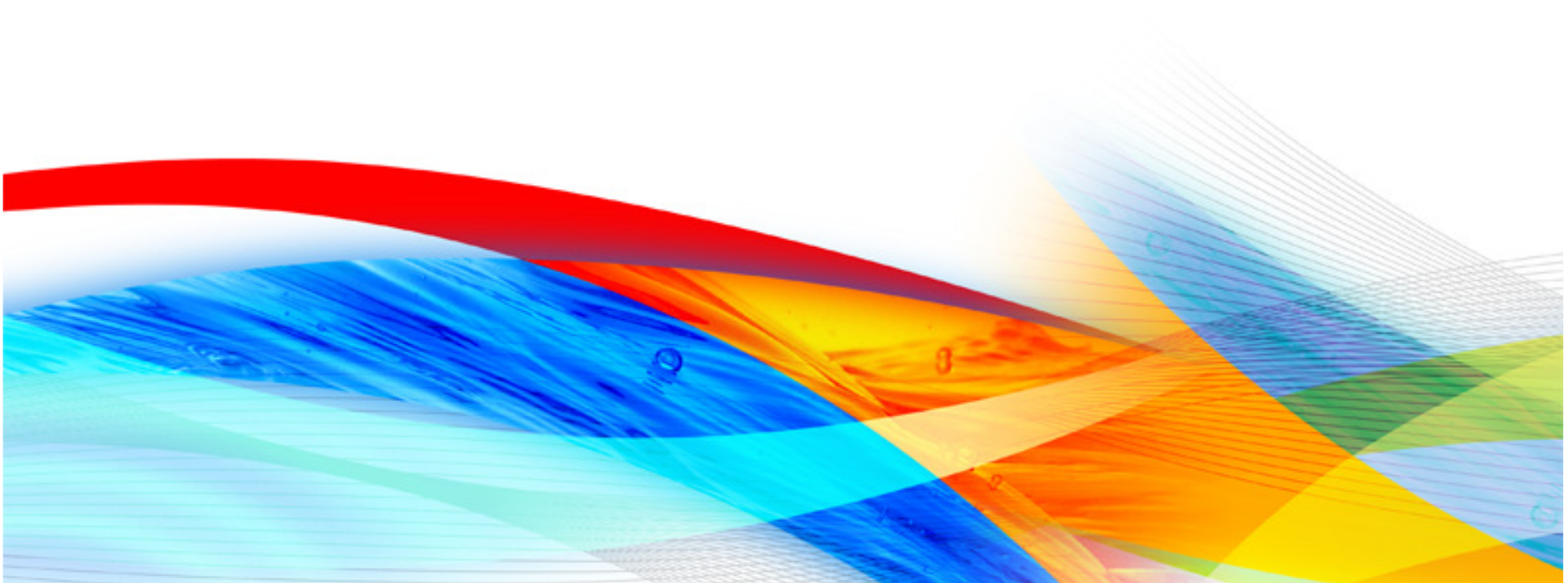




Building Momentum, Capturing Opportunities

Nordic Group Limited

1H2016 Results Briefing





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Outline



1. Business Overview

2. Financial Review

3. Business Outlook

4. Investment Merits

Business Overview

OUR BUSINESSES



**1. System
Integration**



**2. Maintenance, Repair,
Overhaul (MRO) & Trading**



**3. Scaffolding
Services**



**4. Insulation
Services**



**5. Precision
Engineering**

System Integration – Overview

With safety at sea as our priority, we offer a holistic and comprehensive suite of integrated solutions in areas of Flow, Navigation and Automation, customised to cater to various vessel needs.

FLOW SYSTEMS



Valve Remote Control System



Tank Gauging System



Water Ingress Detection System



Anti-Heeling System

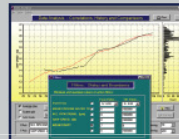
AUTOMATION SYSTEMS



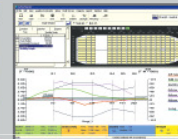
Integrated Monitoring, Alarm and Control System



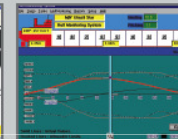
Close Circuit Television



Fuel Efficiency System



Loading Computer



Hull Deflection System

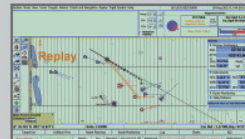


Integrated Remote Monitoring and Diagnosis System

NAVIGATION SYSTEMS



Electronic Chart Display and Information System



Decision Support Tool for Collision Avoidance



Voyage Data Recorder



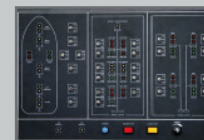
Bridge Alert Management System



Conning System



Dynamic Positioning System



Navigation Light Panel

SERVICES



Enclosure Customisation with Control



Maintenance, Repair, Overhaul (MRO) & Trading



Engineering, Project Management, Procurement, Installation and Commissioning (EPIC) services for Vessel/ Platform Conversion and Upgrade

System Integration – Vessels

Types of Vessels using Nordic's Systems



Semi-Submersible



FPSO



Drillship



Jack-Up



Container Vessel



Submersible Barge



LNG



Pipe laying Vessel



Bulk Carrier



Chemical Tanker



Oil Tanker



AHTS

System Integration – Clients

Keppel FELS

Keppel Shipyard

Keppel Singmarine



中国船舶工业集团公司
CHINA STATE SHIPBUILDING CORPORATION



中国船舶重工集团公司
CHINA SHIPBUILDING INDUSTRY CORPORATION





System Integration – Target Shipyards List *Based on China's White List*

Total number of targeted shipyards:	39 shipyards
Shipyards secured:	25 shipyards, 64.1% (<i>wordings in Blue</i>)
Shipyards to be secured:	9 shipyards, 23.1% (<i>wordings in Red</i>)
Shipyards to be followed-up:	5 shipyards

