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## NOTICE OF SPECIAL GENERAL MEETING

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### NAM CHEONG LIMITED

(Incorporated in Bermuda)  
(Company Registration No. 25458)

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 27 July 2018 issued by the Company to its Shareholders (the “Circular”).*

**NOTICE IS HEREBY GIVEN** that a Special General Meeting (“**SGM**”) of Nam Cheong Limited (“**Company**”) will be held at Furama Riverfront, Venus I & II, Level 3, 405 Havelock Road Singapore 169633 on 20 August 2018 at 10.15 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), Singapore time, for the purpose of considering and, if thought fit, passing with or without modification(s), the following resolution(s):

#### **SPECIAL RESOLUTION: THE PROPOSED CAPITAL REORGANISATION**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

- (A) with effect from 23 August 2018 or such other date as the Directors of the Company may determine (“**Proposed Capital Reorganisation Effective Date**”):
- (i) the issued and paid up share capital of the Company be reduced (“**Capital Reduction**”) from HK\$210,314,448.20 divided into 2,103,144,482 Shares (including 6,678,597 treasury shares) of HK\$0.10 each, to HK\$2,103,144.482 divided into 2,103,144,482 Shares of par value HK\$0.001 each, by cancelling the paid up capital of the Company to the extent of HK\$208,211,303.718 on each of the Shares with a par value of HK\$0.10 in issue on the Proposed Capital Reorganisation Effective Date such that each issued Share with a par value of HK\$0.10 shall be treated as one (1) fully paid Share with a par value of HK\$0.001 as at the Proposed Capital Reorganisation Effective Date and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied;
  - (ii) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued Shares with a par value of HK\$0.10 each in the share capital of the Company be cancelled, and the authorised share capital of the Company of HK\$400,000,000 be diminished by such amount representing the amount of Shares so cancelled (“**Authorised Capital Diminution**”), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to HK\$12,000,000 by the creation of such number of Shares with a par value of HK\$0.001 each as shall represent the difference between 12,000,000,000 Shares with a par value of HK\$0.001 each and the number of Shares with a par value of HK\$0.001 in issue after the Capital Reduction (“**Authorised Capital Increase**”);
  - (iii) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the Capital Reduction in the sum of HK\$208,211,303.718 shall be credited to the contributed surplus account of the Company (“**Crediting of Contributed Surplus**”);
  - (iv) the Directors of the Company be and are hereby authorised to utilise any credit balance in the contributed surplus account of the Company in such manner as may be determined by the Directors in accordance with the Bye-laws and all application laws,
- ((i), (ii), (iii) and (iv), collectively referred to as the “**Proposed Capital Reorganisation**”); and

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- (B) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/or matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

### ORDINARY RESOLUTION 1: THE PROPOSED RIGHTS ISSUE

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

The renounceable non-underwritten rights issue of up to 2,096,465,885 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S\$0.014 per Rights Shares ("**Rights Shares Issue Price**"), on the basis of one (1) Rights Share for every one (1) existing ordinary shares in the capital of the Company (each, a "**Share**") held by shareholders of the Company ("**Shareholders**") as at a time and date as the Directors may, in its absolute discretion, determine ("**Books Closure Date**"), fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors or any of them to:

- (a) create and issue up to 2,096,465,885 Rights Shares at the Rights Share Issue Price for each Rights Shares; and
- (b) provisionally allot and issue up to 2,096,465,885 Rights Shares at the Rights Share Issue Price for each Rights Shares on the basis of (1) Rights Share for every one (1) Share held by Shareholders as at the Books Closure Date, on the terms and conditions set out below and/or otherwise on such terms and conditions (including the basis of provisional allotments of the Rights Shares) as the Directors may in their absolute discretion think fit:
- (i) the provisional allotments of the Rights Shares under the Proposed Rights Issue shall be made on a renounceable basis to Shareholders whose name appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited ("**CPD**") as at the Books Closure Date ("**Entitled Shareholders**") with registered addresses in Singapore or who have, at least three (3) Market Days prior to the Books Closure Date, provided to the CPD or the share transfer agent of the Company ("**Share Transfer Agent**"), as the case may be, addresses in Singapore for the service of notices and documents. The provisional allotments of the Rights Shares are not intended to be offered and sold to persons located, resident or with a registered address in the United States or any jurisdiction in which the Proposed Rights Issue may not be lawfully made;
- (ii) no provisional allotment of the Rights Shares shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date, and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the CDP or the Share Transfer Agent, as the case may be, addresses in Singapore for the service of notices or documents ("**Foreign Shareholders**");
- (iii) the provisional allotment of the Rights Shares which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotments relating thereto to purchasers thereof and to pool thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionally among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single or joint Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;

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- (iv) the provisional allotment of the Rights Shares not taken up or allotted for any reason shall be used to satisfy applications for Excess Rights Shares (if any) or allotted or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
- (v) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distribution that may be declared or paid the record date for which falls before the date of issue of the Rights Shares,
- (c) the Directors or any of them be and are hereby authorised to fix the Books Closure Date in their absolute discretion; and
- (d) the Directors or any of them be and are hereby authorised to take such steps, complete and do all such acts, matters and things as he may consider necessary or expedient for the purposes of or in connection with the Proposed Rights Issue (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the Proposed Rights Issue), make such amendments to the terms of the Proposed Rights Issue and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

