



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

**SANCTION OF THE NCD SCHEME AND THE NCI SCHEME
SANCTION APPLICATION FOR THE NCL SCHEME**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nam Cheong Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) refers to the following announcements:

- (i) its announcement dated 30 October 2017 in relation to leave granted by the High Court of the Republic of Singapore (“**Singapore Court**”) for the Company to convene the meeting of creditors (“**NCL Court Convened Meeting**”) to approve the scheme of arrangement (“**NCL Scheme**”) between the Company and its creditors (“**NCL Creditors**”) pursuant to Section 210(1) of the Companies Act (Cap. 50, 2006 Revised Edition);
- (ii) its announcement dated 24 January 2018 in relation to *inter alia* the approval of the NCL Scheme by the NCL Creditors;
- (iii) its announcements dated 22 June 2018 and 28 June 2018 in relation to certain Pre-Scheme Payments made by NCL to the NCL Creditors (the “**Pre-Scheme Payment Announcements**”);
- (iv) its announcement dated 11 July 2018 in relation to *inter alia* the application by Nam Cheong Dockyard Sdn Bhd (“**NCD**”) and Nam Cheong International (“**NCI**”) to the High Court of Malaysia for the sanction of their respective schemes of arrangements (with modifications) proposed between their respective creditors and NCD or NCI (as applicable) (the “**NCD Scheme**” and “**NCI Scheme**” respectively)

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, terms used in the Previous Announcements shall have the same meaning when used herein.

2. SANCTION OF NCD SCHEME AND NCI SCHEME

Further to the announcement dated 11 July 2018 on the Application by NCD and NCI to the Malaysia Court for the sanction of the NCD Scheme and NCI Scheme (with modifications), the Company is pleased to announce that the Malaysia Court heard the Application on 12 July 2018 and sanctioned the NCD Scheme and NCI Scheme (with modifications).

3. FILING FOR COURT SANCTION OF THE NCL SCHEME

The Company wishes to announce that further to the sanction of the NCD Scheme and NCI Scheme, the Company has, on 12 July 2018, filed an application to the Singapore Court seeking, amongst others, and order that the NCL Scheme, with the modifications (as set out at section 3 of this Announcement below), be confirmed and sanction by the Singapore Court so as to be binding on the Company and its creditors (the “**NCL Sanction Application**”).

The NCL Sanction Application will be heard on a date to be fixed by the Singapore Court.

4. ENHANCEMENTS TO THE NCL SCHEME

The Company wishes to announce that the Company seeking sanction of the NCL Scheme, with the four (4) modifications (“**Amendments**”) as summarised in this section below. Further details of the Amendments are set out in Annex 1 enclosed to this Announcement. Unless otherwise defined, capitalised terms used in Paragraphs A and B below have the same meaning as set out in the NCL Scheme.

A. AMENDMENTS ANNOUNCED DURING THE NCL COURT CONVENED MEETINGS

During the NCL Court Convened Meeting held on 24 January 2018, the following amendments to the NCL Scheme were announced:

No.	Amendment	Explanation
(a)	Cash Sweep Mechanism	The cash sweep mechanism was to be brought forward from the fourth year to the third year. Corresponding changes to the Scheme Documents of the NCD Scheme and the NCI Scheme were made.
(b)	Restriction of Change of Control of NCL	In addition to the existing restrictions on the transfer of shares by the Major Shareholder under Clause 14 of the NCL Scheme, the scheme has been improved such that Tan Sri Tiong will remain as the single largest shareholder of the Company for 3 years from 1 January 2018.

B. FURTHER AMENDMENTS

In addition to the two (2) Amendments announced at the NCL Court Convened Meeting, the two (2) further Amendments are as set out below:

No.	Amendment	Explanation
(a)	Pre-Scheme Payments	The Company announced in the Pre-Scheme Payment Announcements that it would be making the following Pre-Scheme Payments as a gesture of goodwill to the NCL Creditors: 1. Advance payment equal to the cash interest of 2% per annum for the first Interest period (i.e., from 1 January 2018 to 30 June 2018) on the Term Loan Facility to Scheme Creditors who elected the Term

<u>No.</u>	<u>Amendment</u>	<u>Explanation</u>
		<p>Loan Option, this being 1% on the Term Loan Offered Debt ("Pre-Scheme Term Loan Payment")"; and</p> <p>2. Advance payment equal to 1% of the Cash Out Offered Debt to Scheme Creditors who elected the Cash Out Option ("Pre-Scheme Cash Out Payment").</p> <p>It was also announced that the Pre-Scheme Payments would be subject to the following conditions, deemed to be accepted by each NCL Creditor upon receipt of the same:</p> <p>(i) that upon the Schemes becoming effective, the payment of the Pre-Scheme Term Loan Payment to each Term Loan Creditor shall be deemed performance of the Nam Cheong Restructuring Group's obligations in relation to the First Interest Period Interest under the relevant terms of the Schemes;</p> <p>(ii) that upon the Schemes becoming effective, the Cash Out Payment due to each Cash Out Creditor shall be reduced by an amount equal to the Pre-Scheme Cash Out Payment;</p> <p>(iii) for the avoidance of doubt, conditions (a) and (b) above shall also be binding on any Creditor's (including any Cash Out Creditor or Term Loan Creditor) successors and assigns.</p> <p>These consequential amendments to NCL Scheme to reflect the Pre-Scheme Payments and the conditions thereto were also set out in Annex A to the 28 June 2018 announcement.</p>
(b)	Principal Repayment out of Interest Service Reserve Accounts (" ISRAs ") for Series 003 and Series 004 Notes	<p>This Amendment seeks to return the monies in the Series 003 Notes and Series 004 Notes ISRAs, which are secured in favour of the Noteholders of the Series 003 Notes and Series 004 Notes, to the Noteholders of the Series 003 Notes and Series 004 Notes. In particular,</p> <p>(i) this Amendment clarifies that monies in the ISRAs of the Series 003 and Series 004 Notes shall be attributable to outstanding contractual interest (excluding default interest) up to 31 December 2017, and the balance thereafter (if any) shall be used as repayment of principal on the Series 003 and the Series 004 Notes respectively; and</p> <p>(ii) this Amendment also sets out a payment mechanism to enable DBS Trustee Limited to make such payments.</p>

Further announcements will be made by the Company and the Board via SGXNET in relation to the date of the hearing of the NCL Sanction Application and as and when there are any 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 has been voluntarily suspended by the Company on 21 July 2017.

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

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

16 July 2018