NORDIC GROUP LIMITED
Registration No. 201007399N
(Incorporated in Singapore)

Minutes of Annual General Meeting of NORDIC GROUP LIMITED (the "Company") held by way of electronic means on Monday, 26 April 2021 at 10:00 a.m.

PRESENT

Directors

In Person

Mr Chang Yeh Hong, Group Executive Chairman
Ms Teo Ling Ling, Executive Director & Chief Executive Officer of Nordic Flow Control Pte Ltd

Via live Webcast

Ms Lee Kim Lian Juliana, Independent Director
Ms Siau Kai Bing, Independent Director
Mr Lee Kok Keng Andrew, Independent Director

Company Secretary (In attendance)

Ms Chia Meng Ru

Shareholders:

As set out in the attendance records maintained by the Company

Other Key Persons (attended via live webcast)

Mr Paul Lee, External Auditor, RSM Chio Lim LLP
Mr Yeow Thuan Wee, External Auditor, RSM Chio Lim LLP
Mr Brendon Lee, External Auditor, RSM Chio Lim LLP

Other Key Persons (attended in person)

Ms Tiara Kasih Lim, Group Accountant

Mr Thivaanraj Y Mohan, IT Support

COMMENCEMENT OF MEETING

Ms Chia Meng Ru, Company Secretary welcomed shareholders (the "Shareholders") to the Annual General Meeting (the "**AGM**" or "Meeting") of the Company. She thanked Shareholders who joined the AGM through the live webcast and stated that alternate arrangements were put in place for the AGM due to the COVID-19 restriction orders in Singapore.

Ms Chia Meng Ru informed the Meeting that Mr Chang Yeh Hong, Group Executive Chairman and Shareholder of the Company had proposed the motion "That Ms Teo Ling Ling be elected as Chairman of this AGM." The motion was seconded by Ms Chia Meng Ru, a Shareholder of the Company.

Ms Teo Ling Ling, Chairman of the Meeting welcomed shareholders to the AGM.

QUORUM

Chairman noted that a quorum was present and called the AGM to order. She introduced the members of the Board of Directors, Group Chief Financial Officer and External Auditor who joined the AGM either in person or via live webcast.

NOTICE

The Company's Notice of AGM dated 9 April 2021 was taken as read.

Chairman informed the Meeting that asking of questions during the live webcast of the AGM was not allowed. Instead, Shareholders had been given the opportunity to ask questions relating to the Resolutions tabled at the AGM by submitting their questions prior to the Meeting.

QUESTIONS FROM SHAREHOLDERS AND RESPONSES FROM THE COMPANY.

Chairman informed that the Management had addressed all questions received from a Shareholder prior to the AGM and the same had been published on the Company's website prior to the meeting.

VOTING OF ORDINARY RESOLUTIONS

Next, Chairman informed the Meeting that all Resolutions as set out in the Notice of AGM would be voted on by way of poll in accordance with the proxy voting instructions received by the Company. Chairman further informed that the Company's Share Registrar, Tricor Barbinder Share Registration Services had been appointed as polling agent and Entrust Advisory Pte Ltd. had been appointed as scrutineer for the poll voting for this AGM and that the poll results had been verified by the scrutineer.

Chairman then proceeded with the agenda of the Meeting.

1) ORDINARY RESOLUTION 1:
TO RECEIVE AND CONSIDER THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE AUDITOR'S REPORT THEREON

The Shareholders were informed that the first item on the Notice of AGM was to receive and consider the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditor's Report thereon.

Chairman proposed the following Ordinary Resolution 1:

"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with Auditor's Report submitted to the Meeting be and are hereby received."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 1 was duly carried.

2) ORDINARY RESOLUTION 2:
TO DECLARE A FINAL ONE-TIER TAX EXEMPT DIVIDEND OF 0.362 SINGAPORE CENT PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Chairman informed that the second item on the Notice of AGM was to seek Shareholders' approval for the payment of a final one-tier tax exempt dividend of 0.362 Singapore cent per ordinary share in the capital of the Company for the financial year ended 31 December 2020.

