

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

**Minutes of Annual General Meeting of Nordic Group Limited (the “Company”) held at 2 Tuas Avenue Singapore 639126 on Monday, 27 April 2020 at 10:00 a.m.**

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**PRESENT**

**Directors**

1. Mr Chang Yeh Hong - Executive Chairman
2. Ms Teo Ling Ling - Executive Director
3. Ms Juliana Lee Kim Lian - Independent Director (via skype)
4. Ms Ong Hua - Independent Director (via skype)
5. Mr Lee Kok Keng Andrew – Independent Director (via skype)

**Company Secretary**

Ms Chia Meng Ru (via skype)

**Management**

Mr Lin Choon Hin

**Shareholders**

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders who have submitted their questions to the Company prior to the Annual General Meeting (“**AGM**”) will not be published in the Minutes of AGM.

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Ms Teo Ling Ling, Executive Director of the Company, welcomed shareholders to the Company’s AGM. She informed the meeting that due to the current COVID-19 situation, shareholders and members were not able to attend the Company’s AGM physically but are allowed to view the AGM proceeding by live webcast

The meeting was informed that Mr Chang Yeh Hong, Executive Chairman and shareholder of the Company has proposed the motion “That Ms Teo Ling Ling be elected as Chairman of this AGM.” The motion was seconded by Mr Lin Choon Hin, a shareholder of the Company.

Chairman, Ms Teo Ling Ling, called the meeting to order at 10:00 a.m. after confirming that a quorum was present. The Notice of AGM dated 9 April 2020 had been circulated to all shareholders was taken as read.

Chairman informed the meeting of the following:

- (1) All directors of the Company are attending this AGM via live website with the exception of Mr Chang Yeh Hong who was physically present at 2 Tuas Avenue 10, Singapore 639126;
- (2) The Company has received a total of 12 proxy forms appointing Chairman of the AGM as their proxy to vote on all the Ordinary Resolutions tabled at this AGM;
- (3) The Company has received several questions from shareholders prior to the AGM and the substantial and relevant questions would be addressed by management and Board after all the Ordinary Resolutions have been tabled;

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- (4) The Company has appointed Tricor Barbinder Share Registration Services, the Company's Share Registrar as the polling agent for this AGM. Ardent Business Advisory Pte Ltd was appointed scrutineer for this AGM and they have checked validity of the proxy forms received and prepared a summary report on the poll results; and
- (5) All the Ordinary Resolutions to be tabled at the AGM would be proposed by her and seconded by Mr Lin Choon Hin.

Chairman proceeded with the meeting proper.

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 2019 TOGETHER WITH THE AUDITOR'S REPORT THEREON**

Chairman informed the meeting that first Resolution 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 2019 together with the Report of Auditor.

Chairman read out Ordinary Resolution 1 which has been proposed and seconded.

"That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Auditor's Report submitted to the meeting be and are hereby received."

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 1 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 1	308,006,725	100
Votes Against Ordinary Resolution 1	0	0

Chairman declared that Ordinary Resolution 1 was duly carried.

2) **ORDINARY RESOLUTION 2 -  
TO DECLARE A FINAL TAX EXEMPT (ONE-TIER) DIVIDEND OF 0.419 SINGAPORE CENT PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Chairman informed that shareholders' approval was being sought for the proposed declaration of a final tax exempt (one-tier) dividend of 0.419 Singapore cent per ordinary share for the financial year ended 31 December 2019.

Chairman read out Ordinary Resolution 2 which has been proposed and seconded.

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“That a final tax exempt (one-tier) dividend of 0.419 Singapore cent per ordinary share for the financial year ended 31 December 2019 be and is hereby approved.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 2 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 2	308,006,725	100
Votes Against Ordinary Resolution 2	0	0

Chairman declared that Ordinary Resolution 2 was duly carried.

**3) ORDINARY RESOLUTION 3 –  
TO RE-ELECT MR CHANG YEH HONG, WHO IS RETIRING PURSUANT TO REGULATION 106  
OF THE CONSTITUTION OF THE COMPANY, AS A DIRECTOR OF THE COMPANY**

The next Resolution on the Notice of AGM concerned the re-election of Mr Chang Yeh Hong as a Director of the Company.

Chairman informed that Mr Chang Yeh Hong, who was due for retirement pursuant to Regulation 106 of the Constitution of the Company and being eligible, offered himself for re-election. Further, Mr Chang Yeh Hong, a shareholder of the Company, has abstained from voting on this Resolution.

