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NEWS RELEASE

Nam Cheong's core profit grows 20% yoy to RM31.1 million in 1Q2025

- Revenue rose 5% yoy to RM116.6 million, largely driven by an expanded fleet and improved daily charter rates during the period under review.
- In tandem with revenue growth, gross profit increased by 13% yoy to RM56.3 million, with gross margin expanding 3 ppts to 48% in 1Q2025.
- The Group's continued performance improvement is a strong testament to its successful strategic transition toward a more resilient chartering business and its ability to navigate challenges. With strengthening business fundamentals, the Group remains cautiously optimistic about its growth prospects amidst the dynamic market environment.

Singapore, 14 May 2025 – Nam Cheong Limited (“Nam Cheong”, or the “Group”), one of Southeast Asia’s leading Offshore Support Vessel (OSV) providers based in Sarawak, Malaysia, today announced its financial results for the three months ended 31 Mar 2025 (“1Q2025”).

Financial Highlights	1Q2025 (RM'000)	1Q2024 (RM'000)	Change (%)
Revenue	116,635	111,459	5
Gross Profit	56,343	49,652	13
Gross Margin	48%	45%	3 ppts ¹
Other Income	4,347	513,244	(99)
Selling and Administrative Expenses	(11,711)	(10,994)	(7)
Other Operating Expenses	(1,832)	(12,722)	(86)
Operating Profit	47,147	539,180	(91)
Finance Costs	(5,220)	(1,951)	>100
Profit for the Financial Period	35,152	554,557	(94)
Profit Attributable to Owners of the Parent (PATMI)	30,375	552,528	(95)
Core Profit ²	31,126	25,969	20

1. Ppts = percentage points

2. Core profit excludes other income, other operating expenses as well as share of results from joint ventures and associates

In 1Q2025, the Group generated revenue of RM116.6 million, solely from the vessel chartering business, marking a 5% increase year-on-year (“yoy”). Despite lower vessel utilisation during the period due to the preparation of vessels for long-term charter, revenue has continued to grow mainly as a result of an expanded fleet and improved daily charter rates.

Gross profit correspondingly rose by 13% yoy to RM56.3 million, with gross margin expanding 3 ppts to 48%.

Other income decreased to RM4.3 million in 1Q2025 compared to RM516.0 million recorded in 1Q2024. It was mainly due to the absence of waiver of debt pursuant to the 2024 Scheme and the Debt Restructuring and Master Agreement (“**DRMA**”), which have become fully effective and unconditional since 30 March 2024.

Selling and administration expenses increased by 7% yoy to RM11.7 million in 1Q2025 in tandem with the increase in revenue during the period.

Other operating expenses decreased to RM1.8 million in 1Q2025 as compared to RM12.7 million in the preceding year, which was mainly due to the absence of restructuring costs.

Finance costs normalised at RM5.2 million in 1Q2025 as compared to RM2.0 million recorded in 1Q2024, mainly due to the absence of interest waiver, in 1Q2025, pursuant to the 2024 Scheme and the DRMA.

As a result, the Group recorded a net profit of RM35.2 million for the reporting period. Excluding other income, other operating expenses as well as share of results from joint ventures and associates, core profit increased 20% yoy to RM31.1 million in 1Q2025 from RM26.0 million in 1Q2024.

Commenting on the Group’s results, **Mr. Leong Seng Keat, Chief Executive Officer of Nam Cheong** said, *“We entered 2025 with a solid set of 1Q results, backed by our proactive pre-deployment of over 57% of vessels under long-term charter contracts. This greatly enhanced our resilience amid a volatile global backdrop. In view of ongoing macro uncertainties, we remain agile and are on track to expand our long-term charter coverage to approximately 70% of our fleet, while retaining flexibility to capitalise on potential upside in the spot market.”*

Our diverse and advanced offshore support vessel (“OSV”) fleet remains our core competitive advantage, capable of supporting both oil and gas (“O&G”) production and exploration activities. Leveraging our strong foothold as a Sarawak-based OSV operator, the Group is cautiously optimistic about the regional O&G market growth and will continue to pursue a balanced approach that supports business expansion while ensuring timely debt repayment.”

Outlook

The global economic outlook for 2025 remains uncertain amid trade tensions driven by U.S. tariff policy. Concerns over a potential economic slowdown have added caution to oil price forecasts, creating a more measured sentiment across the energy markets¹, which has also prompted the cut in 2025 budget by some of the oil majors².

The local OSV market continues to face structural supply constraints. While the existing fleet is ageing, new vessel construction remains subdued, primarily due to banks’ continued caution in extending financing for newbuild programs³. Malaysia’s cabotage policies, which limit foreign vessel participation, further restrict available supply. As a result, OSV charter rates are expected to remain well supported in 2025.

Backed by a modern fleet and steady progress in securing long-term charters, the Group is well-positioned to meet market demand and fully participate in the long term regional offshore marine growth trajectory.

¹ [Oil Price: StanChart Cuts 2025 Oil Price Forecast By \\$16/bbl Amid Trump’s Tariffs](#)

² [Wood Mackenzie: Tariffs - implications for the oil and gas sector](#)

³ [The Edge: OSV sector may face shortage amid ageing fleet](#)



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ABOUT NAM CHEONG LIMITED (BLOOMBERG TICKER NCL: SP)

Based in Sarawak Malaysia, Nam Cheong Limited (“**Nam Cheong**” or the “**Group**”) is a global offshore marine group specialising in the building and chartering of OSVs. Since its humble beginnings in 1968 building only fishing vessels, the Group is now Malaysia’s largest OSV builder, owning and operating one of the largest shipbuilding yards for OSVs in Malaysia.

The Group focuses on OSV chartering, as well as the construction and engineering of 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, with customers hailing from Malaysia, Southeast Asia, Middle East, West Africa, Latin America, Europe, and the United States. The Group has delivered over 140 vessels since 2007, which include anchor handling towing supply (“**AHTS**”) vessels, platform supply vessels (“**PSVs**”), accommodation work boats and accommodation work barges.

Beyond building some of the most sophisticated OSVs, Nam Cheong is expanding its vessel chartering operations, with the Group operating a chartering fleet of over 30 vessels. Nam Cheong was successfully listed on SGX-ST on May 27, 2011.

Issued for and on behalf of Nam Cheong Ltd. by **Financial PR**

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