(24,344)	(33,533)	(27%)
Profit for the financial period		89,872	633,015	(86%)

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

	The Group		
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000	Change %
Other comprehensive income/(loss)			
Fair value gain on financial assets through other comprehensive income	3,366	-	n.m.
Foreign currency translation loss arising from foreign operations	(7,315)	(19,251)	(62%)
Other comprehensive loss for the financial period, net of tax	(3,949)	(19,251)	(79%)
Total comprehensive income for the financial period	85,923	613,764	(86%)
Profit attributable to:			
Owners of the parent	79,589	623,818	(87%)
Non-controlling interest	10,283	9,197	12%
Profit for the financial period	89,872	633,015	(86%)
Total comprehensive income attributable to:			
Owners of the parent	75,640	604,567	(87%)
Non-controlling interest	10,283	9,197	12%
Total comprehensive income for the financial period	85,923	613,764	(86%)
Earnings per share for profit for the period attributable to the owners of the Company			
Weighted average number of shares in issue (basic)	396,081,697	393,398,425	
Weighted average number of shares in issue (diluted)	403,369,084	397,452,956	
Basic earnings per share (Malaysia sen)	20.09	158.57	
Diluted earnings per share (Malaysia sen)	19.73	156.95	

n.m. : Not meaningful

Condensed Interim Statements of Financial Position

		The Group		The Company	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	777,024	712,397	-	-
Subsidiaries		-	-	1,553,843	1,558,181
Associates		6,849	36,572	-	-
Joint ventures		8,134	4,145	-	-
Other investments		-	610	-	-
		792,007	753,724	1,553,843	1,558,181
Current assets					
Other investments		-	1,816	-	-
Inventories		147,085	93,268	-	-
Trade and other receivables	11	265,307	267,017	-	140
Prepayments		16,075	27,916	119	144
Cash and bank balances		60,814	127,809	96	170
Fixed deposits		10,086	7,281	-	-
Current tax recoverable		1,502	41	241	-
		500,869	525,148	456	454
TOTAL ASSETS		1,292,876	1,278,872	1,554,299	1,558,635
EQUITY AND LIABILITIES					
Equity					
Share capital	12	228	227	228	227
Share premium	12	588,377	586,604	588,377	586,604
Treasury shares		(4,097)	(4,097)	(4,097)	(4,097)
Other reserves		108,404	112,037	783,951	784,600
Accumulated losses		(54,400)	(133,989)	(89,502)	(83,025)
		638,512	560,782	1,278,957	1,284,309
Non-controlling interest		24,063	13,780	-	-
Total equity		662,575	574,562	1,278,957	1,284,309
Non-current liabilities					
Deferred tax liabilities		19,344	17,803	-	-
Borrowings	13	352,155	423,131	198,878	213,080
Lease liabilities		1,040	-	-	-
Trade and other payables		17,717	22,762	-	-
		390,256	463,696	198,878	213,080

Condensed Interim Statements of Financial Position (Cont'd)

	Note	The Group		The Company	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES (Cont'd)					
Current liabilities					
Borrowings	13	95,255	34,968	26,206	23,003
Lease liabilities		875	262	-	-
Trade and other payables		94,589	171,322	21,724	7,928
Provision for financial guarantee		28,534	30,315	28,534	30,315
Current tax payable		20,792	3,747	-	-
		<u>240,045</u>	<u>240,614</u>	<u>76,464</u>	<u>61,246</u>
Total liabilities		<u>630,301</u>	<u>704,310</u>	<u>275,342</u>	<u>274,326</u>
TOTAL EQUITY AND LIABILITIES		<u>1,292,876</u>	<u>1,278,872</u>	<u>1,554,299</u>	<u>1,558,635</u>

