



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

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

The Board of Directors ("**Board**") of Nam Cheong Limited ("**Company**") and its subsidiaries (together, the "**Group**") refer to:

- (a) its announcement dated 16 July 2018 in relation to, amongst other things, the sanction of the schemes of arrangements (with modifications) proposed between Nam Cheong Dockyard Sdn Bhd ("**NCD**") and Nam Cheong International Ltd ("**NCI**") and their respective creditors ("**NCD Scheme**" and "**NCI Scheme**" respectively);
- (b) its circular to Shareholders dated 27 July 2018 relating to, amongst other things, the issuance of the Term Loan Shares ("**Circular**");
- (c) its announcement dated 3 August 2018 in relation to, amongst other things, the sanction of the scheme of arrangements (with modifications) proposed between the Company and its creditors ("**NCL Scheme**", collectively with the NCD Scheme and the NCI Scheme, the "**Schemes**");
- (d) its announcement dated 28 September 2018 in relation to the implementation of the Schemes;
- (e) its announcement dated 1 October 2020 in relation to NCD's admission into the Corporate Debt Restructuring Committee of Malaysia;
- (f) its announcements dated 25 May 2022 and 20 April 2023 in relation to the update on restructuring;
- (g) its announcement dated 28 April 2023 in relation to the entry into placement agreement;
- (h) its announcement dated 9 May 2023 in relation to the submission of whitewash waiver application;
- (i) its announcement dated 30 May 2023 in relation to the receipt of whitewash waiver;
- (j) its announcement dated 25 July 2023 in relation to the application for extension of time to comply with the conditions to the whitewash waiver;
- (k) its announcement dated 28 July 2023 in relation to the receipt of approval from the Securities Industry Council in relation to an application for extension of time to comply with the conditions to the whitewash waiver; and
- (l) its announcement dated 2 August 2023 in relation to the appointment of the independent financial adviser to advise the shareholders on the Whitewash Resolution.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the aforementioned announcements.

2. OVERVIEW

The Directors wishes to announce that the Company proposes to undertake a share consolidation (the “**Proposed Share Consolidation**”) of every one hundred (100) ordinary shares in the capital of the Company (“**Shares**”) registered in the name of each shareholder of the Company (“**Shareholder**”) as at a record date to be determined by the Directors (the “**Share Consolidation Record Date**”) into one (1) consolidated share (“**Consolidated Share**”), fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Share Consolidation Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional Shares arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as Directors may, in their absolute discretion, deem fit in the interests of the Company, including (1) disregarding the fractional entitlements; or (2) if practical and permissible, aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Shares which are disregarded. Notwithstanding, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions set out below.

As such Shareholders whose shareholdings, as at the Share Consolidation Record Date, is less than one hundred (100) existing Shares or less than multiples of one hundred (100) Shares should note that as the Proposed Share Consolidation may result in such shareholders being no longer Shareholders or rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded, they should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may subject to such advice on actions they should take and their own investment policies and risk/return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of one hundred (100) existing Shares prior to the Share Consolidation Record Date.

As at the date of this announcement, the Company has an issued and paid-up share capital of HK\$8,078,216 (equivalent to S\$1,412,880) divided into 7,957,181,299 Shares (excluding 6,678,597 treasury shares and 114,356,460 subsidiary holdings). Assuming that there will be no new Shares issued by the Company up to the Share Consolidation Record Date, the Company will have a share capital of HK\$8,078,216 (equivalent to S\$1,412,880) divided into approximately 79,571,812 Consolidated Shares (excluding 66,785 treasury shares and 1,143,564 subsidiary holdings) (subject to rounding) following the Proposed Share Consolidation. As at the date of this announcement, the Company does not have any existing convertible securities.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders’ funds (if any) of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

3. RATIONALE

The Proposed Share Consolidation is part of our Company’s capital management plan to improve our Company’s capital structure as well as to facilitate the implementation of the proposed scheme of arrangement and restructuring exercise. The Consolidated Shares in total will bear the same value as the existing ordinary shares in our Company prior to the Proposed Share Consolidation, but at no expense to Shareholders. In addition, the higher share price resulting from the Proposed Share Consolidation enables the Company to have more flexibility

in fixing the issue price to undertake share issuances to be implemented pursuant to the scheme of arrangement.

4. **EFFECT OF THE PROPOSED SHARE CONSOLIDATION ON THE VOLUME WEIGHTED AVERAGE PRICE**

Trading of the Shares on the SGX-ST has been voluntarily suspended since 28 April 2020. In view of the suspension of trading of the Shares, the Company is of the view that it is not meaningful to discuss the computation of the theoretical adjusted 6-month volume weighted average price ("**VWAP**") based on the Consolidated Shares.

For illustrative purposes only, based on the last traded price of Shares prior to the suspension of trading in the Company's securities on the last trading day, being 27 April 2020, of S\$0.004 per Share on an unconsolidated basis, the theoretical adjusted VWAP of each Consolidated Share, following the completion of the Proposed Share Consolidation, would be S\$0.40.

5. **APPROVALS AND CONDITIONS**

The Proposed Share Consolidation is subject to, *inter alia*:-

- (a) the in-principle approval of the SGX-ST for the dealing in, listing and quotation for the Consolidated Shares on the Mainboard of the SGX-ST; and
- (b) the Proposed Share Consolidation being approved by Shareholders at the special general meeting to be convened by the Company ("**SGM**").

An application will be made for permission to deal in and for the listing of and quotation for the Consolidated Shares on the SGX-ST.

6. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or controlling Shareholder and their respective associates have any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

7. **DESPATCH OF CIRCULAR**

A circular containing, *inter alia*, the notice of the SGM and the details of the Proposed Share Consolidation ("**Circular**") will be despatched to Shareholders in due course.

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers about the action they should take.

8. **CAUTION IN TRADING**

Shareholders should note that there is no certainty or assurance as at the date of this announcement that approval for the Proposed Share Consolidation will be obtained or if the Proposed Share Consolidation will be undertaken at all. Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
NAM CHEONG LIMITED**

Kong Wei Fung
Cheok Hui Yee
Company Secretaries

5 October 2023