

# **NORDIC GROUP LIMITED**

(Registration No: 201007399N)

## **Condensed Interim Consolidated Financial Statements**

For the half year ended 30 June 2023

## Condensed Interim Consolidated Financial Statements

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income .. | 3           |
| Condensed Interim Statements of Financial Position .....                                     | 4           |
| Condensed Interim Statements of Changes in Equity .....                                      | 5           |
| Condensed Interim Consolidated Statement of Cash Flows .....                                 | 7           |
| Notes to the Financial Statements .....  | 8           |
| Other information required by Listing Rule Appendix 7.2 .....                                | 26          |

**NORDIC GROUP LIMITED**

**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income  
Half Year Ended 30 June 2023**

|  |              | <u>Group</u>    |                 |          |
|--|--------------|-----------------|-----------------|----------|
|  | <u>Notes</u> | 1H2023          | 1H2022          | Variance |
|  |              | \$'000          | \$'000          | %        |
| <b>Revenue</b>   | 4            | 89,413          | 79,763          | 12       |
| Cost of sales  |              | <u>(67,318)</u> | <u>(56,716)</u> | 19       |
| <b>Gross profit</b>  |              | 22,095          | 23,047          | (4)      |
| Other income and gains   | 5            | 1,046           | 2,003           | (48)     |
| Distribution costs   |              | (1,176)         | (765)           | 54       |
| Administrative expenses  |              | (8,649)         | (10,457)        | (17)     |
| Finance costs  | 6            | (1,637)         | (725)           | 126      |
| Other losses   | 5            | <u>(197)</u>    | <u>(49)</u>     | 302      |
| <b>Profit before tax</b>   | 7            | 11,482          | 13,054          | (12)     |
| Income tax expense   | 8            | <u>(1,382)</u>  | <u>(1,438)</u>  | (4)      |
|  |              | <u>10,100</u>   | <u>11,616</u>   | (13)     |
| <b><u>Other comprehensive loss:</u></b>                                    |              |                 |                 |          |
| <b>Items that may be reclassified<br/>subsequently to profit or loss:</b>  |              |                 |                 |          |
| Exchange differences on translating<br>foreign operations, net of tax      |              | <u>(945)</u>    | 105             | nm       |
| <b>Other comprehensive income for<br/>the year, net of tax:</b>            |              | <u>(945)</u>    | 105             | nm       |
| <b>Total comprehensive income for the<br/>period</b>                       |              | <u>9,155</u>    | <u>11,721</u>   | (22)     |
| Profit attributable to owners of the<br>parent, net of tax                 |              | 10,100          | 11,553          | (13)     |
| Profit attributable to non-controlling<br>interests, net of tax            |              | <u>–</u>        | <u>63</u>       | (100)    |
| <b>Profit net of tax</b>   |              | <u>10,100</u>   | <u>11,616</u>   | (13)     |
| Total comprehensive income<br>attributable to owners of<br>the parent      |              | 9,155           | 11,658          | (21)     |
| Total comprehensive income<br>attributable to non-controlling<br>interests |              | <u>–</u>        | <u>63</u>       | (100)    |
| <b>Total comprehensive income</b>  |              | <u>9,155</u>    | <u>11,721</u>   | (22)     |
| <b>Earnings per share</b>  |              |                 |                 |          |
| Earnings per share currency unit   |              | <u>Cents</u>    | <u>Cents</u>    |          |
| Basic and diluted  | 9            | <u>2.5</u>      | <u>3.0</u>      | (17)     |

## NORDIC GROUP LIMITED

### Condensed Interim Statements of Financial Position

|   | Notes | Group                |                      | Company              |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | 30/06/2023<br>\$'000 | 31/12/2022<br>\$'000 | 30/06/2023<br>\$'000 | 31/12/2022<br>\$'000 |
| <b>ASSETS</b>   |       |                      |                      |                      |                      |
| <b><u>Non-current assets</u></b>                          |       |                      |                      |                      |                      |
| Property, plant and equipment                             | 11    | 45,742               | 47,601               | 5,630                | 5,757                |
| Right-of-use assets                                       |       | 5,384                | 5,514                | 1,528                | 1,557                |
| Goodwill  | 12    | 40,421               | 40,421               | –                    | –                    |
| Intangible assets   | 13    | 3,249                | 3,487                | –                    | –                    |
| Investments in subsidiaries                               |       | –                    | –                    | 1,350                | 1,350                |
| Deferred tax assets                                       |       | 1,337                | 1,703                | –                    | –                    |
| <b>Total non-current assets</b>                           |       | <b>96,133</b>        | <b>98,726</b>        | <b>8,508</b>         | <b>8,664</b>         |
| <b><u>Current assets</u></b>                              |       |                      |                      |                      |                      |
| Inventories   |       | 20,160               | 19,440               | –                    | –                    |
| Trade and other receivables                               | 14    | 37,103               | 39,389               | 25,589               | 18,652               |
| Other assets  | 15    | 39,966               | 24,339               | 1,632                | 685                  |
| Cash and cash equivalents                                 |       | 56,472               | 55,915               | 17,786               | 22,502               |
| <b>Total current assets</b>                               |       | <b>153,701</b>       | <b>139,083</b>       | <b>45,007</b>        | <b>41,839</b>        |
| <b>Total assets</b>                                       |       | <b>249,834</b>       | <b>237,809</b>       | <b>53,515</b>        | <b>50,503</b>        |
| <b>EQUITY AND LIABILITIES</b>                             |       |                      |                      |                      |                      |
| <b><u>Equity attributable to owners of the parent</u></b> |       |                      |                      |                      |                      |
| Share capital   | 16    | 24,864               | 24,864               | 24,864               | 24,864               |
| Treasury shares   | 16    | (112)                | (112)                | (112)                | (112)                |
| Retained earnings   |       | 91,423               | 84,945               | 5,118                | 8,900                |
| Other reserves  | 17    | (626)                | 319                  | –                    | –                    |
| <b>Total equity</b>                                       | 18    | <b>115,549</b>       | <b>110,016</b>       | <b>29,870</b>        | <b>33,652</b>        |
| <b><u>Non-current liabilities</u></b>                     |       |                      |                      |                      |                      |
| Provisions  | 19    | –                    | –                    | –                    | –                    |
| Deferred tax liabilities                                  |       | 2,691                | 2,818                | 43                   | 43                   |
| Loans and borrowings                                      | 20    | 5,488                | 16,781               | 2,988                | 3,803                |
| Financial liabilities – lease liabilities                 |       | 5,598                | 5,657                | 1,587                | 1,607                |
| <b>Total non-current liabilities</b>                      |       | <b>13,777</b>        | <b>25,256</b>        | <b>4,618</b>         | <b>5,453</b>         |
| <b><u>Current liabilities</u></b>                         |       |                      |                      |                      |                      |
| Provisions  | 19    | 1,107                | 1,232                | –                    | –                    |
| Income tax payable  |       | 2,669                | 2,388                | 101                  | 147                  |
| Loans and borrowings                                      | 20    | 76,428               | 55,326               | 16,856               | 8,256                |
| Financial liabilities – lease liabilities                 |       | 158                  | 219                  | 37                   | 36                   |
| Trade and other payables                                  | 21    | 34,214               | 35,465               | 2,033                | 2,959                |
| Other non-financial liabilities                           | 22    | 5,932                | 7,907                | –                    | –                    |
| <b>Total current liabilities</b>                          |       | <b>120,508</b>       | <b>102,537</b>       | <b>19,027</b>        | <b>11,398</b>        |
| <b>Total liabilities</b>                                  |       | <b>134,285</b>       | <b>127,793</b>       | <b>23,645</b>        | <b>16,851</b>        |
| <b>Total equity and liabilities</b>                       |       | <b>249,834</b>       | <b>237,809</b>       | <b>53,515</b>        | <b>50,503</b>        |