Condensed Interim Statements of Changes in Equity

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Contributed surplus RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non- controlling interest RM'000	Total equity RM'000
The Group												
At 1 January 2025	227	586,604	(4,097)	3,937	109,052	359	(3,366)	2,055	(133,989)	560,782	13,780	574,562
Profit for the period	-	-	-	-	-	-	-	-	79,589	79,589	10,283	89,872
Other comprehensive income for the period :-												
- Fair value gain on financial asset	-	-	-	-	-	-	3,366	-	-	3,366	-	3,366
- Foreign currency translation differences	-	-	-	-	(7,315)	-	-	-	-	(7,315)	-	(7,315)
Issuance of : (Note 12)												
- Award Shares	1	1,773	-	-	-	-	-	(1,774)	-	-	-	-
Share grant plan expenses	-	-	-	-	-	-	-	2,090	-	2,090	-	2,090
At 30 June 2025	228	588,377	(4,097)	3,937	101,737	359	-	2,371	(54,400)	638,512	24,063	662,575
At 1 January 2024 (restated)	3,977	312,471	(4,097)	-	121,137	359	(3,426)	2,776	(922,008)	(488,811)	6,988	(481,823)
Profit for the period	-	-	-	-	-	-	-	-	623,818	623,818	9,197	633,015
Other comprehensive loss :-												
- Foreign currency translation differences	-	-	-	-	(19,251)	-	-	-	-	(19,251)	-	(19,251)
Share consolidation (Note 12)	(3,937)	-	-	3,937	-	-	-	-	-	-	-	-
Issuance of : (Note 12)												
- Conversion Shares	105	241,590	-	-	-	-	-	-	-	241,695	-	241,695
- Settlement Shares	7	2,618	-	-	-	-	-	-	-	2,625	-	2,625
- Private Placement Shares	75	29,925	-	-	-	-	-	-	-	30,000	-	30,000
Cancellation of Share grant plan	-	-	-	-	-	-	-	(2,776)	2,776	-	-	-
Recognition of Share grant plan	-	-	-	-	-	-	-	385	-	385	-	385
At 30 June 2024 (restated)	227	586,604	(4,097)	3,937	101,886	359	(3,426)	385	(295,414)	390,461	16,185	406,646

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

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Contributed surplus RM'000	Share grant reserve RM'000	Capital surplus RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000
The Company								
At 1 January 2025	227	586,604	(4,097)	3,937	2,055	778,608	(83,025)	1,284,309
Loss for the period	-	-	-	-	-	-	(6,477)	(6,477)
Issuance of : (Note 12)								
- Award Shares	1	1,773	-	-	(1,774)	-	-	-
Recognition of Share grant plan	-	-	-	-	1,125	-	-	1,125
At 30 June 2025	228	588,377	(4,097)	3,937	1,406	778,608	(89,502)	1,278,957
At 1 January 2024 (restated)	3,977	312,471	(4,097)	-	2,776	778,608	(968,518)	125,217
Profit for the period	-	-	-	-	-	-	347,427	347,427
Share consolidation (Note 12)	(3,937)	-	-	3,937	-	-	-	-
Issuance of : (Note 12)								
- Conversion Shares	105	241,590	-	-	-	-	-	241,695
- Settlement Shares	7	2,618	-	-	-	-	-	2,625
- Private Placement Shares	75	29,925	-	-	-	-	-	30,000
Cancellation of Share grant plan	-	-	-	-	(2,776)	-	2,776	-
Recognition of Share grant plan	-	-	-	-	385	-	-	385
At 30 June 2024 (restated)	227	586,604	(4,097)	3,937	385	778,608	(618,315)	747,349

Condensed Interim Consolidated Statements of Cash Flows

	The Group	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Operating activities		
Profit before tax	114,216	666,548
Adjustments for:		
Depreciation of property, plant and equipment	24,626	16,237
Gain on disposal of property, plant and equipment	-	(32,347)
Gain on waiver of debts	-	(390,586)
Impairment losses on trade and other receivables reversed	(4,736)	(4,578)
Interest expense	9,771	9,266
Interest income	(985)	(506)
Property, plant and equipment written off	-	860
Reversal of inventories written down	-	(74,571)
Share of results of equity accounted joint ventures, net of tax	(3,987)	(14)
Share of results of equity accounted associate, net of tax	(609)	(29,658)
Total adjustments	24,080	(505,897)
Operating cash before working capital changes	138,296	160,651
Changes in working capital:		
Changes in inventories	(36,400)	(23,375)
Changes in receivables	2,047	(80,149)
Changes in prepayments	(5,534)	(1,677)
Changes in payables	(59,301)	(31,002)
Total changes in working capital	(99,188)	(136,203)
Cash from operations	39,108	24,448
Interest paid	(6,822)	(2,660)
Taxes paid, net of refund	(6,940)	(10,491)
Net cash from operating activities	25,346	11,297

