

SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

Nordic’s Earnings Climbs by 26% to S\$4.4 million in 3Q2017 as Acquisition of Ensure Bears Fruits

- Newly-acquired Ensure Engineering Pt Ltd (“Ensure”) delivers second quarter of revenue contribution and boosted Group’s revenue by 25% to S\$26.8 million for 3Q2017
- Revenue from the Group’s Maintenance Services business segment spiked up 83% to S\$10.4 million in 3Q2017 further enhancing the Group’s recurring income base
- Group’s outstanding order book stood at approximately S\$99.4 million as of 30 September 2017 providing sustainable revenue streams till FY2020

Singapore, 9 November 2017 – Nordic Group Limited (“Nordic” or the “Group”), a SGX-Mainboard listed company that provides system integration solutions, repair and overhaul, precision engineering, scaffolding and insulation services, petrochemical and environmental engineering services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure and public environment agencies, delivered a net profit after tax attributable to shareholders of S\$4.4 million for the three months ended 30 September 2017 (“3Q2017”). Financial highlights are as follows:

Financial Highlights	3Q2017	3Q2016	Chg	9M2017	9M2016	Chg
	S\$’000	S\$’000	%	S\$’000	S\$’000	%
Revenue	26,814	21,390	25	70,784	63,012	12
Gross Profit	9,065	6,726	35	23,233	19,880	17
Gross Profit Margin	33.8%	31.4%	2.4 ppts	32.8	31.5	1.3 ppts
Net Profit after tax attributable to Equity Holders	4,388	3,560	23	10,919	8,932	22
Net Profit Margin	16.4%	16.6%	(0.2) ppts	15.4%	14.2%	1.2 ppts
Basic Earnings Per Share (cents)*	1.1	0.9	22.2	2.8	2.3	21.7

* Based on weighted average number of 393,136,000 ordinary shares for 3Q2017 and 393,149,000 ordinary shares for 9M2017 (3Q2016: 394,633,000; 9M2016: 394,195,000)

Ppts: Percentage Points

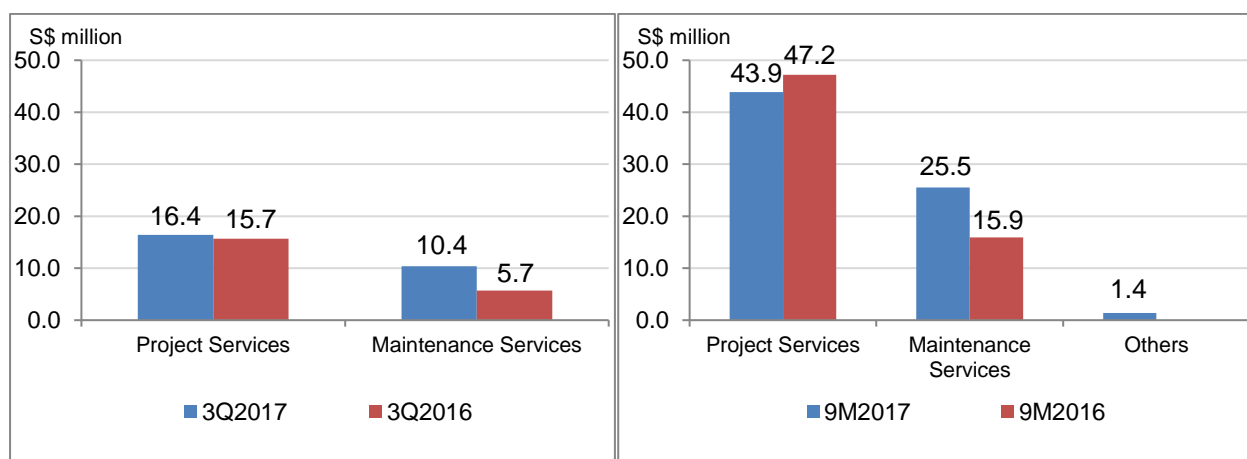
Financial Review

The Group's revenue rose by 25% from S\$21.4 million in 3Q2016 to S\$26.8 million in 3Q2017. On 28 April 2017, the Group acquired 100% of Ensure for approximately S\$16.9 million. The increase in Group's revenue in 3Q2017 was due to the additional revenue contribution by Ensure for the Group's Maintenance Services business segment.

Gross profit came in 35% higher in 3Q2017 at S\$9.1 million, as compared to S\$6.7 million in 3Q2016. The Group's Maintenance Services business segment and Others business segment helped to improve gross profit margin from 31.4% in 3Q2016 to 33.8% in 3Q2017.

Higher administration expenses of S\$3.2 million was incurred by the Group in 3Q2017, versus S\$2.8 million in 3Q2016, as a result of additional administrative expenses associated with Ensure.

Revenue by Business Segment



Revenue from the Group's Project Services business segment was up 4% from S\$15.7 million in 3Q2016 to S\$16.4 million in 3Q2017. In addition, the Group's Maintenance Services business segment jumped by 83% from S\$5.7 million in 3Q2016 to S\$10.4 million in 3Q2017 mainly attributed to revenue contribution from Ensure. Nordic's Maintenance Services business segment provides the Group with streams of recurring income while its Project Services business segment receives bulk income after delivery of products and services.