Chairman read out Ordinary Resolution 3 which has been proposed and seconded.

“That Mr Chang Yeh Hong, 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.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 3 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 3	89,989,400	100
Votes Against Ordinary Resolution 3	0	0

Chairman declared that Ordinary Resolution 3 was duly carried.

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**4) TO NOTE THE RETIREMENT OF MS ONG HUA AS A DIRECTOR OF THE COMPANY, WHO IS RETIRING PURSUANT TO REGULATION 106 OF THE CONSTITUTION OF THE COMPANY AND HAS DECIDED NOT TO SEEK RE-ELECTION**

Chairman informed that item 4 of the Notice of AGM was to note the retirement of Ms Ong Hua as a Director of the Company pursuant to Regulation 106 of the Constitution of the Company and she has decided not to seek re-election.

“That it be noted that Ms Ong Hua retires pursuant to Regulation 106 of the Constitution of the Company upon the conclusion of this AGM.”

Chairman recorded a vote of thanks to Ms Ong Hua for her past contributions to the Company.

**5) ORDINARY RESOLUTION 4 - TO RE-ELECT MR LEE KOK KENG ANDREW, WHO IS RETIRING PURSUANT TO REGULATION 116 OF THE CONSTITUTION OF THE COMPANY, AS A DIRECTOR OF THE COMPANY**

Next, Chairman informed that Ordinary Resolution 4 of the Notice of AGM pertained to the re-election of Mr Lee Kok Keng Andrew as a Director of the Company who was due for retirement pursuant with Regulation 116 of the Constitution of the Company and being eligible, offered himself for re-election.

Chairman read out Ordinary Resolution 4 which has been proposed and seconded.

“That Mr Lee Kok Keng Andrew, 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.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 4 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 4	308,006,725	100
Votes Against Ordinary Resolution 4	0	0

Chairman declared that Ordinary Resolution 4 was duly carried.

**6) ORDINARY RESOLUTION 5 - TO APPROVE DIRECTORS' FEES OF S\$137,000 FOR FINANCIAL YEAR ENDING 31 DECEMBER 2020, PAYABLE HALF-YEARLY IN ARREARS**

Chairman stated that Directors' fees of S\$137,000 for the financial year ending 31 December 2020, to be payable half-yearly in arrears, has been proposed for shareholders' approval.

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Chairman read out Ordinary Resolution 5 which has been proposed and seconded.

“That the Directors’ fees of S\$137,000 for the financial year ending 31 December 2020, payable half-yearly in arrears, be hereby approved.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 5 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 5	308,006,725	100
Votes Against Ordinary Resolution 5	0	0

Chairman declared that Ordinary Resolution 5 was duly carried.

**7) ORDINARY RESOLUTION 6 - TO APPROVE ADDITIONAL DIRECTORS’ FEES OF S\$3,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019.**

Chairman stated that Ordinary Resolution 6 was to seek shareholders’ approval for the payment of additional Directors’ fees of S\$3,000 for the financial year ended 31 December 2019.

Chairman read out Ordinary Resolution 6 which has been proposed and seconded.

“That the payment of additional Directors’ fees of S\$3,000 for the financial year ended 31 December 2019 be hereby approved.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 6 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 6	308,006,725	100
Votes Against Ordinary Resolution 6	0	0

Chairman declared that Ordinary Resolution 6 was duly carried.

**8) ORDINARY RESOLUTION 7 - TO APPROVE A ONE-OFF DIRECTOR’S FEE OF S\$15,000 PAYABLE TO MS ONG HUA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019.**

Chairman informed shareholders that Ordinary Resolution 7 was to seek shareholders’ approval for the payment of a one-off Director’s fee of S\$15,000 to Ms Ong Hua.

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Chairman read out Ordinary Resolution 7 which has been proposed and seconded.

“That the payment of a one-off Director’s fee of S\$15,000 to Ms Ong Hua for the financial year ended 31 December 2019 be hereby approved.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 7 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 7	308,006,725	100
Votes Against Ordinary Resolution 7	0	0

Chairman declared that Ordinary Resolution 7 was duly carried.

**9) ORDINARY RESOLUTION 8 -  
TO RE-APPOINT MESSRS RSM CHIO LIM LLP AS AUDITOR OF THE COMPANY AND TO  
AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The shareholders were informed that Ordinary Resolution 8 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 read out Ordinary Resolution 8 which has been proposed and seconded.

“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.”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 8 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 8	308,006,725	100
Votes Against Ordinary Resolution 8	0	0

Chairman declared that Ordinary Resolution 8 was duly carried.

