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

Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2022

Content		Page
A.	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
B.	Condensed Interim Statements of Financial Position	3
C.	Condensed Interim Statements of Changes in Equity	5
D.	Condensed Interim Consolidated Statements of Cash Flows	7
E.	Notes to the Condensed Interim Consolidated Financial Statements	9
F.	Other Information Required by Listing Rule Appendix 7.2	21

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

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		The Group					
	Note	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	Change %	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000	Change %
Revenue	4	200,685	142,875	40%	365,721	286,159	28%
Cost of sales		(146,800)	(120,942)	21%	(265,028)	(222,453)	19%
Gross profit		53,885	21,933	>100%	100,693	63,706	58%
Other income	5	59,966	124,654	(52%)	80,148	128,602	(38%)
Selling and administrative expenses		(22,153)	(18,011)	23%	(38,319)	(32,921)	16%
Impairment loss on property, plant and equipment		-	(3,930)	(100%)	-	(6,927)	(100%)
Impairment losses on trade and other receivables reversed/(made)		889	(1,312)	n.m.	889	(1,312)	n.m.
Other operating expenses		(33,241)	(2,440)	>100%	(37,416)	(25,892)	45%
Operating profit		59,346	120,894	(51%)	105,995	125,256	(15%)
Finance costs		(13,430)	(15,387)	(13%)	(25,950)	(33,758)	(23%)
Share of results of equity accounted joint ventures, net of tax		550	880	(38%)	1,361	(1,047)	n.m.
Share of results of equity accounted associates, net of tax		3,164	674	>100%	4,528	674	>100%
Profit before tax	6	49,630	107,061	(54%)	85,934	91,125	(6%)
Income tax expense	7	(13,263)	(5,954)	>100%	(17,994)	(7,136)	>100%
Profit for the financial period/year		36,367	101,107	(64%)	67,940	83,989	(19%)

n.m. : Not meaningful

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

	Note	The Group					
		6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	Change %	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000	Change %
Other comprehensive (loss)/income							
Exchange differences on translating foreign operations		(17,275)	(5,081)	>100%	(24,640)	4,604	n.m.
Other comprehensive (loss)/income for the financial period/year, net of tax		(17,275)	(5,081)	>100%	(24,640)	4,604	n.m.
Total comprehensive income for the financial period/year		19,092	96,026	(80%)	43,300	88,593	(51%)
Profit attributable to:							
Owners of the parent		34,305	104,530	(67%)	65,730	86,761	(24%)
Non-controlling interest		2,062	(3,423)	n.m.	2,210	(2,772)	n.m.
Profit for the financial period/year		36,367	101,107	(64%)	67,940	83,989	(19%)
Total comprehensive income attributable to:							
Owners of the parent		17,030	99,449	(83%)	41,090	91,365	(55%)
Non-controlling interest		2,062	(3,423)	n.m.	2,210	(2,772)	n.m.
Total comprehensive income for the financial period/year		19,092	96,026	(80%)	43,300	88,593	(51%)
Earnings per share for profit for the period/year attributable to the owners of the Company							
Weighted average number of shares in issue (basic)		7,944,259,058	7,816,909,146		7,921,231,403	7,629,024,672	
Weighted average number of shares in issue (diluted)		8,084,617,874	7,957,267,962		8,061,590,219	7,889,483,605	
Basic earnings per share (Malaysia sen)		0.43	1.34		0.83	1.14	
Diluted earnings per share (Malaysia sen)		0.42	1.31		0.82	1.10	

n.m. : Not meaningful

Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	426,784	390,324	-	-
Subsidiaries		-	-	-	-
Joint ventures		3,315	1,996	-	-
Associates		5,210	680	-	-
Other investments		-	-	-	-
		435,309	393,000	-	-
Current assets					
Inventories		13,604	23,968	-	-
Trade and other receivables	11	180,205	156,751	152	152
Prepayments		1,789	5,143	92	78
Current tax recoverable		811	706	-	-
Fixed deposits		3,471	1,233	-	-
Cash and bank balances		59,394	25,472	38	77
		259,274	213,273	282	307
TOTAL ASSETS		694,583	606,273	282	307
EQUITY AND LIABILITIES					
Equity					
Share capital	12	3,904	3,836	3,904	3,836
Share premium	12	310,850	309,357	310,850	309,357
Treasury shares		(4,097)	(4,097)	(4,097)	(4,097)
Other reserves		290,510	315,150	781,384	781,384
Accumulated losses		(1,235,276)	(1,301,006)	(1,968,655)	(1,898,378)
		(634,109)	(676,760)	(876,614)	(807,898)
Non-controlling interest		3,133	923	-	-
Total equity		(630,976)	(675,837)	(876,614)	(807,898)
Non-current liabilities					
Deferred tax liabilities		6,365	2,839	-	-
Lease liabilities		1,097	9,873	-	-
		7,462	12,712	-	-