Chairman proposed Ordinary Resolution 2:

"That a final one-tier tax exempt dividend of 0.362 Singapore cent per ordinary share for financial year ended 31 December 2020 be and is hereby approved."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 2 was duly carried.

3) ORDINARY RESOLUTION 3:
TO RE-ELECT MS TEO LING LING, WHO IS RETIRING PURSUANT TO REGULATION 106 OF THE CONSTITUTION OF THE COMPANY, AS A DIRECTOR OF THE COMPANY

Chairman informed that the third item on the Notice of AGM concerned her re-election as a Director of the Company and requested Ms Chia Meng Ru, to take over the reading of this Resolution.

Ms Chia Meng Ru informed the Meeting that Ms Teo Ling Ling, a Shareholder of the Company, had abstained from voting on this Resolution.

Mr Chia Meng Ru, a Shareholder of the Company, proposed the following Ordinary Resolution 3:

"That Ms Teo Ling Ling, a Director retiring pursuant to Regulation 106 of the Constitution of the Company, and being eligible, be and is hereby re-elected as Director of the Company."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	293,529,625	99.9963
Number of Votes Against	11,000	0.0037

Chairman declared that Ordinary Resolution 3 was duly carried.

4) ORDINARY RESOLUTION 4:
TO RE-ELECT MS LEE KIM LIAN JULIANA, WHO IS RETIRING PURSUANT TO REGULATION 106 OF THE CONSTITUTION OF THE COMPANY, AS A DIRECTOR OF THE COMPANY

Chairman informed that the next item on the Notice of AGM pertained to the re-election of Ms Lee Kim Lian Juliana as a Director of the Company, who was retiring pursuant to Regulation 106 of the Constitution of the Company

Chairman proposed the following Ordinary Resolution 4:

"That Ms Lee Kim Lian Juliana, a Director retiring pursuant to Regulation 106 of the Constitution of the Company, and being eligible, be and is hereby re-elected as Director of the Company."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 4 was duly carried.

5) ORDINARY RESOLUTION 5 :
TO RE-ELECT MR SIAU KAI BING, WHO IS RETIRING PURSUANT TO REGULATION 116 OF THE CONSTITUTION OF THE COMPANY, AS A DIRECTOR OF THE COMPANY

Chairman proceeded to the next item on the Notice of AGM which was on the re-election of Mr Siau Kai Bing as a Director of the Company, retiring pursuant to Regulation 116 of the Constitution of the Company.

Chairman proposed the following Ordinary Resolution 5:

"That Mr Siau Kai Bing, a Director retiring pursuant to Regulation 116 of the Constitution of the Company, and being eligible, be and is hereby re-elected as Director of the Company."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 5 was duly carried.

6) ORDINARY RESOLUTION 6:
TO APPROVE DIRECTORS' FEES OF S$137,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021, PAYABLE HALF-YEARLY IN ARREARS

Chairman informed the Meeting that Shareholders' approval was being sought for the payment of Directors' fees of S$137,000 for the financial year ending 31 December 2021.

Chairman proposed the following Ordinary Resolution 6:

"That the Directors' fees of S$137,000 for the financial year ending 31 December 2021, payable half-yearly in arrears, be hereby approved."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 6 was duly carried.

7) ORDINARY RESOLUTION 7:
TO RE-APPOINT MESSRS RSM CHIO LIM LLP AS AUDITOR OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION.

The seventh item on the Notice of AGM concerned the re-appointment of Auditor of the Company for the ensuing year, and if re-appointed, to authorize the Directors to fix their remuneration.

Chairman proposed the following Ordinary Resolution 6:

"That Messrs RSM Chio Lim LLP be and are hereby re-appointed as Auditor of the Company, to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration."

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 7 was duly carried.

8) ORDINARY RESOLUTION 8:
AUTHORITY TO ALLOT AND ISSUE SHARES

Next, Chairman informed the Meeting that pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST), Shareholders' approval was required for the directors to issue further shares in the Company.

The text of Ordinary Resolution 8 set out in the Notice of AGM was taken as read.

