

NEWS RELEASE

NAM CHEONG SECURES FOUR CONTRACTS WORTH APPROXIMATELY US\$90 MILLION FOR FOUR BUILT-TO-STOCK VESSELS

- *One Platform Support Vessel sold to repeat customer, Bumi Armada;*
- *One Accommodation Work Vessel sold to a joint venture company of the Group, co-owned with Marco Polo Marine Ltd;*
- *Two Anchor Handling Towing Supply Vessels, each sold to a new customer based in Vietnam and a repeat customer based in Malaysia;*
- *Cumulative order book boasts 29 vessels worth RM2.0 billion (approximately S\$790.1 million¹);*
- *Sales to contribute positively to FY2014 earnings.*

Singapore, August 19, 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 four vessels worth approximately US\$90 million (approximately S\$112.1 million²).

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Chief Executive Officer said: “We are pleased to see that the strong momentum has continued, with these wins closely following the sale of six vessels in June and July. This is a clear demonstration of the market’s confidence in our capabilities as an OSV builder. With buoyant prospects in the OSV sector driven by rising rig count and strong utilisation rates, we see a preference for younger and more sophisticated vessels to support modern rigs, leading to increased requirements for larger AHTS. With the securing of these four sales contracts, this has boosted Nam Cheong’s order book to a total of 29 vessels worth approximately RM2.0 billion.”

¹ Based on an exchange rate of 1.00 MYR = 0.39505 SGD

² Based on an exchange rate of 1.00 USD = 1.24560 SGD

One Platform Support Vessel (“PSV”) of 5,000 dead weight tonne (“dwt”) equipped with Dynamic Positioning System 2 (“DP2”) was sold to a subsidiary of a repeat customer, Bumi Armada Berhad, a Malaysia-based international offshore oilfield services provider. The customer had previously purchased four Multi-Purpose Platform Support Vessels in February 2013 which represented one of Nam Cheong’s largest collective wins.

The sale of a 200-men Accommodation Work Vessel (“AWV”), also equipped with a DP2 System, was made to a joint venture company of the Group, co-owned with Main Board SGX-listed, Marco Polo Marine Ltd (“Marco Polo”) which is an integrated marine logistic group with an established track record in the chartering of OSVs in the region.

In addition, the Group secured a sales order for a 6,000 bhp Anchor Handling Towing Supply (“AHTS”) vessel from a new customer based in Vietnam, an emerging player with a strong reputation in the ship agency services and service broking business.

Separately, a repeat customer based in Malaysia, Time Marine Services Sdn Bhd, with focus on marine vessel services, drilling services and special services also purchased a 5,000 bhp AHTS.

Mr Leong concluded: “Going forward, we strive to continue delivering on our good track record and to capitalise on opportunities such as strategic partnerships. Our recent joint venture with Marco Polo is one such example where we foresee a mutually beneficial relationship leveraging on their deep expertise in the vessel chartering space while relying on our key competency in building high quality vessels. In doing so, we aim to further deepen our roots in the OSV industry and strengthen our ties with a key partner like Marco Polo.”

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 in 2014 and are expected to contribute positively to the Group's earnings for the financial year ending 31 December 2014.

Notes to the Editor:

Specifications of the vessels sold are listed below:

Vessel Type	Quantity sold	Specifications
PSV	1	<i>Size: 5,000 dwt</i> <i>Length: 87 metres</i> <i>Other features: Equipped with Dynamic Positioning System 2 (DP2)</i> <i>Class: American Bureau of Shipping (ABS)</i>
AWV	1	<i>Length: 78 metres</i> <i>Capacity: 200men</i> <i>Other features: Equipped with Dynamic Positioning System 2 (DP2)</i> <i>Class: American Bureau of Shipping (ABS)</i>
AHTS	2	<i>Size: 5,000 and 6,000 bhp</i> <i>Length: 59 and 65 metres</i> <i>Bollard pull: 62 and 80 tonnes</i> <i>Other features: Equipped with Dynamic Positioning System 2 (DP2)</i> <i>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.

ISSUED ON BEHALF OF : Nam Cheong Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Ms Dolores Phua / Mr Han Zhongchou
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9154-3765 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com
zhongchou.han@citigatedrimage.com

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