**NORDIC GROUP LIMITED**

**Condensed Interim Statements of Changes in Equity**

**Half Year Ended 30 June 2023**

| <b>Group:</b>  | <u>Total<br/>Equity</u><br>\$'000 | <u>Attributable to<br/>parent sub-total</u><br>\$'000 | <u>Share<br/>Capital</u><br>\$'000 | <u>Treasury<br/>shares</u><br>\$'000 | <u>Retained<br/>earnings</u><br>\$'000 | <u>Other<br/>reserves</u><br>\$'000 | <u>Non-<br/>Controlling<br/>interests</u><br>\$'000 |
|--|-----------------------------------|---|------------------------------------|--------------------------------------|--|-------------------------------------|---|
| <b>Previous period:</b>  |                                   |   |                                    |                                      |  |                                     |   |
| Opening balance at 1 January 2022  | 97,635                            | 97,635  | 22,439                             | (2,614)                              | 76,994                                 | 816                                 | –   |
| <b>Changes in equity:</b>  |                                   |   |                                    |                                      |  |                                     |   |
| Total comprehensive income for the period  | 11,721                            | 11,658  | –                                  | –                                    | 11,553                                 | 105                                 | 63  |
| Transfer from retained earnings  | –                                 | –   | –                                  | –                                    | (347)                                  | 347                                 | –   |
| Acquisition of subsidiaries (Note 25(a))   | 13,435                            | –   | –                                  | –                                    | –                                      | –                                   | 13,435  |
| Acquisition of additional interest in subsidiaries (Note 25(b))                  | (17,946)                          | –   | –                                  | –                                    | –                                      | –                                   | (17,946)  |
| Acquisition of non-controlling interest without a change in control (Note 25(b)) | –                                 | (4,448)   | –                                  | –                                    | (4,448)                                | –                                   | 4,448   |
| Dividends paid (Note 10)   | (2,949)                           | (2,949)   | –                                  | –                                    | (2,949)                                | –                                   | –   |
| Purchase of treasury shares (Note 16)  | (112)                             | (112)   | –                                  | (112)                                | –                                      | –                                   | –   |
| <b>Closing balance at 30 June 2022</b>   | <b>101,784</b>                    | <b>101,784</b>  | <b>22,439</b>                      | <b>(2,726)</b>                       | <b>80,803</b>                          | <b>1,268</b>                        | <b>–</b>  |
| <b>Current period:</b>   |                                   |   |                                    |                                      |  |                                     |   |
| Opening balance at 1 January 2023  | 110,016                           | 110,016   | 24,864                             | (112)                                | 84,945                                 | 319                                 | –   |
| <b>Changes in equity:</b>  |                                   |   |                                    |                                      |  |                                     |   |
| Total comprehensive income for the period  | 9,155                             | 9,155   | –                                  | –                                    | 10,100                                 | (945)                               | –   |
| Dividends paid (Note 10)   | (3,622)                           | (3,622)   | –                                  | –                                    | (3,622)                                | –                                   | –   |
| <b>Closing balance at 30 June 2023</b>   | <b>115,549</b>                    | <b>115,549</b>  | <b>24,864</b>                      | <b>(112)</b>                         | <b>91,423</b>                          | <b>(626)</b>                        | <b>–</b>  |

**NORDIC GROUP LIMITED**

**Condensed Interim Statements of Changes in Equity**

**Half Year Ended 30 June 2023**

| <b><u>Company:</u></b>                    | <b><u>Total<br/>equity</u></b><br>\$'000 | <b><u>Share<br/>capital</u></b><br>\$'000 | <b><u>Treasury<br/>shares</u></b><br>\$'000 | <b><u>Retained<br/>earnings</u></b><br>\$'000 |
|---|--|---|---|---|
| <b>Previous period:</b>                   |  |   |   |   |
| Opening balance at 1 January 2022         | 35,611                                   | 22,439                                    | (2,614)                                     | 15,786  |
| <b>Changes in equity:</b>                 |  |   |   |   |
| Total comprehensive income for the period | 679                                      | –   | –   | 679   |
| Dividends paid (Note 10)                  | (2,949)                                  | –   | –   | (2,949)                                       |
| Purchase of treasury shares (Note 16)     | (112)                                    | –   | (112)                                       | –   |
| <b>Closing balance at 30 June 2022</b>    | <b><u>33,229</u></b>                     | <b><u>22,439</u></b>                      | <b><u>(2,726)</u></b>                       | <b><u>13,516</u></b>                          |
| <b>Current period:</b>                    |  |   |   |   |
| Opening balance at 1 January 2023         | 33,652                                   | 24,864                                    | (112)                                       | 8,900   |
| <b>Changes in equity:</b>                 |  |   |   |   |
| Total comprehensive loss for the period   | (160)                                    | –   | –   | (160)   |
| Dividends paid (Note 10)                  | (3,622)                                  | –   | –   | (3,622)                                       |
| <b>Closing balance at 30 June 2023</b>    | <b><u>29,870</u></b>                     | <b><u>24,864</u></b>                      | <b><u>(112)</u></b>                         | <b><u>5,118</u></b>                           |

**NORDIC GROUP LIMITED**

**Consolidated Statement of Cash Flows**  
**Half Year Ended 30 June 2023**

|  | <u>1H2023</u><br>\$'000 | <u>1H2022</u><br>\$'000 |
|--|-------------------------|-------------------------|
| <b><u>Cash flows from operating activities</u></b>                                 |                         |                         |
| Profit before tax  | 11,482                  | 13,054                  |
| Adjustments for:   |                         |                         |
| Interest expense   | 1,637                   | 725                     |
| Interest income  | (390)                   | (27)                    |
| (Gain)/Loss on disposal of plant and equipment                                     | (9)                     | 49                      |
| Depreciation of property, plant and equipment                                      | 1,916                   | 2,006                   |
| Depreciation of right-of-use assets  | 130                     | 85                      |
| Amortisation of intangible assets  | 238                     | 1,300                   |
| Foreign exchange adjustment unrealised gain  | (71)                    | (622)                   |
| Operating cash flows before changes in working capital                             | <u>14,933</u>           | <u>16,570</u>           |
| Inventories  | (720)                   | (2,236)                 |
| Trade and other receivables  | 2,286                   | (2,928)                 |
| Other assets   | (15,627)                | 504                     |
| Provisions   | (125)                   | (675)                   |
| Trade and other payables   | (1,251)                 | 7,506                   |
| Other non-financial liabilities  | (1,975)                 | 1,632                   |
| Net cash flows from operations   | <u>(2,479)</u>          | <u>20,373</u>           |
| Income taxes paid  | (862)                   | (913)                   |
| Net cash flows (used in) from operating activities                                 | <u>(3,341)</u>          | <u>19,460</u>           |
| <b><u>Cash flows from investing activities</u></b>                                 |                         |                         |
| Acquisition of a subsidiary, net of cash acquired                                  | –                       | (50,969)                |
| Purchase of property, plant and equipment  | (343)                   | (331)                   |
| Disposal of property, plant and equipment  | 37                      | 2                       |
| Interest received  | 390                     | 27                      |
| Net cash flows from (used in) investing activities                                 | <u>84</u>               | <u>(51,271)</u>         |
| <b><u>Cash flows from financing activities</u></b>                                 |                         |                         |
| Dividends paid to equity owners  | (3,622)                 | (2,949)                 |
| Increase in loans and borrowings   | 9,809                   | 16,500                  |
| Interest paid  | (1,558)                 | (642)                   |
| Lease liabilities – principal portion and interest paid                            | (199)                   | (238)                   |
| Repayment of loans and borrowings  | –                       | (13,962)                |
| Purchase of treasury shares  | –                       | (112)                   |
| Net cash flows from (used in) financing activities                                 | <u>4,430</u>            | <u>(1,403)</u>          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                        | <b>1,173</b>            | <b>(33,214)</b>         |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (616)                   | 802                     |
| Cash and cash equivalents, statement of cash flows, beginning balance              | <u>55,915</u>           | <u>75,337</u>           |
| <b>Cash and cash equivalents, statement of cash flows, ending balance</b>          | <b><u>56,472</u></b>    | <b><u>42,925</u></b>    |

## **NORDIC GROUP LIMITED**

### **Notes to the condensed interim consolidated financial statements 30 June 2023**

#### **1. General**

The company is incorporated in Singapore with limited liability. The condensed interim consolidated financial statements for the half year ended 30 June 2023 ("1H2023") are presented in Singapore dollar and they cover the company and the subsidiaries (collectively, the "group")

The principal activities of the company are those of an investment holding company and providing management and administrative support to its subsidiaries. The company is listed on the Singapore Exchange Securities Trading Limited. The group is a diversified group of companies providing solutions in areas of automation and systems integration; maintenance, repair, overhaul and trading; precision engineering; scaffolding; insulation services; petrochemical and environmental engineering services; cleanroom, air and water engineering services and structural engineering and construction services.

#### **2. Basis of preparation of the financial statements**

The condensed interim consolidated financial statements for the half year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance of the group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed consolidated financial statements are presented in Singapore dollar which is the company's functional currency.

