



NORDIC GROUP LIMITED

(Company Registration Number: 201007399N)

DISPOSAL OF PROPERTY – 133 TUAS VIEW SQUARE SINGAPORE 637743

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nordic Group Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, Ensure Engineering Pte. Ltd. has signed an option to purchase (“**OTP**”) to dispose its property to GA Construction Pte Ltd and/or nominee (“**Purchaser**”), a company located at 2 Sims Close #02-05 Gemini @ Sims Singapore 387298.

2. THE PROPERTY/CONSIDERATION

The property consists of a 2-storey intermediate terrace factory located at 133 Tuas View Square Singapore 637743 (the “**Property**”). It has a land area of 672 square meters.

The consideration for the disposal of Property is \$3.2 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. GOVERNMENT APPROVALS

The sale is subject to government approval.

4. COMPLETION

Subject to the government approval being obtained, completion shall take place on the date falling nine (9) weeks from the date of exercise of this Option by the Purchaser; or on such date mutually agreed by the parties for completion.

5. 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.

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 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 ⁽¹⁾	2.6
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits ⁽²⁾	4.3
(c)	The aggregate value of the consideration ⁽³⁾ given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares of the Company	1.5
(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 asset value of Property as at 30 June 2022 is S\$2.61 million and the Group's net asset value is S\$101.78 million.
- (2) Net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The figures are based on the unaudited consolidated financial statements of the Company for the six months ended 30 June 2022 (the "**Nordic 1H2022 Results**") of \$13.05 million. Gains on disposal, net of expenses, of the Property is S\$0.56 million.
- (3) Market capitalisation has been calculated on the basis of 399.7 million shares of the Company ("**Shares**") in issue (excluding treasury shares) multiplied by the weighted average price of such Shares transacted on 7 September 2022, being the last full market day preceding the date of this announcement.

The relative figures under Rule 1006(a) to Rule 1006(c) of the Listing Manual do not exceed 20%. Accordingly, the disposal constitutes a "discloseable transaction" within the meaning of Rule 1010 of the Listing Manual and does not require the approval of shareholders of the Company.

7. FINANCIAL EFFECTS

The financial effects of the disposal of the Property 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 2021 (“FY2021”) and on the following key assumptions:

- (a) the effect of the disposal on the net tangible asset (“NTA”) per Share of the Group is based on the assumption that the disposal of the Property had been completed on 31 December 2021;
- (b) the effect of the disposal on the earnings per Share (“EPS”) of the Group is based on the assumption that the disposal had been completed on 1 January 2021.

7.1 NTA

	Before disposal	After disposal
Consolidated NTA (S\$'000)	68,028	68,545
Number of issued Shares (excluding treasury shares) ('000)	388,000	388,000
NTA per Share (cents)	17.5	17.7

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 2021.

7.2 EPS

	Before disposal	After disposal
Profit for the year attributable to owners of the Company (S\$'000)	13,876	14,434
Weighted average number of Shares (excluding treasury shares) ('000)	388,179	388,179
EPS (cents)	3.6	3.7

Note:

EPS is calculated based on profit attributable to owners of the Company and the weighted average number of Shares (excluding treasury shares) for FY2021.

7.3 Gearing

The financial effects of the disposal of the Property on gearing is based on the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2022 ("1H2022"):

	Before disposal	After disposal
Net borrowings (S\$'000)	30,935	27,770
Total equity (S\$'000)	101,784	102,342
Gearing (times)	0.30	0.27

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

9. DOCUMENTS FOR INSPECTION

Copies of the OTP 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.

BY ORDER OF THE BOARD

CHANG YEH HONG
EXECUTIVE CHAIRMAN
8 September 2022