



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

INTERESTED PERSON TRANSACTIONS – CHANGE OF BASIS FOR COMPUTING MATERIALITY THRESHOLDS IN RESPECT OF RULES 905 AND 906 OF THE LISTING MANUAL

The board of directors (the “**Board**”) of Nam Cheong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had applied to Singapore Exchange Securities Trading Limited (“SGX-ST”) to seek its approval to use the Company’s market capitalisation instead of the Group’s latest audited consolidated net tangible assets (“**NTA**”), as the basis for computing the materiality thresholds in respect of Rules 905 and 906 of the Listing Manual. The reason for the application was due to the Group having reported in its latest audited consolidated financial statement for the financial year ended 31 December 2017, a negative net tangible assets (“**NTA**”) and a negative net asset value (“**NAV**”) of RM 1,658,915,000 as at 31 December 2017.

The SGX-ST has granted its approval in a letter dated 17 December 2018, allowing the Company to determine the materiality of interested person transactions for the purposes of Rules 905 and 906 of the Listing Manual based on the Company’s market capitalisation:

- (i) as at 20 July 2017 (i.e. the last market day prior to the suspension of the Company’s shares) instead of the Group’s audited NTA as at 31 December 2017, as the reference point for computing the materiality thresholds under Rules 905 and 906 of the Listing Manual for transactions in the financial year ending 31 December 2018; and
- (ii) as at the last day of the last financial year, as the reference point for computing the materiality thresholds under Rules 905 and 906 of the Listing Manual for transactions after 31 December 2018 (i.e. from the financial year ending 31 December 2019 onwards) and until such time as the Group’s net tangible liabilities position turns positive.

Moving forward, in the event that the Group records a positive NTA or NAV, the Company will further consult the SGX-ST as to the appropriate benchmark with which to assess materiality for the purpose of compliance with Chapter 9 of the Listing Manual.

BY ORDER OF THE BOARD
NAM CHEONG LIMITED

Tan Sri Datuk Tiong Su Kouk
Executive Chairman
18 December 2018