##### **2.1 New and amended standards adopted by group**

A number of amendments to Standards have become applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### **2.2 Use of judgements and estimates**

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



## **NORDIC GROUP LIMITED**

### **3. Seasonal operations**

The group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Financial information by operating segments**

#### **4A. Information about reportable segment profit or loss, assets and liabilities**

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) Project services, (2) Maintenance services and (3) Others. The results of all other activities, mainly investment holding which are not included within the two primary segments, are included in the "Others" segment. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- (1) The Project services segment includes projects that requires engineering, design, procurement, construction, machining, scaffolding works, insulation services and passive fireproofing services.
- (2) The Maintenance services segment includes maintenance and repair services, including trading and supply of material, spare parts and components.
- (3) The Others segment relates to other revenue streams.

Inter-segment sales are measured on the basis of the amount that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies. The management reporting system evaluates performances based on a number of factors. However, the primary measurement to evaluate segment's operating results is the earnings from operations before depreciation and amortisation, interests and income taxes (called "EBITDA").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

**NORDIC GROUP LIMITED**

**4. Financial information by operating segments (cont'd)**

**4B. Profit or loss from continuing operations and reconciliations**

|   | Project<br>services<br>\$'000 | Maintenance<br>services<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Group<br>\$'000 |
|---|-------------------------------|-----------------------------------|------------------|-----------------------|-----------------|
| <b>1H2022</b>                                 |                               |                                   |                  |                       |                 |
| <b>Revenue by segment</b>                     |                               |                                   |                  |                       |                 |
| Total revenue by segment                      | 53,357                        | 29,859                            | –                | (3,453)               | 79,763          |
| Inter-segment sales                           | (2,461)                       | (992)                             | –                | 3,453                 | –               |
| <b>Total revenue</b>                          | <b>50,896</b>                 | <b>28,867</b>                     | <b>–</b>         | <b>–</b>              | <b>79,763</b>   |
| <b>Recurring EBITDA</b>                       |                               |                                   |                  |                       |                 |
| Inter-segment expenses                        | 962                           | 865                               | –                | (1,827)               | –               |
| <b>Adjusted EBITDA</b>                        | <b>9,018</b>                  | <b>6,653</b>                      | <b>1,472</b>     | <b>–</b>              | <b>17,143</b>   |
| Finance costs                                 | (226)                         | (349)                             | (150)            | –                     | (725)           |
| Amortisation of intangible assets             | (904)                         | (396)                             | –                | –                     | (1,300)         |
|   | <b>7,888</b>                  | <b>5,908</b>                      | <b>1,322</b>     | <b>–</b>              | <b>15,118</b>   |
| Unallocated:                                  |                               |                                   |                  |                       |                 |
| Interest income                               |                               |                                   |                  |                       | 27              |
| Depreciation of property, plant and equipment |                               |                                   |                  |                       | (2,006)         |
| Depreciation of right-of-use assets           |                               |                                   |                  |                       | (85)            |
| Income tax expenses                           |                               |                                   |                  |                       | (1,438)         |
| <b>Profit for the period</b>                  |                               |                                   |                  |                       | <b>11,616</b>   |
| <b>1H2023</b>                                 |                               |                                   |                  |                       |                 |
| <b>Revenue by segment</b>                     |                               |                                   |                  |                       |                 |
| Total revenue by segment                      | 56,532                        | 34,806                            | –                | (1,925)               | 89,413          |
| Inter-segment sales                           | (832)                         | (1,093)                           | –                | 1,925                 | –               |
| <b>Total revenue</b>                          | <b>55,700</b>                 | <b>33,713</b>                     | <b>–</b>         | <b>–</b>              | <b>89,413</b>   |
| <b>Recurring EBITDA</b>                       |                               |                                   |                  |                       |                 |
| Inter-segment expenses                        | 398                           | 362                               | –                | (760)                 | –               |
| <b>Adjusted EBITDA</b>                        | <b>8,233</b>                  | <b>6,636</b>                      | <b>144</b>       | <b>–</b>              | <b>15,013</b>   |
| Finance costs                                 | (443)                         | (814)                             | (380)            | –                     | (1,637)         |
| Amortisation of intangible assets             | (147)                         | (91)                              | –                | –                     | (238)           |
|   | <b>7,643</b>                  | <b>5,731</b>                      | <b>(236)</b>     | <b>–</b>              | <b>13,138</b>   |
| Unallocated:                                  |                               |                                   |                  |                       |                 |
| Interest income                               |                               |                                   |                  |                       | 390             |
| Depreciation of property, plant and equipment |                               |                                   |                  |                       | (1,916)         |
| Depreciation of right-of-use assets           |                               |                                   |                  |                       | (130)           |
| Income tax expenses                           |                               |                                   |                  |                       | (1,382)         |
| <b>Profit for the period</b>                  |                               |                                   |                  |                       | <b>10,100</b>   |

## NORDIC GROUP LIMITED

### 4. Financial information by operating segments (cont'd)

#### 4C. Assets and reconciliations

|   | <u>Project<br/>services</u><br>\$'000 | <u>Maintenance<br/>services</u><br>\$'000 | <u>Others</u><br>\$'000 | <u>Group</u><br>\$'000 |
|---|---------------------------------------|---|-------------------------|------------------------|
| <b>As at 30 June 2023</b>                     |                                       |   |                         |                        |
| Reportable segment assets                     | 30,047                                | 9,365                                     | –                       | 39,412                 |
| Unallocated:                                  |                                       |   |                         |                        |
| Cash and cash equivalents                     |                                       |   |                         | 56,472                 |
| Inventories                                   |                                       |   |                         | 20,160                 |
| Trade and other receivables, and other assets |                                       |   |                         | 37,657                 |
| Property, plant and equipment                 |                                       |   |                         | 45,742                 |
| Other non-current assets                      |                                       |   |                         | 50,391                 |
| <b>Total group assets</b>                     |                                       |   |                         | <u>249,834</u>         |
| <b>As at 31 December 2022</b>                 |                                       |   |                         |                        |
| Reportable segment assets                     | 13,737                                | 4,063                                     | –                       | 17,800                 |
| Unallocated:                                  |                                       |   |                         |                        |
| Cash and cash equivalents                     |                                       |   |                         | 55,915                 |
| Inventories                                   |                                       |   |                         | 19,440                 |
| Trade and other receivables, and other assets |                                       |   |                         | 45,928                 |
| Property, plant and equipment                 |                                       |   |                         | 47,601                 |
| Other non-current assets                      |                                       |   |                         | 51,125                 |
| <b>Total group assets</b>                     |                                       |   |                         | <u>237,809</u>         |

#### 4D. Liabilities and reconciliations

|   | <u>Project<br/>services</u><br>\$'000 | <u>Maintenance<br/>services</u><br>\$'000 | <u>Others</u><br>\$'000 | <u>Group</u><br>\$'000 |
|---|---------------------------------------|---|-------------------------|------------------------|
| <b>As at 30 June 2023</b>                       |                                       |   |                         |                        |
| Reportable segment liabilities                  | 655                                   | 5,277                                     | –                       | 5,932                  |
| Unallocated:                                    |                                       |   |                         |                        |
| Provisions                                      |                                       |   |                         | 1,107                  |
| Trade and other payables                        |                                       |   |                         | 34,214                 |
| Loans and borrowings                            |                                       |   |                         | 81,916                 |
| Financial liabilities – lease liabilities       |                                       |   |                         | 5,756                  |
| Income tax payable and deferred tax liabilities |                                       |   |                         | 5,360                  |
| <b>Total group liabilities</b>                  |                                       |   |                         | <u>134,285</u>         |

## NORDIC GROUP LIMITED

### 4. Financial information by operating segments (cont'd)

#### 4D. Liabilities and reconciliations (cont'd)

|   | <u>Project<br/>Services</u><br>\$'000 | <u>Maintenance<br/>services</u><br>\$'000 | <u>Others</u><br>\$'000 | <u>Group</u><br>\$'000 |
|---|---------------------------------------|---|-------------------------|------------------------|
| <b>As at 31 December 2022</b>                   |                                       |   |                         |                        |
| Reportable segment liabilities                  | 1,949                                 | 5,958                                     | –                       | 7,907                  |
| Unallocated:                                    |                                       |   |                         |                        |
| Provisions                                      |                                       |   |                         | 1,232                  |
| Trade and other payables                        |                                       |   |                         | 35,465                 |
| Loans and borrowings                            |                                       |   |                         | 72,107                 |
| Financial liabilities – lease liabilities       |                                       |   |                         | 5,876                  |
| Income tax payable and deferred tax liabilities |                                       |   |                         | 5,206                  |
| <b>Total group liabilities</b>                  |                                       |   |                         | <u>127,793</u>         |

#### 4E. Geographical information

|               | <u>Revenue</u>          |                         | <u>Non-current assets</u>   |                             |
|---------------|-------------------------|-------------------------|-----------------------------|-----------------------------|
|               | <u>1H2023</u><br>\$'000 | <u>1H2022</u><br>\$'000 | <u>30/06/2023</u><br>\$'000 | <u>31/12/2022</u><br>\$'000 |
| <u>Group</u>  |                         |                         |                             |                             |
| China         | 12,375                  | 22,613                  | 2,709                       | 3,076                       |
| Singapore     | 50,768                  | 43,185                  | 92,007                      | 93,863                      |
| United States | 2,891                   | –                       | –                           | –                           |
| Malaysia      | 20,013                  | 8,872                   | 80                          | 84                          |
| Middle East   | 3,366                   | 5,093                   | –                           | –                           |
|               | <u>89,413</u>           | <u>79,763</u>           | <u>94,796</u>               | <u>97,023</u>               |

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

#### 4F. Other material items and reconciliations

Capital expenditures of \$343,000 (30 June 2022: \$331,000) are recognised in respect of property, plant and equipment. Segment information is not available for capital expenditures as the information is not available and the cost to allocate to the segment would be excessive.

