



**NORDIC**  
Group Limited

**NORDIC GROUP LIMITED**

(Company Registration Number: 201007399N)

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**PRE-CONDITIONAL VOLUNTARY OFFER FOR STARBURST HOLDINGS LIMITED**

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**1. INTRODUCTION**

**1.1 The Pre-Conditional Offer**

The Board of Directors of Nordic Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Phillip Securities Pte Ltd (“**Phillip Securities**”) has today announced for and on behalf of the Company’s wholly-owned subsidiary, Nordic Flow Control Pte. Ltd. (the “**Offeror**”), that, subject to and contingent upon the satisfaction or waiver of the Pre-Condition (as defined in paragraph 1.4 below), the Offeror intends to make a voluntary conditional offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares (the “**Starburst Shares**”) (excluding any shares held in treasury) in the capital of Starburst Holdings Limited (“**Starburst**”) other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer in accordance with Rule 15 of The Singapore Code on Take-overs and Mergers (the “**Code**”).

**The Offer will not be made unless and until the Pre-Condition is satisfied or waived on or before 10 February 2022 (or such other date as the Offeror may determine in consultation with the Securities Industry Council (the “SIC”)) (the “Long-Stop Date”). Accordingly, all references to the Offer in this announcement refer to the possible Offer which will only be made if and when such Pre-Condition is satisfied or waived.**

**Shareholders of Starburst (the “Starburst Shareholders”) should exercise caution and seek appropriate independent advice when dealing in the Starburst Shares.**

**1.2 Pre-Conditional Offer Announcement**

A copy of the announcement released by Phillip Securities today, for and on behalf of the Offeror, in relation to the Offer (the “**Pre-Conditional Offer Announcement**”) is available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at [www.sgx.com](http://www.sgx.com). This announcement should be read in conjunction with the full text of the Pre-Conditional Offer Announcement, a copy of which is attached.

**1.3 Major Transaction**

Based on the relative figures computed on the basis of Rule 1006 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) as set out in paragraph 6 below, the Offer will constitute a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the approval of shareholders of the Company (the “**Nordic Shareholders**”) will be sought for the Offer. The Company intends to convene an extraordinary general meeting (the “**EGM**”) to seek the approval of Nordic Shareholders for the Offer.

**1.4 Pre-Condition to Making of the Offer**

The making of the Offer to Starburst Shareholders will be subject to and contingent upon the pre-condition (the “**Pre-Condition**”) that all resolution(s) as may be necessary or incidental to approve and undertake the Offer and the acquisition of any Starburst Shares

pursuant to or in connection with the Offer or otherwise shall have been passed at a general meeting of the Company (or any adjournment thereof).

If and when the Pre-Condition is satisfied or waived, Phillip Securities will issue an announcement, for and on behalf of the Offeror, on the firm intention on the part of the Offeror to make the Offer. However, in the event that the Pre-Condition is not satisfied or waived on or before the Long-Stop Date, the Offer will not be made and Phillip Securities will issue an announcement, for and on behalf of the Offeror, confirming that fact as soon as reasonably practicable.

## 2. THE OFFER

### 2.1 Certain Principal Terms of the Offer

#### (a) Voluntary Offer

Subject to and contingent upon the satisfaction or waiver of the Pre-Condition, the Offeror will make the Offer for all the Starburst Shares (excluding any Starburst Shares held in treasury), other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer (the “**Offer Shares**”) in accordance with Rule 15 of the Code, and subject to and upon the principal terms and conditions set out in the Pre-Conditional Offer Announcement.

#### (b) Offer Price and Aggregate Consideration

The consideration for each Offer Share will be S\$0.238 in cash (the “**Offer Price**”).

The Offer Price was arrived at on the basis of and taking into account, *inter alia*, the prevailing market conditions, the financial performance, financial position, management experience, track record and prospects of the Starburst Group and the prevailing and historical market prices of the Starburst Shares.

Based on the Offer Price, the aggregate consideration payable to the Starburst Shareholders by the Offeror is up to approximately S\$59.1 million in cash, assuming full acceptance under the Offer. The aggregate consideration for the Starburst Offer Shares will be funded by internal resources and bank borrowings.