Condensed Interim Statements of Financial Position (Cont'd)

		The Group		The Company	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES (Contd.)					
Current liabilities					
Lease liabilities		793	7,543	-	-
Borrowings	13	994,006	947,662	719,540	681,138
Trade and other payables		271,555	268,769	109,231	83,031
Current tax payable		3,618	1,388	-	-
Provision for financial guarantee		48,125	44,036	48,125	44,036
		1,318,097	1,269,398	876,896	808,205
Total liabilities		1,325,559	1,282,110	876,896	808,205
TOTAL EQUITY AND LIABILITIES		694,583	606,273	282	307

Condensed Interim Statements of Changes in Equity

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Available-for-sale reserve RM'000	Share grant reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000	Non-controlling interest RM'000	Total equity RM'000
The Group										
At 1 January 2022	3,836	309,357	(4,097)	316,775	(4,401)	2,776	(1,301,006)	(676,760)	923	(675,837)
Profit for the year	-	-	-	-	-	-	65,730	65,730	2,210	67,940
Other comprehensive income	-	-	-	(24,640)	-	-	-	(24,640)	-	(24,640)
Issuance of term loan shares	68	1,493	-	-	-	-	-	1,561	-	1,561
At 31 December 2022	3,904	310,850	(4,097)	292,135	(4,401)	2,776	(1,235,276)	(634,109)	3,133	(630,976)
At 1 January 2021	3,552	303,028	(4,097)	312,171	(4,401)	2,591	(1,387,767)	(774,923)	3,494	(771,429)
Profit for the year	-	-	-	-	-	-	86,761	86,761	(2,772)	83,989
Other comprehensive income	-	-	-	4,604	-	-	-	4,604	-	4,604
Issuance of non-sustainable debt shares	218	4,848	-	-	-	-	-	5,066	-	5,066
Issuance of term loan shares	66	1,481	-	-	-	-	-	1,547	-	1,547
Issuance of shares to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	201	201
Share grant plan expenses	-	-	-	-	-	185	-	185	-	185
At 31 December 2021	3,836	309,357	(4,097)	316,775	(4,401)	2,776	(1,301,006)	(676,760)	923	(675,837)

Condensed Interim Statements of Changes in Equity (Cont'd)

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Share grant reserve RM'000	Contributed surplus RM'000	Accumulated losses RM'000	Equity attributable to owners of the parent RM'000
The Company							
At 1 January 2022	3,836	309,357	(4,097)	2,776	778,608	(1,898,378)	(807,898)
Loss for the year	-	-	-	-	-	(70,277)	(70,277)
Issuance of term loan shares	68	1,493	-	-	-	-	1,561
At 31 December 2022	3,904	310,850	(4,097)	2,776	778,608	(1,968,655)	(876,614)
At 1 January 2021	3,552	303,028	(4,097)	2,591	778,608	(1,860,274)	(776,592)
Loss for the year	-	-	-	-	-	(38,104)	(38,104)
Issuance of non-sustainable debt shares	218	4,848	-	-	-	-	5,066
Issuance of term loan shares	66	1,481	-	-	-	-	1,547
Share grant plan expenses	-	-	-	185	-	-	185
At 31 December 2021	3,836	309,357	(4,097)	2,776	778,608	(1,898,378)	(807,898)

Condensed Interim Consolidated Statements of Cash Flows

	The Group			
	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
Operating activities				
Profit before tax	49,630	107,061	85,934	91,125
Adjustments for:				
Accretion of non-current trade payables	-	13,232	-	19,089
Depreciation of property, plant and equipment	14,482	14,960	29,014	27,924
Gain on shares dilution and derecognition of an associate	(16,960)	-	(16,960)	-
Gain on disposal of a subsidiary	-	(83)	-	(83)
(Gain)/Loss on disposal of property, plant and equipment	(41,259)	-	(44,380)	564
Impairment loss on property, plant and equipment	-	3,930	-	6,927
Impairment of trade and other receivables (reversed)/made	(889)	1,312	(889)	1,312
Impairment on other investments	16,683	-	16,683	-
Gain on waiver of debts	(436)	(123,270)	(16,223)	(123,270)
Interest expense	13,430	15,387	25,950	33,758
Interest income	(101)	(1,413)	(641)	(2,503)
Property, plant and equipment written off	-	3,681	-	3,681
Deposit written off	(241)	-	(241)	-
Share grant expense	-	-	-	185
Share of results of equity accounted joint ventures, net of tax	(550)	(880)	(1,361)	1,047
Share of results of equity accounted associate, net of tax	(3,164)	(674)	(4,528)	(674)
Total adjustments	(19,005)	(73,818)	(13,576)	(32,043)
Operating cash before working capital changes	30,625	33,243	72,358	59,082
Changes in working capital:				
Changes in inventories	(8,561)	(3,265)	(15,580)	(6,046)
Changes in receivables	38,813	38,307	28,887	36,373
Changes in prepayments	3,795	24	3,392	(2,787)
Changes in payables	(18,363)	(1,402)	(9,096)	(9,437)
Total changes in working capital	15,684	33,664	7,603	18,103
Cash from operations	46,309	66,907	79,961	77,185
Interest paid	(2,259)	(4,233)	(6,208)	(10,608)
Taxes paid, net of refund	(10,400)	(6,158)	(12,756)	(7,404)
Net cash from operating activities	33,650	56,516	60,997	59,173

