

CIRCULAR DATED 14 APRIL 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form 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 Circular.



NORDIC
Group Limited

NORDIC GROUP LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SHARE PURCHASE MANDATE

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 27 April 2015 at 10 a.m.

Date and time of Extraordinary General Meeting : 29 April 2015 at 10 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue)

Place of Extraordinary General Meeting : 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095

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DEFINITIONS

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

“AGM”	:	Annual General Meeting of the Company
“Articles”	:	The articles of association of the Company, as may be amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 14 April 2015
“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 Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 29 April 2015, notice of which is set out on pages N-1 to N-3 of this Circular
“EPS”	:	Earnings per Share
“FY2014”	:	Financial year ended 31 December 2014
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	6 April 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM set out on pages N-1 to N-3 of this Circular
“NTA”	:	Net tangible assets
“Relevant Period”	:	The period commencing from the date on which the last AGM was held or if no such meeting was held the date it was required by law to be held before the resolution authorising 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

DEFINITIONS

“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
“Shareholders”	:	Registered holders of Shares except that where the registered holder is 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 or modified 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” and “Depository Register” shall have the meaning ascribed to them respectively in Section 130A of the Companies 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.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any reference in this Circular 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 or the Listing Manual, or any statutory modification thereof, and used in this Circular shall have the same meaning assigned to it under the Companies Act or the Listing Manual, or any statutory modification thereof, as the case may be.

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

LETTER TO SHAREHOLDERS

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

14 April 2015

To: The Shareholders of Nordic Group Limited

Dear Sir/Madam,

THE PROPOSED SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to be held on 29 April 2015 to seek Shareholders' approval for the proposed Share Purchase Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with the relevant information, and to seek the approval of Shareholders, in relation to the proposed Share Purchase Mandate. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.

2. THE SHARE PURCHASE MANDATE

2.1 The Share Purchase Mandate

- 2.1.1 Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Articles and the Listing Manual and such other laws and regulations as may, for the time being, be applicable.
- 2.1.2 It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its articles of association must expressly permit the company to purchase or otherwise acquire the shares issued by it. Article 15(1) provides that the Company may, subject to and in accordance with the Companies Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire its issued Shares on such terms and in such manner as the Company may from time to time think fit.

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2.1.3 Rule 881 of the Listing Manual provides that a company may purchase its own shares if it has obtained prior specific approval of shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the EGM for the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Purchase Mandate.

2.1.4 If approved by the Shareholders at the EGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the EGM 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 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.

LETTER TO SHAREHOLDERS

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 Share Purchase Mandate, if approved at the EGM, 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 10% of the total number of issued Shares as at the date on which the resolution authorising the Share Purchase Mandate is passed, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered. Any Shares which are held as treasury shares shall be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on 400,000,000 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, 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 40,000,000 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 EGM at which the Share Purchase Mandate is approved, up to the earliest of:–

- (a) the date on which the next AGM is held or 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.

LETTER TO SHAREHOLDERS

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 stockbrokers 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; 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 must 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;

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- (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 were 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 date of the Market Purchase by the Company or, as the case may be, the date 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) “**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders 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.

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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;

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- (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.

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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 400,000,000 issued 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 40,000,000 Shares.

2.7.3 *Maximum Price Paid for Shares Acquired or Purchased*

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 40,000,000 at the Maximum Price of S\$0.155 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 40,000,000 Shares is approximately S\$6,200,000 (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 40,000,000 Shares at the Maximum Price of S\$0.177 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 40,000,000 Shares is approximately S\$7,080,000 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

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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 40,000,000 Shares (representing 10% of the issued Shares as at the Latest Practicable Date) on 1 January 2015, the financial effects of the purchase of 40,000,000 Shares by way of:–

- (a) purchases made entirely out of capital and held as treasury shares;
- (b) purchases made entirely out of capital and cancelled;
- (c) purchases made entirely out of profits and held as treasury shares; and
- (d) purchases made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for FY2014 pursuant to the Share Purchase Mandate are set out on the following pages:–

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

	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 2014	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	30,153	30,153	30,153	3,889	3,889	3,889
Other reserves	627	627	627	–	–	–
Treasury shares	–	(6,200)	(7,080)	–	(6,200)	(7,080)
Total Shareholders' funds	53,219	47,019	46,139	26,328	20,128	19,248
Non-controlling interests	72	72	72	–	–	–
Total equity	53,291	47,091	46,211	26,328	20,128	19,248
NTA ⁽¹⁾	40,809	34,609	33,729	26,328	20,128	19,248
Current assets	64,607	58,407	57,527	28,010	21,810	20,930
Current liabilities	33,909	33,909	33,909	3,032	3,032	3,032
Working capital	30,698	24,498	23,618	24,978	18,778	17,898
Total borrowings	25,320	25,320	25,320	–	–	–
Cash and cash equivalents	32,799	26,599	25,719	13,057	6,857	5,977
Profit net of tax	7,854	7,854	7,854	2,483	2,483	2,483
Number of Shares (in '000)	400,000	360,000	360,000	400,000	360,000	360,000
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	10.2	9.6	9.4	6.6	5.6	5.3
Net gearing ratio ⁽³⁾ (times)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio ⁽⁴⁾ (times)	1.91	1.72	1.70	9.24	7.19	6.90
EPS ⁽⁵⁾ (cent)	2.0	2.2	2.2	0.6	0.7	0.7

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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) Net 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 non-controlling interests divided by the total number of Shares as at 31 December 2014.
- (6) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.155 for one Share which is 5% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$6,200,000.
- (7) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.177 for one Share which is 20% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$7,080,000.

