APPENDIX DATED 1 APRIL 2016

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix (as defined herein) is circulated to the shareholders of Nordic Group Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2015 (the "**Annual Report 2015**"). Its purpose is to provide shareholders of the Company with information relating to the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the AGM (as defined herein) to be held at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095 on 27 April 2016 at 10.00 a.m.

The ordinary resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the AGM is as set out in the Notice of AGM enclosed with the Annual Report 2015.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Nordic Group Limited (the "**Company**"), you should immediately forward this Appendix to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

NORDIC
Group Limited

NORDIC GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201007399N)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:–

"AGM"	:	The Annual General Meeting of the Company to be held at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095 on 27 April 2016 at 10 a.m.
"Appendix"	:	This Appendix to shareholders dated 01 April 2016 in relation to the proposed renewal of the Share Purchase Mandate
"Constitution"	:	The Constitution of the Company, as may be amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
"Company"	:	Nordic Group Limited
"Directors"	:	The directors of the Company as at the date of this Appendix
"EPS"	:	Earnings per Share
"FY2015"	:	Financial year ended 31 December 2015
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	29 March 2016, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"NTA"	:	Net tangible assets
"Relevant Period"	:	The period commencing from the date on which the AGM was held before the resolution authorising the renewal of the Share Purchase Mandate is passed, and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier, after the date the resolution authorising the Share Purchase Mandate is passed
"Securities and Futures Act"	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
"Securities Account"	:	The securities account(s) maintained by a Depositor with CDP, but does not include the securities accounts maintained with a Depository Agent

"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	:	The general mandate authorising the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate set out in this Appendix
"Shareholders"	:	Registered holders of Shares except that where the registered holder of CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"subsidiary"	:	Has the meaning ascribed to it in Section 5 of the Companies Act
"Substantial Shareholder"	:	A person who has an interest in not less than five per cent. of the issued voting Shares of the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
"treasury share"	:	A share of a company that was or is treated as having been acquired and held by the company and has been held continuously by the company since it was so acquired and has not been cancelled
"S$", "$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent."	:	percentage or per centum

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any statutory modification thereof and used in this Appendix shall have the same meaning ascribed to it under the Companies Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding.

NORDIC GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201007399N)

Directors:
Chang Yeh Hong *(Executive Chairman)*
Teo Ling Ling *(Executive Director)*
Lin Choon Hin *(Executive Director)*
Lee Kim Lian Juliana *(Independent Director)*
Ong Hua *(Independent Director)*
Hew Koon Chan *(Independent Director)*

Registered Office:
5 Kwong Min Road
Singapore 628708

1 April 2016

To: The Shareholders of Nordic Group Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 We refer to the Notice of AGM in respect of the 2015 AGM and Ordinary Resolution 8 set out in the Notice of the AGM.

The purpose of this Appendix is to provide Shareholders with the relevant information, and to seek the approval of Shareholders, in relation to the proposed renewal of the Share Purchase Mandate at the AGM to be held on 27 April 2016.

1.2 The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Share Purchase Mandate was originally approved by Shareholders at an extraordinary general meeting of the Company held on 29 April 2015 for, *inter alia*, the adoption of the Share Purchase Mandate. The Share Purchase Mandate will expire on the date of the forthcoming AGM. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the AGM.

If the proposed resolution for the renewal of the Share Purchase Mandate is approved by the Shareholders at the AGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the AGM and continue in force until the date on which the next AGM is held or required by law to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

2.2 **Rationale for the Proposed Renewal of the Share Purchase Mandate**

2.2.1 The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:–

(a) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.

(b) In managing its business, the Group strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate may be considered as one of the ways through which the return on equity of the Company may be enhanced.

(c) Share purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

(d) The Share Purchase Mandate will enable the Directors to utilise the Shares which are purchased or acquired thereunder and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose.