Condensed Interim Consolidated Statements of Cash Flows (Cont'd)

	The Group			
	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
Investing activities				
Repayment from/(Advances to) associates	8,734	(10,974)	8,734	(10,974)
Advances to joint ventures	(9,248)	(10,297)	(9,248)	(10,297)
Acquisition of property, plant and equipment	(86,352)	(10,060)	(93,539)	(23,175)
Interest received	101	1,413	641	2,503
Acquisition of shares in an associate	-	(2)	-	(2)
Subscription of shares in a joint venture	-	-	-	(2,383)
Proceeds from disposal of property, plant and equipment	73,964	-	77,833	-
Repayment to shipyard creditors	-	(73,856)	-	(73,856)
Net cash used in investing activities	(12,801)	(103,776)	(15,579)	(118,184)
Financing activities				
Repayments of bank borrowings	(105)	-	(3,964)	-
Payments of lease liabilities	(3,680)	(3,379)	(7,663)	(6,392)
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	201	-	201
Placement of fixed deposits	(2,384)	-	(2,384)	-
Net cash used in financing activities	(6,169)	(3,178)	(14,011)	(6,191)
Net changes in cash and cash equivalents	14,680	(50,438)	31,407	(65,202)
Effects of exchange fluctuations on cash and cash equivalents	(129)	(3,310)	(487)	(4,448)
Cash and cash equivalents at 1 January	42,785	80,164	26,416	96,066
Cash and cash equivalents at 31 December	57,336	26,416	57,336	26,416
Cash and cash equivalents comprise the following as at the statements of financial position date:				
Fixed deposits with licensed banks	3,471	1,233	3,471	1,233
Cash and bank balances	59,394	25,472	59,394	25,472
	62,865	26,705	62,865	26,705
Less: Restricted cash with licensed banks	(2,856)	-	(2,856)	-
Less: Restricted fixed deposits with licensed banks	(2,673)	(289)	(2,673)	(289)
Total cash and cash equivalents	57,336	26,416	57,336	26,416

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Nam Cheong Limited (the "Company") is incorporated as a limited liability company and domiciled in Bermuda. The Company's shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the twelve months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are those relating to investment holding. The principal activities of the Group are those of shipbuilding and vessel chartering.

2. Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards ("IFRS"). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Malaysia ringgit ("RM") which is the Company's functional currency. All financial information is presented in RM and rounded to the nearest thousand, unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

Other than the vessels utilisation of the chartering business which is affected by monsoon, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information

The Group is organised into the following main business segments:

(i) Shipbuilding
(ii) Vessel chartering
(iii) Others - investment holding and trading of vessel machineries

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2022					
Revenue					
External revenue	-	200,685	-	-	200,685
Results					
Interest income	777	(65)	6,293	(6,904)	101
Depreciation of property, plant and equipment	(671)	(13,880)	(1)	70	(14,482)
Gain on disposal of property, plant and equipment	-	41,259	-	-	41,259
Gain on shares dilution and derecognition of an associate	-	-	16,960	-	16,960
Gain on waiver of debts	-	436	-	-	436
Impairment on other investments	-	277	(16,960)	-	(16,683)
Impairment losses on trade and other receivables (made)/reversed	(3,771)	975	3,685	-	889
Restructuring expenses	-	-	(135)	-	(135)
Finance costs	-	(11,352)	(8,125)	6,047	(13,430)
Share of results of joint ventures	-	-	550	-	550
Share of results of associates	-	-	3,164	-	3,164
Profit/(Loss) before tax	(6,411)	94,377	(38,336)	-	49,630

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
6 months ended 31 December 2021					
Revenue					
External revenue	-	142,875	-	-	142,875
Results					
Interest income	664	607	6,496	(6,354)	1,413
Depreciation of property, plant and equipment	(642)	(14,317)	(1)	-	(14,960)
Gain on waiver of debts	-	123,484	-	(214)	123,270
Loss on disposal of property, plant and equipment	-	-	-	-	-
Impairment loss on property, plant and equipment	-	(3,930)	-	-	(3,930)
Impairment losses on trade and other receivables	(348)	(901)	(63)	-	(1,312)
Property, plant and equipment written off	-	(3,681)	-	-	(3,681)
Restructuring expenses	-	-	(464)	-	(464)
Finance costs		(14,352)	(7,421)	6,386	(15,387)
Share of results of joint ventures	-	-	880	-	880
Share of results of associates	-	-	674	-	674
Profit before tax	1,270	102,249	3,555	(13)	107,061