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

	The Group	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Investing activities		
Repayment from associates	768	7,493
Repayment to joint ventures	(11,919)	(35,079)
Acquisition of property, plant and equipment	(29,880)	(16,715)
Proceeds from disposal of property, plant and equipment	-	40,365
Interest received	985	506
Dividend received from an associate	22,874	-
Acquisition of subsidiary, net of cash and cash equivalents	(9,788)	-
Proceed from redemption of debt instruments	5,710	-
Net cash used in investing activities	(21,250)	(3,430)
Financing activities		
Repayments of borrowings	(68,281)	(30,383)
Repayments of lease liabilities and interests	(452)	(413)
(Increased)/decreased in fixed deposits pledged as security	(149)	2,710
Decreased/(increased) in restricted cash with licensed banks	926	(3,409)
Proceeds from share issuance	-	30,000
Net cash used in financing activities	(67,956)	(1,495)
Net changes in cash and cash equivalents	(63,860)	6,372
Effects of exchange fluctuations on cash and cash equivalents	447	(404)
Cash and cash equivalents at 1 January	120,044	53,376
Cash and cash equivalents at 30 June	56,631	59,344

Cash and cash equivalents comprise the following as at the statements of financial position date:

Fixed deposits with licensed banks	10,086	9,349
Cash and bank balances	60,814	61,545
	70,900	70,894
Less: Restricted cash with licensed banks	(9,903)	(8,207)
Less: Restricted fixed deposits with licensed banks	(4,366)	(3,343)
Total cash and cash equivalents	56,631	59,344

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 six months ended 30 June 2025 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 30 June 2025 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 2024.

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 2024.

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.

3. Seasonal operations

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

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

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
Half year ended 30 June 2025					
Revenue					
External revenue	-	278,226	-	-	278,226
Results					
Interest income	193	792	-	-	985
Depreciation of property, plant and equipment	(756)	(23,870)	-	-	(24,626)
Impairment losses on trade and other receivables reversed	-	2,848	1,888	-	4,736
Finance costs	-	(9,771)	-	-	(9,771)
Share of results of joint ventures	-	-	3,987	-	3,987
Share of results of associates	-	-	609	-	609
(Loss)/profit before tax	(3,223)	124,646	(7,207)	-	114,216

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 30 June 2025					
Additions to non-current assets	19,866	12,100	-	-	31,966
Investment in associate	-	-	6,849	-	6,849
Investment in joint ventures	-	-	8,134	-	8,134
Segment assets	914,558	2,445,044	1,576,523	(3,644,751)	1,291,374
Segment liabilities	750,109	2,245,601	561,377	(2,966,922)	590,165
Half year ended 30 June 2024					
Revenue					
External revenue	-	311,999	-	-	311,999
Results					
Interest income	76	430	2,072	(2,072)	506
Depreciation of property, plant and equipment	(666)	(15,570)	(1)	-	(16,237)
Gain on disposal of property, plant and equipment	-	32,347	-	-	32,347
Gain on waiver of debt	390,586	-	-	-	390,586
Impairment losses on trade and other receivables reversed	-	2,941	1,637	-	4,578
Reversal of inventories written-down	74,571	-	-	-	74,571
Restructuring expenses	-	-	(13,283)	-	(13,283)
Finance costs	-	(11,372)	-	2,106	(9,266)
Share of results of joint ventures	-	-	14	-	14
Share of results of associates	-	-	29,658	-	29,658
Profit/(loss) before tax	520,840	183,705	(37,997)	-	666,548

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 2024					
Additions to non-current assets	121,514	107,095	-	-	228,609
Investment in associate	-	-	36,572	-	36,572
Investment in joint ventures	-	-	4,145	-	4,145
Segment assets	1,006,228	1,919,301	1,559,091	(3,205,789)	1,278,831
Segment liabilities	828,744	1,794,696	545,035	(2,485,715)	682,760

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

	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Revenue		
Malaysia	273,293	307,215
Middle East	4,933	4,784
	<u>278,226</u>	<u>311,999</u>
	30.06.2025 RM'000	31.12.2024 RM'000
Non-current assets		
Malaysia	792,006	753,723
Singapore	1	1
	<u>792,007</u>	<u>753,724</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.

