

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

COMMENCEMENT OF CONSENT SOLICITATION EXERCISE BY NAM CHEONG LIMITED (THE “COMPANY”) IN CONNECTION WITH THE S\$90,000,000 5.00 PER CENT. NOTES DUE 2017 (ISIN: SG57D8996134) COMPRISED IN SERIES 002 (THE “SERIES 002 NOTES”), THE S\$200,000,000 5.05 PER CENT. NOTES DUE 2019 (ISIN: SG6SE6000003) COMPRISED IN SERIES 003 (THE “SERIES 003 NOTES”) AND THE S\$75,000,000 6.50 PER CENT. NOTES DUE 2018 (ISIN: SG6YE4000003) COMPRISED IN SERIES 004 (THE “SERIES 004 NOTES” AND, TOGETHER WITH THE SERIES 002 NOTES AND THE SERIES 003 NOTES, THE “NOTES”) ISSUED BY THE COMPANY PURSUANT TO THE S\$600,000,000 MULTICURRENCY MEDIUM TERM NOTE PROGRAMME OF THE COMPANY AND NAM CHEONG CAPITAL PTE. LTD. (THE “PROGRAMME”)

Shareholders of the Company who are not otherwise holders of the Notes will not be eligible to attend or vote at the meetings of the Noteholders either in person or proxy.

Reference is made to:

- (a) the Notes; and
- (b) the trust deed dated 12 October 2012 (the “**Trust Deed**”) made between (1) the Company and Nam Cheong Capital Pte. Ltd. (“**NCCPL**”), as issuers, (2) the Company, as guarantor of notes issued by NCCPL, and (3) DBS Trustee Limited, as trustee (the “**Trustee**”), (in the case of the Series 003 Notes and the Series 004 Notes) as amended by the supplemental trust deed dated 17 December 2013 made between the same parties, constituting the Notes.

Capitalised or other terms used but not defined herein shall, unless the context otherwise requires, have the meanings as set out in the consent solicitation statement dated 5 January 2016 (the “**Consent Solicitation Statement**”) issued by the Company.

The Company wishes to announce that it has today commenced a consent solicitation exercise (the “**Consent Solicitation**”) to seek the approval of the holders of the Notes (the “**Noteholders**”), by way of Extraordinary Resolution to, *inter alia*:

- (i) amend, *inter alia*, the financial covenant set out in Clause 8.2.3 of the Trust Deed and Condition 3(b)(iii) of the Notes, which requires NCL to ensure that the Interest Coverage Ratio shall not at any time be less than 3:1 to provide for a cure mechanism in the event the Interest Coverage Ratio falls below 3:1; and
- (ii) waive any non-compliance (if any) or any potential non-compliance (if any) with Clause 8.2.3 of the Trust Deed and Condition 3(b)(iii) of the Notes in respect of the Test Period (as defined in the Trust Deed) ended on 31 December 2015 and the occurrence of any Event of Default (as defined in the Trust Deed) (if any) or, as the case may be, any Potential Event of Default (as defined in the Trust Deed) (if any) arising from any such non-compliance.

The proposed amendments to the Trust Deed and the Conditions of the Notes seek to provide NCL with increased operational and financial flexibility in light of challenging market conditions facing the

global economy and the oil and gas sector. Accordingly, NCL is proposing to amend its Interest Coverage Ratio to better enable the Group to ride out the challenging market conditions.

As at 5 January 2016, NCL is in the process of preparing its financial statements for the financial year ended on 31 December 2015 and the results in respect of the Test Period ended on 31 December 2015 are not yet available. As a precautionary measure to avoid any potential non-compliance with Clause 8.2.3 of the Trust Deed and Condition 3(b)(iii) of the Notes, NCL proposes to obtain waiver(s) for any non-compliance (if any) or any potential non-compliance (if any) with Clause 8.2.3 of the Trust Deed and Condition 3(b)(iii) of the Notes in respect of the Test Period ended on 31 December 2015.

NCL is confident of its ability to service all payments on the Notes and is committed to prudent capital management policy. As part of the cure mechanism, NCL proposes to establish and maintain an Interest Service Reserve Account in respect of each Series of Notes and deposit coupon payments into the relevant Interest Service Reserve Account in the event that the Interest Coverage Ratio falls below 3:1.

The relevant Interest Service Reserve Account will be charged to the Series 002 Noteholders, the Series 003 Noteholders and the Series 004 Noteholders respectively pursuant to the relevant Account Charge. To provide assurance to Noteholders, in the event the Interest Coverage Ratio falls below 3:1, NCL shall be required to maintain certain specified amounts of coupon payments in the relevant Interest Service Reserve Account.

Prior to 30 June 2017, NCL will be required to maintain two coupon payments in the relevant Interest Service Reserve Account if the Interest Coverage Ratio falls below 3:1. After 30 June 2017, NCL will be required to maintain (i) one coupon payment if the Interest Coverage Ratio falls below 3:1 but is not lower than 2:1 and (ii) two coupon payments if the Interest Coverage Ratio is less than 2:1 but is not lower than 1:1. After 30 June 2017, in the event the Interest Coverage Ratio is less than 1:1, NCL will not be permitted to utilise the cure mechanism and will be in breach of Clause 8.2.3 of the Trust Deed and Condition 3(b)(iii) of the Notes.

Withdrawals from the relevant Interest Service Reserve Account will only be permitted after 30 June 2017 upon the satisfaction of certain conditions, including, but not limited to, the delivery of a certificate to the Trustee and the maintenance of the required number of coupon payments (as set out above) in the relevant Interest Service Reserve Account, and any such withdrawals may only be used for payment of amounts due and payable under the relevant Series of Notes.

DBS Bank Ltd. and RHB Securities Singapore Pte. Ltd. have been appointed as joint solicitation agents in connection with the Consent Solicitation. Further details on the Consent Solicitation can be found in the notice of meetings published in *The Business Times* and announced via SGXNET on 5 January 2016 and the Consent Solicitation Statement.

A copy of the Consent Solicitation Statement will be mailed to the Noteholders with an address in Singapore. In order to avoid any violation of laws applicable in countries other than Singapore, the Consent Solicitation Statement has not been and will not be mailed to Noteholders who do not presently have an address in Singapore ("**Foreign Noteholders**"). Foreign Noteholders who wish to obtain a copy of the Consent Solicitation Statement should provide in writing an address in Singapore to Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), as meeting agent (the "**Meeting Agent**") in connection with the Consent Solicitation, not later than five days before the Expiration Time (as defined in the Consent Solicitation Statement).

In addition, Noteholders may collect copies of the Consent Solicitation Statement from the office of the Meeting Agent in connection with the Consent Solicitation, at 80 Robinson Road, #11-02, Singapore 068898 from 5 January 2016, between 9.00 a.m. to 6.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to (in respect of the Series 002 Notes) 10.00 a.m. (Singapore time), (in respect of the Series 003 Notes) 10.30 a.m. (Singapore time) and (in respect of the Series 004 Notes) 11.00 a.m. (Singapore time), in each case on 25 January 2016.

By Order of the Board of
Nam Cheong Limited

Datuk Tiong Su Kouk
Executive Chairman
5 January 2016