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
12 months ended 31 December 2022					
Revenue					
External revenue	-	365,721	-	-	365,721
Results					
Interest income	787	465	12,027	(12,638)	641
Depreciation of property, plant and equipment	(1,339)	(27,757)	(3)	85	(29,014)
Gain on disposal of property, plant and equipment	-	44,380	-	-	44,380
Gain on shares dilution and derecognition of an associate	-	-	16,960	-	16,960
Gain on waiver of debts	-	16,223	-	-	16,223
Impairment on other investments	-	277	(16,960)	-	(16,683)
Impairment losses on trade and other receivables (made)/reversed	(3,771)	975	3,685	-	889
Restructuring expenses	-	-	(309)	-	(309)
Finance costs	-	(21,945)	(15,631)	11,626	(25,950)
Share of results of joint ventures	-	-	1,361	-	1,361
Share of results of associates	-	-	4,528	-	4,528
Profit/(Loss) before tax	(9,707)	129,927	(34,286)	-	85,934

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
As at 31 December 2022					
Additions to non-current assets	2,266	128,081	-	-	130,347
Investment in joint ventures	-	-	3,315	-	3,315
Investment in associate	-	-	5,210	-	5,210
Segment assets	226,360	1,032,874	27,442	(592,093)	694,583
Segment liabilities	1,480,361	1,565,798	1,250,837	(2,971,437)	1,325,559
12 months ended 31 December 2021					
Revenue					
External revenue	-	286,159	-	-	286,159
Results					
Interest income	1,174	1,187	12,050	(11,908)	2,503
Depreciation of property, plant and equipment	(1,279)	(26,642)	(3)	-	(27,924)
Gain on waiver of debts	-	123,484	-	(214)	123,270
Gain on deemed disposal of a subsidiary	-	-	83	-	83
Loss on disposal of property, plant and equipment	-	(564)	-	-	(564)
Impairment loss on property, plant and equipment	-	(6,927)	-	-	(6,927)
Impairment losses on trade and other receivables	(348)	(901)	(63)	-	(1,312)
Property, plant and equipment written off	-	(3,681)		-	(3,681)
Restructuring expenses	-	-	(1,344)	-	(1,344)
Finance costs	-	(30,933)	(14,731)	11,906	(33,758)
Share of results of joint ventures	-	-	(1,047)	-	(1,047)
Share of results of associates			674	-	674
(Loss)/Profit before tax	(9,662)	125,635	(24,835)	(13)	91,125

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
As at 31 December 2021					
Additions to non-current assets	322	44,849	-	-	45,171
Investment in associate	-	-	1,996	-	1,996
Investment in joint ventures	-	-	680	-	680
Segment assets	262,491	1,012,058	6,977	(675,253)	606,273
Segment liabilities	1,458,187	1,614,121	1,144,950	(2,935,148)	1,282,110

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
Revenue				
Malaysia	200,685	142,875	365,721	273,383
Vietnam	-	-	-	12,776
	200,685	142,875	365,721	286,159

	31.12.2022 RM'000	31.12.2021 RM'000
Non-current assets		
Malaysia	435,304	392,993
Singapore	5	7
	435,309	393,000

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	31.12.2022 RM'000	31.12.2021 RM'000
Property, plant and equipment	426,784	390,324
Investment in associates	5,210	680
Investment in joint ventures	3,315	1,996
	435,309	393,000

A breakdown of sales:

	The Group		
	Financial Year Ending 31.12.2022 RM'000	Financial Year Ending 31.12.2021 RM'000	Increase/ (Decrease) RM'000
Sales reported for first half year	165,036	143,284	21,752
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	31,573	(17,118)	48,691
Sales reported for second half year	200,685	142,875	57,810
Operating profit after tax before deducting non-controlling interests reported for second half year	36,367	101,107	(64,740)

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

5. Other income

	The Group			
	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
Gain on disposal of property, plant and equipment	41,259	-	44,380	-
Gain on deemed disposal of a subsidiary	-	83	-	83
Gain on shares dilution and derecognition of an associate	16,960	-	16,960	-
Gain on waiver of debts	436	123,270	16,223	123,270
Impairment on trade and other receivables reversed	889	-	889	-
Interest income	101	1,413	641	2,503
Insurance claim proceeds	-	14	-	1,409
Miscellaneous	1,210	(126)	1,944	1,337
	60,855	124,654	81,037	128,602