System Integration – Target Shipyards List

Based on China's White List

SN	SHIPYARD	SN	SHIPYARD	SN	SHIPYARD
1	Bohai Shipbuilding Heavy Industry Co., Ltd.	13	Penglai Bo Jing Lu Shipbuilding Co., Ltd	27	China Shipping Industry (Jiangsu) Co., Ltd.
2	COSCO Dalian Shipyard Co., Ltd.	14	Qingdao Beihai Shipbuilding Heavy Industry Co., Ltd.	28	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.
3	COSCO Shipyard Co., Ltd. Guangdong	15	Shanhaiguan Shipbuilding Heavy Industry Co., Ltd.	29	Jiangxi Jiangzhou Joint Shipbuilding Co., Ltd.
4	China Changjiang National Shipping Group Nanjing Jinling Shipyard	16	Shipbuilding Heavy Industry Co., Ltd., Jiangsu Han Tong	30	Jinhai Heavy Industry Co., Ltd.
5	Dalian COSCO Nantong Co., Ltd.	17	Ship Engineering Co., Ltd., Taizhou Sanfu	31	Nantong COSCO KHI Ship Engineering Co., Ltd.
6	Dalian Shipbuilding Industry Corporation	18	Southern Liaoning Dalian Shipyard	32	Qingdao Shipyard Ltd.
7	Fujian Mawei Shipbuilding Co., Ltd.	19	Taizhou Kou An Shipyard	33	Shanghai Shipyard Co., Ltd.
8	Huanghai Shipbuilding Co., Ltd.	20	Tongfang Co., Ltd. Jiangsu New Shipbuilding	34	Zhejiang Yang Fan Shipyard
9	Huangpu Shipbuilding Co. Wenchong Ship Guangzhou Shipyard International Co., Ltd. (merged)	21	Wuchang Shipbuilding Industry Group Co., Ltd.	35	CSSC Guijiang Shipbuilding Co.,Ltd
10	Jiangsu New Times Shipbuilding Co., Ltd.	22	Xiamen Shipbuilding Industry Co., Ltd.	36	Qingshan Shipyard of China Changjiang National Shipping Group
11	Jiangsu New Yangzi Shipbuilding Co., Ltd.	23	Yantai CIMC Raffles Offshore Ltd	37	Jiangnan Shipyard (Group) Co., Ltd.
12	Jiangsu Province Zhenjiang Shipyard (Group) Co., Ltd.	24	Zhoushan Changhong International Shipbuilding Co.	38	Shanghai Jiangnan Changxing Heavy Industry Co., Ltd.
		25	Shanghai Waigaoqiao Shipbuilding Co., Ltd.	39	Shanghai Jiangnan Changxing Shipbuilding Co., Ltd.
		26	AVIC Dingheng Shipbuilding Co.		

MRO and Trading – Overview

As part of our after-sales service, our dedicated team of consultants provides service support and oversees after-sales requests for maintenance, repairs and overhauls.



- Captive business with an existing pool of over 1,000 vessels with our systems installed
- Numbers are growing steadily with every delivery of new vessel
- Provides a steady stream of income
- High barriers to entry as high-level of expertise is required

MRO and Trading – Clients



BUMIARMADA



PETRONAS



Petrofac



DIAMOND
OFFSHORE



MÆRSK



Saipem



Prosafe

BERNHARD SCHULTE
SHIPMANAGEMENT



MRO and Trading –Global Network



Nordic Offices



Existing Presence (Agents)

Scaffolding Services – Overview

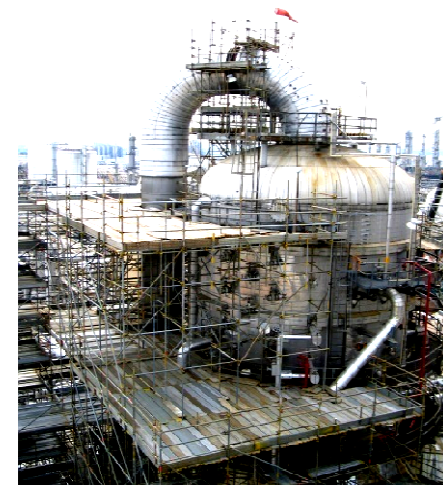
MULTIHEIGHT

One of the market leaders in metal scaffolding works with 25 years of track record servicing the Oil & Gas, Petrochemical, Construction and Marine Industry.

- ✓ Ministry Of Manpower (MOM) approved scaffold contractor
- ✓ First scaffold contractor in Singapore to be awarded the ISO 9001 (previously known as ISO 9002) certificate.

Business activities include:

- **Design, Erection, Modification & Dismantling of Scaffold & System**
- **Rental of Scaffold System, Components & Parts**
- **Rope Access for:**
 - **Blasting and Painting**
 - **Coatings**
 - **Non Destructive Testing (NDT)**
 - **Electrical and Instrumentation**





Scaffolding Services – Projects Summary

Daily Plant Maintenance	Project	Turnaround / Shutdown Maintenance *
<ul style="list-style-type: none"> BASF Southeast Asia Pte Ltd Invista Fibres Stolthaven Terminal Chemical Industry Far East Limited FACI Asia Pacific Pte Ltd Keppel Shipyard Limited Tuas Power SLNG Terminal Horizon Terminal Singapore PSA Marine Singapore Oxygen Air Liquide (SOXAL) Sembawang Shipyard 	<ul style="list-style-type: none"> Aurora Project – ExxonMobil Celanese Expansion Project – Celanese Carboxylate Project – Chevron Oronite FPSO Catcher & Zadco UZ 1M Enabler – Dyna Mac Banyan Vopak L.P.G Project - Audex 	<ul style="list-style-type: none"> Chevron Oronite Celanese Lucite SMAG-Nippon Express Eastman Chemical – Woodgroup SLNG Terminal - Hiap Seng ExxonMobil Kuraray Asia Pacific

* Turnaround / Shutdown maintenance contracts occur every 2 years. Last turnaround / Shutdown maintenance was in 2015.