	30.06.2025	31.12.2024
	RM'000	RM'000
Property, plant and equipment	777,024	712,397
Investment in associates	6,849	36,572
Investment in joint ventures	8,134	4,145
Other investments	-	610
	<u>792,007</u>	<u>753,724</u>

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

5. Other income

	The Group	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Foreign exchange gain, net	-	31,273
Gain on disposal of property, plant and equipment	-	32,347
Gain on waiver of debts	-	390,586
Impairment losses on trade and other receivables reversed	4,736	4,636
Interest income	985	506
Miscellaneous	523	3,807
Rental income	6	10
Reversal of inventories written down	-	74,571
	<u>6,250</u>	<u>537,736</u>

6. Profit before tax

	The Group	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
The following amounts have been included in arriving at profit before tax:		
<i>Cost of sales</i>		
Depreciation of property, plant and equipment	<u>23,610</u>	<u>15,326</u>
<i>Administrative expenses</i>		
Depreciation of property, plant and equipment	<u>1,016</u>	<u>911</u>
<i>Other operating expenses</i>		
Impairment losses on trade and other receivables	-	58
Property, plant and equipment written off	-	860
Foreign exchange loss, net	1,380	-
Restructuring expenses	<u>-</u>	<u>13,283</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	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Current income tax expense:		
- Current year	27,142	33,985
- Over provision in prior year	(2,798)	(578)
Deferred tax expense:		
- Under provision in prior year	-	126
	<u>24,344</u>	<u>33,533</u>

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	
	Half Year ended 30.06.2025 RM'000	Half Year ended 30.06.2024 RM'000
Other related parties in which directors and key management have interest		
- purchases	130	183
- rental expense	<u>479</u>	<u>433</u>

9. Net asset value

	The Group		The Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Net asset value per ordinary share (Malaysia sen)	<u>167.3</u>	<u>146.1</u>	<u>322.9</u>	<u>326.5</u>
Ordinary shares in issue	<u>396,081,697</u>	<u>393,398,425</u>	<u>396,081,697</u>	<u>393,398,425</u>

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

10. Property, plant and equipment

During the six months ended 30 June 2025, there were additions of assets amounting to RM31,966,000 (31 December 2024: RM116,288,000).

Included in the additions to property, plant and equipment is right-of-use assets of RM2,086,000 (31 December 2024: RM Nil).

11. Trade and other receivables

	The Group		The Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables from a third party	-	288	-	-
Less: Allowance for impairment losses	-	(288)	-	-
	-	-	-	-
Current				
Trade receivables from:				
- third parties	230,477	225,113	-	-
- joint ventures	1,811	1,595	-	-
- associates	8,375	8,025	-	-
Less: Allowance for impairment losses				
- third parties	(20,086)	(19,927)	-	-
- joint ventures	(954)	(985)	-	-
	219,623	213,821	-	-
Amount due from subsidiaries (non-trade)	-	-	4,405	4,680
Amounts due from joint ventures (non-trade)	44,105	68,621	60	57
Amounts due from associates (non-trade)	2,392	3,209	-	-
Deposits and other receivables	12,014	14,026	-	140
Less: Allowance for impairment losses				
- amounts due from subsidiaries (non-trade)	-	-	(4,405)	(4,680)
- amounts due from joint ventures (non-trade)	(9,952)	(27,742)	(60)	(57)
- amounts due from associate (non-trade)	(256)	(630)	-	-
- other receivables	(2,619)	(4,288)	-	-
	45,684	53,196	-	140
Total trade and other receivables	265,307	267,017	-	140

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

11. Trade and other receivables (Cont'd)

The aging analysis of trade receivables are as follows:

	30.06.2025 RM'000	Financial year of which respective sales were reported
The Group		
Not impaired:		
Not past due	57,884	2025
Past due 1 to 3 months	101,244	2025
Past due 3 to 6 months	27,987	2025
Past due more than 6 months	32,508	2023 - 2024
	<u>219,623</u>	
Past due and impaired	21,040	2016 - 2023
	<u>240,663</u>	

Receivables that were determined to be impaired as at 30 June 2025 are related to those which have been past due and have insufficient information to justify recoverability of the respective receivables, including those which are related to customers who are facing financial difficulties in fulfilling their obligations.

Those receivables that were determined to be impaired were not from the Group's major customers. The Group has ceased to transact with customers which outstanding debts are deemed doubtful of collection.