(e) The Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

2.2.2 The Company will only purchase or acquire Shares pursuant to the Share Purchase Mandate if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

2.3 **Authority and Limits of the Share Purchase Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the proposed renewal of the Share Purchase Mandate, if approved at the AGM, are summarised below:–

2.3.1 ***Maximum Number of Shares***

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten percent (10%) of the total number of issued Shares as at the date on which the resolution authorising the proposed renewal of the Share Purchase Mandate is passed. Any Shares which are held as treasury shares shall be disregarded for the purposes of computing the ten percent (10%) limit.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising of 394,499,800 issued Shares (excluding 5,500,200 Treasury Shares), and assuming that no further Shares are issued on or prior to the AGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 39,449,980 Shares (excluding Treasury Shares).

2.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:–

(a) the conclusion of the next AGM or date by which such AGM is required by law to be held;

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The Share Purchase Mandate may be renewed at each subsequent AGM or other general meetings of the Company.

2.3.3 ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:–

(a) on-market purchases, transacted through the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for that purpose ("**Market Purchase**"); and/or

(b) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act ("**Off-Market Purchase**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all of the following conditions:–

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(c) the terms of all the offers shall be the same, except that there shall be disregarded:–

  (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company shall as required by the Listing Manual, issue an offer document to all Shareholders containing at least the following information:–

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchase or acquisition of Shares by the Company;

(d) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the proposed purchase or acquisition of Shares by the Company, if made, could affect the listing of the Company's equity securities on the SGX-ST;

(f) details of any purchase or acquisition of Shares by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 ***Purchase Price***

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:–

(a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purposes of determining the Maximum Price:–

(a) "**Average Closing Price**" means the average of the closing market prices of a Share over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

(b) "**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares**

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:–

2.5.1 ***Maximum holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 ***Voting and other rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):–

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:–

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 **Source of funds**

2.6.1 The Company may not purchase or acquire Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.6.2 Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital or profits. It is an offence for a Director or manager of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if:–

(a) the Company is able to pay its debts in full at the time of the payment for any Share purchased or acquired pursuant to the Share Purchase Mandate and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition of Shares pursuant to the Share Purchase Mandate, become less than the value of its liabilities (including contingent liabilities).

2.6.3 The Company will use internal resources and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors will principally consider the availability of internal resources. The Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will particularly consider the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of Shares in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

2.7 **Financial Effects**

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:–

2.7.1 ***Purchase or Acquisition out of Profits and/or Capital***

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

2.7.2 ***Number of Shares Acquired or Purchased***

Based on 394,499,800 issued Shares (excluding 5,500,200 Treasury Shares) as at the Latest Practicable Date, the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 39,449,980 Shares (excluding Treasury Shares).

2.7.3 ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of Market Purchase by the Company and assuming that the Company purchases or acquires 39,449,980 at the Maximum Price of S$0.193 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 39,449,980 Shares is approximately S$7,614,000 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 39,449,980 Shares at the Maximum Price of S$0.220 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 39,449,980 Shares is approximately S$8,679,000 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.7.4 ***Illustrative Financial Effects***

For illustrative purposes only, based on the assumptions set out above and assuming that (i) the purchase or acquisition of Shares are made to the extent aforesaid, (ii) such Shares are funded wholly by internal resources within the Group and (iii) the Company had purchased 39,449,980 Shares (representing 10% of the issued Shares (excluding Treasury Shares) as at the Latest Practicable Date) on 1 January 2016, the financial effects of the purchase of 39,449,980 Shares by way of:–

(a) purchases made entirely out of capital and/or entirely out of profits and held as treasury shares;

(b) purchases made entirely out of capital and cancelled; and

(c) purchases made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for FY2015 pursuant to the Share Purchase Mandate are set out on the following pages:–

(a) Purchases made entirely out of capital and/or entirely out of profits and held as treasury shares

