



## NORDIC GROUP LIMITED

(Company Registration Number: 201007399N)

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

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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**