Scaffolding Services - Clients

ExxonMobil



Oronite



SMOE

Oiltanking



Celanese

Sankyu
singapore



Keppel Shipyard

Keppel Singmarine



**McCONNELL
DOWELL**



Asia Projects Engineering Pte Ltd



JACOBS

Insulation Services – Overview

AUSTIN ENERGY

Acquired by the Group on June 2, 2015, Austin Energy Asia Pte Ltd and its subsidiary, Austin Energy Offshore Pte Ltd (formerly known as KKH (2003) Engineering Enterprises Pte Ltd), services the Petrochemical, Pharmaceutical, Marine and Oil and Gas Industries.

Areas of specialisation:

- Comprehensive Insulation (primarily in Thermal Insulation)
- Passive Fireproofing (“PFP”)
- Industrial Coating (Thermal Spray Application)



Insulation /PFP/Coating Services - Clients

ExxonMobil

Taking on the world's toughest energy challenges.



Oronite



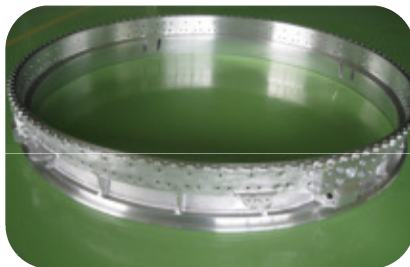
JACOBS



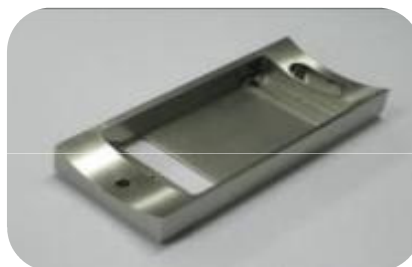
Precision Engineering - Overview

We specialise in the design and building of tooling systems, and provision of turnkey production solutions. Our customers are mainly from the marine, oil and gas, aerospace, medical and electronic manufacturing services industries.

Manufacturing of components for:



Aerospace Industry



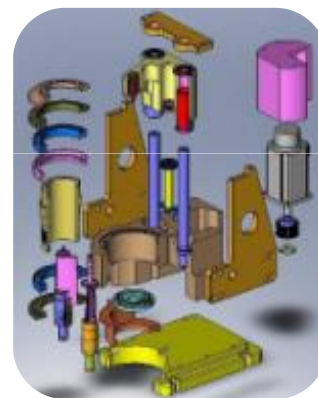
Medical Industry



Oil & Gas Industry



EMS Industry



Customized CNC Machine

Precision Engineering - Clients



GE Oil & Gas

ASM



Assembly Systems

ThermoFisher
SCIENTIFIC



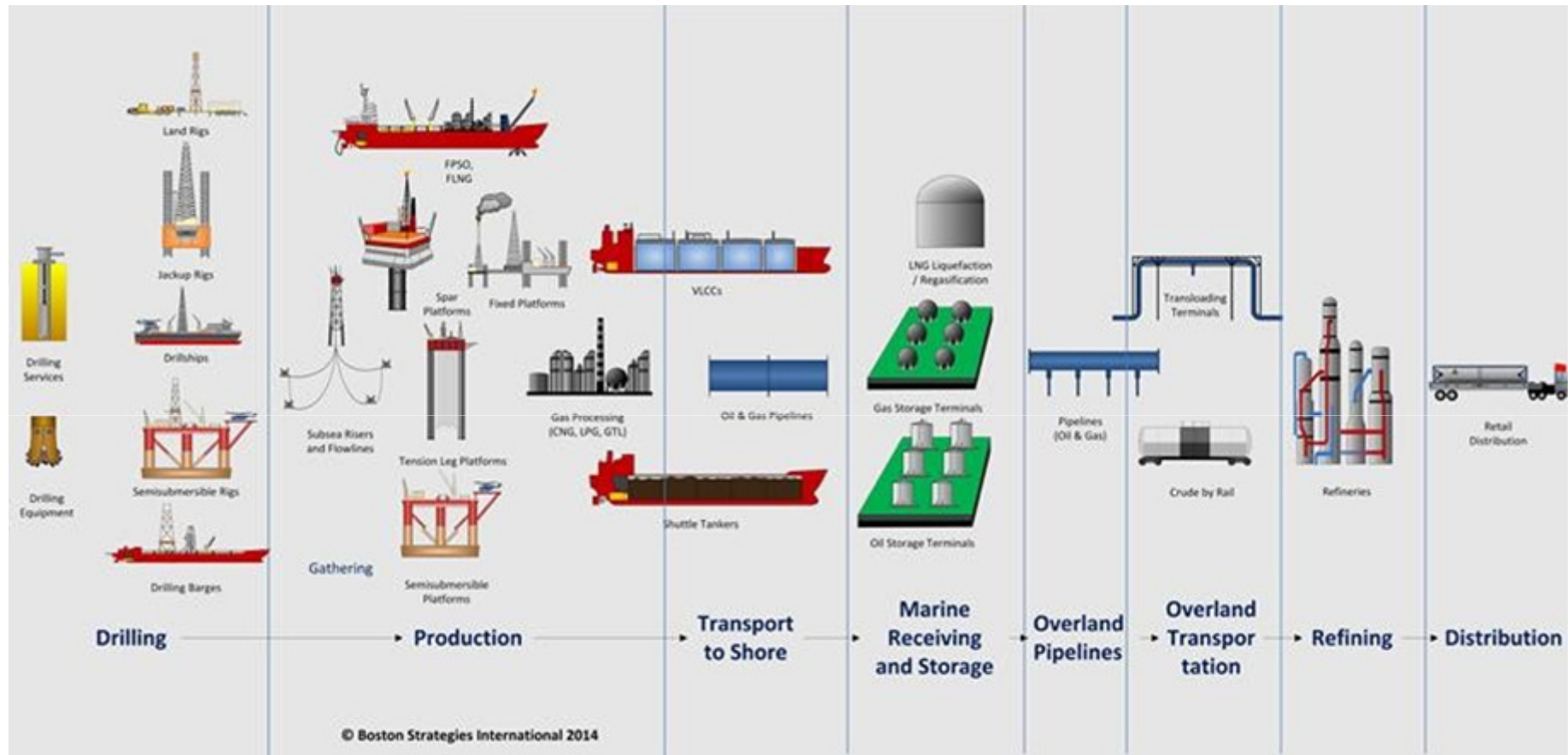
 **Speedline**
technologies



PANalytical



Oil and Gas Upstream and Downstream Value Chain



Upstream

- Nordic Flow Control
- Multiheight
- Austin Energy
- Avitools

Downstream

- Nordic Flow Control
- Multiheight
- Austin Energy



Awards and Accreditations

Subsidiary	List of some awards and accreditations received
Nordic Flow Control Pte Ltd	<ul style="list-style-type: none"> • ANSI-ASQ accredited • ISO9001 certified • OHSAS18001 certified • Singapore SME500 Awards (2008- current) • Singapore Enterprise 50 Awards (2009) • Raad voor Accreditatie (Dutch Accreditation Council) accredited • WSH bizSAFE Star certified
Avitools (Suzhou) Co., Ltd	<ul style="list-style-type: none"> • AS9100 certified • ISO9001 certified
Multiheight Scaffolding Pte Ltd	<ul style="list-style-type: none"> • Chevron Oronite Best Contractor Award – Gold (2014, 2015) • ExxonMobil Innovation and Productivity Safety Award (2016) • ExxonMobil Zero Recordable Injury For >250k Man-Hours Award (2015, 2016) • ExxonMobil Best Supervisor Award for Safety Contribution (2016) • ExxonMobil Safety Performance Award for an Injury-Free 2015 • MOM Safety Performance Award (2002 to 2015) • WSH Innovation Award - Silver (2016) • WSH Performance Award - Silver (2002-2016) • WSH Supervisor Award (2011, 2012, 2013, 2015, 2016- 1 Gold and 2 Silver) • WSH Shape Award (2011) • WSH bizSAFE Star Award (2009) • ISO9001 certified • OHSAS18001 certified • SS506:Part1 certified
Austin Energy Asia Pte Ltd	<ul style="list-style-type: none"> • Award for safe and successful mechanical completion with Zero Lost Time Incident in Alpha 1 Heat Recovery Phase II Project by Jacobs and Lucite International • Certification of Appreciation for Zero Lost Time Injury in MILL Facility Project 2016 • Contractor Safety Performance Award 2015 (Gold) by Chevron Oronite Pte Ltd • Commendation for Good Safety Performance 2012, 2013, 2014 and 2015 by Pfizer Asia Pacific Pte Ltd • WSH bizSAFE Star Award • ISO9001 certified • OHSAS18001 certified

Outline



1. Business Overview

2. Financial Review

3. Business Outlook

4. Investment Merits

Financial Review

Financial Highlights

S\$'000	Unaudited 2Q2016	Unaudited 2Q2015	Change (%)	Unaudited 1H2016	Unaudited 1H2015	Change (%)
Revenue	21,812	21,055	4	41,623	37,668	11
Gross Profit	6,864	5,552	24	13,154	9,553	38
Gross Profit Margin	31.5%	26.4%	5.1 ppts	31.6%	25.4%	6.2 ppts
Profit After Tax **	3,057	2,560	19	5,372	4,011	34
Net Profit Margin	14.0%	12.2%	1.8 ppts	12.9%	10.6%	2.3 ppts
EBITDA	4,711	3,741	26	8,444	6,212	36
EPS (cents)*	0.8	0.6	33	1.4	1.0	40

*Computed based on weighted average number of 394,479,000 ordinary shares for 1H2016 and 400,000,000 shares for 1H2015

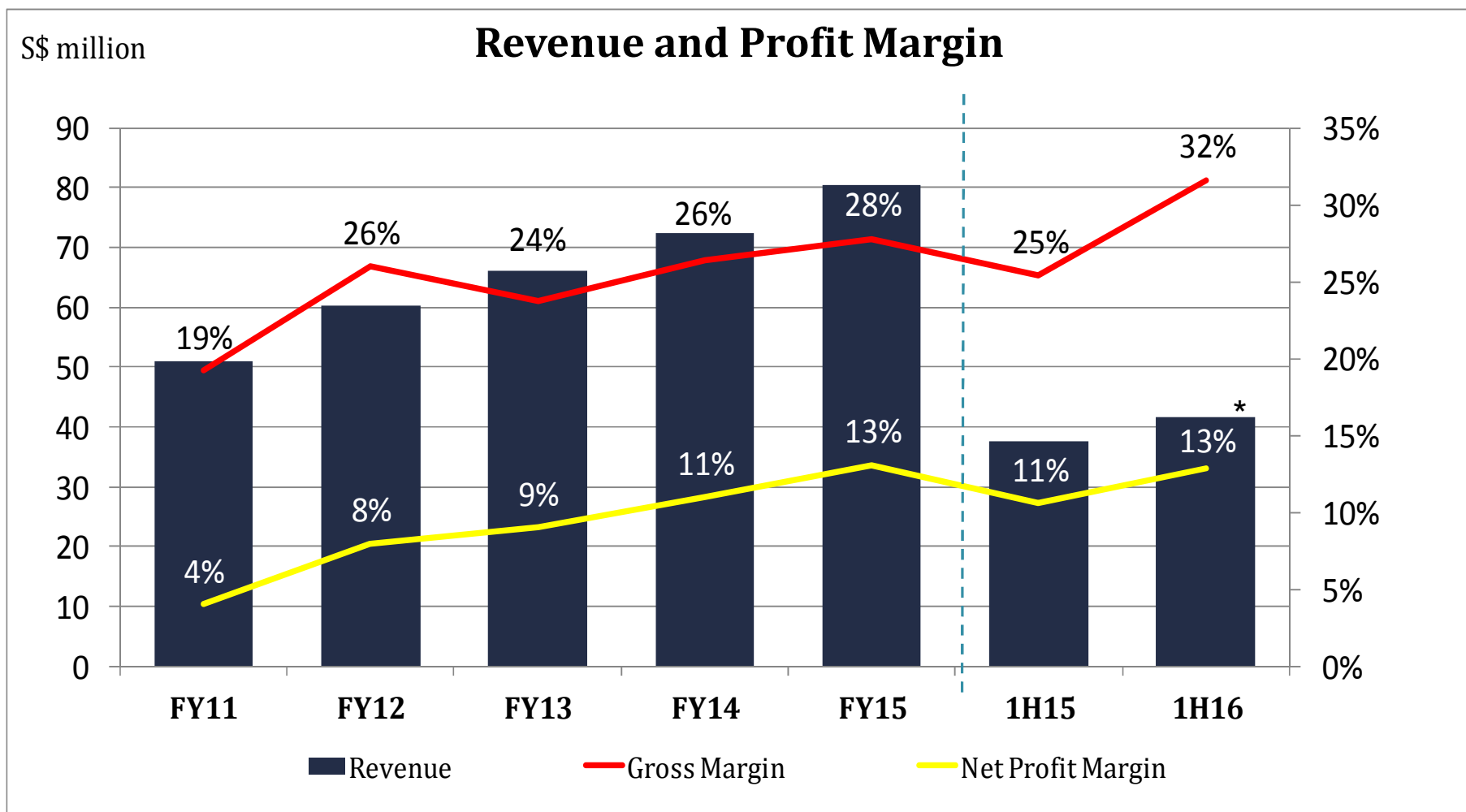
** Excluding foreign exchange loss of S\$1.1million in 1H16 and \$0.4million in 2Q16 (gain of S\$0.3million in 1H15 and gain of \$0.2million in 2Q15), operating profit will be S\$6.5 million in 1H16 and \$3.4million in 2Q16 (\$3.6 million in 1H15 and \$2.3million in 2Q15) which represents a 77% and 27% increase from 1H15 and 2Q15 respectively.