#### 4G. Disaggregation of revenue

Revenue classified by type of goods or service:

|                        | <u>Group</u>            |                         |
|------------------------|-------------------------|-------------------------|
|                        | <u>1H2023</u><br>\$'000 | <u>1H2022</u><br>\$'000 |
| Services               | 37,420                  | 53,995                  |
| Sale of goods          | 18,808                  | 14,446                  |
| Construction contracts | 33,185                  | 11,322                  |
| Total revenue          | <u>89,413</u>           | <u>79,763</u>           |

Revenue classified by timing of revenue recognition:

|               |               |               |
|---------------|---------------|---------------|
| Point in time | 18,808        | 14,446        |
| Over time     | 70,605        | 65,317        |
| Total revenue | <u>89,413</u> | <u>79,763</u> |

## NORDIC GROUP LIMITED

### 5. Other income and gains and (other losses)

|   | <u>1H2023</u> | <u>Group</u> | <u>1H2022</u> |
|---|---------------|--------------|---------------|
|   | \$'000        |              | \$'000        |
| Reversal for impairment on other receivables – gain | –             |              | 11            |
| Foreign exchange adjustment (loss) / gains          | (197)         |              | 1,235         |
| Gain / (Loss) on disposal of plant and equipment    | 9             |              | (49)          |
| Government grant                                    | 416           |              | 494           |
| Interest income                                     | 390           |              | 27            |
| Reversal of inventories written down                | –             |              | 24            |
| Other income  | 231           |              | 212           |
| Net   | <u>849</u>    |              | <u>1,954</u>  |
| Presented in profit or loss as:                     |               |              |               |
| Other income and gains                              | 1,046         |              | 2,003         |
| Other losses  | (197)         |              | (49)          |
| Net   | <u>849</u>    |              | <u>1,954</u>  |

### 6. Finance costs

|                               | <u>1H2023</u> | <u>Group</u> | <u>1H2022</u> |
|-------------------------------|---------------|--------------|---------------|
|                               | \$'000        |              | \$'000        |
| Interest expense              | 1,557         |              | 642           |
| Interest on lease liabilities | 80            |              | 83            |
| Total finance costs           | <u>1,637</u>  |              | <u>725</u>    |

### 7. Additional information on the condensed interim consolidated statement of profit or loss

|  | <u>1H2023</u> | <u>Group</u> | <u>1H2022</u> |
|--|---------------|--------------|---------------|
|  | \$'000        |              | \$'000        |
| Amortisation of intangible asset   | 238           |              | 1,300         |
| Depreciation of right-of-use asset   | 130           |              | 85            |
| Depreciation of property, plant and equipment                                | 1,916         |              | 2,006         |
| Job Support Scheme and Foreign Workers Levy Rebate included in cost of sales | –             |              | 1,447         |

## NORDIC GROUP LIMITED

### 8. Income tax expense

The group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

|                               | <u>Group</u>  |               |
|-------------------------------|---------------|---------------|
|                               | <u>1H2023</u> | <u>1H2022</u> |
|                               | \$'000        | \$'000        |
| <u>Current tax expense:</u>   |               |               |
| Current tax expense           | 1,143         | 1,510         |
| <u>Deferred tax income</u>    |               |               |
| Deferred tax income (expense) | 239           | (72)          |
| Total income tax expense      | <u>1,382</u>  | <u>1,438</u>  |

### 9. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no-par value:

|  | <u>Group</u>   |                |
|--|----------------|----------------|
|  | <u>1H2023</u>  | <u>1H2022</u>  |
|  | \$'000         | \$'000         |
| Numerators: earnings attributable to equity:           |                |                |
| Profit attributable to equity holders                  | <u>10,100</u>  | <u>11,616</u>  |
|  | '000           | '000           |
| Denominators: weighted average number of equity shares |                |                |
| Basic and diluted                                      | <u>399,736</u> | <u>387,954</u> |

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

Both basic and diluted earnings per share are the same as there are no diluted ordinary share equivalents outstanding during the reporting years.

### 10. Dividends on equity shares

|   | <u>Group and Company</u> |               |               |               |
|---|--------------------------|---------------|---------------|---------------|
|   | <u>Rate per share</u>    |               |               |               |
|   | <u>1H2023</u>            | <u>1H2022</u> | <u>1H2023</u> | <u>1H2022</u> |
|   | cents                    | cents         | \$'000        | \$'000        |
| Final tax exempt (one-tier) dividend paid   | 0.906                    | 0.608         | 3,622         | 2,359         |
| Special tax exempt (one-tier) dividend paid | –                        | 0.152         | –             | 590           |
| Total dividends paid in the year            | <u>0.906</u>             | <u>0.760</u>  | <u>3,622</u>  | <u>2,949</u>  |

### 11. Property, plant and equipment

During the half year ended 30 June 2023, the group acquired assets amounting to \$331,000 (30 June 2022: \$323,000) and disposed of assets with net book value amounting to \$28,000 (30 June 2022: \$51,000).

## NORDIC GROUP LIMITED

### 12. Goodwill

|                                 | <u>Group</u>      |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                                 | \$'000            | \$'000            |
| Cost:                           |                   |                   |
| At beginning of the period/year | 40,421            | 29,552            |
| Acquisition of subsidiaries     | –                 | 10,869            |
| At end of the period/year       | <u>40,421</u>     | <u>40,421</u>     |

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment by each subsidiary as follows:

|   | <u>Group</u>      |                   |
|---|-------------------|-------------------|
|   | <u>30/06/2023</u> | <u>31/12/2022</u> |
|   | \$'000            | \$'000            |
| <u>Name of subsidiary:</u>                                |                   |                   |
| Multiheight Scaffolding Pte Ltd                           | 12,292            | 12,292            |
| Austin Energy (Asia) Pte Ltd                              | 10,159            | 10,159            |
| Ensure Engineering Pte Ltd                                | 7,101             | 7,101             |
| Starburst Holdings Limited and its subsidiaries (Note 24) | <u>10,869</u>     | <u>10,869</u>     |
| Net book value at end of the period/year                  | <u>40,421</u>     | <u>40,421</u>     |

During the financial period ended 30 June 2022, the group acquired Starburst Holdings Limited, and its wholly owned subsidiaries, Starburst Engineering Pte Ltd, Starburst Risk Consulting Pte. Ltd., and Starburst Engineering Sdn. Bhd. As a result of the acquisition, a goodwill of \$10.9 million was recognised during the financial period. Detail of the acquisition of subsidiaries is disclosed in Note 25.

The goodwill was tested for impairment at the end of the reporting year 31 December 2022. No impairment allowance was required because the carrying amounts of all cash-generating units were lower than their estimated recoverable amounts. The recoverable amounts of cash-generating units have been measured based on the value in use method. The value in use was measured by management. The value in use is a recurring fair value measurement (Level 3).