	Group			Company		
As at 31 December 2015	**Before Share Purchase S$'000**	**After Share Purchase assuming Market Purchase[6] S$'000**	**After Share Purchase assuming Off-Market Purchase[7] S$'000**	**Before Share Purchase S$'000**	**After Share Purchase assuming Market Purchase[6] S$'000**	**After Share Purchase assuming Off-Market Purchase[7] S$'000**
Share capital	22,439	22,439	22,439	22,439	22,439	22,439
Retained earnings	37,065	37,065	37,065	4,688	4,688	4,688
Other reserves	667	667	667	–	–	–
Treasury shares	(856)	(8,470)	(9,535)	(856)	(8,470)	(9,535)
Total Shareholders' funds	59,315	51,701	50,636	26,271	18,657	17,592
Non-controlling interests	65	65	65	–	–	–
Total equity	59,380	51,766	50,701	26,271	18,657	17,592
NTA[1]	36,929	29,315	28,250	26,271	18,657	17,592
Current assets	71,455	63,841	62,776	26,140	18,526	17,461
Current liabilities	40,941	40,941	40,941	1,219	1,219	1,219
Working capital	30,514	22,900	21,835	24,921	17,307	16,242
Total borrowings	32,155	32,155	32,155	–	–	–
Cash and cash equivalents	35,566	27,952	26,887	11,230	3,616	2,551
Profit, net of tax	10,512	10,512	10,512	4,399	4,399	4,399
Number of Shares (in '000)	395,331	355,881	355,881	395,331	355,881	355,881
Financial Ratios						
NTA per Share[2] (cents)	9.3	8.2	7.9	6.6	5.2	4.9
Net gearing ratio[3] (times)	Net cash	0.08	0.10	Net cash	Net cash	Net cash
Current ratio[4] (times)	1.75	1.56	1.53	21.44	15.20	14.32
EPS[5] (cent)	2.7	3.0	3.0	1.1	1.2	1.2

Notes:–

(1) NTA refers to net assets less intangible assets.

(2) NTA per Share is computed based on the NTA divided by the number of issued Shares.

(3) Gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.

(4) Current ratio equals to current assets divided by current liabilities.

(5) EPS equals profit after tax and minority interest divided by the total number of shares as at 31 December 2015.

(6) Assumes that the Company purchases the 39,449,980 shares at the Maximum Price of S$0.193 per Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$7,614,000.

(7) Assumes that the Company purchases the 39,449,980 Share at the Maximum Price of S$0.220 per Share which is 20% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$8,679,000.

(b) Purchases made entirely out of capital and cancelled

As at 31 December 2015	Group Before Share Purchase S$'000	Group After Share Purchase assuming Market Purchase[6] S$'000	Group After Share Purchase assuming Off-Market Purchase[7] S$'000	Company Before Share Purchase S$'000	Company After Share Purchase assuming Market Purchase[6] S$'000	Company After Share Purchase assuming Off-Market Purchase[7] S$'000
Share capital	21,583	13,969	12,904	21,583	13,969	12,904
Retained earnings	37,065	37,065	37,065	4,688	4,688	4,688
Other reserves	667	667	667	–	–	–
Treasury shares	–	–	–	–	–	–
Total Shareholders' funds	59,315	51,701	50,636	26,271	18,657	17,592
Non-controlling interests	65	65	65	–	–	–
Total equity	59,380	51,766	50,701	26,271	18,657	17,592
NTA[1]	36,929	29,315	28,250	26,271	18,657	17,592
Current assets	71,455	63,841	62,776	26,140	18,526	17,461
Current liabilities	40,941	40,941	40,941	1,219	1,219	1,219
Working capital	30,514	22,900	21,835	24,921	17,307	16,242
Total borrowings	32,155	32,155	32,155	–	–	–
Cash and cash equivalents	35,566	27,952	26,887	11,230	3,616	2,551
Profit, net of tax	10,512	10,512	10,512	4,399	4,399	4,399
Number of Shares (in '000)	395,331	355,881	355,881	395,331	355,881	355,881
Financial Ratios						
NTA per Share[2] (cents)	9.3	8.2	7.9	6.6	5.2	4.9
Gearing ratio[3] (times)	Net cash	0.08	0.10	Net cash	Net cash	Net cash
Current ratio[4] (times)	1.75	1.56	1.53	21.44	15.20	14.32
EPS[5] (cent)	2.7	3.0	3.0	1.1	1.2	1.2

Notes:–

(1) NTA refers to net assets less intangible assets.

(2) NTA per Share is computed based on the NTA divided by the number of issued Shares.

(3) Gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.

(4) Current ratio equals to current assets divided by current liabilities.