Despite persistent challenges in the oil and gas and offshore marine industries, the Group delivered basic earnings per share growth of 22.2% from 0.9 Singapore cents in 3Q2016 to 1.1 Singapore cents in 3Q2017.

The Group continued to maintain a robust balance sheet as at 30 September 2017 as cash and cash equivalents stood at S\$38.5 million, while net asset value per share strengthened from 17.0 Singapore cents as at 31 December 2016 to 18.4 Singapore cents as at 30 September 2017¹

¹ Based on the 393, 113,000 ordinary shares on issue excluding treasury shares as of 30 September 2017 (31 December 2016: 395,175,000)

Business Outlook

The Group possessed an outstanding order book of approximately S\$96.9 million including maintenance contracts as of 30 September 2017. Certain maintenance contracts are based on unit rates and do not have a contract value upfront. These contract values are estimated based on historical revenue trends and included above. These orders are expected to be delivered within the next 36 months and will generate sustainable revenue streams for the Group up to FY2020. However, these confirmed orders are subject to possible cancellation, deferment, rescheduling or variations by customers.

Nordic has continued to build-up its contract winning momentum as the Group clinched a total value of approximately S\$61.3 million worth of contracts in 2017 itself. This includes approximately S\$5.5 million worth of several contracts recently secured on 23 October 2017. Of this, approximately S\$2.5 million is for the provision of labour and materials to perform scaffolding works from 4Q2017 to 4Q2018, S\$1.6 million is for an engineering maintenance service contract from 1 December 2017 to 30 November 2020 and the remaining S\$1.0 million is for the supply of valve remote control and tank gauging systems as well as tidal gate maintenance from 4Q2017 to 3Q2020.

Commenting on the Group's positive financial performance for 3Q2017 and its improving business outlook, Mr. Chang Yeh Hong, Executive Chairman of Nordic said, ***"Our Group is delighted to see that the earning accretive acquisition of Ensure has been bearing fruits for two consecutive quarters. Ensure has enabled our Group to diversify away from the key sectors which we operate in previously and allowed government agencies to be added onto our growing customer base. Our M&A strategy has proven to be viable in driving revenue and earnings growth and significantly managing our risk profile."***

"Our Group remains optimistic that the recent recovery in Brent crude prices would be sustainable and should improve the business conditions in the offshore marine, oil and gas sectors. However, our Group would continue to seek M&A opportunities to diversify away from these sectors and to develop our recurring income base further through securing more maintenance services businesses to smoothen-out our earnings. Barring any unforeseen circumstances, our Group expects to maintain our profitability going forward and believes that our business strategies are in the right direction to deliver greater value to our shareholders."

~ The End ~

About Nordic Group Limited (Bloomberg Code: NRD SP)

Established in 1998, Nordic is a leading supplier of automation system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical and environmental engineering services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure and public environment agencies.

Headquartered in Singapore, Nordic currently has two production facilities located in Suzhou, the People's Republic of China ("PRC"). Nordic has a sales and services network that covers Singapore and various locations in the PRC as well as an international network of appointed sales and service agents, which allows the Group to be in close proximity to its customers.

Designed to meet the demands of vessel automation, the Group's **System Integration** division offers integrated control and management systems for newly built ships as well as ships which are already in operation but are in need of upgrades and conversions. These systems are versatile and dependable ship automation solutions that provide a standard user-friendly interface to the subsystems of modern vessels.

Nordic also designs, procures, develops and manufactures actuators, valves and other components for assembly and integration into valve remote control systems, tank gauging systems, anti-heeling systems, alarm monitoring and power management systems used by customers in their vessels.

Under its **Maintenance, Repair and Overhaul ("MRO")** and Trading division, Nordic provides customers with a dedicated team of consultants who are responsible for any after-sales requests for maintenance, repairs and overhauls as part of its after-sales service. The MRO and Trading division provides the Group with a steady stream of income as there is a constant need for vessels to be maintained or repaired.

The Group's **Precision Engineering** division designs and builds tooling systems, and provides turnkey production solutions to customers in the marine, oil and gas, aerospace, medical and electronic manufacturing services industries for a stable customer base.

Multiheight Scaffolding Pte Ltd and its subsidiary ("Multiheight Group") fronts the Group's **Scaffolding Services** division, and is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. Multiheight Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. Multiheight Group has two decades of scaffolding experience and is an MOM-approved scaffold contractor committed to high standards of Quality, Safety and Health (QSH) practices and standards throughout the organisation, warehouse, workshop, on site and all activities carried out by the organisation.

In June 2015, Nordic acquired Austin Energy (Asia) Pte Ltd and its subsidiary ("AE Group"), which specialises in comprehensive **Insulation Services** (primarily in Thermal Insulation) and Passive Fireproofing Services in the Petrochemical, Pharmaceutical, Marine and Oil and Gas Industries.

In April 2017, Nordic completed the acquisition of Ensure Engineering Pte Ltd ("Ensure). Ensure is principally engaged in providing **Petrochemical & Environmental Engineering Services** which includes repairs, maintenance, operations and plant turnaround services for public environment engineering installations, energy installations, marine and offshore industries, manufacturing industries, and oil and petrochemical industries.

Issued for and on behalf of Nordic Group Limited

By Financial PR Pte Ltd

For more information, please contact:

Romil SINGH / Reyna MEI / Colin LUM

nordic@financialpr.com.sg

Tel: (65) 6438 2990, Fax: (65) 6438 0064