



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

TERMINATION OF CONTRACT

Nam Cheong Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement made on 29 March 2016, in relation to the receipt of a Notice of Termination/Cancellation (“**Notice of Termination**”) from Petra Offshore Limited (“**POL**”), a wholly-owned subsidiary of Perdana Petroleum Berhad, to terminate/cancel the contract entered into on 23 June 2014 between POL and Nam Cheong International Ltd. (“**NCIL**”), an indirect wholly-owned subsidiary of the Company, in relation to the sale of one unit of Accommodation Work Barge (“**Contract**”).

The Group maintains that the termination by POL is a premature termination of the Contract and tantamount to a repudiatory/anticipatory breach of the Contract which NCIL, as Seller has accepted. The deposit of USD 8.4 million is forfeited and all other rights of NCIL are reserved.

The Board will keep shareholders informed of any significant developments and will make necessary announcements at the appropriate time.

BY ORDER OF THE BOARD
NAM CHEONG LIMITED

Datuk Tiong Su Kouk
Executive Chairman

14 April 2016