(b) Purchases made entirely out of capital 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 2014	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	22,439	16,239	15,359	22,439	16,239	15,359
Retained earnings	30,153	30,153	30,153	3,889	3,889	3,889
Other reserves	627	627	627	–	–	–
Treasury shares	–	–	–	–	–	–
Total Shareholders' funds	53,219	47,019	46,139	26,328	20,128	19,248
Non-controlling interests	72	72	72	–	–	–
Total equity	53,291	47,091	46,211	26,328	20,128	19,248
NTA ⁽¹⁾	40,809	34,609	33,729	26,328	20,128	19,248
Current assets	64,607	58,407	57,527	28,010	21,810	20,930
Current liabilities	33,909	33,909	33,909	3,032	3,032	3,032
Working capital	30,698	24,498	23,618	24,978	18,778	17,898
Total borrowings	25,320	25,320	25,320	–	–	–
Cash and cash equivalents	32,799	26,599	25,719	13,057	6,857	5,977
Profit net of tax	7,854	7,854	7,854	2,483	2,483	2,483
Number of Shares (in '000)	400,000	360,000	360,000	400,000	360,000	360,000
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	10.2	9.6	9.4	6.6	5.6	5.3
Net gearing ratio ⁽³⁾ (times)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio ⁽⁴⁾ (times)	1.91	1.72	1.70	9.24	7.19	6.90
EPS ⁽⁵⁾ (cent)	2.0	2.2	2.2	0.6	0.7	0.7

LETTER TO SHAREHOLDERS

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) Net 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 non-controlling interests divided by the total number of Shares as at 31 December 2014.
- (6) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.155 for one Share which is 5% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$6,200,000.
- (7) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.177 for one Share which is 20% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$7,080,000.

(c) Purchases made entirely out of profits and held as treasury shares

	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 2014	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	30,153	30,153	30,153	3,889	3,889	3,889
Other reserves	627	627	627	–	–	–
Treasury shares	–	(6,200)	(7,080)	–	(6,200)	(7,080)
Total Shareholders' funds	53,219	47,019	46,139	26,328	20,128	19,248
Non-controlling interests	72	72	72	–	–	–
Total equity	53,291	47,091	46,211	26,328	20,128	19,248
NTA ⁽¹⁾	40,809	34,609	33,729	26,328	20,128	19,248
Current assets	64,607	58,407	57,527	28,010	21,810	20,930
Current liabilities	33,909	33,909	33,909	3,032	3,032	3,032
Working capital	30,698	24,498	23,618	24,978	18,778	17,898
Total borrowings	25,320	25,320	25,320	–	–	–
Cash and cash equivalents	32,799	26,599	25,719	13,057	6,857	5,977
Profit net of tax	7,854	7,854	7,854	2,483	2,483	2,483
Number of Shares (in '000)	400,000	360,000	360,000	400,000	360,000	360,000
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	10.2	9.6	9.4	6.6	5.6	5.3
Net gearing ratio ⁽³⁾ (times)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio ⁽⁴⁾ (times)	1.91	1.72	1.70	9.24	7.19	6.90
EPS ⁽⁵⁾ (cent)	2.0	2.2	2.2	0.6	0.7	0.7

LETTER TO SHAREHOLDERS

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.
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- (4) Current ratio equals to current assets divided by current liabilities.
- (5) EPS equals profit after tax and non-controlling interests divided by the total number of Shares as at 31 December 2014.
- (6) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.155 for one Share which is 5% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$6,200,000.
- (7) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.177 for one Share which is 20% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$7,080,000.

(d) 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 2014	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	30,153	23,953	23,073	3,889	(2,311)	(3,191)
Other reserves	627	627	627	–	–	–
Treasury shares	–	–	–	–	–	–
Total Shareholders' funds	53,219	47,019	46,139	26,328	20,128	19,248
Non-controlling interests	72	72	72	–	–	–
Total equity	53,291	47,091	46,211	26,328	20,128	19,248
NTA ⁽¹⁾	40,809	34,609	33,729	26,328	20,128	19,248
Current assets	64,607	58,407	57,527	28,010	21,810	20,930
Current liabilities	33,909	33,909	33,909	3,032	3,032	3,032
Working capital	30,698	24,498	23,618	24,978	18,778	17,898
Total borrowings	25,320	25,320	25,320	–	–	–
Cash and cash equivalents	32,799	26,599	25,719	13,057	6,857	5,977
Profit net of tax	7,854	7,854	7,854	2,483	2,483	2,483
Number of Shares (in '000)	400,000	360,000	360,000	400,000	360,000	360,000
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	10.2	9.6	9.4	6.6	5.6	5.3
Net gearing ratio ⁽³⁾ (times)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Current ratio ⁽⁴⁾ (times)	1.91	1.72	1.70	9.24	7.19	6.90
EPS ⁽⁵⁾ (cent)	2.0	2.2	2.2	0.6	0.7	0.7

LETTER TO SHAREHOLDERS

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) Net 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 non-controlling interests divided by the total number of Shares as at 31 December 2014.
- (6) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.155 for one Share which is 5% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$6,200,000.
- (7) Assumes that the Company purchases the 40,000,000 Shares at the Maximum Price of S\$0.177 for one Share which is 20% above the Average Closing Price of a Share over the last five 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 40,000,000 Shares is approximately S\$7,080,000.

