

NEWS RELEASE

NAM CHEONG ANNOUNCES SUCCESSFUL CONCLUSION OF DEBT RESTRUCTURING EXERCISE

- *Implementation of the Nam Cheong Schemes of Arrangement*
- *Rights Shares and Non-Sustainable Debt Shares listed and quoted on the Mainboard of the SGX-ST and commenced trading today*

Singapore, September 28, 2018 – Nam Cheong Limited (“南昌有限公司”) (“**Nam Cheong**”), together with its subsidiaries, (the “**Group**”), a leading global offshore marine player listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and one of Malaysia’s largest Offshore Support Vessel (“OSV”) provider, today announced that it has successfully concluded its debt restructuring exercise through the implementation of the Schemes of Arrangement of Nam Cheong and its subsidiaries, Nam Cheong Dockyard Sdn Bhd and Nam Cheong International Ltd (collectively the “**Schemes**”). In particular, the Company has achieved significant milestones such as the listing, quotation and trading of both the Rights Shares and the Non-Sustainable Debt Shares on the Mainboard of the SGX-ST with effect from 9:00 a.m. today, as well as the payment by Nam Cheong under the Cash Out option to eligible Creditors under the terms of the Schemes, both necessary steps to implement the Schemes.

Nam Cheong is especially heartened by the strong participation of shareholders in the Rights Issue. As at the close of the Rights Issue on September 20, 2018, valid acceptances and excess applications were received for a total of 1,573,224,089 Rights Shares, representing an encouraging 75.04% of the 2,096,465,885 available for subscription. This includes the 1,180,949,861 Shares applied for by Nam Cheong’s major shareholder, Tan Sri Datuk Tiong Su Kouk, who has previously made an irrevocable undertaking with the deposit of a committed sum of RM50 million for the Rights Issue.

The Rights Issue has raised an approximate S\$22.0 million in net proceeds, of which S\$3.2 million, representing approximately 14.5% of the net proceeds, have been utilised to meet the obligation under the Cash Out option pursuant to the Schemes. The remaining net proceeds will be used mainly for working capital as well as for the operations of the Group.

The successful implementation of the Schemes has allowed the Group to turn the page and restructure previously unsustainable liabilities. This will, in turn, undoubtedly provide a firm foundation for the Group to embark on future business opportunities.

Tan Sri Datuk Tiong Su Kouk (“丹斯里拿督张仕國”), Executive Chairman of Nam Cheong, said, “We are heartened with the successful conclusion of our debt restructuring exercise. We are pleased with the support from our shareholders who have subscribed to the Rights Issue, enabling us to strengthen our financial position.”

“To us, this represents a testament of the confidence that investors have in our management team and Nam Cheong’s future prospects. We wish to thank all our stakeholders for their strong support, and extend our appreciation for their patience and faith in us as we work towards a renewed Nam Cheong, focused on the turn around of our business, for long-term sustainability.”

Mr Leong Seng Keat (“梁成杰”), Nam Cheong’s Group Chief Executive Officer added, “The conclusion of the debt restructuring exercise represents a major milestone for Nam Cheong, which together with the rights issue, has enabled us to significantly pare down our debt and improve our net tangible asset by over RM500 million. We are grateful for the strong support we have received from our shareholders and moving forward, we will commit on delivering results and enhancing value for our shareholders.”

The Group was represented in the debt restructuring exercise by its financial advisors, PricewaterhouseCoopers (Singapore and Malaysia) and its legal advisors, Drew & Napier LLC (Singapore) and Skrine (Malaysia).

ABOUT NAM CHEONG LIMITED

Headquartered in Kuala Lumpur, Malaysia, Nam Cheong is a global leading offshore marine group specialising in providing OSVs.

Since its humble beginnings in 1968 building only fishing vessels, the Group today owns and operates one of the largest shipbuilding yards for OSVs in Malaysia. The Group focuses on the construction and engineering of complex, 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. These vessels include anchor handling towing supply (“AHTS”) vessels, platform supply vessels (“PSVs”), accommodation work boats and accommodation work barges.

Nam Cheong has attained strong reputation in Malaysia, the South-East Asian region, the Middle East, West Africa, Latin America and United States for its expertise and track record in constructing OSVs for customers who consist primarily of ship owners and marine services operators.

Nam Cheong is capable of delivering up to 12 vessels (depending on the size and complexity of the OSVs) from its 12.6-hectare Miri shipyard located in Kuala Baram, Sarawak, Malaysia. In line with Nam Cheong’s asset-light strategy, the Group outsources the construction of vessels to selected shipyards in China. Nam Cheong has successfully delivered more than 140 vessels since 2007.

As part of its value chain expansion, Nam Cheong has established a presence in vessel chartering since 2007 and currently has a fleet of over 20 vessels, which are chartered out to oil majors and oil field service providers. Nam Cheong was listed on the SGX-ST on May 27, 2011.

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