



NAM CHEONG LIMITED  
(Incorporated in Bermuda)  
(Company Registration Number 25458)

---

## NOTICE OF ARBITRATION

---

Nam Cheong Limited (**Company**, and together with its subsidiaries, the **Group**) refers to the announcement made on 2 December 2016 in relation to the termination of the sale of one unit of Accommodation Work Barge, Hull No. SK317 ("Vessel") between its subsidiary Nam Cheong International Ltd ("NCIL") and Petra Offshore Ltd ("POL"), a wholly owned subsidiary of Perdana Petroleum Berhad, entered on 23 June 2014 ("Contract"). NCIL has received a letter of demand from POL claiming the refund of deposit of USD8.4 million ("Deposit") under the Contract.

The Company wishes to announce that NCIL has served a notice of arbitration ("NOA") to POL pursuant to the Kuala Lumpur Regional Centre For Arbitration Rules 2013 ("KLRCA Rules 2013") on 22 December 2016. NCIL claims, among other things, that POL's purported termination of the Contract is wrongful and unwarranted, and the Deposit paid shall be forfeited to NCIL. NCIL is also claiming damages for wrongful termination of the Contract.

Further announcements will be made by the Company at the appropriate juncture in the event of any material developments in relation to the arbitration.

BY ORDER OF THE BOARD  
NAM CHEONG LIMITED

Tan Sri Datuk Tiong Su Kouk  
Executive Chairman

22 December 2016