NORDIC GROUP LIMITED
(Company Registration Number: 201007399N)

RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON 2015 ANNUAL REPORT

The Board of Directors (the "Board") of Nordic Group Limited (the "Company") wishes to respond to queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 April 2016 in relation to the Annual Report issued by the Company in respect of the financial year ended 31 December 2015 ("Annual Report 2015"):

SGX-ST's queries

a. Guideline 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

   (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
   (b) regarding the effectiveness of the company's risk management and internal control systems. (emphasis added)

   We note the Board's comment on the adequacy of the internal controls of the Company, including financial, operational, compliance risk and information technology risk on page 30 of the annual report. We also note that the Board has received assurance from the Chairman and the Group Financial Controller.

   As required under Listing Rule 710, please make disclosure as recommended in the Code:
   (a) the opinion of the Board on the (i) effectiveness of the internal controls, including financial ,operational, compliance and information technology controls; and (ii) the adequacy and effectiveness of risk management systems; and
   (b) the Board's comment on whether it has received assurance from the CEO regarding the effectiveness of the Company's risk management systems.

b. Guideline 9.4 of the Code recommend disclosure of details of remuneration of employees who are immediate family members of a director or the CEO and whose remuneration exceeds S$50,000 during the year in incremental bands of S$50,000. (emphasis added)

   We note the disclosure of remuneration of Bong Boon Hean on page 29 is not in bands of S$50,000.

   In this regard, please disclose Bong Boon Hean's remuneration in bands of S$50,000 as recommended in the Code: or otherwise provide an explanation for any deviation.

The Board's response

a. Based on the reports submitted by the external and internal auditors, the actions taken by the Company on the recommendations made by the external and internal auditors, the various management controls put in place and the continuing efforts at enhancing such controls, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's risk management and internal controls systems addressing financial, operational, compliance and information technology risks, were adequate and effective in meeting the needs of the Company in its current business environment as at 31 December 2015.

   As disclosed on page 30 of the Annual Report 2015, the Board and the Audit Committee have received assurances from the Chairman and the Group Financial Controller that the Company's internal control systems in place is adequate and effective in addressing the material risks of the Company in its current business environment.

   The Board wishes to further add that the Board and the Audit Committee have also obtained assurances from the Chairman and the Group Financial Controller that the Company's risk management systems are adequate and effective in addressing the material risks of the Company.

b. The Company wishes to clarify that the remuneration of Bong Boon Hean stated in the Annual Report 2015 as "Below $150,000" refers to the band of S$100,000 to S$150,000.

BY ORDER OF THE BOARD

CHANG YEH HONG
EXECUTIVE CHAIRMAN
26 April 2016