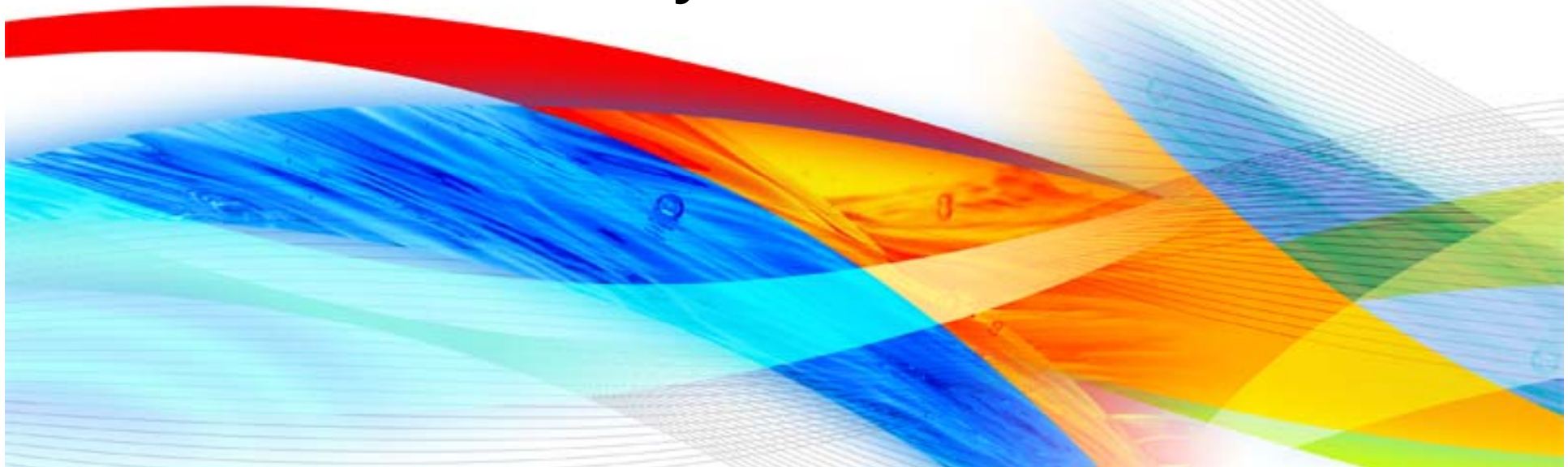




Building Momentum, Capturing Opportunities

Extraordinary General Meeting

Nordic Group Limited
May 27 2015





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Agenda

Ordinary Resolution on

**Proposed Acquisition of
The Entire Issued Share Capital of
Austin Energy (Asia) Pte Ltd**



Contents

- An Overview of AE Group
- Rationale of Acquisition
- Financial Highlights and Valuation
- Pro Forma Financial Effects
- Related Risk Factors
- Plans post the Acquisition

AUSTIN ENERGY

(“AE Group”)

Austin Energy (Asia) Pte Ltd (“AE”)

Specialized in Thermal Insulation and
Passive Fireproofing Services in the
Petrochemical, Pharmaceutical, Marine
and Oil and Gas Industries

