

NEWS RELEASE

Nam Cheong signed an MOU with Labuan Corporation, expanding into new offshore marine services

- The Group has signed an MOU to enter into a lease agreement with Labuan Corporation to redevelop the existing facilities on the land in Kiansam, Labuan into modern integrated marine engineering and construction facilities to support the growth of oil and gas industries in Labuan, Sabah, Sarawak and Brunei
- The move marks the Group's first collaboration with Malaysia's Ministry of Federal Territories, paving the way for greater diversification of revenue streams beyond the existing shipbuilding and chartering business
- The project is a critical step in the Group's initiative in exploring Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) and related segments

Singapore, **18 November 2019** – **Nam Cheong Limited** ("Nam Cheong" or the "Group"), **one of Malaysia's largest Offshore Support Vessel (OSV) providers**, is pleased to announce that Nam Cheong Dockyard Sdn Bhd ("Nam Cheong Dockyard"), a wholly-owned subsidiary of the Group, signed an Memorandum of Understanding ("MOU") with Labuan Corporation, an agency under the Ministry of Federal Territories, to lease a piece of land covering 7.3 hectares in Kiansam, Labuan. This landmark deal is a testament to Nam Cheong's long-established presence and reputation in Malaysia's offshore marine sector since 1968.

Nam Cheong Dockyard intends to redevelop the existing facilities on the land into modern integrated marine engineering and construction facilities to buttress the growth of oil and gas industries in Labuan, Sabah, Sarawak and Brunei. New facilities to be redeveloped include warehouse for supply base, yard utilities, waterfront bulk head facilities for ship repairing, ship berthing and fabrication workshops, as well as a training centre for workers. A definitive agreement is expected to be inked by year-end and the operation is expected to begin in 2021. Upon completion, the operation on the land is expected to contribute positively to the Group's financial performance from the financial year ending 31 December 2021 onwards. The Group's own fleet is also allowed to leverage the ship repairing, ship berthing and supply base services on the land to improve the overall operational efficiency.

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.

The Group expects this newly established inaugural working relationship with Labuan Corporation to set a firm foundation to boost its potential in expanding its revenue streams to include ship repair, offshore engineering procurement and construction, supply base and logistics for offshore marine support service, in addition to the Group's existing shipbuilding and chartering businesses. With this venture, the Group will work towards improving its profile and track record so that it may get more opportunities of similar nature in the future.

Commenting on this first collaboration with the Ministry of Federal Territories, **Mr. Leong Seng Keat, Chief Executive Officer of Nam Cheong** said, *"We appreciate the Ministry's trust in our capabilities in providing integrated offshore marine solutions. In line with our strategy to strengthen our business via exploring Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) and related segments, this new project lays a cornerstone for future opportunities. We seek to continue to leverage on our established presence in Malaysia's offshore marine sector to embrace a more diversified business model while remaining committed to deliver quality service to our clients."*



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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.

ABOUT LABUAN CORPORATION

Established on 1 July 2001 under Act 609, Perbadanan Labuan Act 2001, Labuan Corporation is a local authority under the Ministry of Federal Territories which administrates the Federal Territory of Labuan, Malaysia. Labuan Corporation is responsible for public health and sanitation, waste removal and management, town planning, environmental protection and building control, social and economic development and general maintenance functions of urban infrastructure.

Issued for and on behalf of Nam Cheong Ltd. by **Financial PR**

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