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**10) ORDINARY RESOLUTION 9 -  
AUTHORITY TO ALLOT AND ISSUE SHARES**

Chairman explained 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.

Chairman referred the meeting to Ordinary Resolution 9 set out in the Notice of AGM dated 9 April 2020. Ordinary Resolution 9 which has been proposed and seconded is as follows:

"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 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;
  - (b) new shares arising from exercising share options or vesting of share awards;
  - (c) any subsequent bonus issue, consolidation or subdivision of shares; and

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provided such adjustments in sub-paragraphs (2)(a) and (b) above are made in respect of new shares arising from the conversion or exercise of any convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time of passing of this Resolution;

- (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”

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 9 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 9	308,006,725	100
Votes Against Ordinary Resolution 9	0	0

Chairman declared that Ordinary Resolution 9 was duly carried.

**11) ORDINARY RESOLUTION 10 -  
RENEWAL OF SHARE PURCHASE MANDATE**

The meeting was informed that the last item on the agenda is to seek shareholders' approval for the proposed renewal of the share purchase mandate.

Chairman referred to Ordinary Resolution 10 set out in the Notice of AGM dated 9 April 2020. Ordinary Resolution 10 which has been proposed and seconded is as follows:

“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 (“Shares”) 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:

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- (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

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**“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."

Proposed by : Ms Teo Ling Ling

Seconded by : Mr Lin Choon Hin

Chairman announced the results of the votes cast for Ordinary Resolution 10 as follows:

	No. of shares	Percentage (%)
Votes For Ordinary Resolution 9	308,006,725	100
Votes Against Ordinary Resolution 9	0	0

Chairman declared that Ordinary Resolution 10 was duly carried.

**QUESTIONS FROM SHAREHOLDERS**

Next, Mr Chang Yeh Hong, Executive Chairman of the Company, addressed the questions received from shareholders. Please find a list of the questions and management’s responses in **Appendix I** attached to this Minutes of AGM.

There being no other business, Chairman thanked all present and declared the meeting closed at 10:45 a.m.

Confirmed As A Correct Record

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Teo Ling Ling  
Chairman of the meeting

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Minutes of AGM held on 27 April 2020 – Questions from Shareholders & Management's Responses

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**(1) Question – 2019 Audited Financial Statements**

The administrative expenses for 4Q FY2019 is high compared to the last 3 quarters of FY2019 but was however similar to 4Q FY2018 (I understand that the administrative expense for 4Q FY2018 was high due to some retrenchment benefits given out last year). Can management explain the sharp increase in administrative expenses in 4Q FY2019?

**Management's Response**

Mr Chang Yeh Hong explained that the increase in the Company's administrative expenses for 4Q FY2019 was mainly due to the following:

- (i) increase in administrative expenses of more than S\$400,000 due to the Company's acquisition of Envipure Pte Ltd in November 2019; and
- (ii) re-classification of research and development ("R&D") costs of approximately S\$500,000 in Avitools (Suzhou) Co. Ltd and some expenses related to R&D to administrative expenses to enable the company to qualify for tax incentives in China.

**(2) Question – Dividend Policy**

Will the Company change its dividend policy in view of current COVID-19 situation?

**Management's Response**

Mr Chang Yeh Hong stated that the Company's dividend policy was based on 2 major considerations namely (i) net profits earned and (ii) cash flow of the Company. He shared that as at 31 March 2020, the Company has a cash balance of S\$46m which would enable it to meet the cashflow consideration. However, on the net profits of the Company, Mr Chang Yeh Hong was not able to assess the extent of the impact of the COVID-19 situation on the profitability of the Group. He stated that management would need to wait for the financial performance of the Group for the next 2 quarters after the extended circuit breaker ("CB") measures have been lifted to have a better assessment.

In short, Mr Chang Yeh Hong stated that the Company would not change its dividend policy but would be subject to the profitability of the Company at the end of financial year 2020.

**(3) Question – Circuit Breaker**

With the circuit breaker in place in Singapore for last few weeks and being extended to 1 June 2020, how has/will the business which is dependent on foreign workers in Singapore be affected?

**Management's Response**

Mr Chang Yeh Hong stated that the extension of the CB to 1 June 2020 has certainly affected the Company and its work force and provided a breakdown of the Company's work force of 1,283 comprising the following:

- 204 locals
- 954 work permit holders (living in the dormitories)
- 113 “S” pass holders
- 12 employment pass holders

He stated that approximately 84% of the work force was affected by the CB and management was at present time, fighting very hard to justify that some of these workers were providing essential services to large corporations and government installations- and for them to resume work at the work sites. He added that only a very small percentage of these workers were allowed to work at the plants currently.-.