(5) EPS equals profit after tax and minority interest divided by the total number of shares as at 31 December 2015.

(6) Assumes that the Company purchases the 39,449,980 shares at the Maximum Price of S$0.193 per Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$7,614,000.

(7) Assumes that the Company purchases the 39,449,980 Share at the Maximum Price of S$0.220 per Share which is 20% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$8,679,000.

(c) Purchases made entirely out of profits and cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase assuming Market Purchase[6]	After Share Purchase assuming Off-Market Purchase[7]	Before Share Purchase	After Share Purchase assuming Market Purchase[6]	After Share Purchase assuming Off-Market Purchase[7]
As at 31 December 2015	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Share capital	22,439	22,439	22,439	22,439	22,439	22,439
Retained earnings	36,209	28,595	27,530	3,832	(3,782)	(5,847)
Other reserves	667	667	667	–	–	–
Treasury shares	–	–	–	–	–	–
Total Shareholders' funds	59,315	51,701	50,636	26,271	18,657	17,592
Non-controlling interests	65	65	65	–	–	–
Total equity	59,380	51,766	50,701	26,271	18,657	17,592
NTA[1]	36,929	29,315	28,250	26,271	18,657	17,592
Current assets	71,455	63,841	62,776	26,140	18,526	17,461
Current liabilities	40,941	40,941	40,941	1,219	1,219	1,219
Working capital	30,514	22,900	21,835	24,921	17,307	16,242
Total borrowings	32,155	32,155	32,155	–	–	–
Cash and cash equivalents	35,566	27,952	26,887	11,230	3,616	2,551
Profit net of tax	10,512	10,512	10,512	4,399	4,399	4,399
Number of Shares (in '000)	395,331	355,881	355,881	395,331	355,881	355,881
Financial Ratios						
NTA per Share[2] (cents)	9.3	8.2	7.9	6.6	5.2	4.9
Gearing ratio[3] (times)	Net cash	0.08	0.10	Net cash	Net cash	Net cash
Current ratio[4] (times)	1.75	1.56	1.53	21.44	15.20	14.32
EPS[5] (cent)	2.7	3.0	3.0	1.1	1.2	1.2

Notes:–

(1) NTA refers to net assets less intangible assets.

(2) NTA per Share is computed based on the NTA divided by the number of issued Shares.

(3) Gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.

(4) Current ratio equals to current assets divided by current liabilities.

(5) EPS equals profit after tax and minority interest divided by the total number of shares as at 31 December 2015.

(6) Assumes that the Company purchases the 39,449,980 shares at the Maximum Price of S$0.193 per Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$7,614,000.

(7) Assumes that the Company purchases the 39,449,980 Share at the Maximum Price of S$0.220 per Share which is 20% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 39,449,980 Shares is approximately S$8,679,000.

Shareholders should note that the financial effects, based on the respective fore-mentioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of the purchase or acquisition of Shares that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchase or acquisition of Shares. The above analysis is based on historical numbers as at 31 December 2015, and is not necessarily representative of future financial performance.

It should also be noted that the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. Further, the Directors would emphasise that they do not propose to purchase or acquire Shares pursuant to the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

2.8 **Listing Rules**

2.8.1 Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:–

(a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

2.8.2 Such announcement must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

2.8.3 The Listing Manual does not expressly prohibit a listed company from purchasing or acquiring its own shares by during any particular time or times. However, as the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

2.8.4 In particular, in line with the best practices guide on dealings in securities issued by the SGX-ST, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one month immediately preceding the announcement of the Company's full financial year results and the period of two weeks before the announcement of the first quarter, second quarter and third quarter results of the financial year.

2.8.5 The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 27.14% of the Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.9 **Take-over Implications**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 ***Obligation to make a take-over offer***

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 ***Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following individuals will, *inter alia*, be presumed to be acting in concert:–

(a) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trust;

(b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than one percent in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than one percent in any period of six months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

As at the Latest Practicable Date, Mr Chang Yeh Hong, the Executive Chairman of the Company, holds an aggregate of 210,006,625 Shares, out of which 205,406,625 Shares are held through his nominee, Bank of Singapore Nominees Pte. Ltd, constituting 53.23% of the voting rights in the Company (the "**Controlling Shareholder**").