6. Profit before tax

	The Group			
	6 months ended 31.12.2022 RM'000	6 months ended 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
The following amounts have been included in arriving at profit before tax:				
Cost of sales				
Depreciation of property, plant and equipment	13,587	14,115	27,235	26,244
Administrative expenses				
Depreciation of property, plant and equipment	895	845	1,779	1,680
Other operating expenses				
Accretion of non-current trade payables	-	13,232	-	19,089
Bad debts written off	92	-	92	-
Impairment loss on property, plant and equipment	-	3,930	-	6,927
Impairment losses on trade and other receivables	-	1,312	-	1,312
Impairment on other investments	16,683	-	16,683	-
Property, plant and equipment written off	-	3,681	-	3,681
Deposit written off	241	-	241	-
Foreign exchange loss/(gain), net	16,090	(14,937)	20,091	1,214
Loss on disposal of property, plant and equipment	-	-	-	564
Restructuring expenses	135	464	309	1,344

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended 31.12.2022 RM'000	**6 months ended 31.12.2021 RM'000**	**12 months ended 31.12.2022 RM'000**	**12 months ended 31.12.2021 RM'000**
Current income tax expense:				
- Current year	13,437	4,350	15,498	5,650
- (Over)/Underprovision in prior year	(618)	1,893	(1,030)	1,775
Deferred tax expense:				
- Current year	444	-	444	-
- (Over)/Underprovision in prior year	-	(289)	3,082	(289)
	13,263	5,954	17,994	7,136

8. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following are transactions with related parties made at terms agreed between the parties:

	The Group			
	6 months ended 31.12.2022 RM'000	**6 months ended 31.12.2021 RM'000**	**12 months ended 31.12.2022 RM'000**	**12 months ended 31.12.2021 RM'000**
Joint ventures				
- interest income	(490)	511	-	980
Other related parties in which directors and key management have interest				
- purchases	423	7	617	110
- rental expense	426	401	839	788

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

9. Net asset value

	The Group		The Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net asset value per ordinary share (Malaysia sen)	(7.9)	(8.6)	(11.0)	(10.3)
Ordinary shares in issue	7,944,259,058	7,816,909,146	7,944,259,058	7,816,909,146

10. Property, plant and equipment

During the twelve months ended 31 December 2022, there were addition of assets amounting to RM130,347,000 (31 December 2021: RM45,118,000) and disposal of assets amounting to RM70,758,000 (31 December 2021: RM90,854,000).

Including in the additions to property, plant and equipment is right-of-use assets of RM1,652,000 (31 December 2021: RM Nil).

11. Trade and other receivables

	The Group		The Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables from a third party	8,600	11,060	-	-
Less: Allowance for impairment losses	(8,600)	(11,060)	-	-
	-	-	-	-
Current				
Trade receivables	146,663	121,673	-	-
Less: Allowance for impairment losses	(22,675)	(20,516)	-	-
	123,988	101,157	-	-
Amount due from subsidiaries (non-trade)	-	-	80,859	103,696
Amounts due from associates and joint ventures (non-trade)	54,526	56,393	59	63
Deposits and other receivables	31,957	26,406	152	152
Less: Allowance for impairment losses				
- amount due from subsidiaries (non-trade)	-	-	(80,859)	(103,696)
- amounts due from associate and joint ventures (non-trade)	(27,044)	(25,000)	(59)	(63)
- other receivables	(3,222)	(2,205)	-	-
	56,217	55,594	152	152
Total trade and other receivables	180,205	156,751	152	152

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

11. Trade and other receivables (Cont'd)

As at even date, RM47.8 million (or 38.5%) of the net trade receivables of RM124.0 million in FY2022 has been collected from the customers subsequent to FY2022. The Group continue to monitor the aging and collection of receivables on an on-going basis. For those receivables which are past due and doubtful of collection, reminders have been sent to the relevant customers before issuance of demand letters and the recovery of debts via legal proceedings where necessary.

12. Share capital and share premium

	The Group and The Company			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Number of ordinary shares		RM'000	RM'000
Share capital				
Issued and fully paid				
At 1 January	7,816,909	7,272,641	3,836	3,552
Issuance of non-sustainable debt shares	-	416,918	-	218
Issuance of term loan shares	127,350	127,350	68	66
	7,944,259	7,816,909	3,904	3,836

Share premium

	The Group and The Company			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	309,357	303,028	309,357	303,028
Issuance of non-sustainable debt shares	-	4,848	-	4,848
Issuance of term loan shares	1,493	1,481	1,493	1,481
	310,850	309,357	310,850	309,357

Share premium is the amount subscribed for ordinary shares in the capital of the Company in excess of the nominal value.

13. Borrowings

	The Group		The Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Bilateral facilities debt (secured)	101,802	102,626	-	-
Term loan - sustainable debts (unsecured)	892,204	845,036	719,540	681,138
	994,006	947,662	719,540	681,138
Represented by:				
Current	994,006	947,662	719,540	681,138

Notes to the Condensed Interim Consolidated Financial Statements (Cont'd)

13. Borrowings (Cont'd)

Bilateral Facilities Debt

The maturity date of the Bilateral Facilities Debt was 31 December 2020.