The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating unit ("CGU") are consistent with those used for the measurement last performed and are as follows:

|  | <u>Group</u>      |
|--|-------------------|
|  | <u>31/12/2022</u> |
|  | \$'000            |
| <u>Valuation technique and Unobservable inputs</u>   |                   |
| <u>Discounted cash flow method:</u>  |                   |
| 1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.       |                   |
| Multiheight Scaffolding Pte Ltd  | 13%               |
| Austin Energy (Asia) Pte Ltd   | 13%               |
| Ensure Engineering Pte Ltd   | 13%               |
| Starburst Holdings Limited and subsidiaries  | 13%               |
| 2. Cash flow forecasts derived from the most recent financial budgets and plans approved by management.                          | 5 years           |
| 3. Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets. | 1.4%              |

## NORDIC GROUP LIMITED

### 12. Goodwill (cont'd)

Actual outcomes could vary from these estimates. If the revised estimated revenue had been 10% less favourable than management's estimates, if the revised estimated gross margin had been 10% less favourable than management's estimates or if the revised estimated pre-tax discount rate applied to the discounted cash flows had been 1 percent point higher than management's estimates, there would still not be a need to impair the carrying amount of goodwill.

Management's calculation of value in use took into account projects on hand and the effect of the projects that were delayed due to Covid-19.

### 13. Intangible assets

| <u>Group</u>                                       | <u>Customer<br/>relationship</u><br>\$'000 | <u>Order<br/>backlog</u><br>\$'000 | <u>Total</u><br>\$'000 |
|--|--|------------------------------------|------------------------|
| <u>Cost:</u>                                       |  |                                    |                        |
| At 1 January 2022                                  | –  | 720                                | 720                    |
| Arising from acquisition of subsidiaries (Note 25) | 1,164                                      | 5,319                              | 6,483                  |
| At 31 December 2022                                | 1,164                                      | 6,039                              | 7,203                  |
| Written off  | –  | (1,059)                            | (1,059)                |
| At 30 June 2023                                    | 1,164                                      | 4,980                              | 6,144                  |
| <u>Accumulated amortisation:</u>                   |  |                                    |                        |
| At 31 January 2022                                 | –  | 665                                | 665                    |
| Amortisation for the year                          | 166  | 2,885                              | 3,051                  |
| At 31 December 2022                                | 166  | 3,550                              | 3,716                  |
| Amortisation for the period                        | 83   | 155                                | 238                    |
| Written off  | –  | (1,059)                            | (1,059)                |
| At 30 June 2023                                    | 249  | 2,646                              | 2,895                  |
| <u>Carrying value:</u>                             |  |                                    |                        |
| At 1 January 2022                                  | –  | 55                                 | 55                     |
| At 31 December 2022                                | 998  | 2,489                              | 3,487                  |
| At 30 June 2023                                    | 915  | 2,334                              | 3,249                  |

The amortisation is charged to administrative expenses.

### 14. Trade and other receivables

|                                   | <u>Group</u>                |                             | <u>Company</u>              |                             |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                   | <u>30/06/2023</u><br>\$'000 | <u>31/12/2022</u><br>\$'000 | <u>30/06/2023</u><br>\$'000 | <u>31/12/2022</u><br>\$'000 |
| <u>Trade receivables:</u>         |                             |                             |                             |                             |
| Outside parties                   | 32,742                      | 34,872                      | –                           | –                           |
| Less allowance for impairment     | (126)                       | (130)                       | –                           | –                           |
| Subsidiaries                      | –                           | –                           | 25,589                      | 18,652                      |
| Retention receivables             | 4,487                       | 4,647                       | –                           | –                           |
| Total trade and other receivables | 37,103                      | 39,389                      | 25,589                      | 18,652                      |



## NORDIC GROUP LIMITED

### 14. Trade and other receivables (cont'd)

|   | <u>Group</u>      |                   | <u>Company</u>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|   | \$'000            | \$'000            | \$'000            | \$'000            |
| Movements in above allowance on trade receivables:                        |                   |                   |                   |                   |
| At beginning of the period/year   | 130               | 195               | –                 | –                 |
| Charge for trade receivables to profit or loss included in other losses   | –                 | 1                 | –                 | –                 |
| Utilisation   | (4)               | (66)              | –                 | –                 |
| At end of the period/year   | <u>126</u>        | <u>130</u>        | <u>–</u>          | <u>–</u>          |
| Movements in above allowance on other receivables:                        |                   |                   |                   |                   |
| At beginning of the period/year   | –                 | 7                 | –                 | –                 |
| Reversal for other receivables to profit or loss included in other losses | –                 | (7)               | –                 | –                 |
| At end of the period/year   | <u>–</u>          | <u>–</u>          | <u>–</u>          | <u>–</u>          |

The expected credit losses (ECL) on the above trade receivables are based on the simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

There are no collateral held as security and other credit enhancements for the trade receivables. As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2022: 30 to 90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers as at the end of reporting period/year:

|                 | <u>Group</u>      |                   |
|-----------------|-------------------|-------------------|
|                 | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                 | \$'000            | \$'000            |
| Top 1 customer  | 2,314             | 3,081             |
| Top 2 customers | 4,381             | 5,100             |
| Top 3 customers | <u>6,165</u>      | <u>7,068</u>      |

### 15. Other assets

|                             | <u>Group</u>      |                   | <u>Company</u>    |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
|                             | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                             | \$'000            | \$'000            | \$'000            | \$'000            |
| Contract assets             | 19,812            | 9,957             | –                 | –                 |
| Unbilled revenue            | 15,113            | 7,843             | 1,559             | 628               |
| Prepayments                 | 601               | 989               | 61                | 53                |
| Advances to suppliers       | 2,480             | 2,469             | –                 | –                 |
| Deposits to secure services | 1,960             | 3,081             | 12                | 4                 |
|                             | <u>39,966</u>     | <u>24,339</u>     | <u>1,632</u>      | <u>685</u>        |

## NORDIC GROUP LIMITED

### 16. Share capital

|   | Number of<br>shares<br><u>issued</u><br>'000 | Share<br><u>capital</u><br>\$'000 | Treasury<br><u>shares</u><br>\$'000 | <u>Total</u><br>\$'000 |
|---|--|-----------------------------------|-------------------------------------|------------------------|
| Current period:   |  |                                   |                                     |                        |
| <u>Group and Company</u>                                  |  |                                   |                                     |                        |
| Ordinary shares of no par value:                          |  |                                   |                                     |                        |
| Opening balance at 1 January 2023                         | 399,736                                      | 24,864                            | (112)                               | 24,752                 |
| Treasury shares purchased (a)                             | –  | –                                 | –                                   | –                      |
| At end of the period 30 June 2023                         | <u>399,736</u>                               | <u>24,864</u>                     | <u>(112)</u>                        | <u>24,752</u>          |
| Previous period:  |  |                                   |                                     |                        |
| <u>Group and Company</u>                                  |  |                                   |                                     |                        |
| Ordinary shares of no par value:                          |  |                                   |                                     |                        |
| Opening balance at 1 January 2022                         | 388,000                                      | 22,439                            | (2,614)                             | 19,825                 |
| Treasury shares purchased (a)                             | (264)  | –                                 | (112)                               | (112)                  |
| Treasury shares sold                                      | 12,000                                       | 2,425                             | 2,614                               | 5,039                  |
| At end of the period 31 December 2022<br>and 30 June 2023 | <u>399,736</u>                               | <u>24,864</u>                     | <u>(112)</u>                        | <u>24,752</u>          |

Pursuant to the share purchase mandate approved at the extraordinary general meeting on 29 April 2015 and renewed at the annual general meeting on 24 April 2023, and during the reporting period 2023, the company acquired nil ordinary shares (2022: 263,900 ordinary shares) on the Singapore Stock Exchange and held them as treasury shares. The total number of treasury shares as at 30 June 2023 is 263,900, representing 0.07% of the total number of issued shares (30 June 2022: 12,263,900, 3.07%). There was no sale, transfer, disposal, cancellation and/or use of treasury shares during the half year ended 30 June 2023.

On 8 July 2022, the company sold 12,000,000 treasury shares at the price of \$0.42 for each share to Edward Lim Chin Wah and Yap Tin Foo for an aggregate consideration of \$5,039,000. They were the Chairman and Executive Director and Managing and Executive Director of Starburst Holdings Limited (Note 25) respectively prior to Nordic's acquisition.

There were no outstanding convertibles issued by the Company and no subsidiary holdings as at 30 June 2023 and 30 June 2022.

### 17. Other reserves

|   | <u>Group</u>      |                   |
|---|-------------------|-------------------|
|   | <u>30/06/2023</u> | <u>31/12/2022</u> |
|   | \$'000            | \$'000            |
| Foreign currency translation reserve (Note 17A) | (1,504)           | (559)             |
| Statutory reserve (Note 17B)                    | 878               | 878               |
| Total at the end of the period/year             | <u>(626)</u>      | <u>319</u>        |

### 17A. Foreign currency translation reserve

|  | <u>Group</u>      |                   |
|--|-------------------|-------------------|
|  | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            |
| At beginning of the period/year                        | (559)             | 581               |
| Exchange differences on translating foreign operations | (945)             | (1,140)           |
| At end of the period/year                              | <u>(1,504)</u>    | <u>(559)</u>      |

The currency translation reserve accumulates all foreign exchange differences.