Chairman proposed the following Ordinary Resolution 8:

"That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited **("SGX-ST")**, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute Discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier".

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 8 was duly carried.

9) ORDINARY RESOLUTION 9:
RENEWAL OF SHARE PURCHASE MANDATE

Next, Chairman informed the Meeting that the ninth item on the Notice of AGM was to seek Shareholders' approval for the proposed renewal of the share purchase mandate.

The text of Ordinary Resolution 9 set out in the Notice of AGM was taken as read.

Chairman proposed the following Ordinary Resolution 9:

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the **"Companies Act"**), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary Shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

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

(ii) off-market purchases (each an "Off-Market Purchase") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and otherwise be in accordance with all other laws and other regulations and rules of the SGX-ST (the "Share Purchase Mandate");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in 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 passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or is required by law to be held;

(ii) the date on which the share purchase is carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

(d) for purposes of this Resolution:

"**Maximum Limit**" means 10% of the total number of issued Shares of the Company as at the date of passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST));

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:-

(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 pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares, where:

"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 during the relevant five-day period and the day on which the Market Purchase is made; and

"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; and

(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution".

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	325,704,125	99.9966
Number of Votes Against	11,000	0.0034

Chairman declared that Ordinary Resolution 9 was duly carried.

10) ORDINARY RESOLUTION 10:
APPROVAL FOR THE CONTINUED APPOINTMENT OF MS LEE KIM LIAN JULIANA, AS AN INDEPENDENT DIRECTOR OF THE COMPANY, FOR PURPOSE OF RULE 210(5)(D)(III)(A) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

Chairman informed that the next item on the Notice of AGM was to seek Shareholders' approval for the continued appointment of Ms Lee Kim Lian Juliana as an Independent Director of the Company for the purpose of Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST, which would come into effect on 1 January 2022.

Chairman proposed the following Ordinary Resolution 10:

"That contingent upon the passing of Ordinary Resolution 4 and subject to the passing of Ordinary Resolution 11 below, approval be and is hereby given for Ms Lee Kim Lian Juliana, to continue to act as an Independent Director of the Company pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022); and

That the authority conferred by this Resolution shall continue in force until the earlier of the following:

(i) retirement or resignation of Ms Lee Kim Lian Juliana as a Director; or
(ii) conclusion of the third Annual General Meeting of the Company following the passing of this Resolution."

Chairman informed that Mr Chang Yeh Hong, Group Executive Chairman and Shareholder of the Company had abstained from voting on Ordinary Resolution 10.

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	107,686,800	99.99
Number of Votes Against	11,000	0.01

Chairman declared that Ordinary Resolution 10 was duly carried.

11) ORDINARY RESOLUTION 11:
APPROVAL FOR THE CONTINUED APPOINTMENT OF MS LEE KIM LIAN JULIANA, AS AN INDEPENDENT DIRECTOR OF THE COMPANY, FOR PURPOSE OF RULE 210(5)(D)(III)(B) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

Chairman informed that the last item on the Notice of AGM was to seek Shareholders' approval for the continued appointment of Ms Lee Kim Lian Juliana as an Independent Director of the Company for the purpose of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST.

Chairman proposed the following Ordinary Resolution 11:

"That subject to the passing of Ordinary Resolution 10 above, approval be and is hereby given for Ms Lee Kim Lian Juliana, to continue to act as an Independent Director of the Company pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022); and

That the authority conferred by this Resolution shall continue in force until the earlier of the following:

(i) retirement or resignation of Ms Lee Kim Lian Juliana as a Director; or
(ii) conclusion of the third Annual General Meeting of the Company following the passing of this Resolution"

Chairman informed that Mr Chang Yeh Hong, Group Executive Chairman and Shareholder of the Company and herself, Executive Director and Shareholder of the Company, had abstained from voting on Ordinary Resolution 11.

Based on proxy votes received, the results of the poll were as follows:

	No. of Votes	Percentage (%)
Number of Votes For	75,512,300	99.99
Number of Votes Against	11,000	0.01

Chairman declared that Ordinary Resolution 11 was duly carried.