Term Loan - Sustainable Debts

The tenor of the Term Loan is from 1 January 2018 to 31 December 2024. Interest is charged at 4% per annum. The principal shall be repaid in eight half-yearly instalments from 2021 to 2024 in the percentage of 10%, 20%, 30% and 40%, respectively.

The repayment of the borrowings have been suspended since the financial year ended 31 December 2020. Consequently, the non-current borrowings became repayable on demand and were classified as current liabilities. The Group is currently in discussions with the lenders to review its options of restructuring its debts. Please refer to Paragraph 6 of Other Information Required by Listing Rule Appendix 7.2 for further information.

Borrowings are secured by the underlying assets, comprising leasehold land and vessels with carrying amount of RM5,651,000 (31.12.2021 – RM5,813,000) and RM39,685,000 (31.12.2021 – RM42,734,000), respectively.

14. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 December 2022 and 31 December 2021:

	The Group		The Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost				
Trade and other receivables	180,205	156,751	152	152
Cash and bank balances	59,394	25,472	38	77
Fixed deposits	3,471	1,233	-	-
	243,070	183,456	190	229
Financial liabilities at amortised cost				
Bilateral facilities debt	101,802	102,626	-	-
Term loan	892,204	845,036	719,540	681,138
Lease liabilities	1,890	17,416	-	-
Trade and other payables	270,629	268,142	109,085	82,885
	1,266,525	1,233,220	828,625	764,023

Other Information Required by Listing Rule Appendix 7.2

1. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on preceding year.

   There were no movement in the treasury shares during the six month ended 31 December 2022. As at 31 December 2022, 6,678,597 shares were held as treasury shares by the Company.

2. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

   There were no movement in the subsidiary holdings during the six month ended 31 December 2022. As at 31 December 2022, 114,356,460 shares were held as subsidiary holdings.

3. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent

   The condensed consolidated statement of financial position of Nam Cheong Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve months then ended and certain explanatory notes have not been audited or reviewed.

4. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

   Not applicable.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

   The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2021.

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

   The accounting policies and methods of computation for the current reporting period adopted are consistent with those stated in the Annual Report for the financial year ended 31 December 2021.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Group Performance

(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2022 vs FY2021

	FY2022				FY2021				Variance			
	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	n.m.	-	-	-	n.m.	-	n.m.	-	n.m.
Vessel Chartering	365,721	100%	100,693	28%	286,159	100%	63,706	22%	79,562	28%	36,987	58%
Total	365,721	100%	100,693	28%	286,159	100%	63,706	22%	79,562	28%	36,987	58%

For the twelve months ended 31 December 2022 ("FY2022"), the Group's revenue from vessel chartering division increased by 28% from RM286.2 million in the previous corresponding twelve months ended 31 December 2021 ("FY2021") to RM365.7 million in FY2022 due to higher vessel utilisation in FY2022.

The shipbuilding segment did not register any revenue for both FY2022 and FY2021 as there was no scheduled delivery of vessel sale during the year.

In line with the increase in chartering revenue and higher gross profit margin, gross profit increased by 58% to RM100.7 million in FY2022.

Other income was lower at RM81.0 million in FY2022 as compared to RM128.6 million recorded in FY2021 mainly due to the decrease in gain on waiver of debts by trade and financial creditors by RM107.1 million to RM16.2 million in FY2022. The effect was partially offset by the gain on disposal of property, plant and equipment amounting to RM44.4 million in FY2022 as a result of 8 units of vessels being disposed of during the year.

7. (Contd.)

Review of Group Performance (Contd.)
(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FY2022 vs FY2021

Selling and administrative expenses increased by RM5.4 million or 16% to RM38.3 million in tandem with the increase in revenue.

Other operating expenses of RM37.4 million in FY2022 was higher than RM34.1 million recorded in FY2021 mainly due to the impairment on other investments of RM16.7 million and the increase in foreign exchange losses of RM18.9 million, which was partially offset by the absence of accretion of non-current trade payables of RM19.1 million in FY2022.

Finance costs decreased to RM26.0 million in FY2022 as compared to RM33.8 million recorded in FY2021, mainly due to the decrease in finance cost related to vessel financing during the year.

Share of results of equity accounted joint ventures and associates improved to profit of RM1.4 million and profit of RM4.5 million in FY2022 as compared to loss of RM1 million and profit of RM0.7 million in FY2021 respectively mainly due to higher vessel utilisation.

Consequently, the Group's net profit after tax decreased from RM84.0 million in FY2021 to RM67.9 million in FY2022.