As at even date, RM82.4 million (or 37.5%) of the net trade receivables of RM219.6 million in 1H2025 has been collected from the customers subsequent to 1H2025. The Group continues 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			
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	'000	'000	RM'000	RM'000
<u>Share capital</u>	<u>Number of ordinary shares</u>			
Issued and fully paid				
At 1 January	393,465	8,078,216	227	3,977
Share consolidation	-	(7,997,434)	-	(3,937)
Issuance of :				
- Award Shares	2,942	-	1	-
- Conversion Shares	-	176,193	-	105
- Settlement Shares	-	10,982	-	7
- Placement Shares	-	125,508	-	75
At 30 June/31 December	<u>396,407</u>	<u>393,465</u>	<u>228</u>	<u>227</u>

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

12. Share capital and share premium (Cont'd)

	The Group and the Company	
	30.06.2025	31.12.2024
	RM'000	RM'000
<u>Share premium</u>		
At 1 January	586,604	312,471
Issuance of :		
- Award Shares	1,773	-
- Conversion Shares	-	241,590
- Settlement Shares	-	2,618
- Placement Shares	-	29,925
At 30 June/31 December	<u>588,377</u>	<u>586,604</u>

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

On 9 April 2025, pursuant to the terms of the Nam Cheong Management Incentive Plan 2024, an aggregate of 2,941,900 Award Shares were issued and allotted by the Company.

On 11 March 2024, pursuant to the terms of the Schemes of Arrangement in 2024 ("2024 Scheme"), Share consolidation and Capital reorganisation has taken effect. Each issued Share post Share Consolidation with a par value of HK\$0.10 shall be treated as one (1) fully paid Share with a par value of HK\$0.001 pursuant to the Capital Reorganisation and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 176,193,435 Conversion Shares were allotted and issued at an issue price of S\$0.40 per Conversion Shares to the Scheme Creditors in consideration of the repayment of outstanding debts and liabilities of the Company in accordance with the terms of the 2024 Scheme.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 10,981,923 Settlement Shares were allotted and issued at an issue price of S\$0.0697 per Settlement Shares to the Company's financial advisors as a part payment of professional fees, in accordance with the terms of the 2024 Scheme.

On 12 March 2024, pursuant to the terms of the 2024 Scheme, an aggregate of 125,507,689 Placement Shares were allotted and issued at an issue price of S\$0.0697 per Placement Shares to the Tan Sri Datuk Tiong Su Kouk as an interested person transaction.

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

13. Borrowings

	The Group		The Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Bilateral facilities debt (secured)	6,466	50,928	-	-
Term loan (secured)	80,238	20,784	-	-
Term loan (unsecured)	360,706	386,387	225,084	236,083
	<u>447,410</u>	<u>458,099</u>	<u>225,084</u>	<u>236,083</u>
Represented by:				
- Current	95,255	34,968	26,206	23,003
- Non-current	352,155	423,131	198,878	213,080
	<u>447,410</u>	<u>458,099</u>	<u>225,084</u>	<u>236,083</u>

Scheme of Arrangement in 2024 (the “2024 Scheme”)

The Group and the Company obtained creditors’ approval for the 2024 Scheme on 3 November 2023. The 2024 Scheme was subsequently sanctioned by the High Court of Malaya on 21 December 2023. Subsequently, on 29 February 2024, the proposed resolutions related to the restructuring was approved by the Company’s shareholders at a Special General Meeting for inter alia the issuance of new shares pursuant to the restructuring. On 30 March 2024, the Group concluded the debt restructuring exercise via 2024 Scheme and the Debt Restructuring Master Agreement (“DRMA”).

Following the issuance and allotment of the Conversion Shares, Settlement Shares and Placement Shares by the Company on 12 March 2024, and together with the payment of Conversion Cash by the Company to eligible creditors pursuant to the 2024 Scheme on or before 14 March 2024, the 2024 Scheme and the DRMA have become fully effective and unconditional on 30 March 2024.

Non-sustainable Debt

Pursuant to the 2024 Scheme, an aggregate of 176,193,435 Conversion Shares were allotted and issued at an issue price of S\$0.40 per Conversion Shares to the Scheme Creditors in consideration of the repayment of outstanding debts and liabilities of the Company in accordance with the terms of the 2024 Scheme.

Bilateral Facilities Debt

The Group has on 30 March 2024 concluded the debt restructuring exercise. Pursuant to 2024 Scheme the maturity date of the Bilateral Facilities Debt has been restructured and extended to 31 March 2026.

