

NORDIC GROUP LIMITED

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PRESS RELEASE

Nordic Group posts strong 2Q2014 net profit of \$2.4m on revenue of \$17.8m

- This takes 1H2014 net profit 66% higher to \$3.3 million on revenue of \$32.2 million
 - All three business segments – Systems Integration, Precision Engineering and Scaffolding Services – perform well
- Group in a strong financial position with cash and cash equivalents of \$13.7 million
 - Maintains buoyant order book of \$34.8 million which will sustain revenue and earnings over the next 24 months

For the period ended 30 June 2014

S\$'million	2Q2014	2Q2013	Change (%) ¹	1H2014	1H2013	Change (%) ¹
Revenue	17.8	15.6	15	32.2	27.8	16
Gross Profit	6.7	4.9	38	11.5	9.0	27
Gross Profit Margin (%)	37.8	31.4	+6.4 pts	35.8	32.6	+3.2 pts
Net Profit	2.4	1.2	110	3.3	2.0	66
EPS (Cents)	0.6	0.3	100	0.8	0.5	60

1. Any discrepancies in the percentages are due to rounding
2. EPS is based on 400,000,000 weighted average number of ordinary shares

SINGAPORE – 12 August 2014 – Nordic Group Limited (挪迪克集团有限公司), a Singapore-based automation systems integration solutions provider serving mainly the marine and offshore oil and gas industries, has achieved strong revenue and earnings growth for the second quarter of its financial year which is expected to be sustained over the next 24 months due to a buoyant order book.

For the second quarter ended 30 June 2014, net profit more than doubled to \$2.4 million on a 15% increase in revenue to \$17.8 million. This has boosted results for the six months ended 30 June 2014 with net profit rising 66% to \$3.3 million on a 16% growth in revenue to \$32.2 million.

During the quarter and six months under review, the Group's three business segments - Systems Integration, Precision Engineering and Scaffolding Services - not only raked in higher revenue but also enjoyed better profit margins.

For 2Q2014, the Group's Systems Integration and Precision Engineering business segments performed better with revenue rising 62.2% to \$7.3 million and 13.8% to \$3.3 million respectively. Revenue from Scaffolding Services business segment, however, slipped marginally to \$6.9 million from \$7.4 million in the previous corresponding period.

Overall, Nordic posted gross profit of \$6.7 million which was 38% higher than the previous corresponding period, translating into a higher gross profit margin of 37.8% compared with 31.4% previously.

Based on its latest half-year results, the the Group's earnings per share on a fully diluted basis increased to 0.8 Singapore cents in 1H2014 from 0.5 Singapore cents 1H2013, and its Net Asset Value per share remained at a stable 11.5 Singapore cents as at 30 June 2014.

The Group ended the half year with a strong balance sheet – with cash and cash equivalent amounting to \$13.7 million as at 30 June 2014.

Going forward, the Group is positive about its long term prospects in the marine, offshore oil & gas industries and petrochemical sectors.

Said Mr Chang Yeh Hong (张业宏), Chairman of Nordic Group, "Even as we continue to operate against the backdrop of consolidation in the marine and shipping markets, Nordic delivered a commendable set of results in 1H2014, achieving healthier earnings by clinching more projects and achieving better project cost management. The Group's order book remains strong, with outstanding orders of S\$34.8 million, scheduled for delivery in the next 24 months, generating a steady stream of revenue contribution up to FY2016."

Together with Precision Engineering, all business segments in the Group are moving ahead in tandem. With its competitive advantage and strong base of clientele, the Systems Integration business segment was able to launch new products successfully, and sees greater growth opportunities with its expanded product width offering power management solutions for marine vessels. Nordic's Systems Integration business will continue to develop products and systems to meet the increasing market demand in the offshore and oil & gas sectors.

The Precision Engineering segment continues to maintain steady revenue and profit growth with its recent capital expenditure investments in anticipation of increasing market demand for its products and services.

The Scaffolding Services segment maintained healthy margins after successfully implementing productivity and efficiency initiatives in the face of rising manpower costs and tight labour market.

These initiatives will continue to be rolled out as Nordic prepares for the next cycle of peak business season where its customers carry out their major maintenance works.

Issued for and on behalf of Nordic Group Limited:

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About Nordic Group Limited

Established in 1998, Nordic is an automation systems integration solutions provider serving mainly the marine and offshore oil and gas industries. Headquartered in Singapore with two production facilities located in Suzhou, the People's Republic of China ("PRC"), Nordic has a sales and marketing network that covers Singapore and various locations in the PRC, which allows the Group to be in close proximity to its customers.

*Designed to meet the demands of vessel automation, the Group's **Systems 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, repaired and overhauled.*

*The Group's **Precision Engineering division** also 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 of more than ten.*

*Multiheight Group fronts the Group's **Scaffolding Services business**, and is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. The Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. The 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.*