MANAGEMENT RESPONSES TO QUESTIONS FROM SHAREHOLDERS

As all items on the Notice of AGM had been dealt with, Ms Teo Ling Ling invited Mr Chang Yeh Hong, Group Executive Chairman to address the questions received from a Shareholder and the investing community and Management's responses.

Mr Chang Yeh Hong informed that he would like to address the following:

(a) 2 questions from Mr Tan Kok Ching, a Shareholder of the Company, which the Company had published Management's responses on the Company's website prior to this AGM; and
(b) 3 feedbacks that he had received from the investing community

Please find a list of the questions and Management's responses in **Appendix I** attached to this Minutes of AGM.

Mr Chang Yeh Hong informed Shareholders that the Company would like to resume its quarterly investors briefing in the coming weeks which had stopped last year due to the COVID-19 pandemic. He asked Shareholders who were interested to attend the quarterly investors briefing to register themselves with Financial PR Pte Ltd.

CONCLUSION

There being no further business, Chairman thanked Shareholders for their attendance and declared the Meeting closed at 10:41 a.m.

Confirmed As A Correct Record

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Teo Ling Ling
Chairman of the Meeting

Appendix I

NORDIC GROUP LIMITED
Registration No. 201007399N
(Incorporated in Singapore)

Minutes of AGM held on 26 April 2021
Questions and Management's Responses

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(1) Question from Shareholder, Tan Kok Ching

The Project Services ("PS") business segment contributed 60% higher revenue at S$24.2 million in 2H2020 versus S$15.1 million in 1H2020, mainly attributed to conversion projects from our System Integration ("SI") division. Can the Management elaborate what kind of conversion is involved?

Management's Response published on the Company's website

Conversion projects are overhaul of the existing systems of a vessel. This is different from new builds where a vessel is built from scratch. The existing systems could involve mechanical and electrical works and we have the expertise to do both.

Additional Information from Management on 26 April 2021

Mr Chang Yeh Hong stated that conversion jobs were essentially retrofitting, refurbishing and repairing of vessels. He shared that Nordic Flow Control Pte Ltd had secured a significant project in 2020 and managed to deliver a substantial part of the repair works towards the end of 2H2020. As a result, the Company was able to record some of the revenue and profits in 2H2020 which explained why NGL Group had a substantially higher revenue in 2H2020 as compared to 1H2020.

(2) Question from Shareholder, Tan Kok Ching

It is reported in the annual report that from January 2020 to February 2020, the Group had secured new contracts worth approximately S$117.2 million in total. The value of contracts clinched within 2 months is high and commendable. Can the Management share if there is any particular reason behind the sudden spate of contract wins and if the contract wining momentum can be sustained for the rest of the year?

Management's Response published on the Company's website

We have a few large maintenance contracts due for renewal in 2020 and we have successfully renewed these with the plant owners and government agencies.