2H2022 vs 2H2021

	2H2022				2H2021				Variance			
	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Shipbuilding	-	-	-	n.m.	-	-	-	n.m.	-	n.m.	-	n.m.
Vessel Chartering	200,685	100%	53,885	27%	142,875	100%	21,933	15%	57,810	40%	31,952	146%
Total	200,685	100%	53,885	27%	142,875	100%	21,933	15%	57,810	40%	31,952	146%

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)
(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

2H2022 vs 2H2021

For the six months ended 31 December 2022 ("2H2022"), the Group's revenue from vessel chartering division increased by 40% from RM142.9 million in the previous corresponding six months ended 31 December 2021 ("2H2021") to RM200.7 million in 2H2022 due to higher vessel utilisation.

The shipbuilding segment did not register any revenue for both 2H2022 and 2H2021 as there was no scheduled delivery of vessel sale during the period.

In line with the increase in chartering revenue and higher gross profit margin, gross profit increased by 146% to RM53.9 million in 2H2022.

Other income was lower at RM60.0 million in 2H2022 as compared to RM124.7 million recorded in 2H2021 mainly due to the decrease in gain on waiver of debts by trade and financial creditors by RM122.8 million to RM0.4 million in 2H2022. The impact was partially offset by the gain on disposal of property, plant and equipment amounting to RM41.3 million in 2H2022 as a result of disposal of a vessel during the period.

Selling and administrative expenses increased by RM4.1 million or 23% to RM22.2 million in tandem with the increase in revenue.

Other operating expenses of RM33.2 million in 2H2022 was higher than RM2.4 million recorded in 2H2021 mainly due to the increase in foreign exchange loss by RM31.0 million and the impairment on other investments of RM16.7 million. The impact was offset by the absence of accretion of non-current trade payables of RM13.2 million.

Finance costs decreased to RM13.4 million in 2H2022 from RM15.4 million recorded in 2H2021, mainly due to the decrease in finance cost related to vessel financing during the period.

Share of results of equity accounted joint ventures and associates improved to profit of RM0.6 million and RM3.2 million in 2H2022 as compared to profit of RM0.9 million and RM0.7 million in 2H2021 respectively mainly due to higher vessel utilisation.

Consequently, the Group registered a net profit after tax of RM36.4 million in 2H2022 as compared to a net profit after tax of RM101.1 million in 2H2021.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)
(b) Condensed Interim Statements of Financial Position (Group)

Total Assets
Total assets of the Group increased by 14.6% or RM88.3 million from RM606.3 million as at 31 December 2021 ("FY2021") to RM694.6 million as at 31 December 2022 ("FY2022") mainly due to:

(i) Property, plant and equipment increased by RM36.5 million or 9.3% from RM390.3 million to RM426.8 million as at FY2022 mainly due to acquisition of 3 unit of vessels and transfer of a vessel from inventories amounting to RM119.2 million, which was offset with the disposal of 8 units of vessels amounting to RM59.4 million;
(ii) Trade and other receivables increased by RM23.5 million or 15.0% from RM156.8 million as at FY2021 to RM180.2 million as at FY2022 mainly due to the disposal of a vessel on a deferred payment basis during the period; and
(iii) Cash and bank balances increased by RM33.9 million from RM25.5 million to RM59.4 million mainly due to the proceeds received from chartering of vessels during the period.

The increase in total assets was partially offset by the decrease in inventories of RM10.4 million or 43.2% from RM24.0 million to RM13.6 million mainly due to the transfer of a vessel from inventories to property, plant and equipment during the year.

Total Liabilities
Total liabilities of the Group increased by 3.4% or RM43.4 million from RM1.28 billion as at FY2021 to RM1.33 billion as at FY2022 mainly due to the increase in borrowings by RM46.3 million in FY2022 as a result of fluctuation of foreign currency exchange rates.

Negative working capital
The decrease in net working capital of RM2.7 million, or 0.3%, from negative RM1.056 billion as at FY2021 to negative RM1.059 billion as at FY2022 was mainly due to the increase in borrowings of RM46.3 million and the decrease in inventories of RM10.4 million, which was offset by the increase in trade and other receivables of RM23.5 million and the increase in cash and bank balance of RM33.9 million.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)
(b) Condensed Interim Statements of Financial Position (Group)

Negative working capital (Contd.)
The following steps, which has been announced previously, have been taken by the Group as part of on-going measures to position the Group to ride out this incredibly challenging market environment and also to address its debt obligations:

(i) The Group has been holding discussions with its principal lenders and has appointed advisors to help address significant debt maturities, which may include, inter alia, extension of the maturities and/or restructuring of existing loans.

