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GST Reg No: M90367530Y0Y

**Issuer:** Nordic Group Limited

**Stock code:** MR7

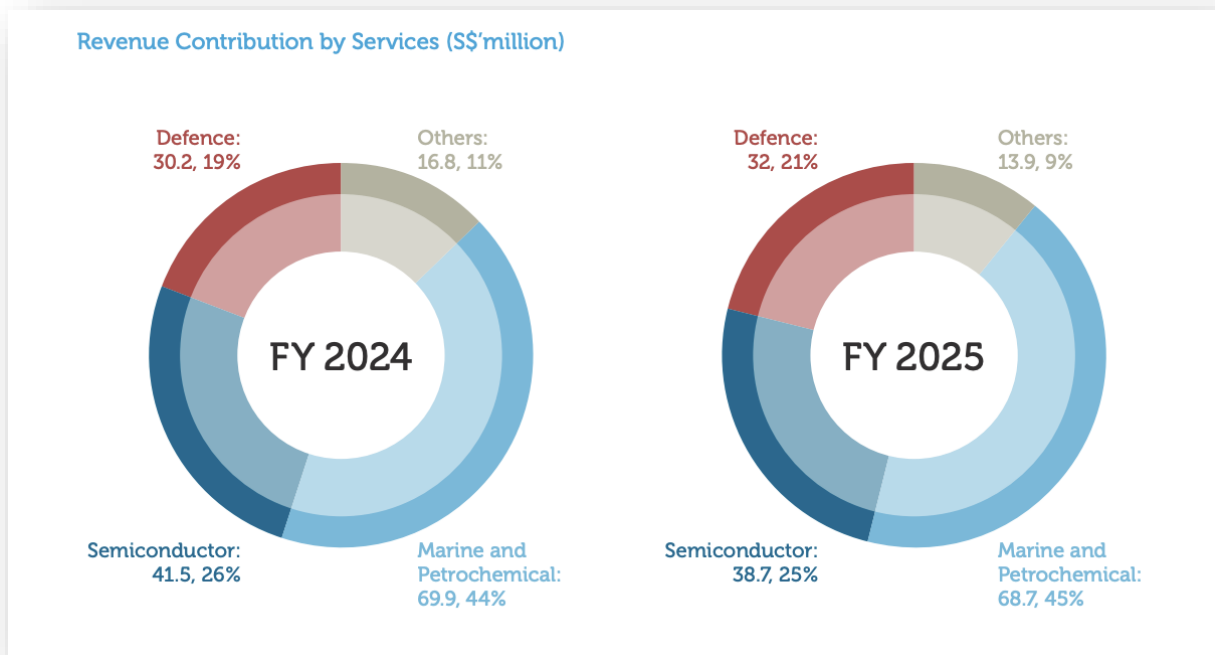
**Meeting details:**

Date: 29 April 2026

Time: 10.00 a.m.

Venue: Singapore Recreation Club, B Connaught Drive, Singapore 179682

**Q1.** Revenue for FY2025 declined by 3% year on year to \$153.3 million as completed projects were not fully offset by new project commencements, despite stronger contributions from maintenance services. Gross profit increased by 10% to \$40.5 million, while net profit rose 9% to \$19.0 million. Management has highlighted continued strength in the marine sector, as well as in the semiconductor and defence industries, where the group operates further upstream.



(Source: company annual report)

During the year, the group conducted a strategic review and reorganised its operations into two core pillars, namely the engineering solutions group and the engineering services group. While this represents a shift in internal structure and positioning, the group’s reporting segments remain unchanged, with project services and maintenance services continuing to be disclosed.

- (i) Following the strategic review and reorganisation into engineering solutions and engineering services, can the board explain the substantive changes implemented in terms of organisational structure, reporting lines, and accountability, and how this reorganisation enhances operational performance and decision-making, given that reporting segments remain unchanged?**

In addition, management has characterised the group as a mid- to late-cycle beneficiary of shipbuilding uptrend.

- (ii) Can management provide its assessment of the current stage of the shipbuilding cycle, and how this informs order visibility and revenue outlook over the next few years?

In the semiconductor segment, the annual report refers to “water fabrication” plants.

- (iii) Can management clarify whether this is intended to refer to wafer fabrication facilities, and confirm the group’s actual role within the semiconductor value chain, including whether it is involved primarily in initial plant set-up or also in ongoing support activities such as maintenance of cleanroom environments?

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**SEMICONDUCTOR**

**Our Offerings**

- Nordic provides essential precision and process engineering services for semiconductor manufacturing environments that require contamination control and high reliability, and offers turnkey cleanroom and facility projects, core infrastructure for water fabrication and advanced packaging plants.

