



NORDIC
Group Limited

NORDIC GROUP LIMITED

(Company Registration Number: 201007399N)

DISPOSAL OF PROPERTY – 5 KWONG MIN ROAD SINGAPORE 628708

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nordic Group Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, Nordic Flow Control Pte. Ltd. has signed an option to purchase (“**OTP**”) to dispose its property to Geonamics (S) Pte. Ltd. and/or nominee (“**Purchaser**”), a company located at 21 Woodlands Industrial Park E1 #04-05 Singapore 757720.

2. THE PROPERTY/CONSIDERATION

The property comprises a land located at 5 Kwong Min Road Singapore 628708 and a building on the land (the “**Property**”). It has a land area of 4,024.80 square meters.

The consideration for the disposal of Property is \$2.425 million (the “**Consideration**”) excluding Goods and Services Tax. 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 aforesaid Property, among other factors.

3. FINANCIAL EFFECTS AND CHAPTER 10 OF THE LISTING MANUAL

Based on the Company’s latest announced audited consolidated financial statements for the year ended 31 December 2017, the financial impact to the Group’s earnings and net tangible asset per share is not material. The relative figures relating to the disposal, computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Relative Figures under Rule 1006

Rule 1006	Bases	
(a)	Net asset value of Property to be disposed of, compared with Group’s net asset value	
	Net asset value of Property as at 31 December 2017 (S\$’000)	2,081
	Net asset value of the Group as at 31 December 2017 (S\$’000)	76,614
	Size of relative figure	2.7%
(b)	Net profit attributable to the Disposal compared with the Group’s net profit.	
	Profit before income tax, minority interest and extraordinary items attributable to the disposal of Property as at 31 December 2017 (S\$’000)	344

	Profit before income tax, minority interest and extraordinary items attributable to the owners of the parent of the group as at 31 December 2017 (S\$'000)	16,734
	Size of relative figure	1.22%
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	
	Value of the consideration received (S\$'000)	2,425
	Company's market capitalization as at 7 May 2018, being the market day immediately preceding the date of the signing of the OTP for the sale of Property (S\$'000)	212,244
	Size of relative figure	1.14%
(d)	Number of equity securities issued by the company as consideration for the transaction, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved or 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.	Not Applicable

4. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

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

5. GOVERNMENT APPROVALS

The sale is subject to Jurong Town Corporation's ("JTC") approval.

6. COMPLETION

Subject to JTC's Approval being obtained, completion shall take place on either:

- (a) the latest of the following dates ("the Completion Date"):-
 - (i) the date falling four (4) months from the date of exercise of this Option by the Purchaser; or
 - (ii) (in the event JTC does not require an Environmental Baseline Study ("EBS") to be carried out and no decontamination work is required to be undertaken) the date falling eight (8) weeks from the date of receipt by the Company of the

letter (hard copy, facsimile or otherwise) or electronic mail from JTC setting out the Approval; or

- (iii) (a) (in the event JTC requires an EBS to be carried out and decontamination work is required to be undertaken), the date falling four (4) weeks from the date JTC confirms in writing by way of letter (hard copy, facsimile or otherwise) or electronic mail that the decontamination works have been carried out to the satisfaction of JTC; or
- (b) (in the event JTC requires an EBS to be carried out but no decontamination work is required to be undertaken), the date falling four (4) weeks from the date JTC confirms in writing by way of letter (hard copy, facsimile or otherwise) or electronic mail that the EBS has been conducted to the satisfaction of JTC.

OR

- (b) on such date mutually agreed by the parties for completion.

7. 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 Property. The Directors are not aware of any controlling shareholders of the Company having any direct or indirect interest in the Property.

8. DOCUMENTS FOR INSPECTION

A copy of the option to purchase is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 5 Kwong Min Road Singapore 628708 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

CHANG YEH HONG
EXECUTIVE CHAIRMAN
8 May 2018