**KKH (2003) Engineering
Enterprises Pte Ltd (“KKH”)**

Specialized in
fabrication services



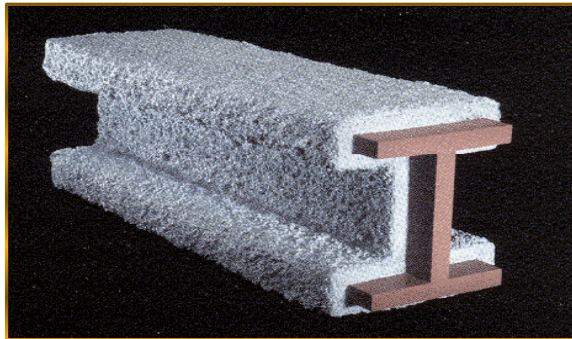


An Overview of AE Group

Factory Space: 45,000 sq ft

Headcount: 250

As at May 2015



Passive
Fire-proofing

Thermal
Insulation



Thermal Insulation Clients



ConocoPhillips



Oronite



ExxonMobil

GlaxoSmithKline



An Overview of AE Group

Summary of Maintenance Projects

No.	Description	Year	Average No. of Insulators	Manhours	Insulation Surface Area (m2)
1	Total Maintenance	2006	58	154,852	28,195
2	Total Maintenance	2007	79	220,975	38,371
3	Total Maintenance	2008	113	292,799	57,082
4	Total Maintenance	2009	124	322,079	62,790
5	Total Maintenance	2010	137	354,287	69,069
6	Total Maintenance	2011	110	285,132	55,010
7	Total Maintenance	2012	127	312,079	60,240
8	Total Maintenance	2013	135	421,307	81,565
9	Total Maintenance	2014	155	484,503	94,420



**Glaxo
Smith Kline**



**Chevron
Oronite**



**Celanese
Chemical**



**Pfizer
Pharmaceutical**



**Merck Sharp
& Dhome**

Summary of Turn Around Projects

No.	Description	Year	Average No. of Insulators	Manhours	Insulation Surface Area (m2)
1	Total Turn Around	2006	120	42,292	7,929
2	Total Turn Around	2007	165	68,091	12,766
3	Total Turn Around	2008	148	69,876	13,101
4	Total Turn Around	2009	163	76,864	14,411
5	Total Turn Around	2010	179	84,550	15,852
6	Total Turn Around	2011	143	67,640	12,365
7	Total Turn Around	2012	152	72,713	13,791
8	Total Turn Around	2013	169	98,163	18,673
9	Total Turn Around	2014	188	112,887	21,616



Chevron Oronite



ExxonMobil



**Glaxo
Smith Kline**



Celanese



Highlight of AE's Recent Projects

Completed Projects for 2013-2014

No.	Owner	Description	Type and Scope of Work	Contract Value (S\$)	Period
1	Lanxess Butyl Pte Ltd	PBR NdBR Singapore Project	Insulation & Fireproofing	4,000,000	Apr 14 - Dec 14
2	M3ENERGY Offshore Limited	EPC Topside Module for Bukit Tua FPSO Project (@Batam, Indonesia)	Insulation	1,100,000	Feb 14 - Jun 14
3	Tecnicas Reunidas Australia	Tan Burrup Project (@Batam, Indonesia)	Insulation	1,500,000	Jun 13 - Sep 14
4	Shell Eastern Petroleum	Leo +/- Silver Project	Insulation	3,000,000	Nov 13 - Nov 14
5	Evonik Methionine SEA Pte Ltd	Evonik Me5 Project	Insulation	12,500,000	Aug 13 - Aug 14
6	Petro Vietnam Lamson Joint Operating Company	Thang Long & Dong Do Field Development Project (@ Batam, Indonesia)	Insulation	500,000	Mar 13 - Jun 13
7	ExxonMobil Singapore	S-HDS Project	Fireproofing	1,000,000	Jan 13 - Jun 13
8	Chevron Oronite Pte Ltd	Chevron Singapore Expansion Project	Piping and Equipment Insulation	5,250,000	Mar 13 - Jan 14
9	PTTEP International Limited	Zawtika Project	Piping and Equipment and Architectural	2,200,000	Sep 12 - Sep 13
10	Chevron Oronite Pte Ltd	Chevron Singapore Expansion Project	Tanks Insulation	3,100,000	Jan 13 - Jul 13
11	ExxonMobil Singapore	Olefin Recovery unit completion project	Painting and Insulation	10,000,000	Jul 12 - Mar 13
12	Conoco Phillips	Ekofisk Project	Piping, Equipment, Duct and Architectural	10,500,000	Nov 11 - Aug 13
13	Formosa Petrochemical	Sour Water Stripper Replace Insulation	Blasting, Painting and Insulation	6,800,000	Aug 11 - Aug 13

