NauticAWT Limited

(Company Registration Number: 201108075C)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

The Board of Directors (the "**Board**" or "**Directors**") of NauticAWT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the queries raised by the SGX-ST in relation to, the announcement released by the Company on 9 October 2020 on the proposed disposal of the entire issued and paid-up ordinary shares in the capital of Nautec Group Pte. Ltd. (the "**Announcement**").

Unless otherwise defined, capitalized terms used herein shall bear the same meaning ascribed to them as in the Announcement.

SGX Query 1:

It was stated that the purchase consideration for the Sale Shares is US$214,345.00 (the "**Purchase Consideration**"). The Purchase Consideration was determined by the Purchaser and the Company based on a willing buyer, willing-seller basis taking into consideration, inter alia, the market value of the Sale Shares based on the indicative valuation result and the various factors set out in paragraphs 3.1 to 3.6.

Notwithstanding that the Company is of the view that the industry outlook for the marine and offshore engineering industry is generally pessimistic and will likely be on a downward trend in the near future, due to moderating oil prices and flattening demand for oil in the long term, based on a preliminary valuation conducted by the Valuer, the indicative value of the 100% equity interest in the capital of the Sale Group is between US$266,000 to US$743,000 as at 30 June 2020.

(a) Given that the Valuer had used the income approach with reference made to the market approach, the Valuer would have taken into account factors such as the industry outlook for the marine and offshore engineering industry. The Purchase Consideration of US$214,345 is lower than the lower-band of the indicative valuation (US$266,000) by 16.4%, and lower than the upper-band of the indicative valuation (US$743,000) by 71.2%. What is the Board's basis and rationale for agreeing to the Purchase Consideration?

(b) What is the Purchaser's plans for NGPL subsequently?

Response:

(a) The board has considered some other potential risks such as current global condition due to Covid-19, challenging market conditions and fluctuation of oil prices, loss of manpower, additional funding requirement including but not limited to additional capital expenditure that may affect the performance of Sale Group.

There is no assurance that the Sale Group is able to achieve the indicative valuation results especially in a highly volatile oil and gas market with the historical losses and downward revenue trend. Additionally, the Sale Group has a net current liability of approximately USD2.2 mil and net asset value of USD19,913 as of 1H2020 as well as limited available cash due to the restricted cash pledged as a security towards the loan extended by the bank.

Any adverse changes to any of the above factors or risks will impact the performance of the Sale Group that resulting in new additional funding to support and sustain the business.

(b) Subsequent to the completion of the disposal, Purchaser plans to focus in generating cash from the operating activities and or further bank financing to settle the short term liability of NGPL in particular to those debt restructuring creditors which included our employees and former directors.

SGX Query 2:

In July 2019, the Company underwent a Debt Restructuring exercise and its rationale was to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. The proceeds of the Proposed Subscription, if and when completed, were intended to be used for the settlement of the Balance Liabilities, the funding of potential growth and expansion or diversification and general working capital of the Company.

It was stated in HY2019 results released on 14 August 2019 that the activities in the oil and gas market seem to be improving as we have seen more enquiries for the products and services over the past 6 months. Barring unforeseen circumstances, the Company remain cautiously positive on the business outlook for its High-Performance Concrete and Composites and UHPC based installation and repair solutions within the oil and gas market. Furthermore, the Company remain positive on the outlook for our products in the Renewable segment.

With the development of Covid-19 pandemic, the Company released its FY2019 AR on 15 April 2020 and stated that the outlook for supply of High Performance ("HPC") and Ultra High-Performance Concrete ("UHPC") and Composites materials and the associated installation services remains unchanged. Although the revenues decreased for FY2019, there is continued demand for the Group's products and services within the offshore segment of the Oil and Gas Industry. The demand for the Company's UHPC products for wind turbine foundations continue to grow although at a slower pace than a year ago. The Company believes that the demand for renewable energy will keep supporting the demand for its UHPC products in this market segment. In an effort to further diversify the application of HPC and UHPC materials, the Group has introduced its HPC and UHPC to the civil and architectural industries.