Assuming that:–

(a) the Company purchases or acquires Shares pursuant to the Share Purchase Mandate up to the maximum of 10% of the issued Shares (excluding treasury shares) as permitted by the Share Purchase Mandate;

(b) there is no change in the Controlling Shareholder's shareholdings in the Company between the Latest Practicable Date and the date of the AGM;

(c) no new Shares are issued following the Shareholders' approval of the renewal of the Share Purchase Mandate at the AGM; and

(d) the Controlling Shareholder does not sell or otherwise dispose of his shareholdings in the Company,

the shareholdings of the Directors and Substantial Shareholders (the "Parties") as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of 10% of the issued Shares (excluding treasury shares) pursuant to the Share Purchase Mandate, are as follows:–

	Number of Shares			Voting Rights in the Company (%)	
Party	Direct Interest	Deemed Interest	Total Interest	Before Share Purchase	After Share Purchase
Chang Yeh Hong[(1)]	4,600,000	205,406,625	210,006,625	53.23	59.15
Lim Choon Hin	44,050,000	–	44,050,000	11.17	12.41
Teo Ling Ling	31,640,000	–	31,640,000	8.02	8.91
Lee Kim Lian Juliana	–	–	–	–	–
Ong Hua	–	–	–	–	–
Hew Koon Chan	–	–	–	–	–

Note:–

(1) Mr Chang Yeh Hong's deemed interest arises from the Shares held by nominee, Bank of Singapore Nominees Pte. Ltd.

As Mr Chang Yeh Hong holds an aggregate of 210,006,625 Shares, out of which 205,406,625 Shares are held through his nominee, Bank of Singapore Nominees Pte. Ltd, constituting over 50% of the voting rights in the Company, purchases or acquisition of Shares by the Company pursuant to the Share Purchase Mandate will result in an increase in the aggregate voting rights of the Parties, but will not result in any of the Parties incurring an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

In the event the Company purchases or acquires Shares pursuant to the Share Purchase Mandate within the Relevant Period of the maximum of 10% of the issued Shares as permitted by the Share Purchase Mandate, it is not expected that the shareholdings and/or voting rights of any of the Shareholders will be increased to 30% or more, thereby triggering a requirement for any Shareholder to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders of the Company are as follows:–

	Direct Interest	Deemed Interest	Total Interest	%
Directors				
Chang Yeh Hong[(1)(2)]	4,600,000	205,406,625	210,006,625	53.23
Lim Choon Hin[(2)]	44,050,000	–	44,050,000	11.17
Teo Ling Ling[(2)]	31,640,000	–	31,640,000	8.02
Lee Kim Lian Juliana	–	–	–	–
Ong Hua	–	–	–	–
Hew Koon Chan	–		–	–
Substantial Shareholders				
–	–	–	–	–

Note:–

(1) Mr Chang Yeh Hong's deemed interest arises from the Shares held by nominee, Bank of Singapore Nominees Pte. Ltd.

(2) The directors are also Substantial Shareholders of the Company.

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether directly or indirectly, in the Shares.

4. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS

Pursuant to the Share Purchase Mandate approved by the Shareholders at the Extraordinary General Meeting of the Company on 29 April 2015 and as at the Latest Practicable Date, the Company had purchased an aggregate of 5,500,200 Shares by way of market purchases, within the 12 months preceding the Latest Practicable Date. The highest price paid per Share was S$0.194 and the lowest price paid per Share was S$0.159. The total consideration paid was approximately S$1,003,700 (inclusive of brokerage and clearing fees).

As at the Latest Practicable Date, the Company holds 5,500,200 treasury shares.

5. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

6. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 8 to approve the proposed renewal of the Share Purchase Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Appendix up to the date hereof up to and including the date of the 2015 AGM:–

(a) the Constitution; and

(b) the Annual Report of the Company for FY2015.

Yours faithfully

For and on behalf of the Board of Directors of
NORDIC GROUP LIMITED

Chang Yeh Hong
Executive Chairman