## NORDIC GROUP LIMITED

### 17. Other reserves (cont'd)

#### 17B. Statutory reserve

|                                    | Group             |                   |
|------------------------------------|-------------------|-------------------|
|                                    | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                                    | \$'000            | \$'000            |
| At beginning of the period/year    | 878               | 235               |
| Transferred from retained earnings | –                 | 542               |
| Foreign exchange adjustments       | –                 | 101               |
| At end of the period/year          | <u>878</u>        | <u>878</u>        |

The subsidiaries in the People's Republic of China are required by local regulation to appropriate 10% of the profits each year to a non-distributable statutory reserve. Contribution to this reserve is no longer mandatory when the reserve reaches 50% of the registered share capital. The use of the funds in the non-distributable statutory reserve is subject to approval by the relevant authorities in the People's Republic of China.

### 18. Net asset value per share

The following table illustrates the numerators and denominators used to calculate net asset value per share of no par value:

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            | \$'000            | \$'000            |
| Numerators: net asset value  | <u>115,549</u>    | <u>110,016</u>    | <u>29,870</u>     | <u>33,652</u>     |
|  | '000              | '000              | '000              | '000              |
| Denominators: number of ordinary equity shares (excluding treasury shares) | 399,736           | 399,736           | 399,736           | 399,736           |
| Net asset value per share (cents)  | <u>28.9</u>       | <u>27.5</u>       | <u>7.5</u>        | <u>8.4</u>        |

### 19. Provisions

|                 | Group             |                   |
|-----------------|-------------------|-------------------|
|                 | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                 | \$'000            | \$'000            |
| <u>Current:</u> |                   |                   |
| Warranties      | <u>1,107</u>      | <u>1,232</u>      |

Certain products are covered by product warranty plans of varying periods. If the customer has the option to purchase a warranty separately or is negotiated separately, the warranty is accounted as a performance obligation and a portion of the transaction price is allocated to that performance obligation and recognised as revenue over the period the warranty services are provided. The warranty obligations are affected by actual product failure rates and by material usage and service delivery costs incurred in correcting a product failure.

## NORDIC GROUP LIMITED

### 20. Loans and borrowings

|  | <u>Group</u>      |                   | <u>Company</u>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            | \$'000            | \$'000            |
| <u>Non-current:</u>  |                   |                   |                   |                   |
| <u>Financial instruments with floating interest rates:</u> |                   |                   |                   |                   |
| Bank loans (Note 20A)                                      | 5,488             | 7,137             | 2,988             | 3,803             |
| <u>Financial instruments with fixed interest rates</u>     |                   |                   |                   |                   |
| Bank loan (secured) Note 20A)                              | –                 | 9,644             | –                 | –                 |
| Total non-current portion                                  | <u>5,488</u>      | <u>16,781</u>     | <u>2,988</u>      | <u>3,803</u>      |
| <u>Current:</u>  |                   |                   |                   |                   |
| <u>Financial instruments with floating interest rates:</u> |                   |                   |                   |                   |
| Bank loans (secured) (Note 20A)                            | 37,000            | 15,600            | 10,200            | 6,600             |
| Bank loans (Note 20B)                                      | 31,773            | 35,823            | 6,656             | 1,656             |
| Invoice financing (Note 20B)                               | 7,655             | 3,191             | –                 | –                 |
| <u>Financial instruments with fixed interest rates:</u>    |                   |                   |                   |                   |
| Bank loans (secured) (Note 20A)                            | –                 | 712               | –                 | –                 |
| Total current portion                                      | <u>76,428</u>     | <u>55,326</u>     | <u>16,856</u>     | <u>8,256</u>      |
| Total non-current and current                              | <u>81,916</u>     | <u>72,107</u>     | <u>19,844</u>     | <u>12,059</u>     |
| <u>Presented as:</u>                                       |                   |                   |                   |                   |
| Secured  | 37,000            | 25,956            | 10,200            | 6,600             |
| Unsecured  | 44,916            | 46,151            | 9,644             | 5,459             |
| Total loans and borrowings                                 | <u>81,916</u>     | <u>72,107</u>     | <u>19,844</u>     | <u>12,059</u>     |

The non-current portion is repayable as follows:

|                          | <u>Group</u>      |                   | <u>Company</u>    |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
|                          | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                          | \$'000            | \$'000            | \$'000            | \$'000            |
| Due within 2 to 5 years  | 5,488             | 10,131            | 2,988             | 3,803             |
| Due in more than 5 years | <u>–</u>          | <u>6,650</u>      | <u>–</u>          | <u>–</u>          |

The range of floating interest rates paid was as follows:

|                                  | <u>Group</u>          |                        | <u>Company</u>        |                        |
|----------------------------------|-----------------------|------------------------|-----------------------|------------------------|
|                                  | <u>30/06/2023</u>     | <u>31/12/2022</u>      | <u>30/06/2023</u>     | <u>31/12/2022</u>      |
|                                  | %                     | %                      | %                     | %                      |
| Bank loans and invoice financing | 4.23 –<br><u>5.45</u> | 1.07 to<br><u>4.85</u> | 4.27 –<br><u>5.00</u> | 1.07 to<br><u>4.68</u> |

The range of fixed interest rates paid was as follows:

|            | <u>Group</u>      |                   | <u>Company</u>    |                   |
|------------|-------------------|-------------------|-------------------|-------------------|
|            | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|            | %                 | %                 | %                 | %                 |
| Bank loans | <u>–</u>          | <u>1.98</u>       | <u>–</u>          | <u>–</u>          |

## **NORDIC GROUP LIMITED**

### **20. Loans and borrowings (cont'd)**

#### **20A. Loans and borrowings (secured)**

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

1. Corporate guarantee from the company.
2. Legal mortgage over leasehold properties.
3. Subject to certain financial covenants.
4. The bank loans comprise:
  - a. Short term borrowings with an average maturity period of 1 to 3 months and are settled at the end of maturity period.
  - b. Loan repayable in 16 semi-annual instalments of \$1,000,000 from June 2017. This loan was fully repaid in 2022.
  - c. Loan repayable in 30 quarterly instalments of \$200,000 from June 2018. Although the loan is for a period of 7.5 years from June 2018, it has been classified as "current" because the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period/year.
  - d. Loan repayable over 2 years from September 2020 with quarterly instalments of \$633,467. The weighted average interest rate is 1.35% per annum. The loan has been fully repaid in June 2022.
  - e. Loan repayable on demand. Loan is subject to 28 quarterly reductions of \$350,000 each or by any such reductions as may be specified or fixed by the bank from time to time until the limit is reduced to \$4 million and secured by a subsidiary's leasehold property. This loan was renegotiated and arose from the acquisition of Starburst Holdings Limited and its subsidiaries and was secured by a leasehold property, legal assignment of proceeds from certain projects, charge on cash in current account, fixed deposit of not less than \$2.1 million and a first legal assignment of all the rights, title, interest and benefits under and arising out of the life insurance policies taken out on the lives of certain ex-employees of the company and a corporate guarantee from a subsidiary. Loan was previously repayable over 240 months from May 2015 with monthly instalment of approximately \$62,500 with a fixed interest rate.

#### **20B. Bank loans and invoice financing**

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:

1. Corporate guarantee from the company.
2. Subject to certain financial covenants.
3. Short term borrowings (invoice financing and money market loans) with an average maturity period of 1 to 3 months and are settled at the end of maturity period.
4. Loan repayable over 4 years from January 2022 with monthly instalment of about \$145,000.
5. Loan repayable over 36 months from January 2022 with monthly instalment of about \$138,888.

