

NORDIC GROUP LIMITED

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PRESS RELEASE

Nordic's FY2014 earnings soar 29% to \$7.9 million

- Revenue increases 9% to \$72.4 million
- Achieves 14% increase in gross profit to \$24.4 million; 1.4 percentage point increase in gross profit margin to 33.7%
- Proposes final cash dividend of 0.25 cents per ordinary share and special cash dividend of 0.25 cents per ordinary share
- Robust financial position with cash and cash equivalents of \$32.8 million
- \$38.9 million order book provides strong revenue visibility over the next 24 months

For the period ended 31 December 2014

S\$' million	4QFY14	4QFY13	Change (%) ¹	FY2014	FY2013	Change (%) ¹
Revenue	20.6	19.8	4	72.4	66.2	9
Gross Profit	7.0	7.1	(1)	24.4	21.4	14
Gross Profit Margin (%)	33.9	35.8	(1.9) pts	33.7	32.3	1.4 pts
Profit attributable to equity holders	2.5	2.8	(8)	7.9	6.1	29
EPS (Cents) ²	0.6	0.7	(1.4)	2.0	1.5	33

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 – 27 February 2015 – Nordic Group Limited (挪迪克集团有限公司), a Singapore-based supplier of automation systems integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering and scaffolding services serving mainly the marine, offshore oil and gas and petrochemical industries, today announced a record set of results with earnings rising 29% to \$7.9 million for the year ended 31 December 2014 ("FY2014").

On the back of its solid sales improvements in its Systems Integration, MRO & Trading and Precision Engineering business segments, Nordic's revenue grew 9% to \$72.4 million in FY2014 from \$66.2 million in FY2013. Sales contribution from these business segments increased 27%, 44% and 19% respectively as the Group delivered projects for established customers.

Meanwhile, the Group's labour-intensive Scaffolding Services business segment saw a decrease of 11% in revenue to \$26.0 million due to labour constraints.

In FY2014, the Group's gross profit jumped 14% to \$24.4 million from \$21.4 million the year before. This was achieved as Nordic undertook a productivity drive and reallocated resources more efficiently to higher margin projects as well as introduced new products and solutions to offer a more wholesome suit of services to its clients. On the back of these initiatives, the Group registered a 1.4 percentage point increase in its gross profit margin to 33.7%.

The Group ended the year with a robust balance sheet, with its cash and cash equivalents more than doubling to \$32.8 million as at 31 December 2014 from \$14.9 million as at 31 December 2013, arising from strong business performance.

In light of this, directors have proposed a final cash dividend of 0.25 cents per ordinary share and special cash dividend of 0.25 cents per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting.

Said Mr Chang Yeh Hong (张业宏), Chairman of Nordic Group, "Nordic has delivered another set of sterling results in FY2014, achieving record sales and a strong profit growth by winning more projects, achieving more efficient cost management and delivering a more holistic suite of products and services. The Group will continue its spirited focus on further developing and expanding its range of products and services to give the Group a leading edge in its pursuit of clinching more projects and ultimately delivering value for its shareholders."

Based on the weighted average number of 400,000,000 shares, the Group's Earnings Per Share for FY2014 rose 33% to 2.0 Singapore cents from 1.5 Singapore cents in FY2013, and its Net Asset Value

as at 31 December 2014 improved to 13.3 Singapore cents compared to 11.5 Singapore cents at 31 December 2013.

Outlook

Looking forward, the Group remains confident of its long term prospects in the marine, offshore oil & gas and petrochemical industries. As proof of its dominant position in the markets it operates in, the Group's order book stands at a healthy \$38.9 million to be delivered within the next 24 months.

Nordic's Systems Integration and MRO & Trading business segments continue to generate a steady revenue stream from its existing product and solutions range. Having developed and launched new products and solutions this year to increase its product width and offer a more holistic suite of services, the segments are poised for further growth, and the Group will devote ample resources in sales and marketing efforts to fuel new orders. Nordic's Systems Integration business will continue to develop new products and systems to further entrench its market leadership position and meet the increasing market demand for such innovations in the offshore and oil & gas sectors.

The Group's Precision Engineering segment aims to grow its revenue and profit contribution by building on its established base of customers to expand its service offerings and by formulating strategic alliances.

Nordic's scaffolding business continues to rake in steady revenue from recurring maintenance jobs and new projects despite the uncertainties brought about by weak oil prices. To overcome its capacity limitations brought about by manpower constraints, the Group will continue spearheading its productivity drive in this labour-intensive segment.

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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, 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 **Systems Integration** division offers integrated control and management systems for newly built ships as well as for 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 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 by the organisation.