**Addressable Industries At A Glance**

Industry	Sub-sector	Key Activities
Semiconductor	Semiconductor	• Cleanroom, air and water engineering solutions
		• Precision engineering and tooling systems
		• Facilities engineering and process support

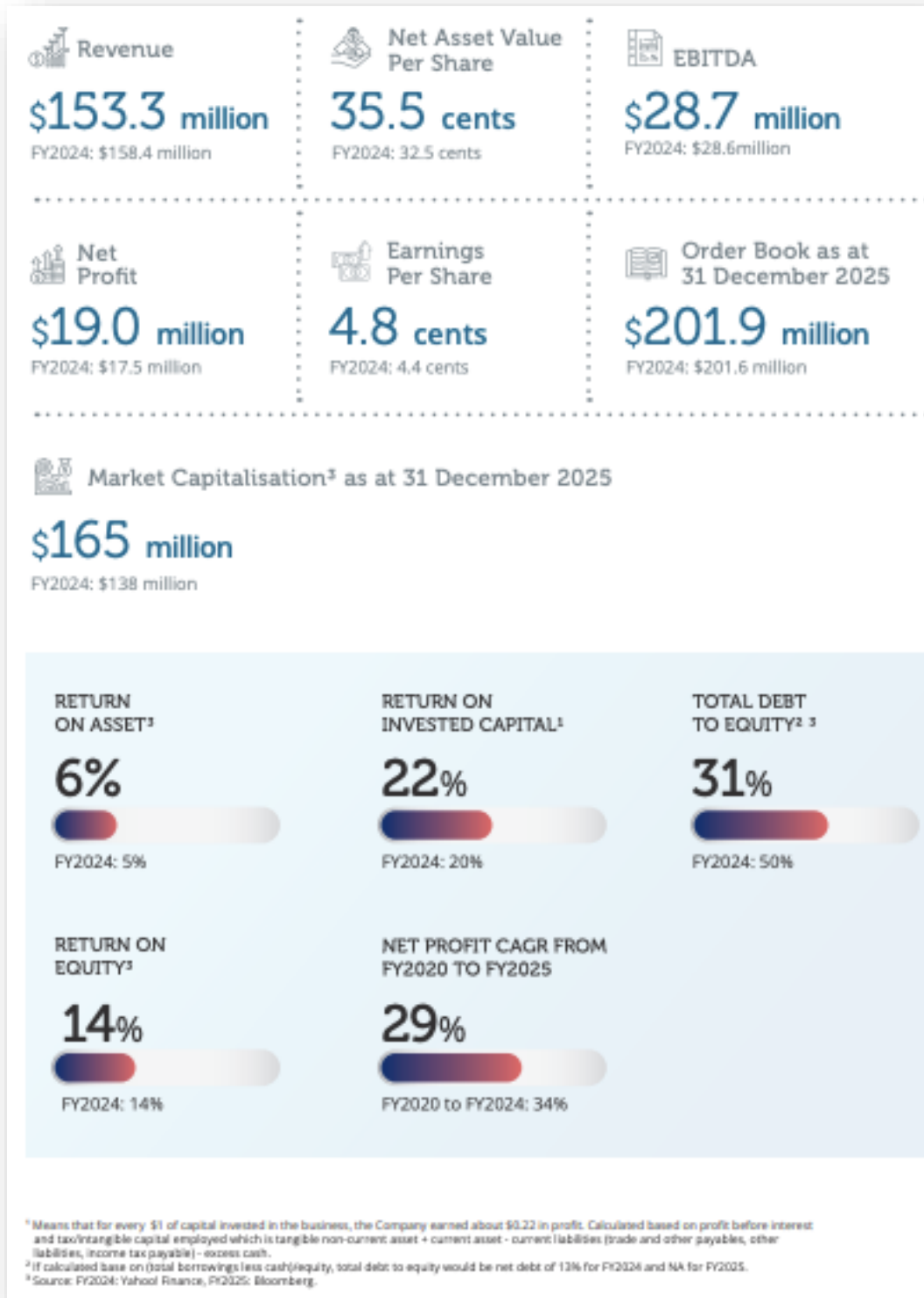
**Our Track Record**

- Over 45 years’ of proven experience in environmental engineering and integrated solutions.
- An extensive installed base of over 150 systems and solutions deployed across multiple industries in Asia, the Middle East and Africa.
- More than 4 decades of long-term partnerships with leading memory and semiconductor players.
- Established a subsidiary in India to support semiconductor supply chain diversification and regional expansion across Asia and beyond.

(Adapted from company annual report)

- (iv) With respect to the establishment of Envipure (India) Private Limited, can management elaborate on the market opportunity in India, the go-to-market strategy, and the expected timeline for meaningful revenue contribution?

**Q2.** Management presented the group’s financial highlights and investment scorecard on page 16 of the annual report, including key return metrics such as return on assets, return on equity, and return on invested capital.



(Source: company annual report)

- (i) **How do the returns differ across the defence, semiconductor, marine and petrochemical and ‘others’ segments? Given the diverse nature of the group, in terms of capital allocation, where would the board be allocating any incremental capital that is available?**
- (ii) **Has the board set any target for management to achieve, such as revenue growth, EBITDA, return on asset and return on equity etc?**

With respect to return on invested capital (ROIC), the company has reported relatively stable ROIC figures in the range of 20% to 22%. However, the accompanying footnote disclosures suggest a significant change in how these returns are described. For FY2023 and prior, each \$1 of capital invested in the business earned about \$20 in profit for the year. Since FY2024, each dollar earned \$0.20 in profit.