#### (c) Minimum Acceptance Condition

The Offer, if and when made, will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Starburst Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Starburst Shares carrying more than 50% of the voting rights attributable to the issued Starburst Shares (excluding Starburst Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”). Pursuant to the Irrevocable Undertakings (as defined in paragraph 2.2 below), the Offer, if and when made, will become unconditional as to acceptances upon the Undertaking Shareholders (as defined in paragraph 2.2 below) tendering their Starburst Shares (representing approximately 69.7% of the total number of issued Starburst Shares (excluding Starburst Shares held in treasury) of the Company) in acceptance of the Offer.

### 2.2 Irrevocable Undertakings

As at the date of the Pre-Conditional Offer Announcement, the Offeror has received irrevocable undertakings (the “**Irrevocable Undertakings**”) from the following parties, pursuant to which each of them has, amongst other things, unconditionally and irrevocably undertaken to accept, or procure the acceptance of, the Offer in respect of all the Starburst

Shares held by him, whether directly or indirectly, as at the date of the Irrevocable Undertakings, as well as any further Starburst Shares which he may acquire after such date:

- (a) Edward Lim Chin Wah, who owns 88,931,900 Starburst Shares, representing approximately 35.8% of the total number of issued Starburst Shares (excluding Starburst Shares held in treasury); and
- (b) Yap Tin Foo, who owns 84,099,500 Starburst Shares, representing approximately 33.9% of the total number of issued Starburst Shares (excluding Starburst Shares held in treasury),

(together, the “**Undertaking Shareholders**”).

### **2.3 Pre-Conditional Offer Announcement**

Please refer to the Pre-Conditional Offer Announcement for further information on other principal terms of the Offer.

## **3. INFORMATION ON STARBURST**

### **3.1 The Business**

Starburst was listed on the Catalist Board of the SGX-ST on 10 July 2014. Starburst and its subsidiaries (the “**Starburst Group**”) are an engineering group specialising in the design and engineering of training facilities, with an established track record and experience of more than 20 years in this niche industry. Starburst is one of the few companies operating primarily in Southeast Asia and the Middle East that provides in-house integrated solutions in the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for shooting ranges and tactical training mock-ups. These solutions are provided to law enforcement, military and security agencies as well as civil authorities in Southeast Asia and the Middle East. The Starburst Group’s key business areas include the following:

- (a) Shooting Ranges

The Starburst Group designs, fabricates and installs anti-ricochet ballistic protection systems at live-firing ranges to prevent fire rounds from ricocheting. This involves the installation of proprietary “Searls” anti-ricochet panels, rubber lining panels and floor and ceiling baffles at indoor, outdoor and modular live-firing ranges, close quarter battle houses and method of entry training facilities.

- (b) Tactical Training Mock-Ups

The Starburst Group designs, fabricates and installs tactical training mock-ups to suit each desired training scenario such as rescue and evacuation operations, aviation and maritime operations, sniper operations and other counter terrorism operations. Its mock-ups provide simulations which are as close to real scenarios as possible and thus each element of the desired mock-up is examined to ensure that the details are replicated. The Starburst Group installs tactical training mock-ups for live-fire-arms-training and non-live-fire-arms-training.

- (c) Maintenance Services and Other Activities

The Starburst Group offers complete service and maintenance programmes for completed shooting ranges and tactical training mock-ups. As its customers’ training activities typically involve live-firearms and/or the use of pyrotechnics, it is critical that the facilities are monitored continually to ensure that they are kept in optimal condition and that international safety standards are met and updated, if necessary. This ensures that customers’ training facilities are maximised, downtime is minimised and safety is not compromised.

Additional information on Starburst can be found on its website at <http://www.starburst.net.sg>.

### **3.2 Share Capital**

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 10 November 2021, Starburst has an issued and paid-up share capital of approximately S\$43,760,129 comprising 259,489,550 Starburst Shares (including 11,189,500 Starburst Shares held in treasury).

## **4. RATIONALE FOR THE OFFER**

The Offeror's rationale for the Offer is stated in Section 7.1 of the Pre-Conditional Offer Announcement.