### **ORDINARY RESOLUTION 2: THE PROPOSED NON-SUSTAINABLE DEBT SHARES ISSUANCE**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

- (A) the Directors or any of them be and are hereby authorised to allot and issue up to 3,883,587,031 Non-sustainable Debt Shares at an issue price of S\$0.045 per Non-sustainable Debt Share, subject to and in accordance with the terms and conditions of the Proposed Scheme, to entitled Creditors, credited as fully paid up, free from all liens, charges and other encumbrances and ranking *pari passu* in all respects with the then existing Shares, pursuant to the Non-sustainable Debt Conversion under the Proposed Scheme;
- (B) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution; and
- (C) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by the Directors or any of them in connection with the Proposed Non-sustainable Debt Shares Issuance pursuant to the Non-sustainable Debt Conversion under the Proposed Scheme and this resolution be and are hereby approved, confirmed and ratified.

### **ORDINARY RESOLUTION 3: THE PROPOSED TERM LOAN SHARES ISSUANCE**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

- (A) the Directors or any of them be and are hereby authorised to allot and issue up to 787,280,931 Term Loan Shares at an issue price of S\$0.045 per Term Loan Share, subject to and in accordance with the terms and conditions of the Proposed Scheme, to entitled Creditors, credited as fully paid up, free from all liens, charges and other encumbrances and ranking *pari passu* in all respects with the then existing Shares, as part payment of the accrued Term Loan interest pursuant to the Term Loan Facility under the Proposed Scheme;

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- (B) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution; and
- (C) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by the Directors or any of them in connection with the Proposed Term Loan Shares Issuance as part payment of the accrued Term Loan interest pursuant to the Term Loan Facility under the Proposed Scheme and this resolution be and are hereby approved, confirmed and ratified.

### **ORDINARY RESOLUTION 4: THE PROPOSED TERMINATION OF THE 2013 PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

- (a) the existing 2013 Plan adopted on 29 April 2013 be and is hereby terminated, provided that such termination shall be without prejudice to the rights of holders of awards granted and outstanding under the 2013 Plan as at the date of its termination; and
- (b) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution.

### **ORDINARY RESOLUTION 5: THE PROPOSED ADOPTION OF THE NAM CHEONG MANAGEMENT INCENTIVE PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10:

- (a) a new share scheme to be known as the "Nam Cheong Management Incentive Plan" ("**Plan**"), the details and rules whereof are set out in the Circular, under which awards ("**Awards**") of fully-paid Shares will be granted, in consideration for their performance and contribution to the Company, to selected employees of the Company, including directors of the Company, Controlling Shareholders and their Associates, and other selected participants, be and is hereby established and adopted;
- (b) the Board of Directors of the Company (or its Remuneration Committee or such other committee of the Board of Directors of the Company (comprising various Directors appointed from time to time) be and is hereby authorised to:
  - (i) implement and administer the Plan;
  - (ii) to modify and/or amend the Plan from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Plan and do all such acts and enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan;
  - (iii) to offer and grant Awards in accordance with the provisions of the Plan and to allot and issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the Awards under the Plan provided always that the aggregate number of Shares to be issued pursuant to the Plan and any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15% of the total issued share capital of the Company from time to time and provided also that subject to such adjustments as may be made to the Plan as a result of any variation in the capital structure of the Company.

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### **ORDINARY RESOLUTION 6: THE PROPOSED PARTICIPATION BY MR. TIONG CHIONG SOON, AN ASSOCIATE OF THE CONTROLLING SHAREHOLDER, IN THE NAM CHEONG MANAGEMENT INCENTIVE PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 7, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary Resolution 10, the participation of Mr. Tiong Chiong Soon, an Associate of the Controlling Shareholder, in the Nam Cheong Management Incentive Plan, be and is hereby approved.

### **ORDINARY RESOLUTION 7: THE PROPOSED GRANT OF AN AWARD COMPRISING UP TO 89,043,832 SHARES TO MR. TIONG CHIONG SOON, AN ASSOCIATE OF THE CONTROLLING SHAREHOLDER, UNDER THE NAM CHEONG MANAGEMENT INCENTIVE PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 8, Ordinary Resolution 9 and Ordinary resolution 10:

- (a) the grant of a contingent award (“**TCS Award**”) comprising up to 89,043,832 Shares over Review Year 1 to Review Year 7 as set out in Section 10.3 of the Circular to Mr. Tiong Chiong Soon, an Associate of the Controlling Shareholder, by the Committee administering the Nam Cheong Management Incentive Plan, the terms of which are set out in the Circular, be and is hereby approved;
- (b) the Directors of the Company or any of them be and are hereby authorised to allot and issue Shares, or transfer existing Shares procured by the Company, upon the release of the TCS Award over Review Year 1 to Review Year 7 as set out in Section 10.3 of the Circular; and
- (c) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution.

