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

REPAYMENT OF TERM LOAN

1. INTRODUCTION

The Board of Directors ("**Board**") of Nam Cheong Limited ("**Company**") and its subsidiaries (together, the "**Group**") refers to:

(a) its announcement dated 16 July 2018 in relation to, amongst other things, the sanction of the schemes of arrangements (with modifications) proposed between Nam Cheong Dockyard Sdn Bhd ("**NCD**") and Nam Cheong International Ltd ("**NCI**") and their respective creditors ("**NCD Scheme**" and "**NCI Scheme**" respectively);

(b) its circular to Shareholders dated 27 July 2018 relating to, amongst other things, the issuance of the Term Loan Shares ("**Circular**");

(c) its announcement dated 3 August 2018 in relation to, amongst other things, the sanction of the scheme of arrangements (with modifications) proposed between the Company and its creditors ("**NCL Scheme**", collectively with the NCD Scheme and the NCI Scheme, the "**Schemes**");

(d) the offer information statement dated 3 September 2018 relating to the Rights Issue ("**Offer Information Statement**");

(e) its announcement dated 28 September 2018 in relation to the implementation of the Schemes;

(f) its announcement dated 1 October 2020 in relation to NCD's admission into the Corporate Debt Restructuring Committee ("**CDRC**") of Malaysia;

(g) its announcement dated 25 May 2022 in relation to the updates on the Restructuring;

(h) its announcement dated 7 March 2023 in relation to the informal meeting to update term loan creditors on the current restructuring;

(i) Its announcement dated 22 March 2023 in relation to the Court's approval to convene scheme meeting; and

(j) its announcement dated 20 April 2023 in relation to the update on the Restructuring.

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

2. REPAYMENT OF TERM LOAN PRINCIPAL AND INTEREST

Pursuant to the terms of the Schemes, the Company is required to repay the principal and service accrued interest on the Term Loan Facility in the following manner:

(a) repay the principal outstanding under the Term Loan Facility ("**Term Loan Principal**") in 8 half-yearly instalments commencing from Review Year 4 in the following percentages on the last day of the Interest Period. The fifth repayment shall fall on 30 June 2023:
   i. Review Year 4 – 10%;
   ii. Review Year 5 – 20%;
   iii. Review Year 6 – 30%; and
   iv. Review Year 7 – 40%.

(b) 2% per annum accrued interest payable in cash ("**Term Loan Cash Interest**") on the last day of each Interest Period, with the first Interest Period having commenced on 1 January 2018; and

(c) 2% per annum accrued interest for each Interest Period payable by way of the Term Loan Shares to be allotted and issued on the last day of each Review Year, or as soon as practicable after the Review Year.

Global oil prices continue to remain volatile due to continuing geopolitical tensions and a challenging macroeconomic environment. While the offshore and marine industry has shown gradual signs of recovery, the improvement has been offset by rising operation expenses caused by inflationary pressures. Consequently, due to low vessel valuations and cash constraints, the Company regrets that repayment of Term Loan Principal due on 30 June 2023 and Term Loan Cash Interest portion for the Interest Period from 1 January 2023 to 30 June 2023 ("**11th Interest Period**") will have to be suspended until further notice.

Subsequent to the informal meeting with the Term Loan Creditors on 7 March 2023, in which the proposed restructuring scheme was presented, the Company has, on 22 March 2023, obtained the Court's approval to convene a scheme meeting and the Group has, on 20 April 2023, successfully entered into the debt restructuring master agreement with the Participating Lenders. The Group is in the midst of finalising the scheme documents in relation to the New NCL Scheme and will in due course convene the scheme meeting of the creditors of the Company.

The conclusion of the Restructuring is subject to certain condition precedents which, *inter alia*, includes the approval from SGX-ST for the resumption of trading of the Company's securities, the sanctioning of the New NCL Scheme by the High Court of Malaya and approval of the proposed restructuring scheme from its shareholders.

Any further material developments relating to the Restructuring will be disseminated at the appropriate juncture. There is no assurance or reasonable certainty that any Restructuring options will be successfully concluded, although we are hopeful that the Group can achieve a viable solution going forward. In the event the Restructuring is not concluded within a timely manner, the Company / Group will continue to be faced with a going concern issue.

Further announcements will be made by the Company and the Board via SGXNET as and when there are material developments, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

Trading in the Company's securities on the SGX-ST were voluntarily suspended on 28 April 2020.

Given the above matters and pending the completion of the Restructuring, stakeholders and potential investors should exercise caution when trading in the Company's securities. When in doubt as to the action they should take, stakeholders and potential investors should consult their financial, tax or other advisers.

BY ORDER OF THE BOARD
NAM CHEONG LIMITED

Kong Wei Fung
Cheok Hui Yee
Company Secretaries

14 July 2023