

NEWS RELEASE

NAM CHEONG SECURES SALES OF ANOTHER THREE VESSELS, BRINGING TOTAL SEPTEMBER 2014 ORDERS TO APPROXIMATELY US\$126.0 MILLION

- ***Sale of three vessels worth approximately US\$41.0 million;***
 - o ***Extends global reach with repeat sales to two customers based in Europe – Norway and the Netherlands;***
 - o ***One vessel sold to repeat customer based in Asia;***
- ***Orders on the back of five vessel sales worth US\$85.0 million to PT Pelayaran Nasional Bina Buana Raya Tbk in September 2014;***
- ***Secured orders help boost cumulative order book to approximately RM1.9 billion (approximately S\$740.7 million¹);***
- ***Total sales of eight vessels in September to contribute positively to FY2014 and FY2015 earnings.***

Singapore, September 29, 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**”) and Malaysia’s largest Offshore Support Vessel (“**OSV**”) builder, today announced that it has sold three vessels worth approximately US\$41.0 million (approximately S\$52.1 million²).

These three contract wins are on the back of five vessel sales to PT Pelayaran Nasional Bina Buana Raya Tbk (“**BBR**”), secured during the same month, bringing the total orders in September 2014 to eight which are collectively worth approximately US\$126.0 million (approximately S\$160.1 million²).

¹ Based on an exchange rate of 1.00 MYR = 0.38985 SGD

² Based on an exchange rate of 1.00 USD = 1.27050 SGD

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Chief Executive Officer said: “The regional and global OSV industry continues to see good demand for shallow water OSVs, despite some softening of oil prices. As evidenced by the securing of these orders which has helped buoy our order book to a healthy level of approximately RM1.9 billion, we continue to be a beneficiary of the robust growth in the shallow water segment.”

One 5,150 bhp Anchor Handling Towing Supply Vessel (“AHTS”) was sold to a Norway-based repeat customer, Vega Offshore Group, which is in-line with the customer’s fleet expansion plan.

In addition, orders for two 6,500 bhp AHTS vessels were also secured from repeat customers of which one is based in Asia and the other, from Vroon B.V. which is based in the Netherlands.

Vega Offshore Group is an OSV owner, operator and commercial manager providing high quality offshore support services to the global market. The Asian customer is an emerging player with a strong reputation in the ship agency services and service broking business while Vroon B.V. is an international shipping company with experience that has spanned more than a century.

Mr Leong said: “These three orders, of which two are from European customers, represent the results of our sustained pursuit of being at the forefront of the OSV industry as a global player, beyond the shores of Malaysia. It is a clear testament to the quality, reliability and track record of the delivery of our vessels which has garnered strong confidence from all three repeat customers.”

BBR is an indirect subsidiary of Marco Polo Marine Limited (“马可波罗海业有限公司”) (“MPML”). The Group had entered into a binding Heads Of Agreement (“HOA”) with MPML in September 2014 in relation to a proposed investment of approximately US\$30.7 million (approximately S\$39.0 million²) in BBR, of which Nam Cheong may hold up to approximately 30% of BBR’s enlarged share capital. As part of the HOA and the proposed investment, BBR had entered into memorandums of agreement with the Group to purchase five vessels from Nam Cheong.

Mr Leong concluded: “We are delighted that our efforts in building Nam Cheong into a robust enterprise have continued to transcend geographical boundaries. Looking ahead, we are confident that our core focus on our shipbuilding and chartering businesses will light the path forward while our investments and strategic collaborations with MPML recently will reap rewards for Nam Cheong in years to come. In addition, we will continue to direct our efforts within the shallow water segment of the OSV industry which is more resilient to oil price fluctuations and has largely helped to drive our contract wins.”

The eight vessels, including the five vessels sold to BBR, are all of American Bureau of Shipping (ABS) class and are being constructed as part of Nam Cheong’s built-to-stock series in the Group’s subcontracted yards in China. These vessels are scheduled for delivery in 2014 and 2015 and are expected to contribute positively to the Group’s earnings for the financial year ending 31 December 2014 and 31 December 2015.

² Based on an exchange rate of 1.00 USD = 1.27050 SGD

Notes to the Editor:

Specifications of the vessels sold are listed below:

Vessel Type	Quantity sold	Specifications
AHTS	1	<i>Size: 5,150 bhp Length: 59 metres Bollard pull: 60 tonnes Other features: Equipped with Dynamic Positioning System 1 (DP1) Class: American Bureau of Shipping (ABS)</i>
AHTS	2	<i>Size: 6,500 bhp Length: 65 metres Bollard pull: 80 tonnes Other features: Equipped with Dynamic Positioning System 2 (DP2) Class: American Bureau of Shipping (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.

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.

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, three landing crafts, two AHTS vessels, and an accommodation vessel, which are chartered out by way of bareboat or time charters. The Group intends to expand in this area for the recurring income stream, and mitigate the cyclical and project-based nature of the shipbuilding industry. Nam Cheong was successfully listed on SGX-ST on May 27, 2011.

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082/14/013/NCL

September 29, 2014