### **ORDINARY RESOLUTION 8: THE PROPOSED PARTICIPATION BY MR. TIONG CHIONG HIIUNG, AN ASSOCIATE OF THE CONTROLLING SHAREHOLDER, IN THE NAM CHEONG MANAGEMENT INCENTIVE PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 9 and Ordinary Resolution 10, the participation of Mr. Tiong Chiong Hiiung, an Associate of the Controlling Shareholder, in the Nam Cheong Management Incentive Plan, be and is hereby approved.

### **ORDINARY RESOLUTION 9: THE PROPOSED GRANT OF AN AWARD COMPRISING UP TO 89,043,832 SHARES TO MR. TIONG CHIONG HIIUNG, AN ASSOCIATE OF THE CONTROLLING SHAREHOLDER, UNDER THE NAM CHEONG MANAGEMENT INCENTIVE PLAN**

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8 and Ordinary Resolution 10:

- (a) the grant of a contingent award (“**TCH Award**”) comprising up to 89,043,832 Shares over Review Year 1 to Review Year 7 as set out in Section 11.3 of the Circular to Mr. Tiong Chiong Hiiung, an Associate of the Controlling Shareholder, by the Committee administering the Nam Cheong Management Incentive Plan, the terms of which are set out in the Circular, be and is hereby approved;

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- (b) the Directors of the Company or any of them be and are hereby authorised to allot and issue Shares, or transfer existing Shares procured by the Company, upon the release of the TCH Award over Review Year 1 to Review Year 7 as set out in Section 11.3 of the Circular; and
- (c) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution.

### ORDINARY RESOLUTION 10: THE PROPOSED ADDITIONAL LOAN SHARES ISSUANCE

That subject to and contingent upon (a) the Proposed Scheme coming into effect; and (b) the passing of Special Resolution, Ordinary Resolution 1, Ordinary Resolution 2, Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8 and Ordinary Resolution 9:

- (a) the Directors or any of them be and are hereby authorised to allot and issue up to 22,299,375 Additional Loan Shares at an issue price of S\$0.045 per Additional Loan Share, subject to and in accordance with the terms and conditions of the bilateral facilities agreement between RHB Bank Labuan and NCI dated 11 June 2018, to RHB Bank Labuan, credited as fully paid up, free from all liens, charges and other encumbrances and ranking *pari passu* in all respects with the then existing Shares, as part payment of the Post-Disposal Secured TL Balance;
- (b) the Directors or any of them be and are hereby authorised to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give full effect to this resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by the Directors or any of them in connection with the Proposed Additional Loan Shares Issuance and this resolution be and are hereby approved, confirmed and ratified.

### BY ORDER OF THE BOARD

Tan Sri Datuk Tiong Su Kouk  
Executive Chairman

27 July 2018

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### Notes:

- (i) Unless The Central Depository (Pte) Limited (“**CDP**”) specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed as CDP’s proxies to vote on behalf of CDP at the SGM each of the Depositors who are individuals and whose names are shown in CDP’s records as a time not earlier than forty-eight (48) hours prior to the time of the SGM. Therefore, such Depositors who are individuals can attend and vote at the SGM without the lodgement of any Depositor Proxy Form (as defined below).
- (ii) Such a Depositor registered and holding Shares through CDP who is an individual but is unable to attend the SGM personally and wishes to appoint a nominee to attend and vote on his/her behalf as CDP’s proxy must complete, sign and return the proxy form which is despatched together with this Circular to Depositors (“**Depositor Proxy Form**”) completed by CDP in accordance with the instructions printed thereon and deposit the duly completed Depositor Proxy Form at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for holding the SGM. Similarly, a Depositor which is a corporation and which wishes to attend the SGM must submit the Depositor Proxy Form for the appointment of nominees(s) to attend and vote at the SGM on its behalf as CDP’s proxy.
- (iii) If a Shareholder (who is not a Depositor) is unable to attend the SGM and wishes to appoint a proxy to attend and vote at the SGM in his/her stead, then he/she should complete and sign the proxy form despatched to Shareholders who are not Depositors (“**Shareholder Proxy Form**”) and deposit the duly completed Shareholder Proxy Form at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for holding the SGM. Such proxy need not be a member of the Company.
- (iv) To be effective, the Depositor Proxy Form or the Shareholder Proxy Form must be deposited by a Depositor or a Shareholder (as the case may be) at the office of the Company’s Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, not less than forty-eight (48) hours before the time appointed for holding the SGM in accordance with the instructions stated herein.
- (v) The completion and return of the Depositor Proxy Form or the Shareholder Proxy Form by a Depositor or a Shareholder, as the case may be, will not prevent such Depositor or Shareholder, as the case may be, from attending and voting in person at the SGM if he/she wishes to do so, in place of his/her/its nominee or proxy, as the case may be.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a Depositor or a Shareholder of the Company (i) consents to the collection, use and disclosure of the Depositor’s or a Shareholder’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Depositor or a Shareholder discloses the personal data of the Depositor’s or a Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Depositor or a Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Depositor or a Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Depositor’s or a Shareholder’s breach of warranty.