



**NORDIC**  
Group Limited

**NORDIC GROUP LIMITED**

(Company Registration Number: 201007399N)

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**SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ERATECH PTE. LTD.**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Nordic Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 24 May 2022 (the “**Announcement**”) relating to the entry by the Company’s wholly-owned subsidiary, Avitools Singapore Pte. Ltd. into a non-binding term sheet to acquire the entire issued and paid-up share capital of Eratech Pte. Ltd. Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the meanings ascribed thereto in the Announcement.

Further to the Announcement, the Purchaser has on 25 August 2022 entered into a sale and purchase agreement (the “**Agreement**”) with the Vendors for the Proposed Acquisition and the Proposed Acquisition has been completed on the same day.

Please refer to the Announcement for information on Eratech and the rationale for the Proposed Acquisition.

**2. PRINCIPAL TERMS OF THE AGREEMENT**

**2.1 Consideration**

The agreed Consideration for the Proposed Acquisition is S\$10.0 million, payable as follows:

- (a) S\$7.0 million, payable in cash on Completion; and
- (b) S\$3.0 million, payable in cash within 6 months from the Completion Date.

Based on the unaudited financial statements of Eratech for FY2021, the net asset value of Eratech as at 31 December 2021 was approximately S\$8.3 million.

The Consideration was negotiated between the Purchaser and the Vendors, taking into consideration the net tangible assets and earnings of Eratech and the following conditions, amongst others:

- (a) the net tangible assets of Eratech as at the Completion Date shall not be less than S\$8.3 million;
- (b) Eratech shall have cash and cash equivalents of not less than S\$4.3 million as at the Completion Date; and
- (c) Eratech shall retain sufficient working capital of at least S\$4.0 million as at the Completion Date to operate its business, including but not limited to the payment of salaries, rental charges and all other operating expenses of the business, without further cash injection from the Purchaser.

There was no independent valuation conducted for the Proposed Acquisition.

The Consideration is financed through a combination of internally generated funds and bank borrowings.

## 2.2 Conditions Precedent

The Completion is conditional upon, amongst others, the following conditions having been fulfilled (or waived in writing):

- (a) there being no material breach of any of the Warranties (as defined in the Agreement) and the Warranties being true and not misleading in any material respect;
- (b) each of the parties to the Agreement having performed all of the covenants and agreements required to be performed or caused to be performed by it under the Agreement on or before the Completion Date; and
- (c) all necessary governmental, regulatory and third party (if any) consents, approvals, clearances, releases and waivers in respect of the transactions contemplated in the Agreement having been obtained.

## 2.3 Completion

The Completion of the Proposed Acquisition has taken place on the date of signing of the Agreement. Pursuant to the Completion, Eratech has become a wholly-owned subsidiary of the Group.

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

Based on the latest announced consolidated financial statements of the Group for the six months ended 30 June 2022 (“1H2022”), the relative figures relating to the Proposed Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A.
(b) Net profits attributable to the assets acquired, compared with the Group's net profits	
Profit before income tax, minority interests and extraordinary items of Eratech for 1H2022 <sup>(1)</sup> (S\$'000)	1,780
Profit before income tax, minority interests and extraordinary items attributable to the owners of the parent of the Group for 1H2022 (S\$'000)	11,553
Size of relative figure	15.4%
(c) Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
Value of the Consideration given (S\$' million)	10.0

The Company's market capitalisation as at 24 August 2022, being the market day immediately preceding the date of the Agreement on which shares were traded (S\$ million) <sup>(2)</sup>	182.6
Size of relative figure	5.5%
(d) Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	N.A.
(e) Aggregate volume of amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	N.A.

**Notes:**

- (1) Based on the unaudited management accounts of Eratech for 1H2022.  
(2) Based on the weighted average price of S\$0.4567 per share and 399,736,100 issued shares (excluding treasury shares).

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

#### **4. FINANCIAL EFFECTS**

Based on the audited financial statements of the Group for FY2021:

- (a) assuming that the Proposed Acquisition had been effected at the end of FY2021, the net tangible assets per share of the Group as at 31 December 2021 would have been the same at 17.5 cents; and  
(b) assuming that the Proposed Acquisition had been effected at the beginning of FY2021, the earnings per share of the Group for FY2021 would have been 4.4 cents instead of 3.6 cents.

The above pro forma financial effects presented are theoretical in nature and only for illustration purposes. They do not represent the actual financial position and/or results of the Group.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

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

**6. DOCUMENTS FOR INSPECTION**

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 2 Tuas Avenue 10 Singapore 639126 for a period of three months from the date of this announcement.

**BY ORDER OF THE BOARD**

**CHANG YEH HONG  
EXECUTIVE CHAIRMAN  
25 AUGUST 2022**