## **5. VALUE OF ASSETS TO BE ACQUIRED**

For the purposes of this Section 5, the assets to be acquired is based on the maximum number of Offer Shares that the Offeror may acquire, assuming that there is full acceptance of the Offer by the Starburst Shareholders.

### **5.1 Book Value**

Based on the audited consolidated financial statements of the Starburst Group for the financial year ended 31 December 2020 (the "**Starburst FY2020 Results**"), the book value of the assets to be acquired was approximately S\$32.1 million as at 31 December 2020.

Based on the unaudited consolidated financial statements of the Starburst Group for the six months ended 30 June 2021 (the "**Starburst 1H2021 Results**"), the book value of the assets to be acquired was approximately S\$37.1 million as at 30 June 2021.

### **5.2 Net Tangible Assets ("NTA") Value**

Based on the Starburst FY2020 Results, the NTA value of the assets to be acquired was approximately S\$32.1 million as at 31 December 2020.

Based on the Starburst 1H2021 Results, the NTA value of the assets to be acquired was approximately S\$37.1 million as at 30 June 2021.

### **5.3 Market Value**

Based on the volume-weighted average price of the Starburst Shares transacted on the SGX-ST on 9 November 2021, being the last full market day preceding the date of this announcement on which Starburst Shares were traded on the SGX-ST, the market value of the assets to be acquired is approximately S\$56.7 million.

### **5.4 Net Profits**

Based on the Starburst FY2020 Results, the net profits attributable to the assets to be acquired was approximately S\$6.7 million for the financial year ended 31 December 2020.

Based on the Starburst 1H2021 Results, the net profits attributable to the assets to be acquired was approximately S\$9.0 million for the six months ended 30 June 2021.

## 6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Offer, assuming that there is full acceptance of the Offer by the Starburst Shareholders, computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits <sup>(1)</sup>	110.3
(c)	The aggregate value of the consideration <sup>(2)</sup> given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares of the Company	41.2
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount	Not applicable

### Notes:

- (1) Net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The figures are based on the Starburst 1H2021 Results and the unaudited consolidated financial statements of the Company for the six months ended 30 June 2021 (the "**Nordic 1H2021 Results**"). Net profit of S\$9.0 million was reported by the Starburst Group for the six-month period ended 30 June 2021. Net profit of S\$8.2 million was reported by Group for the six-month period ended 30 June 2021.
- (2) For the above purpose, the consideration for the Offer is deemed to be S\$59.1 million as set out in paragraph 2.1.(b) of this announcement.
- (3) Market capitalisation has been calculated on the basis of 388.0 million shares of the Company ("**Shares**") in issue (excluding treasury shares) multiplied by the weighted average price of such Shares transacted on 9 November 2021, being the last full market day preceding the date of this announcement.

The relative figure under Rule 1006(b) of the Listing Manual exceeds 100% while the relative figure under Rule 1006(c) of the Listing Manual exceeds 20% but does not exceed 100%. Rule 1015(1) of the Listing Manual requires an acquisition to be made conditional upon the approval of shareholders and the approval of the SGX-ST if any of the relative figures is 100% or more. However, Rule 1015(7) states that Rule 1015 does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b). Accordingly, the Offer will only constitute a "major transaction" within the meaning of Rule 1014 of the Listing Manual, and is subject to the approval of the Nordic Shareholders.

## 7. FINANCIAL EFFECTS

The financial effects of the Offer on the Group as set out below are for illustrative purposes only and do not reflect the actual or projected financial performance or position of the Group following the close of the Offer. The financial effects set out below have been prepared based on (i) the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“**FY2020**”) and the Starburst FY2020 Results as well as (ii) the Nordic 1H2021 Results and the Starburst 1H2021 Results, and on the following key assumptions:

- (a) there is full acceptance of the Offer by all Starburst Shareholders at the Offer Price;
- (b) the effect of the transaction on the NTA per Share of the Group is based on the assumption that the Offer had been completed on 31 December 2020 or 30 June 2021 (as the case may be);
- (c) the effect of the transaction on the net asset value (“**NAV**”) per Share of the Group is based on the assumption that the Offer had been completed on 31 December 2020 or 30 June 2021 (as the case may be); and
- (d) the effect of the transaction on the earnings per Share (“**EPS**”) of the Group is based on the assumption that the Offer had been completed on 1 January 2020 or 1 January 2021 (as the case may be).