FY	ROIC	Extract footnote from annual report
2025	22%	<sup>1</sup> Means that for every \$1 of capital invested in the business, the Company earned about \$0.22 in profit. Calculated based on profit before interest and tax/intangible capital employed which is tangible non-current asset + current asset - current liabilities (trade and other payables, other liabilities, income tax payable) - excess cash.
2024	20%	<sup>1</sup> Means that for every \$1 of capital invested in the business, the Company earned about \$0.20 in profit. Calculated based on profit before interest and tax/intangible capital employed which is tangible non-current asset + current asset - current liabilities (trade and other payables, other liabilities, income tax payable) - excess cash.
2023	21.4%	<sup>(2)</sup> Means that for every \$1 of capital invested in the business, the Company earned about \$18 in profit in 2030, \$20.50 in 2022 and \$25.30 in 2021. Calculated based on profit before interest and tax/intangible capital employed which is tangible non-current asset + current asset - current liabilities (trade and other payables, other liabilities, income tax payable) - excess cash.
2022	20.5%	<sup>1</sup> Means that for every \$1 of capital invested in the business, the Company earned about \$20 in profit. Calculated based on profit before interest and tax/intangible capital employed which is tangible non-current asset + current asset - current liabilities (trade and other payables, other liabilities, income tax payable) - excess cash.

(Compiled from company annual reports)

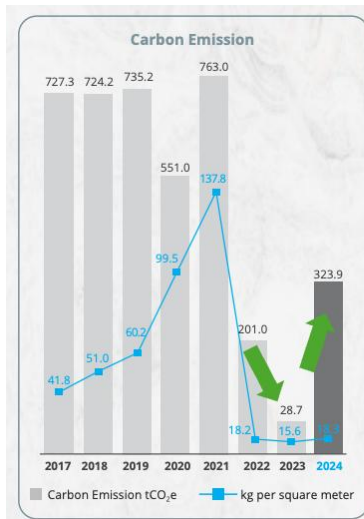
- (iii) **Can the board, especially the independent directors, explain whether there have been any changes in definition, methodology, or underlying assumptions over the years, and reconcile the apparent differences in how returns on capital are described in the accompanying disclosures? In particular, how should shareholders interpret the economic meaning of ROIC in assessing the group’s true capital efficiency?**

**Q3.** As disclosed in the group’s sustainability report, the group has established a sustainability organisation structure, with the chief financial officer overseeing assigned personnel.



(Source: sustainability report)

- (i) Can the board explain the rationale for assigning primary responsibility for sustainability to the chief financial officer, rather than the chief executive officer or the board directly, and how this reflects the group’s strategic priorities and approach to sustainability?**
- (ii) How does the board assess whether sufficient authority, resources, and organisational emphasis are in place to ensure effective implementation?**
- (iii) How does the board maintain effective oversight of sustainability matters beyond scheduled board meetings, and what mechanisms are in place for directors to engage substantively with sustainability risks, performance, and strategy?**



**Productivity**

Performance indicators	Units	2020	2021	2022	2023	2024
Revenue	S\$000	48,962	55,116	79,317	50.3	93.1
Purchases from local supplier (%)	Percentage	86.8	83.5	89.0	99.9	85.3
Employees subject to regular performance appraisal	Percentage	100	100	100	100	100
Training hours per staff	Hours	7.45	9.3	10.6	6.1	6.2

**Environmental Protection**

Performance indicators	Units	2020	2021	2022	2023	2024
Carbon emission	tCO <sub>2</sub> e	551.1	763.0	201.0	28.7	323.9
Carbon emission intensity	kgCO <sub>2</sub> e/m <sup>2</sup>	99.5	137.8	18.2	15.6	18.3
Recycled waste	Tonnes	34	139	39	0	90.3
Water consumption	Cu m	10,942	56,811	18,796	1,391	8,693
Water consumption intensity	Cu m/m <sup>2</sup>	2.0	10.3	1.4	0.8	0.5

(Compiled from 2024 sustainability report)

Based on the latest available sustainability report (2024), several metrics show significant volatility over time. For instance, reported waste recycled increased sharply from negligible levels to 90.3 tonnes (orange arrow), water consumption declined by 93% to 1,391 cubic metres in 2023 before increasing by 525% to 8,693 cubic metres in 2024 (blue arrow), and carbon emissions decreased materially in 2023 before rising more than 10-fold in 2024 (green arrow). In addition, the revenue figures in the table also appear to be understated by a factor of 1,000.

- (iv) Can the board explain how it assesses the accuracy, consistency, and reliability of the underlying data? Does the board consider that the reported numbers fairly represent the group’s actual operations, including business activities and related waste and resource consumption?
- (v) In light of these observations, what processes are in place to ensure the integrity and assurance of sustainability reporting, and what role does the board play in reviewing and validating the quality of disclosures? Has the board considered obtaining external assurance for its sustainability report?

*Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.*

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