

NEWS RELEASE

Nam Cheong inks charter contracts worth RM 54.8 million, expanding its growing chartering business

- The Group has secured charter contracts for two Platform Supply Vessels (PSV) and one Anchor Handling Tug Supply (AHTS) vessel to service foreign oil majors for up to 2 years.
- Contract wins indicate continued demand for Nam Cheong's burgeoning OSV chartering business
- The new addition brings the total order book up to RM 290 million, including the option for extension

Singapore, **10 December 2019** – **Nam Cheong Limited** ("Nam Cheong" or the "Group"), **one of Malaysia's largest Offshore Support Vessel (OSV) providers**, is pleased to announce that it has clinched chartering contracts for three OSVs with foreign oil majors worth RM 54.8 million, including options to extend.

The three chartering contracts are for one Anchor Handling Tug Supply vessel and two Platform Supply Vessels. The clients are foreign oil majors, and the vessels will be used to service the oilfields in Malaysian waters.

The contracts are expected to bolster the Group's revenue, contributing positively to the Group's financial performance from the financial year ending 31 December 2019 through to 31 December 2021.

With these latest additions, Nam Cheong's total order book will stand at RM 290 million.

Nam Cheong's chartering revenue jumped from RM 48.8 million in 3Q2018 to RM 91.7 million in 3Q2019, an 88.0% year-on-year increase. The Group's fleet size grew from 16 vessels in 1Q2017 to 34 vessels in 3Q2019. Nam Cheong was named the Fastest Growing Offshore Support Vessel Company in July this year.

Malaysia's upstream oil & gas market is picking up with higher levels of offshore drilling activity, construction, and maintenance projects¹. In support of its growing upstream development portfolio, Malaysia state-run oil and gas company Petronas expects an increase in demand across all major offshore vessel types².

Commenting on the new contract wins, **Mr. Leong Seng Keat, Chief Executive Officer of Nam Cheong** said, ***"In line with surging vessels chartering revenues, we are pleased to be making greater headway, extending our footprint to capture greater market share in the recovering market. These charter contracts with foreign oil majors indicate progressing momentum in our fast-growing charter business."***

Moving forward, we will continue to expand in vessel chartering, evolve our shipbuilding business, and diversify into Engineering, Procurement, Construction, Installation and Commissioning projects to ride on the upturn."

¹ The Malaysian Reserve: <https://themalaysianreserve.com/2019/11/07/upstream-based-og-firms-set-for-stronger-3q/>

² Riviera: <https://www.rivieramm.com/news-content-hub/news-content-hub/malaysia-upstream-a-lsquoaviourrsquo-for-regional-osv-owners-56558>



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None of the Directors or controlling shareholders of Nam Cheong has any interest, direct or indirect, in the above transactions other than through their shareholdings in Nam Cheong.

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ABOUT NAM CHEONG LIMITED (BLOOMBERG TICKER NCL: SP)

Headquartered in Kuala Lumpur, 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, which has grown to make up 41% of FY2018’s revenue base. The Group currently has a chartering fleet of over 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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