As a positive development, the Group's wholly owned subsidiary, Nam Cheong Dockyard ("NCD") applied and was formally admitted into the Corporate Debt Restructuring Committee of Malaysia ("CDRC"), a committee under the purview of Bank Negara Malaysia (the Central Bank of Malaysia) in October 2020, for the CDRC's assistance to mediate between NCD and its financial creditors. These secured and unsecured financial institution creditors ("FI Creditors") are expected to observe an informal standstill, and withhold from any proceedings against, inter alia, NCD and its subsidiaries. Since November 2020, NCD has been engaging actively with both financial creditors and trade creditors.

(ii) The Group has been reviewing it's cash flow projections, in the face of the great business uncertainties, operational disruptions and costs containment measures. It has been entering into discussions with various parties regarding possible actions to contain operating costs and to preserve working capital to fund the Group's operations.

(iii) The Group has explored various strategies to bolster its financial position whilst continuing its cost rationalisation measures to improve overall competitiveness.

Following many rounds of feedback and negotiations with the secured and unsecured FI creditors, NCD, together with its advisors, evolved a revised debt restructuring proposal which was presented to the secured and unsecured FI creditors in 2022. After further rounds of negotiations, the Group had agreed an in-principle agreement with all its secured and unsecured FI creditors for the proposed restructuring (the "Restructuring"). The Restructuring has proceeded with documentation and subject to conditions that will be set out in definitive agreements to be entered into between all relevant parties. The Group is working closely with all to ensure the process can be completed in an expedient manner. Please refer to the Company's announcement on SGXNET for more information.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

7. (Contd.)

Review of Group Performance (Contd.)
(c) Condensed Interim Consolidated Statements of Cash Flows

FY2022

Net cash from operating activities of RM61.0 million in FY2022 was mainly due to collection from customers during the year.

Net cash used investing activities of RM15.6 million in FY2022 was mainly due to the payment made for acquisition of property, plant and equipment of RM93.5 million, which was partially offset by proceeds received from disposal of property, plant and equipment amounting to RM77.8 million during the year.

Net cash used in financing activities of RM14.0 million in FY2022 was mainly due to repayment of bank borrowings and lease liabilities.

2H2022

Net cash from operating activities of RM33.7 million in 2H2022 was mainly due to collection from customers during the period.

Net cash used in investing activities of RM12.8 million in 2H2022 was mainly due to the payment made for acquisition of property, plant and equipment of RM86.4 million, which was partially offset by proceeds received from disposal of property, plant and equipment amounting to RM74.0 million during the period.

Net cash used in financing activities of RM6.2 million in 2H2022 was mainly due to repayment of lease liabilities and placement of fixed deposits.

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material change from the previous prospect statement.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

9. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The offshore and marine sector has been through a volatile time over the past one year. Oil prices jumped significantly in the first half of 2022 driven by Russia-Ukraine war induced oil supply concerns but generally declined in the second half due to the weakening macroeconomic environment reducing demand. Despite the slowing global economic growth and concerns about a potential recession, global oil demand is projected to rise following China's reopening of its border restrictions, according to International Energy Agency. Nevertheless, global oil supply side remains unclear with various factors that could materially affect its future trend, including sanctions on Russia oil export, OPEC+ production capacity, and the use and refilling of strategic oil inventories.

In the face of uncertain economic and industry outlook, the Group will remain agile to navigate through this volatile business environment together with its partners and various stakeholders.

Pending the conclusion of the current financial restructuring, the ability of the Group to capture any market opportunities are severely hampered due to its inabilities in securing any form of new external financing. It is therefore vital that the financial restructuring be concluded at the soonest.

The Group continues to finalise the definitive agreements with the financial institution creditors. Meanwhile, the Group will work towards the restructuring of the remaining liabilities with the corresponding creditors and will update via SGXNET when material progress is made.

10. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable.

11. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared in the period under review as the Company is working through its restructuring arrangement and wishes to enhance the financial strength of the Company.

12. General mandate relating to interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

Other Information Required by Listing Rule Appendix 7.2 (Cont'd)

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tiong Chiong Soon	52 years	1. Son of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Brother of Executive Vice Chairman, Tiong Chiong Hiiung 3. Brother-in-law of Chief Executive Officer, Leong Seng Keat	Director of Nam Cheong Dockyard Sdn Bhd since 01.11.2009. Tiong Chiong Soon is responsible for the shipyard in Miri, Sarawak, Malaysia	Not Applicable
Leong Juin Zer Jonathan	32 years	1. Grandson of Executive Chairman and substantial shareholder, Tan Sri Datuk Tiong Su Kouk 2. Nephew of Executive Vice Chairman, Tiong Chiong Hiiung 3. Son of Chief Executive Officer, Leong Seng Keat	Executive Director of SKOSV Sdn Bhd since 20.2.2020	Not Applicable

13. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of Nam Cheong Limited hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

14. Confirmation from the Board

We, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and of the Company for the six months and twelve months ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Tan Sri Datuk Tiong Su Kouk
Executive Chairman

Leong Seng Keat
Chief Executive Officer

1 March 2023