NORDIC GROUP LIMITED
(Company Registration Number: 201007399N)

ACQUISITION OF PROPERTY – 2 TUAS AVENUE 10 SINGAPORE 639126

1. INTRODUCTION

The Board of Directors (the "**Board**") of Nordic Group Limited (the "**Company**") wishes to announce that the Company has signed the Option to Purchase (the "**OTP**") to acquire a property from Microdyn-Nadir Singapore Pte. Ltd. (UEN 200510588R) of 18 Tuas Avenue 8 Singapore 639233.

2. THE PROPERTY/PURCHASE CONSIDERATION

The property comprises a land in PTE LOT A3006194 located at 2 Tuas Avenue 10, Singapore 639126, all buildings on the land and the plant & equipment (the "**Property**"). It has a land area of 5,677.90 square meters. The lease period is 30 + 30 years from 16 December 1989. The second option term has been granted by Jurong Town Corporation and it is from 16 December 2019.

The purchase consideration for the Property is $6.2 million (the "Consideration") excluding Goods and Services Tax. The Consideration was arrived at on a "willing buyer willing seller" basis after taking into account the current market conditions and estimated market value of the aforesaid Property, among other factors.

3. FINANCIAL EFFECTS AND CHAPTER 10 OF THE LISTING MANUAL

Based on the Company's latest announced unaudited consolidated financial statements for the year ended 30 September 2017, the financial impact to the Group's earnings and net tangible asset per share is not material.

Market Capitalisation Test –

The relative figures that were computed on the basis set out in Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") are as set out below: The Consideration paid for the purchase constitutes approximately 2.79% of the market capitalization of the Company. The market capitalization of the Company based on $0.565, the weighted average price of the Company's shares (excluding treasury shares) transacted on 4 January 2018, being the last market day preceding the date of this announcement, is S$222,108,789. The relative figures in Rule 1006(a), Rule 1006(b) and Rule 1006(d) of the Listing Manual are not applicable.

4. RATIONALE FOR THE PURCHASE

Referring to the announcements on 9 November 2017 and 16 November 2017, the acquisition of the Property is a strategic move. This Property is directly opposite the newly acquired subsidiary Ensure Engineering Pte Ltd and this will enable the Company to consolidate 3 of the subsidiaries together under one roof, vis-à-vis the present situation where these subsidiaries are located at 2 different locations. With a centralized location for the Group, it would enhance management control and operational efficiencies and foster closer interaction among staff.

5. FINANCING

The purchase Consideration will be financed by bank borrowings.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

7. DOCUMENTS FOR INSPECTION

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

BY ORDER OF THE BOARD

CHANG YEH HONG
EXECUTIVE CHAIRMAN
5 JANUARY 2018