Term Loan (Secured)

Pursuant to 2024 Scheme, RM21,932,080 of the Bilateral Facilities Debt was restructured as the Restructured Term Loan (Secured). The tenure of Restructured Term Loan (“RTL”) 1A is from 30 March 2024 to 31 March 2031. Interest rates is charged at cost of funds plus 1 to 2% per annum. The principal of RTL 1A shall be repaid in 84 monthly instalments ranges between RM127,000 to RM468,000 per instalment commencing 30 April 2024.

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

13. Borrowings (Cont'd)

Term Loan (Unsecured)

The Sustainable Debt was restructured as RTL 1B and RTL B respectively. The tenure of both RTL 1B and RTL B is from 30 March 2024 to 31 March 2031. Interest rates range between 3% to cost of fund plus 2% per annum. The principal of RTL 1B shall be repaid in 14 semi-annual instalments ranges between RM7,500,000 to RM27,500,000 per instalment commencing 30 September 2024. Whereas the principal of RTL B shall be repaid in 7 annual instalments ranges between RM13,000,000 to RM52,000,000 per instalment commencing 31 March 2025.

Security

The Bilateral facilities debts and Term Loan (Secured) are secured by the underlying assets, comprising leasehold lands, buildings and vessels with carrying amount of RM Nil (31 December 2024: RM5,326,000), RM Nil (31 December 2024: RM1,484,000) and RM47,838,000 (31 December 2024: RM35,357,000), 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 30 June 2025 and 31 December 2024:

	The Group		The Company	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost				
Trade and other receivables	265,307	267,017	-	140
Cash and bank balances	60,814	127,809	96	170
Fixed deposits	10,086	7,281	-	-
	<u>336,207</u>	<u>402,107</u>	<u>96</u>	<u>310</u>
Financial liabilities at amortised cost				
Bilateral facilities debt	6,466	50,928	-	-
Term loans	440,944	407,171	225,084	236,083
Lease liabilities	1,915	262	-	-
Trade and other payables	109,597	191,091	21,578	7,782
Provision for financial guarantee	28,534	30,315	28,534	30,315
	<u>587,456</u>	<u>679,767</u>	<u>275,196</u>	<u>274,180</u>

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 30 June 2025. As at 30 June 2025, 66,785 shares were held as treasury shares by the Company.

2. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no movement in the subsidiary holdings during the six months ended 30 June 2025. As at 30 June 2025, 1,143,564 shares were held as subsidiary holdings.

3. 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 standard).

The condensed consolidated statement of financial position of Nam Cheong Limited and its subsidiaries as at 30 June 2025 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 months then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

5. 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 2024.

6. 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 2024.

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

7. 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

1H2025 vs 1H2024

	1H2025				1H2024				Variance			
	Revenue		Gross Profit		Revenue		Gross Profit		Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	-	-	-	-	-	-	-	-	-
Vessel Chartering	278,226	100%	141,348	51%	311,999	100%	146,047	47%	(33,773)	(11%)	(4,699)	(3%)
Total	278,226	100%	141,348	51%	311,999	100%	146,047	47%	(33,773)	(11%)	(4,699)	(3%)

For the six months ended 30 June 2025 ("1H2025"), the Group's revenue from vessel chartering division decreased by 11% from RM312.0 million in the previous corresponding six months ended 30 June 2024 ("1H2024") to RM278.2 million in 1H2025 mainly due to lower vessel utilisation during the period.

The shipbuilding segment did not register any revenue for both 1H2025 and 1H2024 as there was no vessel scheduled for delivery during the period.

Gross profit decreased 3% year-on-year ("yoy") to RM141.3 million in 1H2025, in tandem with the decrease in revenue. Despite that, the gross margin stood at 51% for 1H2025, up 4 percentage points mainly attributed to lower vessel maintenance expenditure incurred during 1H2025.

Other income was lower at RM6.3 million in 1H2025 as compared to RM537.7 million recorded in 1H2024, mainly due to the absence of waiver of debts pursuant to the 2024 Scheme and the DRMA during the period.

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

7. (Cont'd)

Review of Group Performance (Cont'd)

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

1H2025 vs 1H2024 (Cont'd)

Selling and administrative expenses increased by 14% yoy to RM26.8 million in 1H2025 from RM23.4 million in 1H2024 mainly due to the increase in staff cost.

Other operating expenses of RM1.4 million for 1H2025 was lower than RM14.2 million recorded in 1H2024 mainly due to the absence of restructuring cost during the period.

