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Nordic Continues Strong Momentum as Earnings Leap 30% to S\$3.3 million in 4Q2015

- Revenue increased 3% quarter-on-quarter to S\$21.1 million, and gross profit increased 18% quarter-on-quarter to S\$6.7 million in 4Q2015
- Group's project-based order book stood at S\$39.2 million with contract deliveries up till FY2017
- Group proposed a final cash dividend of 0.65 Singapore cents per share, bringing total dividends for the financial year to 1.05 Singapore cents per share, representing a payout ratio of 40% and dividend yield of 5.8%¹

Singapore, 25 Feb 2016 – 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\$3.3 million for the three months ended 31 December 2015 (“4Q2015”). Financial highlights are as follows:

Financial Highlights	4Q2015	4Q2014	Chg	FY2015	FY2014	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	21,108	20,559	3	80,491	72,424	11
Gross Profit	6,705	5,691	18	22,441	19,094	18
Gross Profit Margin	31.8%	27.7%	4.1 pts	27.9%	26.4%	1.5 pts
Net Profit after tax attributable to Equity Holders	3,325	2,532	31	10,512	7,854	34
Net Profit Margin	15.8%	12.3%	3.5 pts	13.1%	10.8%	2.3 pts
Basic Earnings Per Share (cents)*	0.8	0.6	33	2.6	2.0	30

*Based on weighted average number of 396,927,000 ordinary shares for 4Q2015 and 399,205,000 for FY2015 (4Q2014 and FY2014: 400,000,000)

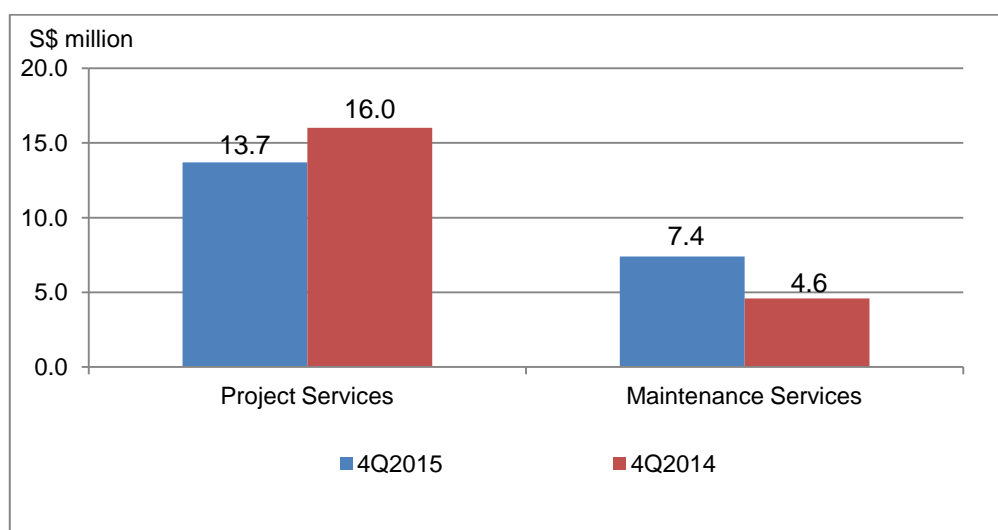
** Ppts: Percentage Points

¹ Based on the share price of S\$0.18 as of February 24, 2016

Financial Review

The Group's revenue increased by 3% qoq to S\$21.1 million in 4Q2015. The increase was primarily attributable to the revenue contribution from Austin Energy (Asia) Pte Ltd ("AE") which was acquired in June 2015. Gross profit increased 18% qoq to S\$6.7 million in 4Q2015, mainly due to AE's contribution. The gross profit margin has similarly improved from 27.7% in 4Q2014 to 31.8% in 4Q2015.

Revenue by Business Segment



The Group registered net profit attributable to shareholders of S\$3.3 million in 4Q2015, an increase of 30% qoq. Basic earnings per share have increased 33% from 0.6 Singapore cents in 4Q2014 to 0.8 Singapore cents in 4Q2015².

The Group continued to maintain a robust balance sheet with a net cash position as at 31 December 2015. The cash and cash equivalents maintained by the Group increased from S\$32.8 million as at 31 December 2014 to S\$35.6 million as at 31 December 2015. Net asset value per share also increased from 13.3 Singapore cents as at 31 December 2014 to 15.0 Singapore cents as at 31 December 2015³.

² Based on weighted average number of 396,927,000 ordinary shares for 4Q2015 and 399,205,000 ordinary shares for FY2015 (4Q2014 and FY2014: 400,000,000 ordinary shares)

³ Based on 395,330,800 ordinary shares as at 31 December 2015 (31 December 2014: 400,000,000 ordinary shares)

The Group proposed a final cash dividend of 0.65 Singapore cents per share. Together with the interim dividend of 0.4 Singapore cents per share, the total dividend of 1.05 Singapore cents per share would represent a payout ratio of 40%, and a dividend yield of 5.8%¹.

Business Outlook

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

“Despite oil prices forming new lows and the offshore marine industry undergoing a rough period, I am pleased that our Group has managed to maintain profitability. This is a real testament to the Group's core capabilities and our main objective in achieving stability in revenue. The acquisitions of Multiheight Scaffolding in 2011 and AE in 2015 have contributed much in stabilizing our revenue trend with their project and maintenance revenues.

While the overall business outlook remains challenging moving forward, and many oil majors and multinational companies are cutting back on their capital expenditures, we foresee opportunities for the Maintenance Services segment as these companies would focus on optimizing their existing assets. On the other hand, we will continue to explore the benefit of cross-selling, bundle and expand our scope of services to our existing customer base. We remain cautiously optimistic in maintaining profitability going forward.

We proposed a final dividend of 0.65 Singapore cents for FY2015, maintaining our payout ratio of approximately 40%. We would like to keep our shareholders rewarded along with the Group's growth, in return for their continuing support and trust in us.

~ 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 or repaired.

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 subsidiaries ("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.

In June 2015, Nordic completed the acquisition of Austin Energy (Asia) Pte Ltd ("AE"), which specializes in comprehensive **Insulation Services** (primarily in Thermal Insulation) and **Passive Fireproofing Services** in the Petrochemical, Pharmaceutical, Marine and Oil and Gas Industries.

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

Issued for and on behalf of Nordic Group Limited

By Financial PR Pte Ltd

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