## NORDIC GROUP LIMITED

### 20. Loans and borrowings (cont'd)

#### 20C Bank facilities

|   | <u>Group</u>      |                   |
|---|-------------------|-------------------|
|   | <u>30/06/2023</u> | <u>31/12/2022</u> |
|   | \$'000            | \$'000            |
| Undrawn borrowings and trade lines                    | 63,759            | 59,584            |
| Undrawn foreign exchange lines and interest rate swap | <u>31,900</u>     | <u>34,100</u>     |
| Total undrawn borrowing facilities                    | <u>95,659</u>     | <u>93,684</u>     |

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

### 21. Trade and other payables

|  | <u>Group</u>      |                   | <u>Company</u>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            | \$'000            | \$'000            |
| Trade payables:  |                   |                   |                   |                   |
| Outside parties and accrued liabilities                    | 34,214            | 32,465            | 2,033             | 2,959             |
| Other payables:  |                   |                   |                   |                   |
| Outside parties – previous shareholders of Eratech Pte Ltd | –                 | 3,000             | –                 | –                 |
| Total trade and other payables                             | <u>34,214</u>     | <u>35,465</u>     | <u>2,033</u>      | <u>2,959</u>      |

### 22. Other non-financial liabilities

|                                       | <u>Group</u>      |                   |
|---------------------------------------|-------------------|-------------------|
|                                       | <u>30/06/2023</u> | <u>31/12/2022</u> |
|                                       | \$'000            | \$'000            |
| Deferred revenue                      | 1,052             | 803               |
| Advances from customers               | 4,880             | 5,764             |
| Contract liabilities                  | –                 | 1,340             |
| Total other non-financial liabilities | <u>5,932</u>      | <u>7,907</u>      |

### 23. Financial instruments

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting period/year:

|   | <u>Group</u>      |                   | <u>Company</u>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <u>30/06/2023</u> | <u>31/12/2022</u> | <u>30/06/2023</u> | <u>31/12/2022</u> |
|   | \$'000            | \$'000            | \$'000            | \$'000            |
| <u>Financial assets:</u>                |                   |                   |                   |                   |
| Financial assets at amortised cost      | <u>93,575</u>     | <u>95,304</u>     | <u>43,375</u>     | <u>41,154</u>     |
| <u>Financial liabilities:</u>           |                   |                   |                   |                   |
| Financial liabilities at amortised cost | <u>121,886</u>    | <u>113,448</u>    | <u>23,501</u>     | <u>16,661</u>     |

## NORDIC GROUP LIMITED

### 24. Commitments

|  | Company           |                   |
|--|-------------------|-------------------|
|  | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            |
| Corporate guarantee in favour of subsidiaries                    | <u>63,934</u>     | <u>61,848</u>     |
|  |                   |                   |
|  | Group             |                   |
|  | <u>30/06/2023</u> | <u>31/12/2022</u> |
|  | \$'000            | \$'000            |
| Total commitments on short-term leases at period / year end date | <u>2,759</u>      | <u>500</u>        |

### 25. Acquisition of subsidiaries

#### (a) Acquisition of subsidiaries

On 7 January 2022, the group made a voluntary general acquisition offer to acquire all the issued and paid-up ordinary shares of Starburst Holdings Limited (“Starburst”) at a consideration of S\$0.238 for each share. On 24 January 2022, the group received valid acceptances in respect of 173,061,556 shares, constituting 69.70% of the total number of issued shares (excluding treasury shares) of Starburst, and the offer was declared unconditional in all respects. As such, the group obtained controlling interest in Starburst through a wholly owned subsidiary, Nordic Flow Control Pte Ltd on 24 January 2022 and subsequent acceptances were treated as acquisition of non-controlling interests without a change in control (Note 25(b)).

On 25 August 2022 the group acquired 100% of the issued share capital of Eratech Pte Ltd (“Eratech”) and from that date the group gained control. It became a subsidiary.

The above transactions were accounted for by the acquisition method of accounting.

The fair values of identifiable assets acquired and liabilities assumed are set out below. An external valuer was engaged to assist in the purchase price allocation (“PPA”) for the Starburst acquisition and the PPA for the Eratech acquisition was performed by management. Both PPA exercises have been finalised as at the date of this report.

## NORDIC GROUP LIMITED

### 25. Acquisition of subsidiaries (cont'd)

|  | Pre-acquisition<br>book value<br>under SFRS(I)<br>\$'000 | At<br>fair value<br>\$'000 |
|--|--|----------------------------|
| <u>2022: Starburst Group and Eratech Pte Ltd</u> |  |                            |
| Intangible assets – customer relationship        | –  | 1,164                      |
| Intangible assets – order backlog                | –  | 5,319                      |
| Property, plant and equipment                    | 22,178   | 21,666                     |
| Right-of-use asset                               | 2,544  | 2,544                      |
| Inventories                                      | 1,843  | 1,843                      |
| Trade and other receivables                      | 4,600  | 4,600                      |
| Other assets                                     | 4,063  | 4,063                      |
| Contract asset                                   | 19,737   | 19,737                     |
| Cash and cash equivalents (unrestricted)         | 10,984   | 10,984                     |
| Cash pledged for bank facilities (restricted)    | 2,881  | 2,881                      |
| Trade and other payables                         | (5,847)  | (5,847)                    |
| Lease liabilities                                | (2,691)  | (2,691)                    |
| Loans and borrowings                             | (11,377)   | (11,377)                   |
| Income tax payable                               | (267)  | (267)                      |
| Net assets                                       | <u>48,648</u>  | <u>54,619</u>              |

The goodwill arising on acquisition is as follows:

|  |                 |
|--|-----------------|
| Consideration transferred                      | 51,188          |
| Non-controlling interest at fair value         | 13,180          |
| Fair value of identifiable net assets acquired | <u>(54,619)</u> |
| Goodwill arising on acquisition                | <u>9,749</u>    |
| Goodwill (Note 15)                             | 10,869          |
| Negative goodwill (Note 6)                     | <u>(1,120)</u>  |
|  | <u>9,749</u>    |

The contributions from the acquired subsidiaries for the period between the date of acquisition and the end of the reporting year were as follows:

|                          | From date of<br>acquisition in<br><u>2022</u><br>\$'000 | For the<br>reporting year<br><u>2022</u><br>\$'000 |
|--------------------------|---|--|
| Revenue                  | 31,836  | 38,594   |
| Profit before income tax | <u>9,094</u>  | <u>10,423</u>                                      |

#### (b) Acquisition of additional interest in subsidiaries

On 20 April 2022, the group had received acceptances in respect of an aggregate of 248,300,050 shares at S\$0.238 for each share, constituting 100% of the total number of issued shares (excluding treasury shares) of Starburst for an aggregate cash consideration of \$59.1 million.

The consideration paid for the acquisition of additional interest of 30.3% in Starburst amounted to \$17.9 million and the fair value of the non-controlling interests in Starburst was approximately \$13.4 million.

As a result of the acquisition of additional interest, the group derecognised non-controlling interests of \$13.4 million (including non-controlling interest share of profits of \$0.2 million) and recorded a decrease in equity attributable to owner of the parent of \$4.6 million. The effect of changes in changes in equity during the financial period is summarised as follows:



## NORDIC GROUP LIMITED

### 25. Acquisition of subsidiaries (cont'd)

|  | \$'000              |
|--|---------------------|
| Non-controlling interest at fair value                     | 13,180              |
| Consideration paid to non-controlling interest             | (17,946)            |
| Non-controlling interest share of profits                  | <u>180</u>          |
| Excess of consideration paid recognised in parent's equity | <u><u>4,586</u></u> |

The group incurred acquisition related costs of approximately \$245,000 relating to external legal fees and compliance costs and these have been charged to administrative expenses.

#### (c) Effect of cash flows of the group

|   | \$'000               |
|---|----------------------|
| Fair value of purchase consideration                                    | 51,188               |
| Amount payable to vendor (Note 21)                                      | (3,000)              |
| Less: cash and cash equivalents (unrestricted) in subsidiaries acquired | <u>(10,984)</u>      |
| Net cash outflow on acquisition   | <u><u>37,204</u></u> |
| Acquisition of non-controlling interest                                 | <u><u>17,946</u></u> |

### 26. Subsequent events

There is no significant subsequent event for the reporting period.

**NORDIC GROUP LIMITED**

**NORDIC GROUP LIMITED**

**Other Information Required by Listing Rule Appendix 7.2**

## NORDIC GROUP LIMITED

### OTHER INFORMATION

#### 1. Review

The condensed interim consolidated financial statements for period ended 30 June 2023 and certain explanatory notes have not been audited or reviewed.

#### 2. Review of performance of the group

##### **Review of performance for half-year ended 30 June 2023 (“1H2023”)**

##### **Revenue**

The group's revenue increased by approximately \$9.6 million or 12%, from approximately \$79.8 million in 1H2022 to approximately \$89.4 million in 1H2023. This increase was attributable to higher revenue from Project and Maintenance Services.

| <b>Business segment</b> | <b>1H2023</b> | <b>1H2022</b> | <b>Change</b> | <b>Change</b> |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>%</b>      |
| Project services        | 55,700        | 50,896        | 4,804         | 9             |
| Maintenance services    | 33,713        | 28,867        | 4,846         | 17            |
| <b>Total</b>            | <b>89,413</b> | <b>79,763</b> | <b>9,650</b>  | <b>12</b>     |

##### **Gross profit and gross profit margin**

Gross profit for 1H2023 decreased by approximately \$1.0 million or 4% from \$23.0 million in 1H2022 to approximately \$22.1 million in 1H2023. Gross profit margin decreased from 29% in 1H2022 to approximately 25% in 1H2023. The decrease in gross profit margin is mainly due to increase in costs such as foreign worker levy and dormitories.

