



## NEWS RELEASE

### NAM CHEONG CLINCHES CONTRACT FOR TWO ACCOMMODATION WORK BARGES WORTH APPROXIMATELY US\$84 MILLION

- *First-of-its-kind in Malaysia and largest Accommodation Work Barges to be built by Nam Cheong;*
- *Sold to Perdana Petroleum Berhad, with option to purchase another two;*
- *Order book stands at RM1.5 billion (approximately S\$581.7 million)<sup>1</sup>*

**Singapore, June 23, 2014** – Nam Cheong Limited (“南昌有限公司”) (“**Nam Cheong**”, or together with its subsidiaries, the “**Group**”), a leading global offshore marine player listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Malaysia’s largest Offshore Support Vessel (“**OSV**”) builder, today announced that it has sold two Accommodation Work Barges (“**AWB**”) worth approximately US\$84 million (approximately S\$105 million)<sup>2</sup>, with the option to purchase another two vessels, to a repeat customer, Bursa-listed Perdana Petroleum Berhad (“**Perdana**”).

In July last year, Nam Cheong sold one AWB of a smaller size, to Perdana, an established, major offshore marine services provider for the oil and gas industry in Malaysia and the Southeast Asian region.

These two AWBs will be the first-of-its-kind in Malaysia when delivered and the largest accommodation vessels to be built by Nam Cheong.

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<sup>1</sup> Based on exchange rate of RM\$1.00 to S\$0.3878.

<sup>2</sup> Based on exchange rate of US\$1.00 to S\$1.2500.

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Chief Executive Officer said:  
“Repeat orders from existing customers attest to the quality of our vessels and reflect the confidence and satisfaction of our customers.

“In addition to breaking new ground as the first of their kind in Malaysia and the largest to be built by Nam Cheong, these AWBs boast of the highest value per unit to be constructed by us.

“With this contract, we are pleased to note that our cumulative order book has further increased to a high of RM1.5 billion. In light of the rising momentum of E&P spending in the global oil & gas industry and robust demand for our vessels, we remain optimistic of our prospects in the year ahead.”

Both of these vessels are being constructed under Nam Cheong’s build-to-order model in one of the Group’s subcontracted yards in China. They are scheduled for delivery in 2016 and are expected to contribute positively to the Group’s earnings for the financial years ending 31 December 2014 to 31 December 2016.

**Notes to the Editor:**

Specifications of the vessels sold are listed below:

<b>Vessel Type</b>	<b>Quantity sold</b>	<b>Specifications</b>
AWB	2	<i>Length: 123 metres Accommodation capacity: 500 men Other features: Equipped with 8 point mooring system and a 300 tonne deck crane Class: ABS</i>

## **ABOUT NAM CHEONG**

Headquartered in Kuala Lumpur, Malaysia, Nam Cheong is a global leading offshore marine group specialising in the building of OSVs. Nam Cheong is the largest shipbuilder of OSVs in Malaysia and with about 7% of the regional market share and the second largest player east of the Suez Canal<sup>3</sup>.

Since its humble beginnings in 1968 building only fishing vessels, the Group today owns and operates one of the largest shipbuilding yards for OSVs in Malaysia. The Group focuses on the construction and engineering of complex, sophisticated, environmentally friendly and quality OSVs that are equipped with the latest technology for use in the offshore oil and gas exploration and production (“E&P”) and oil services industries. These vessels include platform supply vessels (“PSVs”), safety standby vessels (“SSVs”), anchor handling towing supply (“AHTS”) vessels, accommodation work boats and accommodation work barges.

Nam Cheong has attained strong reputation in Malaysia, the South-East Asian region, the Middle East, West Africa and United States for its expertise and track record in constructing OSVs for customers who consist primarily of ship owners and marine services operators. In 2013, the Group expanded its geographical reach to Latin America.

Nam Cheong is able to deliver up to 12 vessels (depending on the size and complexity of the OSVs) from its 12.6-hectare Miri shipyard located in Kuala Baram, Sarawak, Malaysia. In line with the increase in demand for Nam Cheong’s vessels in recent years, the Group has outsourced the construction of vessels to selected shipyards in China. This has given the Group access to additional production capacities and Nam Cheong has successfully delivered over 100 vessels since 2007.

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<sup>3</sup> *Independent market research report by Pareto Securities Asia Pte Ltd., 23 Mar, 2011*

Nam Cheong's shipbuilding business, which makes up over 90% of its revenue for 2008 to 2013, is complemented by its vessel chartering operations. Nam Cheong currently has a fleet of 15 vessels, comprising nine SSVs, two AHTS vessels, three landing crafts and an accommodation vessel, which are chartered out by way of bareboat or time charters. Nam Cheong was listed on SGX-ST on May 27, 2011.

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