Financial Review

Revenue breakdown by segment

S\$ million	Unaudited 1H2016	Unaudited 1H2015	Change (%)
Project Services	31.5	27.2	16.0
Maintenance Services	10.1	10.4	(3.0)
Total	41.6	37.6	11

Financial Review



Financial Review

Balance Sheet Highlights

S\$'000	Unaudited as at 30 June 2016	Audited as at 31 December 2015
Current Assets	69,389	71,455
Non-current Assets	40,074	40,995
Current Liabilities	37,892	40,941
Non-current Liabilities	9,982	12,129
Total Equity ^[1]	61,589	59,380
Cash and Cash Equivalents	32,992	35,566
Net Asset Value per share (cents) ^[2]	15.6	15.0

^[1] Total Equity includes minority interest

^[2] Computed based on 393,732,200 shares (31 Dec 2015: 395,330,800 shares)

Financial Review

Balance Sheet Highlights

	As at end of				
S\$'000	FY2012	FY2013	FY2014	FY2015	1H2016
Total Borrowings	26,834	21,539	25,320	32,155	33,097
Cash and Cash Equivalents	23,965	14,852	32,799	35,566	32,992
Total Equity	40,703	46,190	53,291	59,380	61,589
Net Gearing Ratio*	0.07	0.14	(0.14)**	(0.06)**	0.0017

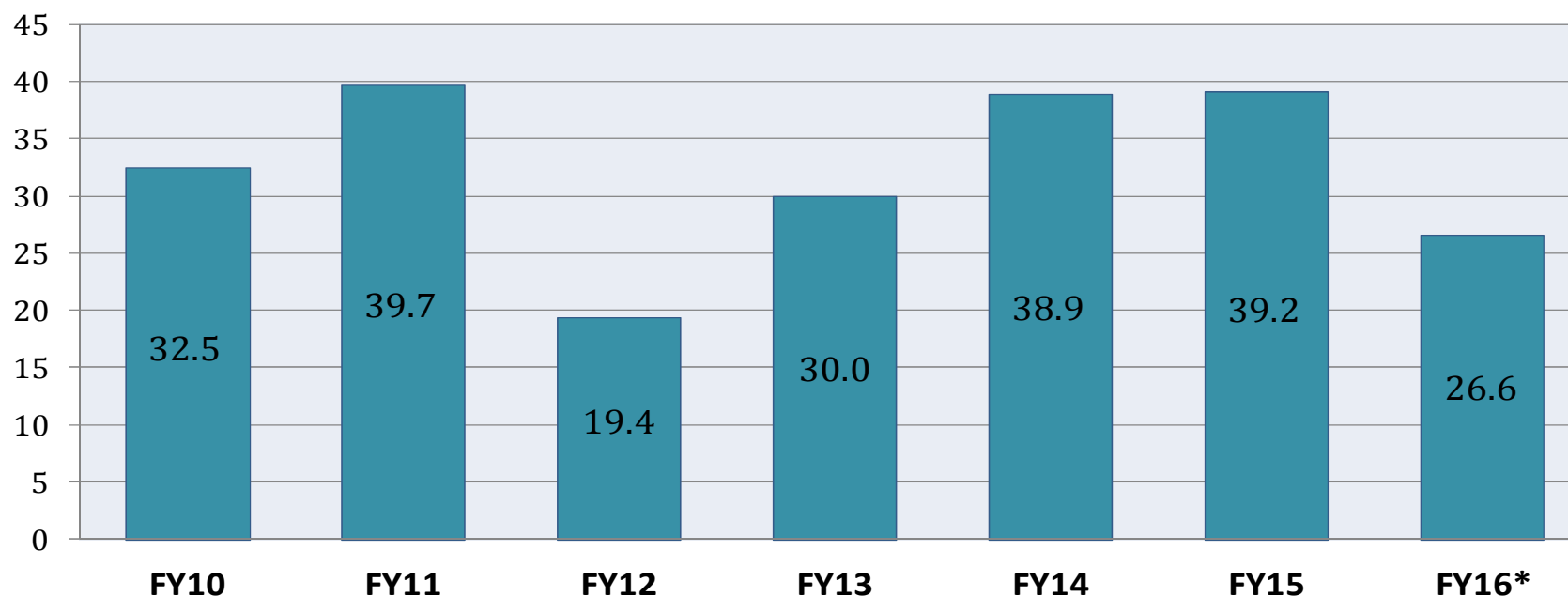
* Computed based on Total Borrowings less Cash and Cash Equivalents / Total Equity

** Negative due to the Group being in a Net Cash position

Financial Review

Order Book Summary

S\$ million



Note:

The order book summary does not include maintenance contracts from Scaffolding Services and Insulation services which are typically contracted over a 2-year period at unit rates and therefore do not have a contract value upfront.

