

## NEWS RELEASE

### NAM CHEONG SELLS ANOTHER FOUR VESSELS FOR APPROXIMATELY US\$92 MILLION

- *Cumulative order book boasts 25 vessels worth RM1.7 billion (approximately S\$660.1 million<sup>1</sup>);*
- *Sales to contribute positively to FY2014 and FY2015 earnings.*

**Singapore, July 1, 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 another four vessels worth approximately US\$92 million (approximately S\$115 million<sup>2</sup>). With these four contract wins, Nam Cheong’s order book now boasts 25 vessels worth approximately RM1.7 billion (approximately S\$660.1 million<sup>1</sup>).

Three Platform Supply Vessels (“PSVs”) of 3,000 dead weight tonne (“dwt”) each, equipped with Dynamic Positioning System 2 (“DP2”) was sold to a repeat customer which is a leading oilfield services company based in Asia.

The sale of a 200-men Accommodation Work Boat (“Work Boat”), also equipped with DP2, was made to a subsidiary of a new customer, Maridive And Oil Services S.A.E based in North Africa, an established offshore marine and oil support services company in the Middle East and North Africa region.

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<sup>1</sup> Based on an exchange rate of 1.00 MYR = 0.38828 SGD

<sup>2</sup> Based on an exchange rate of 1.00 USD = 1.24960 SGD

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Chief Executive Officer said: “These four orders, on the back of the contract for two Accommodation Work Barges last week, speak volumes of the growing confidence in Nam Cheong’s reputation and expertise within the region and beyond as well as the strength of the upbeat sentiments from the continued momentum of rising E&P activities around the world.

“We are excited about the increasing interest from customers in the oil-rich Africa and Asia regions. We remain confident of reaching out to other key markets to extend our geographical presence and to build Nam Cheong into a trusted global brand.”

The four vessels 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. They are scheduled for delivery between 2014 and 2015 and are expected to contribute positively to the Group’s earnings for the financial years ending 31 December 2014 to 31 December 2015.

**Notes to the Editor:**

Specifications of the vessels sold are listed below:

<b>Vessel Type</b>	<b>Quantity sold</b>	<b>Specifications</b>
PSV	3	<i>Size: 3,000 dwt Length: 75 metres Other features: Equipped with Dynamic Positioning System 2 (DP2) Class: American Bureau of Shipping (ABS)</i>
Work Boat	1	<i>Length: 78 metres Capacity: 200 men 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<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., March 23, 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 14 vessels, comprising nine SSVs, two AHTS vessels two landing crafts 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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