



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

RECEIPT OF WRIT OF SUMMONS FROM OVERSEA-CHINESE BANK CORPORATION LIMITED

The Board of Directors (the “**Board**”) of Nam Cheong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 23 April 2017 where the Company announced, *inter alia*, that the Group and its advisers held discussions with its principal lenders to address significant debt maturities and various obligations owed to financial lenders and trade creditors that have fallen due and will fall due from time to time, which may include, *inter alia*, refinancing and/or restructuring of existing loans (the “**Restructuring**”).

The Board wishes to update that whilst discussions have been ongoing with its principal lenders in relation to the Restructuring options, the Company and its wholly-owned subsidiary, Nam Cheong International Ltd (“**NCIL**”), have on 19 June 2017 received a writ of summons dated 2 June 2017 and statement of claim dated 26 May 2017 by Oversea-Chinese Bank Corporation Limited (“**OCBC**”) in the High Court of Labuan, Malaysia (the “**Writ of Summons**”).

Pursuant to the Writ of Summons, OCBC is claiming against NCIL as borrower under a credit facility granted by OCBC and against the Company as guarantor of the said facility for the sum of USD10,044,653.59 as at 30 April 2017, together with interest, late payment charges and costs allegedly due to OCBC for the breach of the facility agreement.

The Company and NCIL are currently reviewing the Writ of Summons and seeking legal advice on this matter. Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

In the meanwhile, the Group remains committed to the Restructuring and will continue to engage in discussions with its principal lenders (including OCBC) and other key stakeholders in relation to the Restructuring. In addition, the Group continues to take steps as part of on-going measures to position itself to ride out the challenging market environment, including a review of cash flow projections, costs cutting measures as well as discussions with various parties regarding possible transactions to contain operating costs (“**Initiatives**”). As part of the Initiatives, the Group has deferred the schedule of deliveries of its vessels currently under construction, both at customers’ requests and also at the Group’s initiatives, and continues to monitor and review the shipbuilding schedule and related vendor contracts together with deferment and cancellation plans through on-going communication and consultation with its stakeholders. As a result of the Initiatives and on-going discussions in relation to the Restructuring, the Board is of the view that the Group is able to operate as a going concern as at the date of this announcement. However, there can be no assurance or reasonable certainty that any discussions or any Restructuring options will materialise or be successfully concluded. In the event the Restructuring or Initiatives do not achieve a favourable outcome in a timely manner, the Company and the Group will be faced with a going concern issue.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors should consult their legal, financial, tax or other advisers.

BY ORDER OF THE BOARD
NAM CHEONG LIMITED

Tan Sri Datuk Tiong Su Kouk
Executive Chairman
20 June 2017