*As of 31 July 2016



Financial Review

Recent Contract Winning Momentum

Jul 06, 2016 - Total value: S\$4.2m

- NFC : supply of valve remote control and tank gauging systems for a new customer
- AEA: supply of labour to carry out insulation works at an oil major's refinery
- MHS & AEA maintenance contracts with a repeat customer from the process industry

Apr 25, 2016 - Total value: S\$7.2m

- NFC : conversion contracts from a repeat customer for the supply, installation flushing and commissioning of tubing for remote control valves, water ballast tank level, gas sampling and oxygen analyzer
- NFC: several contracts from one of the largest China shipyard listed on the Singapore Stock Exchange for new-build vessels
- MHS, AEA & AEO: capital and maintenance contracts with repeat customers from the oil and gas, pharmaceutical and process industries

Mar 28, 2016 - Total value: S\$36.5m

- AEA: supply labor and materials for piping and equipment insulation
- NFC, MHS, AEA: renewal of maintenance contracts with repeated customers
- MHS: renewal of maintenance contract for an initial period of 3 years with an option for 2-year extension

NFC : Nordic Flow Control Pte Ltd

AEA : Austin Energy (Asia) Pte Ltd

AEO: Austin Energy Offshore Pte Ltd [Previously known as KKH (2003) Engineering Enterprises Pte Ltd]

MHS: Multiheight Scaffolding Pte Ltd



Financial Review

Recent Contract Winning Momentum

Feb 19, 2016 - Total value: S\$2.5m

- MHS : maintenance contract from repeat customer to cover new gas facility
- AEA: supply of materials to new customer
- AEO: provide labour and materials to perform acoustic piping insulation works for repeat customer.

Jan 12, 2016 - Total value: S\$7.7m

- MHS & AEA: renewed their maintenance contracts with several repeat customers - comprising of oil majors in the petrochemical industry and a global healthcare company in the pharmaceutical industry

NFC : Nordic Flow Control Pte Ltd

AEA : Austin Energy (Asia) Pte Ltd

AEO: Austin Energy Offshore Pte Ltd [Previously known as KKH (2003) Engineering Enterprises Pte Ltd]

MHS: Multiheight Scaffolding Pte Ltd

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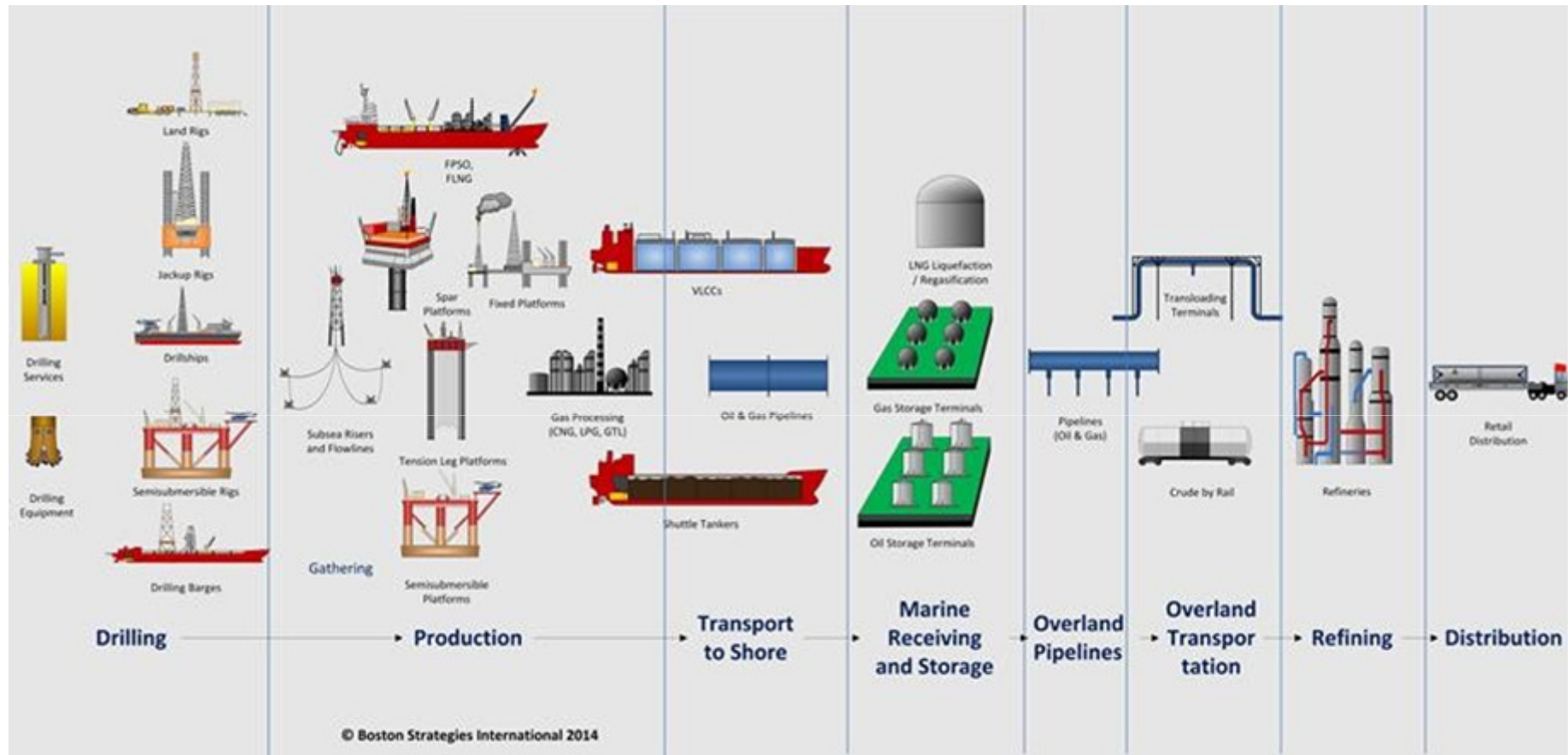
4. Investment Merits



