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NEWS RELEASE

Nam Cheong reports notable profitability improvements with gross profit more than doubled to RM366.1 million in FY2024

- Revenue rose 45.1% yoy to RM689.4 million in FY2024, primarily driven by fleet expansion, improved daily charter rates and higher utilisation rates of larger vessels.
- Mainly as a result of improved daily charter rates, gross margin increased from 35.5% to 53.1%.
- The Group continues to maintain its competitive edge by leveraging on its young and diverse fleet with a balanced mix of spot and long-term charters ensuring flexibility to capitalise on rising demand in the active O&G market.

Singapore, 28 Feb 2025 – Nam Cheong Limited (“Nam Cheong”, or the “Group”), one of Southeast Asia’s leading Offshore Support Vessel (OSV) providers based in Sarawak, Malaysia, today announced its financial results for the six months (“2H2024”) and full year (“FY2024”) ended 31 December 2024.

Financial Highlights	2H2024 (RM'000)	2H2023 (RM'000)	Change (%)	FY2024 (RM'000)	FY2023 (RM'000)	Change (%)
Revenue	377,410	274,753	37	689,409	475,273	45
Gross Profit	220,076	90,342	>100	366,123	168,600	>100
Gross Margin	58.3	32.9	25.4 ppts	53.1	35.5	17.6 ppts
Other Income	23,585	95,423	(75)	564,039	90,698	>100
Selling and Administrative Expenses	(39,547)	(25,520)	55	(62,987)	(43,215)	46
Other Operating Expenses	(127)	(10,221)	N.M.	(14,270)	(12,220)	17
Operating Profit	203,987	150,024	36	852,905	203,863	>100
Finance Costs	(9,718)	(13,760)	(29)	(18,984)	(27,407)	(31)
Profit for the financial period	169,518	131,224	29	805,309	162,923	>100
Profit attributable to owners of the parent (PATMI)	163,500	126,044	30	790,094	157,274	>100

Ppts = percentage points
N.M.=Not Meaningful



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In FY2024, the Group recorded a total revenue of RM689.4 million solely from the vessel chartering division, up 45.1% year-on-year (“yoy”). The increase was mainly driven by fleet expansion, improved daily charter rates and higher vessel utilisation of larger vessels.

In line with revenue growth, gross profit for FY2024 more than doubled to RM366.1 million from RM168.6 million for FY2023.

Other income increased to RM564.0 million in FY2024 as compared to RM90.7 million in FY2023, mainly attributable to the waiver of debts pursuant to the 2024 Scheme and the DRMA which have become fully effective and unconditional on 30 March 2024.

Financial cost decreased by 30.7% yoy to RM19.0 million for FY2024 after the conclusion of the debt restructuring.

Shares of profit of associates increased to RM27.8 million in FY2024 from RM4.1 million in the preceding year, mainly due to the realisation of assets by one of the associates during the reporting period.

As a result, the Group recorded a net profit after tax of RM805.3 million in FY2024, higher than RM162.9 million in FY2023.

Commenting on the Group’s performance, **Mr. Leong Seng Keat, Chief Executive Officer of Nam Cheong** said, *“2024 was a pivotal year for us as we achieved record-breaking revenue and profitability for our vessel chartering business. This was highlighted by the successful securing of multi-year charter contracts for one-third of our fleet with regional and international oil majors which enhance our revenue resilience significantly.*

Moving into 2025, we will remain agile, leveraging the remaining fleet to seize growth opportunities in the active O&G market and drive long-term sustainable growth.”

Outlook

In 2025, Malaysia’s offshore support vessel (“OSV”) market is expected to remain favourable, driven by steady upstream activities and ongoing supply constraints.

On the demand side, Petronas aims to increase and sustain Malaysia’s domestic oil and gas production from 1.7 million barrels of oil equivalent per day (“mm boe”) in 2024 to 2.0 mm boe between 2025 and 2027, supported by key projects such as the Kasawari gas development. Around 15 exploration wells are projected to be drilled annually over the next two years, while development wells are set to rise to 69 in 2025, up from 56 in 2024¹. These activities are expected to drive strong OSV demand.

At the same time, OSV supply remains tight due to years of underinvestment. This structural shortage is further exacerbated by Malaysia’s cabotage policies, which restrict foreign vessel entry. Additionally, regulations on vessel age further tighten the supply. With robust demand but constrained supply, OSV charter rates are expected to remain positive in 2025².

Favourable OSV demand-supply dynamics are expected to support the Group’s long-term growth. We will strategically leverage our remaining fleet portfolio to further enhance our growth trajectory.

¹ [Reuters: Malaysia’s Petronas aims to boost oil and gas output over next 3 yrs, 31 January 2025](#)

² [Bernama: OSV Sector Remains Bullish Due to Ongoing Supply Tightness -- Kenanga, 6 December 2024](#)



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ABOUT NAM CHEONG LIMITED (BLOOMBERG TICKER NCL: SP)

Based in Sarawak, Malaysia, Nam Cheong Limited (“**Nam Cheong**” or the “**Group**”) is a global offshore marine group specialising in the building and chartering of OSVs. Since its humble beginnings in 1968 building only fishing vessels, the Group is now Malaysia’s largest OSV builder, owning and operating one of the largest shipbuilding yards for OSVs in Malaysia.

The Group 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. The Group has delivered over 140 vessels since 2007, which include anchor handling towing supply (“**AHTS**”) vessels, platform supply vessels (“**PSVs**”), accommodation work boats and accommodation work barges.

Beyond building some of the most sophisticated OSVs, Nam Cheong is expanding its vessel chartering operations, with the Group operating a chartering fleet of more than 30 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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