



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

PURPORTED TERMINATION/CANCELLATION OF CONTRACT

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

The Group’s position is that the purported Notice of Termination/Cancellation is not valid and is tantamount to a repudiation of the Contract by POL, pursuant to which the Group is entitled to compensation from POL. The Group intends to fully enforce its rights against POL and, if necessary, seek legal redress.

The purported termination/cancellation of the Contract is expected to have an impact to the earnings of the Group for the financial year ending 31 December 2016, the extent of which cannot be conclusively ascertained at this juncture, as it will depend on the outcome of the Company’s legal remedies against POL.

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

29 March 2016