Business Outlook

- Our businesses serving largely the marine, oil and gas industries remain challenging. Amidst persistent weak oil prices, fluctuations in the exchange rate of the US dollar against the Singapore dollar and more recently the contagion effect from the fallout of some of the local oil and gas players, growth is envisaged to be highly uncertain.
- However, we are optimistic with the **contract wins secured to date, the prudent cost and risk management initiatives** undertaken and the **opportunities for further M&A**, we will continue to deliver value to shareholders.

Business Outlook – Upstream Oil & Gas Remains Challenging



Upstream

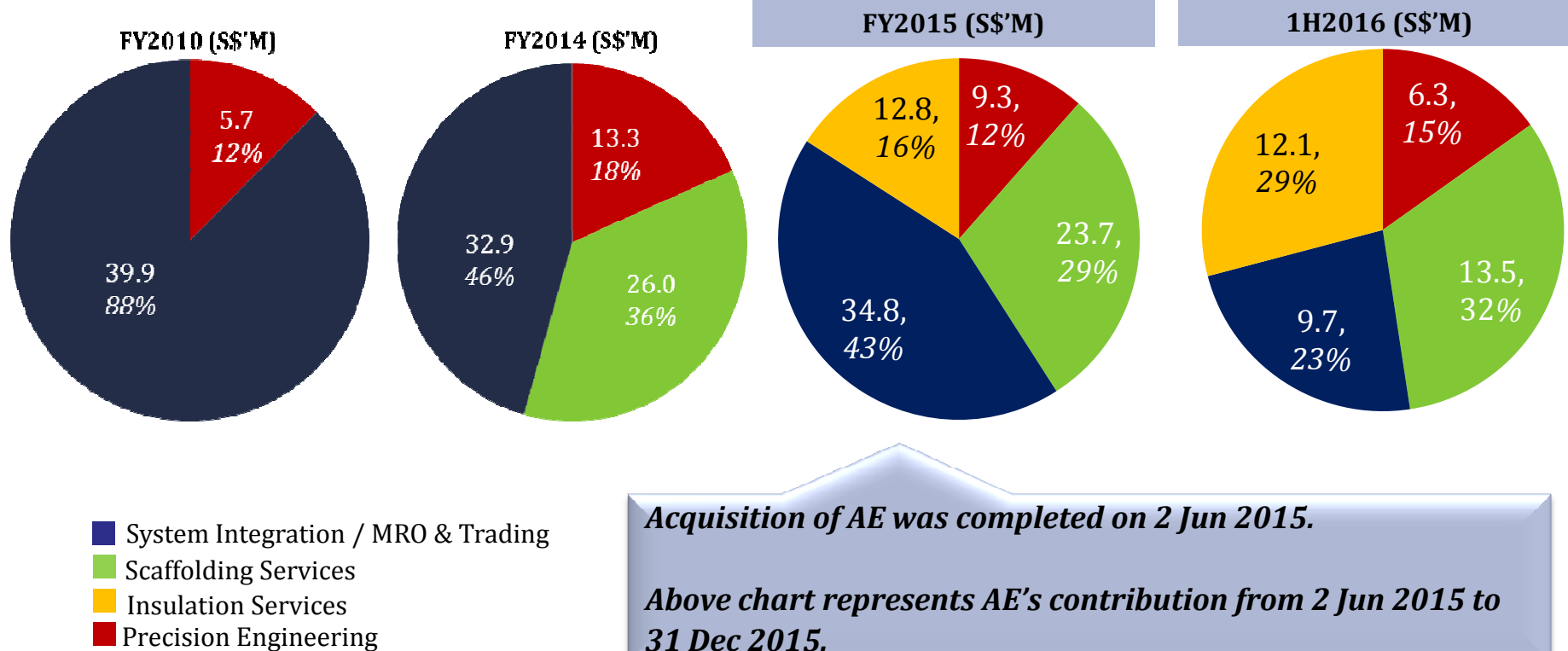
- Nordic Flow Control
- Multiheight
- Austin Energy
- Avitools

Downstream

- Nordic Flow Control
- Multiheight
- Austin Energy

Risk Management- Reduced Reliance on SI

Revenue Contribution by Segment



Risk Management– SI Expansion into General Industries

Provision of PLC-based automation solutions for general industries, utilising existing expertise in industrial automation software.

Completed projects include:



**Changi Airport
Cargo Terminals**



**Ng Teng Fong General Hospital,
Jurong Community Hospital**



**GCP Applied Technologies
(formerly known as W.R. Grace)**

Outline



- 1. Business Overview**
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- 4. Investment Merits**

Highlight of Investment Merits

Established Market Player

Strong track record, performing above industry average

Established Management with Proven Track Record

Management with keen foresight and proven track record of:

- Leading the Group to achieve consistent performance despite market volatilities
- Ensuring successful acquisition and smooth integration of Multiheight
- Successful acquisition of Austin Energy that has proven to enhance Group earnings

Healthy Order Book

Order book of approximately S\$26.6 million on hand, excluding scaffolding and insulation unit rate maintenance contracts

Improved Dividend Payout

- Half-yearly dividend payout for FY15 onwards
- **40% dividend payout policy**
- Total dividend for FY15: 1.05 cents
(Interim dividend of 0.5372 cents payable on 2 Sept 2016)

