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NEWS RELEASE

Nam Cheong's 1H2026 net profit increased 82.9% yoy to RM164.4 million

- Revenue rose 25.2% to RM348.3 million, mainly driven by the shipbuilding segment, which contributed RM89.7 million in 1H2026.
- Profit from vessel sales reached RM123.7 million in 1H2026, comprising gross profit from shipbuilding of RM22.7 million and gain from vessel sale of RM101.0 million, pointing to the continuing revival of the shipbuilding cycle.
- Net gearing ratio fell from 0.27x as at 31 December 2025 to 0.10x as at 30 June 2026.

Singapore, 13 August 2026 – Nam Cheong Limited ("Nam Cheong", or the "Group"), one of South East Asia's largest providers of offshore support vessels ("**OSVs**") today announced its financial results for the six months ended 30 June 2026 ("**1H2026**").

Financial Highlights	1H2026 (RM'000)	1H2025 (RM'000)	Change (%)
Revenue	348,292	278,226	25.2
Gross Profit	137,096	141,348	(3.0)
Gross Margin	39.4	50.8	(11.4 ppts)
Other Income	102,895	6,250	>100
Selling and Administrative Expenses	(42,926)	(26,827)	60.0
Other Operating Expenses	(4,931)	(1,380)	N.M.
Operating Profit	192,134	119,391	60.9
Finance Costs	(8,985)	(9,771)	(8.0)
Profit for the Financial Period	164,355	89,872	82.9
Profit Attributable to Owners of the Parent (PATMI)	162,415	79,589	>100
Core PATMI	164,735	70,123	>100

Ppts = percentage points

N.M. = Not Meaningful

Core PATMI excludes non-core other income, other operating expenses as well as share of results from joint ventures and associates. Gains on disposal of vessels are retained in core PATMI.

Nam Cheong reported net profit of RM164.4 million for 1H2026, 82.9% higher year-on-year ("**yoy**"). Group revenue rose 25.2% to RM348.3 million, with vessel chartering contributing RM258.6 million and shipbuilding contributing RM89.7 million. Gross profit declined 3.0% to RM137.1 million and overall gross margin narrowed by 11.4 percentage points ("**ppts**") to 39.4%, reflecting a revenue mix from shipbuilding segment as well as a lower gross margin for the chartering segment yoy.

Shipbuilding segment

The shipbuilding segment contributed RM89.7 million of revenue in 1H2026 and marks the first revenue streams for shipbuilding since 6 years ago. This was from the sale and delivery of one vessel and progressive revenue recognition on vessels under construction. Gross margin for the shipbuilding segment was 25%.

Chartering segment

Revenue from vessel chartering declined 7.1% to RM258.6 million mainly due to lower utilisation of the accommodation vessels, which was cushioned by the higher overall vessel utilisation rate 65% in 1H2026 as compared to 58% in 1H2025. Chartering gross margin declined to 44.3% from 50.8% a year ago, mainly due to higher operating costs for vessels deployed in the Middle East and the lower utilisation of accommodation vessels.

As of 30 June 2026, 25 of the 35 vessels in the fleet are on long-term charters, representing 71% of the fleet, meeting the Group's target of 70% long-term charter coverage, which ensures a healthy balance between long-term visible recurring income, and opportunities to capture upsides in the spot market.

Group profit and balance sheet

Other income rose to RM102.9 million for 1H2026 from RM6.3 million a year ago, mainly due to RM101.0 million gain on disposal of vessels. The vessel sale is part of Nam Cheong's debt repayment and fleet reprofiling strategies, in which sale proceeds go towards funding newbuild.

Selling and administrative expenses rose 60.0% to RM42.9 million on higher staff and marketing costs as chartering operations and in-house newbuilding activity expanded. Other operating expenses stood at RM4.9 million, up from RM1.4 million for 1H2025, mainly due to a net foreign exchange loss. Finance costs eased to RM9.0 million from RM9.8 million, in tandem with the decrease in borrowings.

PATMI for 1H2026 was RM162.4 million, against RM79.6 million in 1H2025. Excluding non-core items, the Group's core PATMI closed at RM164.7 million, up from RM70.1 million a year earlier.

Cash and bank balances stood at RM226.0 million as at 30 June 2026, compared to RM193.4 million as at 31 December 2025, mainly due to collections from customers during the period. Borrowings stood at RM340.3 million as at 30 June 2026, compared to RM425.4 million as at 31 December 2025, mainly due to repayment during the period. As a result, the Group's net gearing ratio stood at 0.10x as of 30 June 2026, down from 0.27x as at 31 December 2025.

Industry outlook

Following Petronas' commitment in January to maintain domestic output at about two million barrels of oil equivalent per day through 2028, offshore spending in Malaysia has been rising across several operators. [1] In February, PTTEP took a final investment decision on the Sirung and Chenda fields in block SK405B offshore Sarawak, its first new field development in Malaysia, which will produce about 15,000 barrels per day from 2028.[2] In August, Shell announced a final investment decision on the third phase of the Malikai deepwater field offshore Sabah, which will lift the field's output by 60%.[3]

Beyond Malaysia, offshore activity and the demand for OSVs also remains strong, with marketed utilisation of the global OSV fleet projected to reach 77% in 2026 and exceed 79% in 2027. At the same time, OSV supply continues to remain tight, with more than half of the global operational OSV fleet over 15 years old as at May 2026.[4]

Mr Leong Seng Keat, Chief Executive Officer of Nam Cheong, *said, "1H2026 marks the first period in six years in which our shipbuilding segment has contributed revenue, and we now have both our chartering and shipbuilding engines running. Put together, these two business segments continue to provide us with the optionality between building vessels in-house to add to our fleet or selling them in the market when opportune. In April 2026, we have also accelerated our debt repayments, lowering our net gearing ratio to 0.10x as at 30 June 2026.*

Looking ahead, we are on track to add 5 vessels to our fleet by the end of the year, and are encouraged by the elevated level of enquiries for shipbuilding. We continue to stay closely engaged with customers and remain focused on execution to provide long-term value to all stakeholders."

– End –

ABOUT NAM CHEONG LIMITED (BLOOMBERG TICKER NCL: SP)
Headquartered in Kuala Lumpur, Malaysia, Nam Cheong Limited is a global offshore marine group specialising in the building and chartering of OSVs. Since its humble beginnings in 1968 building only fishing vessels, Nam Cheong is now Malaysia's largest OSV builder, owning and operating one of the largest shipbuilding yards for OSVs in Malaysia.

Nam Cheong 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. Nam Cheong has delivered over 150 vessels since 2007, which include anchor handling towing supply ("AHTS") vessels, platform supply vessels ("PSVs"), accommodation work boats and accommodation work barges.

[1] New Straits Times, 29 January 2026

[2] PTTEP media release, 10 February 2026

[3] The Edge Malaysia, 5 August 2026

[4] Westwood Energy: Offshore vessel fleets tighten amid sustained supply discipline, 21 May 2026

Beyond building some of the most sophisticated OSVs, Nam Cheong is expanding its vessel chartering operations, operating a chartering fleet of 35 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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