Shareholders should note that the financial effects, based on the respective aforementioned 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 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 2014, 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 interests 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.

LETTER TO SHAREHOLDERS

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 (which must be in the form of Appendix 8.3.1 of the Listing Manual) 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 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 30.27% 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.

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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, its 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;

LETTER TO SHAREHOLDERS

- (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 per cent. 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 per cent. in any period of six months. Such a Shareholder need not abstain from voting in respect of the resolution authorising 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 205,406,625 Shares through his nominee, Bank of Singapore Nominees Pte. Ltd, constituting 51.35% of the voting rights in the Company (the “**Controlling Shareholder**”).

LETTER TO SHAREHOLDERS

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 EGM;
- (c) no new Shares are issued following the Shareholders' approval of the proposed Share Purchase Mandate at the EGM; 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 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:–

Party	Number of Shares			Voting Rights in the Company (%)	
	Direct Interest	Deemed Interest	Total Interest	Before Share Purchase	After Share Purchase
Chang Yeh Hong ⁽¹⁾	–	205,406,625	205,406,625	51.35	57.06
Lin Choon Hin	43,500,000	–	43,500,000	10.88	12.08
Teo Ling Ling	30,000,000	–	30,000,000	7.50	8.33
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 205,406,625 Shares through his nominee, Bank of Singapore Nominees Pte. Ltd, constituting over 50% of the voting rights in the Company, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate will result in an increase in the aggregate voting rights of Mr. Chang Yeh Hong, but will not result in Mr. Chang Yeh Hong 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

LETTER TO SHAREHOLDERS

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⁾	—	205,406,625	205,406,625	51.35
Lin Choon Hin	43,500,000	—	43,500,000	10.88
Teo Ling Ling	30,000,000	—	30,000,000	7.50
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.

Save as disclosed in this Circular, 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

The Company has not purchased any Shares within the 12 months preceding the Latest Practicable Date.

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.

LETTER TO SHAREHOLDERS

6. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed adoption 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 relating to the proposed Share Purchase Mandate to be proposed at the EGM as set out in the Notice of EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed 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 Circular misleading. Where information in the Circular 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 Circular in its proper form and context.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held on 29 April 2015 at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095, at 10 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form ("**Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Proxy Form will be deemed to be revoked.

9.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

LETTER TO SHAREHOLDERS

10. 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 hereof up to and including the date of the EGM:–

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company for FY2014.

Yours faithfully

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

Chang Yeh Hong
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

NORDIC GROUP LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Nordic Group Limited (the "**Company**") will be held at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095, on 29 April 2015 at 10 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue) for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolution which will be proposed as an Ordinary Resolution:–

ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

That:–

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:–
 - (i) on-market purchases, transacted through the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") trading system, through one or more duly licensed stockbrokers appointed by the Company for that purpose ("**Market Purchase**"); and/or
 - (ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act ("**Off-Market Purchase**"),and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:–
 - (i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held;
 - (ii) the date on which the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by shareholders of the Company in a general meeting;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this Resolution:–

“Average Closing Price” means the average of the closing market prices of a Share over the last five Market Days (**“Market Day”** being a day on which the SGX-ST is open for trading in securities) on which the Shares were 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 date of the Market Purchase by the Company or, as the case may be, the date 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;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Maximum Percentage” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:–

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
 - (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares; and
- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Thung Sim Yee
Company Secretary

Date: 14 April 2015

Notes:–

- (a) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (b) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 5 Kwong Min Road, Singapore 628708, not less than 48 hours before the meeting.
- (c) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (d) In the case of joint shareholders, all holders must sign the form of proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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NORDIC GROUP LIMITED

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

IMPORTANT:-

1. For investors who have used their CPF monies to buy shares in **Nordic Group Limited**, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We* _____ (Name), NRIC/Passport number* _____
of _____ (Address)

being a member/members* of Nordic Group Limited (the "**Company**") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf, at the Extraordinary General Meeting of the Company to be held at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095, on Wednesday, 29 April 2015 at 10 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be convened on the same day and at the same venue), and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

	For	Against
Ordinary Resolution To approve the proposed Share Purchase Mandate		

Dated this _____ day of _____ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of member(s) or common seal

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:–

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50.
6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 5 Kwong Min Road, Singapore 628708, not less than 48 hours before the time appointed for the Extraordinary General Meeting.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at least 48 hours before the time appointed for holding the Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 April 2015.