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Nordic 3Q2015 Earnings Increases 61% to S\$3.2million

- Strong performance primarily contributed by the earnings-accretive acquisition of Austin Energy, and one-off gain from the sale of subsidiary's leasehold property
- Group's project-based outstanding order book stood at S\$43.6 million, with deliveries till FY2017
- Backed by the healthy financial position, the synergy between business segments will continue to stimulate future growth

Singapore, 13 Nov 2015 – Nordic Group Limited (“Nordic” or “the Group”), an SGX-Mainboard listed company, and a leading supplier of automation system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services serving mainly the marine, offshore, oil and gas, petrochemical and pharmaceutical industries, has reported earnings of S\$3.2 million for the three months ended 30 September 2015 (“**3Q2015**”). Financial highlights are as follows:

Financial Highlights	3Q2015	3Q2014	Chg	9M2015	9M2014	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	21,715	19,627	11	59,384	51,865	14
Gross Profit	6,169	4,559	35	15,737	13,403	17
Gross Profit Margin	28.4%	23.2%	5.2 <i>ppts</i>	26.5%	25.8%	0.7 <i>ppts</i>
Net Profit after tax attributable to Equity Holders	3,176	1,975	61	7,187	5,322	35
Net Profit Margin	14.6%	10.1%	4.5 <i>ppts</i>	12.1%	10.3%	1.8 <i>ppts</i>
Basic Earnings Per Share (cents)*	0.8	0.5	60	1.8	1.3	38.5

*Based on weighted average number of 399,920,000 ordinary shares for 3Q2015 and 399,973,000 ordinary shares for 9M2015 (3Q2014 and 9M2014: 400,000,000 ordinary shares)

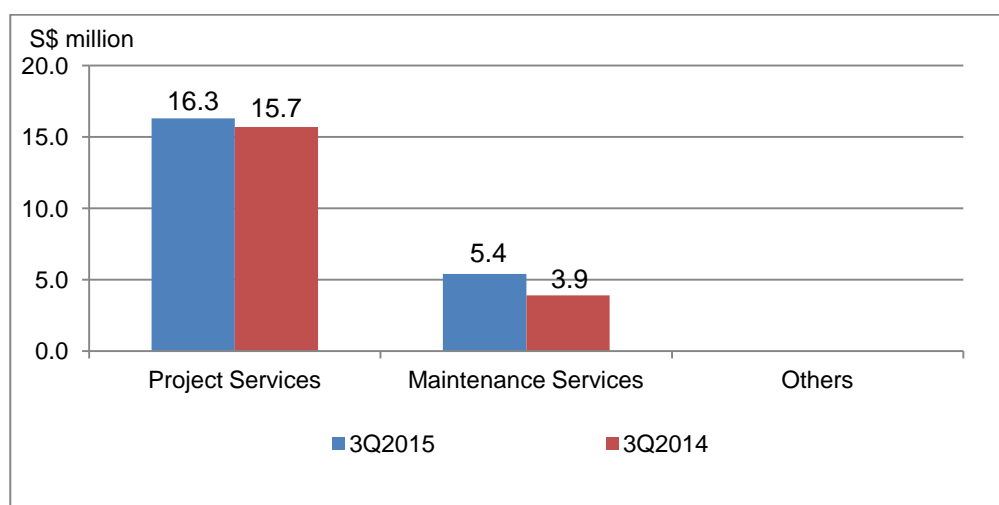
** Ppts: Percentage Points

Financial Review

Following the acquisition of AE, the Group has revised its business segments into three major segments to align with the corporate strategy going forward. The three business segments are Project Services, Maintenance Services and Others (including investment holding) respectively¹.

The Group's revenue increased 11% quarter-on-quarter ("qoq") to S\$21.7 million in 3Q2015, supported by higher revenue from both the Project Services segment and Maintenance Services segment. Gross profit increased 35% to S\$6.2 million for 3Q2015. The growth was primarily attributable to the earnings-accretive acquisition of Austin Energy (Asia) Pte Ltd ("AE") that was completed in June 2015. For the nine months ended September 2015, revenue increased 14% to S\$59.4 million, and gross profit increased 17% to S\$15.7 million.

Revenue by Business Segment



The newly acquired AE also contributed to the improved gross profit margin for the Group from 23.2% in 3Q2014 to 28.4% in 3Q2015. Similarly, the acquisition resulted in higher administrative expenses and finance costs for 3Q2015, as compared to 3Q2014.

The Group also registered other gains of S\$0.7 million arising mainly from the disposal of a subsidiary's leasehold property and foreign exchange gain. The disposal of the subsidiary's leasehold property would allow the Group to rationalize its costs and free up cash flows.

1. Project Services segment comprises of capital projects which the Group provides engineering, design, procurement, construction, machining, scaffolding works, insulation services and passive fireproofing services. The Maintenance Services segment deals with maintenance and repair services provided by the Group which also includes trading, supply of materials, spare parts and components. The Others segment relates to other revenue streams, including dividends from investment holding.

For 3Q2015, the Group reported profit attributable to shareholders of S\$3.2 million, 61% higher qoq, and basic earnings per share increased 60% from 0.5 Singapore cents to 0.8 Singapore cents. For the nine months of 2015, Group achieved earnings per share of 1.8 Singapore cents.

The Group continued to maintain a healthy balance sheet. As at 30 September 2015, the Group was in a net cash position with cash and cash equivalents of S\$32.3 million. Net asset value per share increased from 13.3 Singapore cents as at 31 December 2014 to 14.2 Singapore cents as at 30 September 2015.

Business Outlook

Commenting on the Group's financial performance and business outlook, Mr. Chang Yeh Hong, Executive Chairman of Nordic said,

"It's encouraging to see the steady growth in our financial performance for the past quarter. This was the first quarter that AE results were consolidated in full, and the acquisition has started to show its validity."

"With the acquisition of AE, our business structure has been further diversified, covering multiple fronts in the Oil & Gas, Offshore & Marine, and Petrochemical and Pharmaceutical sectors. We have streamlined the reporting structure into project services and maintenance services, so as to better reflect the contribution of ad-hoc, capital-based projects that usually carry higher contract value, and the more regular, ongoing maintenance services that provide significant earnings stability to our business."

"In the current low-oil-price environment and the cautious budgeting of the industries that are relevant to us, the overall market condition remains challenging. We will strive to explore and secure business opportunities, strengthen and expand our client network, and further play out the synergy between our Multiheight Group and AE Group businesses. Building on the comprehensive business structure, the sound operating system, the strong financial standing, and the persistence and dedication of all our people, Nordic is committed and on track to create optimal shareholder value in the long term."

~ The End ~

About Nordic Group Limited (Bloomberg Code: NRD SP)

Established in 1998, Nordic is an automation system integration solutions provider serving mainly the marine and offshore oil and gas industries. Headquartered in Singapore, Nordic currently has 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 **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, 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 Scaffolding Pte Ltd and its subsidiary (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. 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 completed the acquisition of Austin Energy (Asia) Pte Ltd, which specializes in comprehensive **Insulation Services** (primarily in Thermal Insulation) and Passive Fireproofing Services in the Petrochemical, Pharmaceutical, Marine and Oil and Gas Industries.

Issued for and on behalf of Nordic Group Limited

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