Additional Information from Management on 26 April 2021

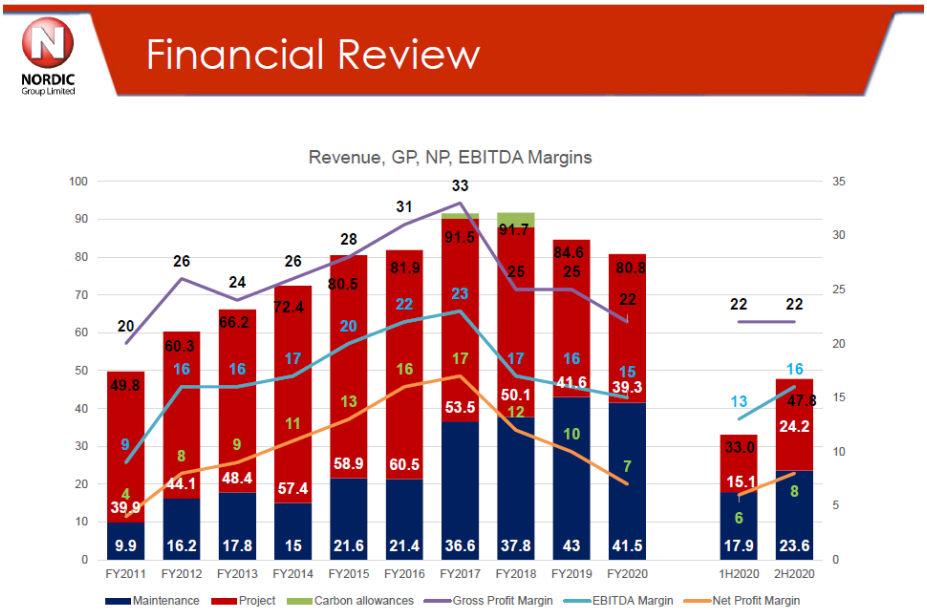
Mr Chang Yeh Hong shared that there was a substantial number of new and maintenance renewal contracts that came in towards end of 2020 and collectively, the Group was able to announce such a huge amount of contract win of S$117.2 million. He added that with the recovery from the pandemic, the Group would be able to continue to secure new adhoc projects/contracts during the course of their normal business.

(3) Feedback from Investing Community

How is the Group coping with COVID-19?

Management's response on 26 April 2021

On the question on how the Group was coping with the COVID-19 situation, Mr Chang Yeh Hong referred the Meeting to the Chart below.



He shared that the Group was very badly hit when their workers were locked down in March 2020 due to the widespread of the COVID infection in the dormitories. In April 2020, the workers were transferred to the government quarantined facilities and by May 2020, almost all of the Group's 1,000 workers were locked down and activities on site came to standstill. These locked down workers were progressively released to work at the site from July 2020 to August 2020 and after the Circuit Breaker, business activities picked up towards the latter part of 2H2020.

As a result of the above sequence of events, with the major lockdown and low business activities in 1H2020, the Group reported a low revenue of approximately S$33 million with net profit ("NP") of approximately S$1.8 million in 1H2020. With the picked up in business and the return of all the workers to work in 2H2020, the Group reported higher revenue of approximately S$47.8 million with NP of approximately S$3.6 million in 2H2020. For the full year of 2020, the Group reported revenue of approximately S$80.8 million with NP of approximately S$5.5 million.

Mr Chang Yeh Hong added that with the improved business environment and barring any unforeseen circumstances, the worst was behind us and the Group was expected to recover to pre-COVID levels.

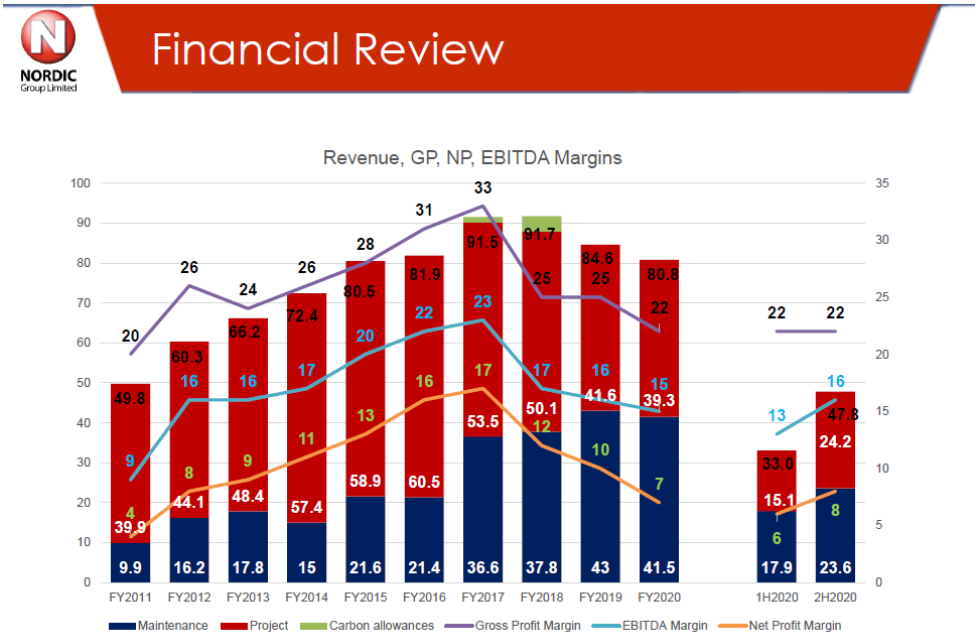
(4) Feedback from Investing Community

How are margins affected by COVID-19 pandemic and how can margins be improved moving forward?