Mr Chang Yeh Hong stated that fortunately, the Company would be receiving some subsidies from the Singapore Government’s Job Support Scheme and waivers on foreign workers’ levies.

**(4) Question – Drop in Oil Price**

- a) Has the recent severe crash in oil price cause some cancellations of customers orders for Nordic Group?
- b) How do management view the oil price crash on Nordic Group's business and cash flow in the near future?
- c) Does drop in oil price have any impact on the Project segment?

**Management’s Response**

- a) Mr Chang Yeh Hong informed the meeting that as of current date, the Company has not received cancellation from any of its customers who have placed orders and for most of these capital projects that the Company was pursuing, management has not received any formal notices of cancellation but management expects these projects would be delayed. He added that those projects that the Company was pursuing were at the technical discussion stage and management have not proceeded with commercial discussions.
- b) On the question relating to the oil price crash, Mr Chang Yeh Hong informed that the Company has moved away most of its business from upstream to downstream which helped to cushion the Company from the severe drop in oil price. He stated that as more than 50% of the Company’s sales/revenue was from maintenance jobs, overall the current drop in oil price has a lesser impact on the downstream business. He added that as long as the Company has conversion jobs and recurring maintenance jobs, its cash flow -would be quite stable.
- c) Mr Chang Yeh Hong stated that due to the drop in oil price, projects would be delayed. He added that as most companies have already allocated budgets for these projects, he believed that most of these projects would be delayed and unlikely to be cancelled.

**(5) Question – CRISP**

Can the management update us on the status of the tender for the multi-year contract in Chemical and Refining Integrated Singapore Project (CRISP)? Has Nordic Group managed to win any contracts?

**Management’s Response**

Mr Chang Yeh Hong informed that the preliminary CRISP project has already started but suspended after until 1 June 2020 assuming the extended CB measures were lifted. He stated that the main CRISP greenfield project has been delayed due to the COVID-19 situation.

**(6) Question – Mergers & Acquisitions**

Is Nordic looking at buying or acquiring new companies to complement its current business?

**Management's Response**

Mr Chang Yeh Hong stated that merger and acquisition (“M&A”) has always been part of the Company’s growth strategy and management would look out for companies that can synergize with the Group’s existing businesses. At present time, he stated that the main focus was to watch costs and preserve cash.

**(7) Question – Acquisition of Envipure Pte Ltd**

How is the current integration of Envipure Pte Ltd and subsidiary (“Envipure”)?

**Management's Response**

Mr Chang Yeh Hong stated that integration has become more challenging due to the current COVID-19 situation. He informed that management has integrated the back office and at present time, looking to integrate the front office of Envipure and align it to the Group’s overall core competencies.

Mr Chang Yeh Hong informed that moving forward, the strategy would be for Envipure to serve existing customers of the Company. He added that management would be very careful when the Company diversifies to other unchartered countries.

**(8) Question - Challenges**

Moving forward, what are the challenges we are facing in low oil prices environment and COVID-19 situation? Can you paint a worst case and best possible scenario, so we can have a better understanding of the performance in the coming financial year.

**Management's Response**

Mr Chang Yeh Hong stated that he would address the question in 2 parts:

- (a) Worse-case scenario; and
- (b) Best possible scenario

He said that the worst case scenario would be a situation where the Group has no sales/revenue. Based on the Company’s cash position as at 31 March 2020 of approximately S\$46m and available bank loans of S\$14m to draw on, the Company has about S\$60m cash to utilize. With a burn rate of S\$3.6m overheads per month, assuming no sales, he stated that the Company could sustain for approximately 17 months.

On the best possible scenario in the current COVID-19 situation, Mr Chang Yeh Hong stated that it would be for the Group to get back to business as usual, as like in the past 2 years, where the Group has no capital projects and relied mainly on maintenance jobs and adhoc projects.

(9) **Question – Order Book**

What percentage (%) of the order book would likely be cancelled due to this crisis?

**Management's Response**

Mr Chang Yeh Hong shared that as at 31 December 2019, the Group has an order book of approximately S\$92m and added another approximately S\$30m subsequently. With runoffs of approximately S\$21m in Q1 FY2020, he stated that the Group still has a healthy outstanding order book of approximately S\$98m.

Mr Chang Yeh Hong informed that the Company has not received any cancellation of orders to-date.