##### **Other income and gains**

Other income and gains decreased approximately \$1.0 million or 48% from approximately \$2.0 million in 1H2022 to \$1.0 million in 1H2023 mainly due to unrealised foreign exchange adjustment gain in 1H2022 of \$1.2m as compared to unrealised foreign exchange loss of \$0.2 million in 1H2023. This was due to weakening of Malaysia Ringgit (RM) and Chinese Reminbi (RMB) against Singapore Dollars (SGD).

##### **Distribution costs**

Distribution costs increased approximately \$0.4 million or 54% from \$0.8 million in 1H2022 to approximately \$1.2 million in 1H2023 mainly due to higher contribution from Starburst Group.

##### **Administrative expenses**

Administrative expenses decreased approximately \$1.8 million or 17% from \$10.5 million in 1H2022 to approximately \$8.6 million in 1H2023 mainly due to lower amortisation expense of intangibles.

##### **Finance costs**

Interest expenses increased \$0.9 million or 126% from \$0.7 million in 1H2022 to approximately \$1.6 million in 1H2023 mainly due to higher interest rates during the period under review.

##### **Other losses**

Other losses of approximately \$0.2 million for 1H2023 comprised foreign exchange loss due to weakening of RM and RMB against SGD while \$49,000 for 1H2022 was for loss on disposal of plant and equipment.

##### **Income tax expenses**

Effective income tax rates were at approximately 12% for 1H2023 and 11% for 1H2022. The effective tax rate is lower than the statutory rate of 17% mainly due to the utilization of merger & acquisition allowance, unutilised capital allowances and tax losses carried forward.

## NORDIC GROUP LIMITED

### 2. Review of performance of the group (cont'd)

#### **Statement of Financial Position Review (as at 30 June 2023 compared to 30 December 2022)**

##### **Non-current assets**

Non-current asset decreased by approximately \$2.6 million or 3% from approximately \$98.7 million as at 31 December 2022 to approximately \$96.1 million as at 30 June 2023. The decrease was mainly attributable to the depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets.

##### **Current assets**

Current asset increased approximately \$14.6 million or 11% from approximately \$139.1 million as at 31 December 2022 to \$153.7 million as at 30 June 2023. This increase was mainly attributable to higher inventories of \$20.2 million (2022: \$19.4 million), higher other assets comprising unbilled revenue of \$15.1 million (2022:\$7.8 million), contract assets of \$19.8 million (2022:\$10.0 million), and higher cash and cash equivalents of \$56.5 million (2022:\$55.9 million). These increases were mainly due to higher revenue. These increases were offset by a decrease in trade and other receivables with collections from customers and lower deposits to secure services.

##### **Equity**

Our capital and reserves increased approximately \$5.5 million or 5% as at 31 December 2022. The increase was mainly due to retention of net profit from 1H2023 of approximately \$10.1 million. This was offset by dividend payment of \$3.6 million.

##### **Non-current liabilities**

Non-current liabilities decreased by approximately \$11.5 million or 45% from approximately \$25.3 million as at 31 December 2022 to approximately \$13.8 million as at 30 June 2023. The decrease was mainly due to the change of the term loan to a loan repayable on demand as described in note 20A(e) above.

##### **Current liabilities**

Current liabilities increased approximately \$18.0 million or 18%, from approximately \$102.5 million as at 31 December 2022 to \$120.5 million as at 30 June 2023. The increase was mainly due to the higher loans and borrowings due to the change of the term loan to a loan repayable on demand as described in note 20A(e) above. This increase was offset by lower other non-financial liabilities of \$2.0 million and trade payable of \$1.3 million.

#### **Statement of Cash Flows Review**

##### **1H2023**

In 1H2023, operating cash flows before changes in working capital was approximately \$14.9 million. Working capital changes cash outflow was approximately \$17.4 million. This was mainly due to increase in other assets with higher contract asset and unbilled revenue. These increases were in line with the increase in revenue and milestone billings for projects were slower than project progress as of 30 June 2023. Decrease in trade and other payables and other non-financial liabilities were offset by a decrease in trade and other receivable due to collections from customers. Operating cash flow used in operations was \$3.3 million after income tax payments of approximately \$0.9 million.

Net cash of approximately \$84,000 from investing activities was mainly from interest received offset by purchase of property, plant and equipment.

Net cash of approximately \$4.4 million was from financing activities. This was mainly due to more loans and borrowings of approximately \$9.8 million offset by dividend payment of approximately \$3.6 million, repayment of lease liabilities of \$0.2 million and interest repayment of approximately \$1.6 million.

## NORDIC GROUP LIMITED

### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no variance between the prospect statement previously announced and the actual results of the current financial reporting period.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next operating period and the next 12 months

Our group has outstanding orders amounting to approximately \$202.4 million comprising \$53.1 million from Projects Services segment and \$149.3 million from Maintenance Services segment as at 30 June 2023.

Certain maintenance contracts are based on unit rates and do not have a contract value upfront. These contract values are estimated based on historical revenue trends and included in our order book reporting. The deliveries for these orders will spread mainly within the next 36 months. These confirmed orders are however, subject to possible cancellation, deferral, rescheduling or variations by customers.

The group has undertaken a strategic approach to acquire more maintenance services. This strengthens Nordic's business fundamentals with more stable recurring maintenance income of about 40% yearly. The existing maintenance contracts and new projects from acquisitions support its compounded growth and mitigate cyclical risks going forward.

The high interest rates, geopolitical tensions and inflationary pressures globally and higher labour and labour related costs such as dormitories and levies posed some near-term headwinds to the group's operations. However, the group remains positive over the long-term prospects in the marine, offshore oil and gas industries, petrochemical sectors, pharmaceutical, infrastructure and semiconductor and security services sectors.

The group is optimistic with the contract wins secured to date, the prudent cost and risk management initiatives undertaken and opportunities for further M&A. The group will continue to deliver greater value to shareholders in the long run.

## 5. Dividends

In appreciation of the continual support and faith of the group's shareholders, along with the group's improved profitability and strong cashflow, the Board of Directors has declared an interim dividend of 1.001 cents per ordinary share.

The interim dividends will be paid on 4 September 2023.

(i) 30 June 2023

| Name of Dividend | Dividend type | Dividend per ordinary shares | Tax rate              | Date payable     | Record date    |
|------------------|---------------|------------------------------|-----------------------|------------------|----------------|
| Interim          | Cash          | 1.001 cents                  | Tax exempt (One tier) | 4 September 2023 | 21 August 2023 |

Duly completed registrable transfers received by Company's Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte Ltd), at 80 Robinson Road, #02-00 Singapore 068898 up to 5.00 pm on 21 August 2023 will be registered to determine shareholders' entitlement to the dividend.

## NORDIC GROUP LIMITED

### 5. Dividends (cont'd)

(ii) 30 June 2022

| Name of Dividend | Dividend type | Dividend per ordinary shares | Tax rate              |
|------------------|---------------|------------------------------|-----------------------|
| Interim          | Cash          | 1.162 cents                  | Tax exempt (One tier) |

(iii) Breakdown of the total interim dividend (in dollar value)

|  |               |               |
|--|---------------|---------------|
|  | <u>1H2023</u> | <u>1H2022</u> |
|  | \$'000        | \$'000        |
| Interim dividend of 1.001 (2022:1.162) cents per share | 4,001 *       | 4,645         |
| Total interim dividend                                 | <u>4,001</u>  | <u>4,645</u>  |

\*Based on 399,736,000 ordinary shares being total issued share capital excluding treasury shares as at 30 June 2023

### 6. Interested person transactions

The company has not obtained a general mandate from shareholders for interested person transactions. The company did not have any interested person transactions during the period under review (excluding transactions less than \$100,000).

### 7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

### 8. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors ("the Board") hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board which may render the condensed interim consolidated financial statements for the financial period ended 30 June 2023 to be false or misleading in any material aspect.

### 9. Disclosure of acquisitions and realisations pursuant to Rule 706A

Nil

### By Order Of The Board

Chang Yeh Hong  
Executive Chairman  
7 August 2023