Management's response on 26 April 2021

Mr Chang Yeh Hong referred the Meeting to the Chart below:

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Mr Chang Yeh Hong told the Meeting that the gross profit margin ("GPM") and net profit margin ("NPM") reached the low of 22% and 7% respectively in FY2020. With the pandemic largely contained and business activities recovering to pre-COVID levels, the Group was optimistic that GPM and NPM would improve to pre-COVID levels, barring any unforeseen circumstances.

(5) Feedback from Investing Community

Some listed companies have stopped paying dividends during the COVID-19 pandemic. Will Nordic Group Limited ("NGL") continue to pay dividends and how sustainable is NGL paying dividends?

Management's response on 26 April 2021

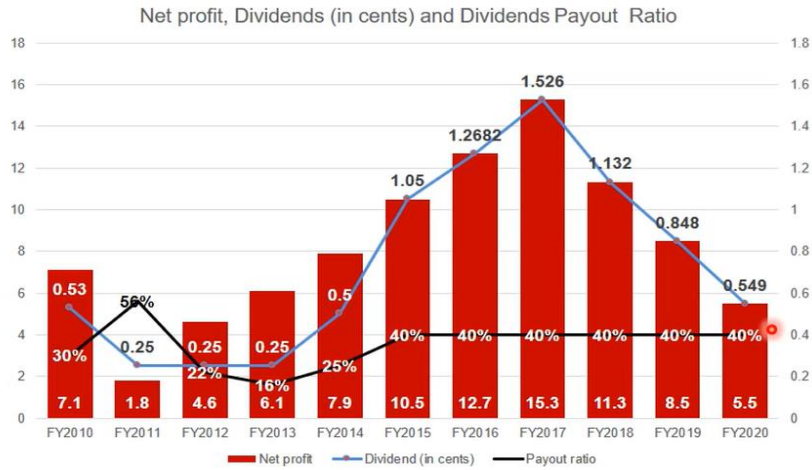
Mr Chang Yeh Hong referred the Meeting to the Charts below:

Financial Review

	As at end of								
S$'000	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total Borrowings	26,834	21,539	25,320	32,155	28,085	46,612	48,807	44,069	45,873
Cash and Cash Equivalents	23,965	14,852	32,799	35,566	32,325	40,291	39,232	43,200	57,512
Net Debt/(Cash)	2,869	6,687	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)
Net Gearing Ratio(1)	10%	19%	-19%(2)	-10%(2)	-11%(2)	13%(3)	19%(4)	2%(5)	-20%(2)

(1) Computed based on (Total Borrowings less Cash and Cash Equivalents / Total Equity less Goodwill) x 100%
(2) Negative due to the Group being in a Net Cash position
(3) Increase due to $21million loan from the acquisition of Ensure in April 2017
(4) Increase due to $10 million loan for the purchase of factory at 2 Tuas Ave 10
(5) Net debt is due to the acquisition of Envipure Group

Financial Review



The Group's cash as at 31 December 2020 stood at S$57.5 million with net cash of approximately S$11.6 million. With this strong cash reserves held, the Group would continue to pay dividends based on the 40% dividend policy.

Turning to the dividend payout Chart above, it was clear from the Chart that the Group had an impeccable record of paying dvidends since IPO. Even when the net profit was the lowest in 2011 of approximately S$1.8 million, dividends were still paid.

As long as the Group continues to generate profits with positive EBITDA and cashflow, dividend payment would be sustainable and paid in accordance with our 40% dividend policy.