Rationale of Acquisition

- In line with Group's strategy to acquire new synergistic businesses
- Complements Group's existing businesses
 - *Multiheight Group provides the scaffolding service that AE requires*



- Enhances the Group's range of products and services
- Widens customer base in Petrochemical, Pharmaceutical, Marine and Oil & Gas industries



Financial Highlights

Financial highlights of AE Group

<i>FY2014</i>	<i>S\$'000</i>
Revenue	28,974
Gross Profit	10,739
Profit before Tax	7,572
Profit after Tax	6,281
<i>As at 31/12/2014</i>	
Current Assets	19,704
Non-Current Assets	6,257
Current Liabilities	10,411
Total Equity	15,550

Note: Data for AE Group is adjusted for due diligence adjustments and provisional fair value adjustments

Financial highlights of Nordic Group

<i>As at 31/03/2015</i>	<i>S\$'000</i>
Cash and Cash Equivalents	27,168
Total Current Assets	60,419
Total Assets	85,810
Debts	20,003
Total Equity	54,763

AE Group is in a strong financial position with a current ratio of 1.9

Nordic maintains a healthy balance sheet with a net cash position

Valuation of AE Group

- **At purchase consideration of S\$26.0 million**
4.1x of AE Group's 2014 earnings
- **Goodwill and Intangible Assets of approximately S\$11 million**
Less than 2x of AE Group's 2014 earnings
- **To be fully settled in cash, with bank borrowings of S\$20.0 million and internally generated funds of S\$6.0 million**
- **On date of completion, Net Tangible Assets ("NTA") shall not be less than S\$14.5 million**





Pro Forma Financial Effects

- Assuming that the Proposed Acquisition had been effected at the end of FY2014:

	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings per Share for FY2014 -	2.0	3.5
Net Tangible Assets per Share as at 31/12/ 2014 (cents)*	10.2	7.7
Gearing Ratio as at 31/12/2014	0.48	0.85

** Note: The NTA of the Group had decreased substantially due to the effects of recognising certain intangible assets and goodwill on acquisition*

Before the Proposed Acquisition

For FY2014, **Marine, Offshore Oil & Gas and Petrochemical** related businesses contributed about **31%, 25% and 29%** of Group's revenue respectively

After the Proposed Acquisition

Improved revenue contribution from **Marine** and **Petrochemical** related businesses

Further diversified revenue stream including **pharmaceutical** related business



Related Risk Factors

AE Group's business performance is subject to a few risk factors, including :

- **Cyclical business depending on the state of Oil and Gas and Petrochemical industries**
- **Intense competition on quality of services, pricing and timeliness of delivery**
- **Dependence on its key management personnel**

AE Group will enter into Service Agreement with the Managing Director of AE for 3 years, maintain current compensation package and consider adding performance-based compensation

Plans post the Acquisition

**Market more services
under one unified Group**

**Move Multiheight to
AE's business
premise**



**Appoint a full-time
corporate
representative to AE**

**Sell the building
where Multiheight
currently occupies**

**Procure AE Group to
employ a finance
executive**

**Maintain a stable
team through
appropriate
compensation
scheme**

**No plan to cut
roles given
the lean
structures at both
Nordic and AE**

Schedule

- **If approved, Nordic will proceed with the acquisition process, with consideration payable in 3 stages**

- **\$15.0 million upon completion of the Proposed Acquisition**
- **\$5.5 million, within 6 months from Completion; and**
- **\$5.5 million, within 12 months from Completion**