### 7.1 Share Capital

The Offer will have no impact on the share capital of the Company.

### 7.2 NTA

	Before the Offer	After the Offer
<b>As at 31 December 2020</b>		
Consolidated NTA (S\$'000)	58,924	30,131
Number of issued Shares (excluding treasury shares) ('000)	388,900	388,900
NTA per Share (cents)	15.2	7.8
<b>As at 30 June 2021</b>		
Consolidated NTA (S\$'000)	65,440	41,605
Number of issued Shares (excluding treasury shares) ('000)	388,000	388,000
NTA per Share (cents)	16.9	10.7

**Note:**

NTA is calculated based on the net tangible assets attributable to owners of the Company and the number of issued Shares (excluding treasury shares) as at 31 December 2020 or 30 June 2021 (as the case may be).

### 7.3 NAV

	Before the Offer	After the Offer
<b>As at 31 December 2020</b>		
Consolidated NAV (S\$'000)	88,836	78,831
Number of issued Shares (excluding treasury shares) ('000)	388,900	388,900
NAV per Share (cents)	22.8	20.3
<b>As at 30 June 2021</b>		
Consolidated NAV (S\$'000)	95,186	86,683
Number of issued Shares (excluding treasury shares) ('000)	388,000	388,000
NAV per Share (cents)	24.5	22.3

**Note:**

NAV is calculated based on the net assets attributable to owners of the Company and the number of issued Shares (excluding treasury shares) as at 31 December 2020 or 30 June 2021 (as the case may be).

### 7.4 EPS

	Before the Offer	After the Offer
<b>FY2020</b>		
Profit for the year attributable to owners of the Company (S\$'000)	5,482	14,615
Weighted average number of Shares (excluding treasury shares) ('000)	390,301	390,301
EPS (cents)	1.4	3.7
<b>Half year ended 30 June 2021 ("1H2021")</b>		
Profit for the period attributable to owners of the Company (S\$'000)	7,797	15,232
Weighted average number of Shares (excluding treasury shares) ('000)	388,360	388,360
EPS (cents)	2.0	3.9

**Note:**

EPS is calculated based on profit attributable to owners of the Company and the weighted average number of Shares (excluding treasury shares) for FY2020 or 1H2021 (as the case may be).

## 7.5 Gearing

	Before the Offer	After the Offer
<b>As at 31 December 2020</b>		
Net (cash) / borrowings (S\$'000)	(11,639)	52,377
Total equity (S\$'000)	88,836	78,831
Gearing (times)	(0.13)	0.66
<b>As at 30 June 2021</b>		
Net (cash) / borrowings (S\$'000)	(12,547)	48,327
Total equity (S\$'000)	95,186	87,713
Gearing (times)	(0.13)	0.56

**Note:**

Gearing represents the ratio of total net borrowings less cash to total equity.

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as Director or shareholder of the Company) has any interest, direct or indirect, in the Offer. The Directors are not aware of any controlling shareholders of the Company having any direct or indirect interest in the Offer.

## 9. EXTRAORDINARY GENERAL MEETING

A circular setting out information on the Offer and the notice to convene the EGM for the purpose of seeking Nordic Shareholders' approval, will be circulated to Nordic Shareholders in due course.

**In the meantime, Nordic Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and recommendations set out in the circular.**

## 10. SERVICE CONTRACTS

As at the date of this announcement, no person is proposed to be appointed as a director of the Company in connection with the Offer. Accordingly, there is no service contract proposed to be entered into between the Company and any such person.

## 11. DOCUMENTS FOR INSPECTION

Copies of the Irrevocable Undertakings will be made available for inspection during normal business hours at the Company's registered office at 2 Tuas Avenue 10, Singapore 639126 for a period of three months from the date of this announcement.

## **12. RESPONSIBILITY STATEMENT**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Offer and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

### **BY ORDER OF THE BOARD**

**CHANG YEH HONG  
EXECUTIVE CHAIRMAN  
10 NOVEMBER 2021**