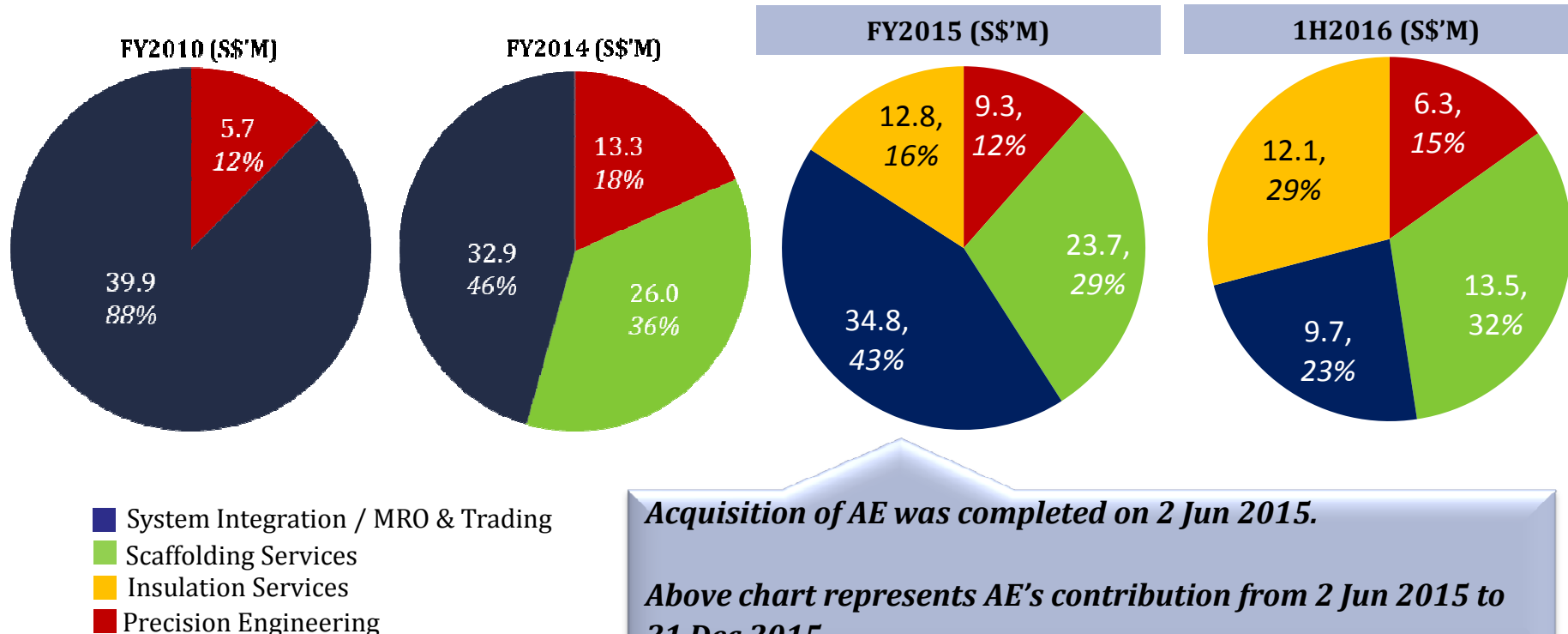
Improved Earnings Quality

Volatile project earnings now supplemented by more stable recurring maintenance income from Scaffolding Services and newly acquired Insulation Services



Investment Merits – Improved Earnings Quality

Revenue Contribution by Segment



The acquisition of Multiheight in 2011 has effectively reduced industry-specific risk and supported the Group's consistent revenue growth.

The acquisition of Austin Energy in 2015 has further diversified the Group's revenue stream and stimulated revenue growth.



Nordic's Share Buyback

Share Buyback Mandate* approved on 29 April 15 – EGM
(renewed on 27 April 2016 – AGM):

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
September 2015	1,086,500	1,086,500	0.27
October 2015	1,800,100	2,886,600	0.72
November 2015	346,400	3,233,000	0.81
December 2015	1,436,200	4,669,200	1.17
January 2016	479,000	5,148,200	1.29
March 2016	352,000	5,500,200	1.37
April 2016	397,500	5,897,700	1.47
May 2016	275,100	6,172,800	1.54
June 2016	95,000	6,267,800	1.57
July 2016	117,000	6,384,800	1.60
VOLUME WEIGHTED AVERAGE PRICE		S\$0.183	

Source : SGX Announcement

* Up to a maximum of 40 million shares being 10% of total issued shares

** Total no of issued shares of 400,000,000 (including treasury shares).



Directors' Share Purchases

09 November 2010 – IPO :

Director	No. of shares held	% shareholdings
Chang Yeh Hong	200,480,625	50.12%
Eric Lin Choon Hin	43,500,000	10.88%
Dorcas Teo Ling Ling	29,000,000	7.25%
	272,980,625	68.25%

30 April 2016 :

Director	No. of shares held	% shareholdings *
Chang Yeh Hong	210,417,625	53.46%
Eric Lin Choon Hin	44,050,000	11.19%
Dorcas Teo Ling Ling	31,640,000	8.04%
	286,107,625	72.69%

** Based on total no. of issued shares (400m) excluding Treasury Shares held (6.3m) as of 31 July 2016*

Dividend Payout

Payment date	Financial Year	Final / Interim / Special	Amount (\$) per share	Payout ratio
Sep 2, 2016	2016	Interim	0.005372	40%
May, 13 2016	2015	Final	0.0065	
Sep 8, 2015	2015	Interim	0.004	
May 21, 2015	2014	Special	0.0025	25%
May 21, 2015	2014	Final	0.0025	
May 15, 2014	2013	Final	0.0025	16%
May 15, 2013	2012	Final	0.0025	22%
May 21, 2012	2011	Final	0.0025	56%
May 16, 2011	2010	Final	0.0053	30%
Total			0.0337	



Building Momentum, Capturing Opportunities

Thank You

For more information, please contact

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