

**NORDIC GROUP LIMITED**

(Company Registration Number: 201007399N)

RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON 27 FEBRUARY 2019

The Board of Directors (the "Board") of Nordic Group Limited (the "Company") wishes to respond to queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 February 2019 in relation to the unaudited results for year ended 31 December 2018.

SGX-ST's queries

- 1) With reference to the unaudited results for the year ended 31 December 2018, Please provide explanations for
 - (a) increase in other assets (current)
 - (b) decrease in trade and other payables (current)
- 2) Please provide a breakdown of other assets amounting to S\$11.6m for FY2018.
- 3) Please provide further details on how the sale of carbon allowances have resulted in a decrease in inventories of S\$3.2m from FY2017 to FY2018.
- 4) With reference to Listing Rule 720(1), please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7).

The Board's response

- 1) (a) Other assets increased approximately \$1.7 million or 17%, from approximately \$9.9 million as at 31 December 2017 to approximately \$11.6 million as at 31 December 2018. The increase was due to increase in unbilled revenue of \$5.1 million. This increase was offset by a decrease in deposits to secure services and prepayment of \$1.3 million and decrease in receivables from customer from construction contracts of \$2.1 million.

(b) Trade and other payables decreased approximately \$3.3 million or 19.7%, from approximately \$16.8 million to \$13.5 million. The decrease was due to decrease in trade payables and accrued liabilities of approximately of \$1.5 million and decrease in contingent liability payable to the vendors for the acquisition of Ensure Engineering Pte Ltd of approximately \$1.8 million.
- 2) Breakdown of other assets is as follows:

	\$'000
Deposit to secure services	912
Prepayment	765
Unbilled revenue	9,947
Total	11,624

- 3) Carbon allowances were classified as inventories and all the carbon allowances were sold during the year, resulting in a decrease in inventories. As disclosed in our 2Q2018 results announcement, we have sold all our carbon allowances and received all proceeds from such sale.
- 4) With reference to Listing Rule 720(1), we confirm that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7).

BY ORDER OF THE BOARD

Chang Yeh Hong
Executive Chairman
28 February 2019