Finance costs normalised at RM9.8 million in 1H2025 as compared to RM9.3 million recorded in 1H2024, following the conclusion of the debt restructuring.

Share of profit of equity accounted joint ventures of RM4.0 million in 1H2025 was higher than share of profit of RM0.01 million recorded in 1H2024 mainly due to higher vessel utilisation during the period. Whereas, share of profit of associates of RM0.6 million in 1H2025 was lower as compared to the share of profit of RM29.7 million in 1H2024 mainly due to the absence of the realisation of asset by one of the associates during the period.

As a result of the above, the Group recorded a lower net profit after tax of RM89.9 million in 1H2025 as compared to a net profit after tax of RM633.0 million in 1H2024. Excluding other income, other operating expenses as well as share of results from joint ventures and associates, core profit increased by 1% to RM80.4 million in 1H2025 from RM79.8 million in 1H2024.

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

Total Assets

Total assets of the Group increased by 1% or RM14.0 million from RM1,278.9 million as at 31 December 2024 ("FY2024") to RM1,292.9 million as at 30 June 2025 ("1H2025") mainly due to the following:

- (i) Inventories increased by RM53.8 million or 58% from RM93.3 million as at FY2024 to RM147.1 million as at 1H2025 mainly due to vessels under construction during the period; and
- (ii) Property, plant and equipment increased by RM64.6 million or 9% from RM712.4 million as at FY2024 to RM777.0 million as at 1H2025 mainly due to the addition of dry docking costs and retrofitting cost during the period.

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

- (i) Cash and bank balances decreased by RM67.0 million from RM127.8 million as at FY2024 to RM60.8 million as at 1H2025 mainly due to the repayment of borrowings during the period.
- (ii) Prepayment decreased by RM11.8 million from RM27.9 million to RM16.1 million due to prepayment made for the purchase of engines, equipment, tools and consumables in relation to the Group's vessels, now reclassified as inventories during the period.

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

7. (Cont'd)

Review of Group Performance (Cont'd)

(b) Condensed Interim Statements of Financial Position (Group) (Cont'd)

Total Liabilities

Total liabilities of the Group decreased by 11% or RM74.0 million from RM704.3 million as at FY2024 to RM630.3 million as at 1H2025 mainly due to the following:

- (i) Borrowings decreased by RM10.7 million or 2% from RM458.1 million as at FY2024 to RM447.4 million as at 1H2025 as a result of the repayment of borrowings during the period; and
- (ii) Trade and other payables decreased by RM81.8 million or 42% from RM194.1 million as at FY2024 to RM112.3 million as at 1H2025 mainly due to decrease in amount due to trade payables and repayment of interest on borrowings during the period.

(c) Condensed Interim Consolidated Statements of Cash Flows

1H2025

Net cash from operating activities of RM25.3 million in 1H2025 was mainly due to collection from customers during the period.

Net cash used in investing activities of RM21.3 million in 1H2025 was mainly due to the payment made for acquisition of property, plant and equipment as well as repayment to joint ventures during the period.

Net cash used in financing activities of RM68.0 million in 1H2025 was mainly due to the repayments of borrowings during the period.

8. 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.

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

9. 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

The global economic outlook for 2025 continues to remain uncertain amid trade tensions driven by U.S. tariff policy. Concerns over a potential economic slowdown have added caution to oil price forecasts, creating a more measured sentiment across the energy markets¹, which has also prompted the cut in 2025 budget by some of the oil majors².

The local OSV market continues to face structural supply constraints. While the existing fleet is ageing, new vessel construction remains subdued, primarily due to banks' continued caution in extending financing for newbuild programs³. Malaysia's cabotage policies, which limit foreign vessel participation, further restrict available supply. As a result, OSV charter rates are expected to remain well supported in 2H2025.

Backed by a modern fleet and steady progress in securing long-term charters, the Group is well-positioned to meet market demand and fully participate in the long term regional offshore marine growth trajectory.

[¹] Oil Price: StanChart Cuts 2025 Oil Price Forecast By \$16/bbl Amid Trump's Tariffs

[²] Wood Mackenzie: Tariffs - implications for the oil and gas sector

[³] The Edge: OSV sector may face shortage amid ageing fleet

10. 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.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

11. 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.

12. General mandate relating to interested person transactions

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

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 six months ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Tiong Chiong Hiiung
Executive Vice Chairman cum Finance Director

14 August 2025