- **Expected date of completion:**

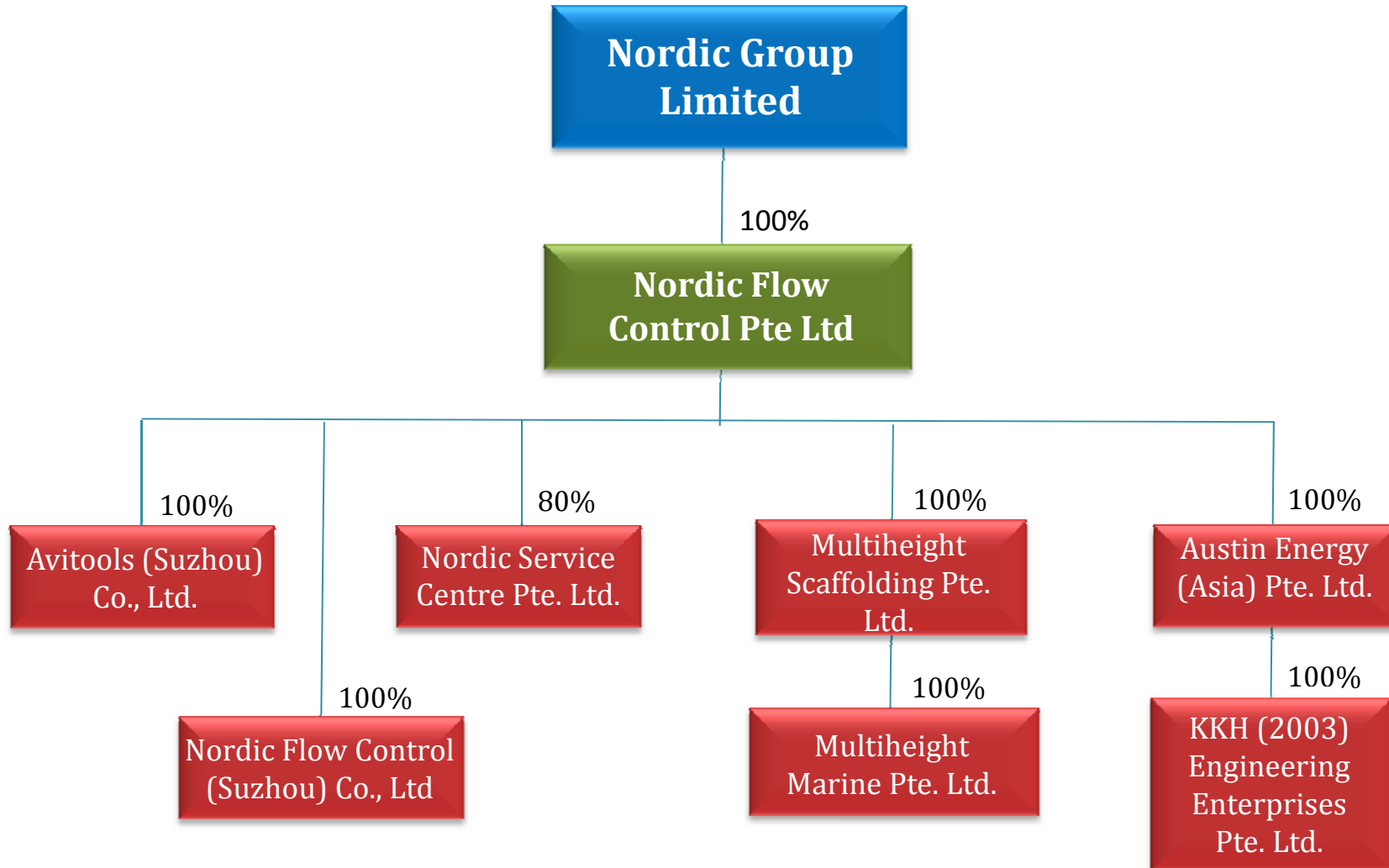
EGM+3 business days before 30 June 2015, or another date mutually agreed by both parties

- **Earnings will be included in the financial statement of Nordic Group with immediate effect**





Group Structure post Acquisition





Building Momentum, Capturing Opportunities

Thank You

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