NORDIC GROUP LIMITED
(Company Registration Number: 201007399N)

RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON 15 MARCH 2021

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 15 March 2021 in relation to the 2H2020 and FY2020 Results Announcement.

SGX-ST's queries

(a) Please explain why interest income amounted to only $222,000 during the financial period ended 31 December 2020 when the Company has significant cash and cash equivalents amounting to $57,512,000.
(b) Please explain the increase in total borrowings from $41m for the financial year ended 31 December 2019 to $45.9m for the financial year ended 31 December 2020 and provide the reason(s) for the significant borrowings of $45.9m by the Group when the Group recorded a cash and cash equivalent of $57.5m as at 31 December 2020.
(c) Please provide a breakdown for trade and other payables of $22,987,000 and $17,667,000 for the financial year ended 31 December 2020 and 31 December 2019 respectively. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

The Board's response

(a) The bank's deposit account interest rates have dropped to almost zero. As a result, our cash and cash equivalents are not earning much interest.
(b) The increase in total borrowings, taking into account liabilities held for sale of $3.0 million in FY2019, is $1.8 million. The increase is because we have obtained the government subsidised low interest loan to augment cash to maintain our cashflow sustainability over the Covid-19 pandemic.

(c) The breakdown of trade and other payables is as follows:

	2020 $'000	2019 $'000
Trade payables:		
Outside parties and accrued liabilities	22,987	17,360
Trade payable – subtotal	22,987	17,360
Other payables:		
Other payables - acquisition of subsidiary [(a)]	–	2,251
Other payable – subtotal	–	2,251
Total trade and other payables	22,987	19,611
Presented as:		
Trade and other payables, current	22,987	17,667
Other payables, non-current	–	1,944
	22,987	19,611

[(a)] This is for the contingent liability payable to the vendors for the acquisition of Ensure Engineering Pte Ltd in 2017.

BY ORDER OF THE BOARD

Chang Yeh Hong
Executive Chairman
17 March 2021