NORDIC GROUP LIMITED
(Company Registration Number: 201007399N)

PROPOSED DISPOSAL OF PROPERTY AT 24 BENOI PLACE SINGAPORE 629940

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Nordic Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that an option to purchase (the "**OTP**") granted by the Company's wholly-owned subsidiary, Austin Energy Offshore Pte. Ltd. (the "**Vendor**"), to Aver Asia (S) Pte Ltd (the "**Purchaser**") for the disposal of the property at 24 Benoi Place, Singapore 629940 (the "**Property**"), has been exercised by the Purchaser today (the "**Proposed Disposal**").

The Purchaser is not related to the Company, its Directors and controlling shareholders, or their respective associates.

2. THE PROPERTY AND CONSIDERATION

The Property is a factory cum warehouse with a land area of approximately 39,000 square feet. The Property is held under a lease of approximately 19 years commencing 21 September 2011 granted by Jurong Town Corporation.

The consideration for the Proposed Disposal is S$3.5 million (the "**Consideration**"), excluding Goods and Services Tax ("**GST**"). The Consideration was arrived at on a "willing buyer willing seller" basis after taking into account the current market conditions and estimated market value of the Property, among other factors. No valuation in respect of the Property has been commissioned by the Vendor. The net asset value of Property as at 30 June 2023 was S$2.5 million, based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 ("**1H2023**").

The Consideration shall be payable by the Purchaser in the following manner:

(a) an option fee of S$35,000 (the "**Option Fee**"), being 1% of the Consideration, together with GST thereon, had been paid by the Purchaser upon the grant of the OTP to the Purchaser;

(b) a further sum of S$315,000, being 10% of the Consideration less the Option Fee, has been paid by the Purchaser upon the exercise of the OTP; and

(c) the balance of the Consideration, together with GST thereon, shall be paid by the Purchaser on Completion (as defined below).

Pending Completion, the Purchaser has agreed to make further non-refundable payments towards the Consideration as follows:

(a) upon exercise of the OTP, the Purchaser shall pay a sum of S$58,334, together with GST thereon, towards the Consideration; and

(b) thereafter, on the corresponding day of every subsequent month until Completion, the Purchaser shall pay a sum of S$29,167, together with GST thereon, towards the Consideration,

(collectively, the "**Further Payments**").

In consideration of the Further Payments, the Purchaser is permitted to store its equipment, machinery, goods and chattels at the Property with effect from the date of exercise of the OTP. There will be no refund of any of the Further Payments paid if the Proposed Disposal is not completed for any reason whatsoever.

3. CONDITIONS FOR THE PROPOSED DISPOSAL

The Proposed Disposal is subject to the following:

(a) the Vendor and the Purchaser obtaining written in-principle approval from the JTC Corporation ("**JTC**") for the Vendor to sell and the Purchaser to purchase the Property (the "**JTC Approval**"); and

(b) the Vendor and the Purchaser obtaining the written confirmation from JTC that JTC has no objection to the execution and registration of the instrument of transfer, or such other confirmation of similar nature, which confirmation is usually given after both parties have complied with all the terms and conditions stated in the JTC Approval (the "**JTC Final Approval**").

4. COMPLETION

Completion of the Proposed Disposal ("**Completion**") shall take place within three months from the date of exercise of the OTP or within four weeks from the date of the JTC Final Approval whichever is the later.

5. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

The Property is not a core asset of the Group. The proceeds arising from the Proposed Disposal would be used to repay current bank borrowings and improve the Group's overall cash position and reduce finance costs.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") and the unaudited consolidated financial statements of the Group for 1H2023 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[(1)]	2.2
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable[(2)]

Rule 1006	Bases	Relative Figures (%)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares of the Company(3)	2.1
(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(4)
(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(5)

Notes:

(1) The net asset value of Property as at 30 June 2023 was S$2.5 million and the Group's net asset value as at 30 June 2023 was S$115.5 million.

(2) Rule 1006(b) of the Listing Manual is not applicable as the Property is not a revenue-generating asset.

(3) The Company's market capitalization has been calculated on the basis of 399,736,100 shares of the Company ("**Shares**") in issue (excluding treasury shares) multiplied by the weighted average price of such Shares transacted of S$0.42 on 24 August 2023, being the last full market day preceding the date of exercise of the OTP.

(4) Rule 1006(d) of the Listing Manual is not applicable to a disposal of assets.

(5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

The relative figures under Rule 1006(a) and Rule 1006(c) of the Listing Manual do not exceed 5%. Accordingly, the Proposed Disposal constitutes a "non-discloseable transaction" within the meaning of Rule 1008 of the Listing Manual and does not require the approval of shareholders of the Company.

7. FINANCIAL EFFECTS

The financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not reflect the actual or projected financial performance or position of the Group. The financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2022 ("**FY2022**") and on the following key assumptions:

(a) the effect of the Proposed Disposal on the net tangible asset ("**NTA**") per Share of the Group is based on the assumption that the Proposed Disposal had been completed on 31 December 2022;

(b) the effect of the Proposed Disposal on the earnings per Share ("**EPS**") of the Group is based on the assumption that the Proposed Disposal had been completed on 1 January 2022.

7.1 NTA

	Before Proposed Disposal	After Proposed Disposal
Consolidated NTA (S$'000)	115,549	116,940
Number of issued Shares (excluding treasury shares) ('000)	399,736	399,736
NTA per Share (cents)	28.9	29.3

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 2022.

7.2 EPS

	Before Proposed Disposal	After Proposed Disposal
Profit for the year attributable to owners of the Company (S$'000)	20,673	22,028
Weighted average number of Shares (excluding treasury shares) ('000)	392,644	399,736
EPS (cents)	5.3	5.5

Note:

EPS is calculated based on profit attributable to owners of the Company and the weighted average number of Shares (excluding treasury shares) for FY2022.

7.3 Gearing

The financial effects of the Proposed Disposal on gearing is based on the unaudited consolidated financial statements of the Group for 1H2023:

	Before Proposed Disposal	After Proposed Disposal
Net borrowings (S$'000)	81,916	78,416
Total equity (S$'000)	115,549	116,940
Gearing (times)	0.71	0.67

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) or their associates has any interest, direct or indirect, in the Proposed Disposal. The Directors are not aware of any controlling shareholders of the Company or their associates having any interest, direct or indirect, in the Proposed Disposal.

BY ORDER OF THE BOARD

CHANG YEH HONG
EXECUTIVE CHAIRMAN
26 August 2023