Thus far, the Company had been hopeful about the outlook of its HPC and UHPC businesses as well as the offshore segment of the O&G industry. However, in its 9 October 2020 announcement on the Proposed Disposal, it is stated that the rationale of the Proposed Disposal is to allow the Group to exit from the marine and offshore engineering industry and focus its resources on exploring other opportunities including the food & beverage business. Upon completion of the Proposed Disposal, the Group will not have any revenue generating subsidiaries.

The Debt Restructuring exercise was only completed on 13 December 2019, which is less than a year ago. Please explain what has changed between December 2019, April 2020 (issuance of FY2019 Annual Report) and now to have caused the Board to consider the Proposed Disposal which would potentially cause the Company to be in a 'cash company' status given that the Group will no longer have any revenue generating subsidiaries upon completion of the Proposed Disposal.

Response:

After the completion of the subscription agreement in December 2019, the major and controlling shareholder has indicated his intention for the Group to further diversify and change its core business to the education industry. In this regard, upon further discussion, the Board agreed to explore an acquisition of an education business in Thailand which may potentially classify as very substantial acquisition. To this end, a pre-clearance application was submitted to SGX in March 2020. With the intended change of core business, the Board also considered and agreed to explore the disposal of the Group's existing core business, i.e marine and offshore engineering business in line with the proposed change of the direction of the Group.

On 13 August 2020, the Company has announced the unaudited financial results of 1H2020 and highlighted the concern of the challenging business environment especially in our core business and industry. The Group has been considering and exploring various options rationalising its current business as well as stay focused in pursuing new revenue streams and opportunities for a more sustainable and viable businesses. The revenue of the Sale Group (or more specifically our existing core business) remains stagnant and not improving despite our hopeful outlook in August 2019 and April 2020 respectively. Given the past historical losses, decreased of revenue since 2017, recent revenue performance in 1H2020 and the renewed industry and business outlook has further support the Board's decision to focus its resources on exploring other opportunities.

SGX Query 3:

It was stated that the Company had approached business associates to explore the possibility and potential terms of selling the Sale Shares to such parties (including the Purchaser). However, there was a lack of interest and no meaningful discussions were able to take place with such parties save for the Purchaser, due to inter alia the Sale Group's historical losses, net current liability position, short term and long term capital expenditure requirements, and the general pessimistic outlook of the industry in which the Sale Group operates. The only offer made for the Sale Group for cash is from the Purchaser.

(a) Please elaborate on the Company's efforts and attempts at selling the Sale Shares. When did the Company begin looking to sell the Sale Shares?

(b) When did the Company begin talks with the Purchaser on the Proposed Disposal?

(c) Please explain the Purchaser's role in the Debt Restructuring exercise which was completed on 13 December 2019.

(d) Has the controlling shareholder, Dr. Chiyachantana Chirasak, indicated support for the Proposed Disposal?

(e) Please confirm whether the Proposed Disposal to the Purchaser was contemplated since the Debt Restructuring exercise?

(f) Are there any conditions to be fulfilled or any inter-conditional terms between the Proposed Disposal and any other recent / future transactions undertaken / to be undertaken by the Company?

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Response:

(a) The Company began exploring the Proposed Disposal in March 2020 and started approached the business associates by having a dialogues with these parties. However, none of these parties has shown any interest or keen to further the discussion.

(b) Around the same time, the company has also approached the Purchaser concurrently to understand his intention of acquiring the business.

(c) Notwithstanding that the Purchaser facilitate the Debt Restructuring exercise in his role as CEO and an executive director of the Board, the Purchaser had abstained from all decisions and voting in the extraordinary general meeting in the Debt Restructuring in relation to himself. The same applied to the other then conflicted directors including Mr Lim How Teck, Mr Teo Lek Hong and Mr Tay Kee Liat.

(d) Dr. Chiyachantana Chirasak, being the controlling shareholder has shown his full support for the Proposed Disposal and believes that the Purchaser, given his in-depth knowledge of the industry and business is the best person to bring the Sale Group forward and for the best interest of all the stakeholders especially our employees, former directors and creditors.

(e) The Company explored the disposal of the existing business and the intention of changing core business as well as considered the Purchaser as a potential purchaser around March 2020, i.e only after completion of the Subscription Agreement in December 2019.

(f) Save for those terms as announced on 9 October 2020, there isn't any other conditions between the Proposed Disposal and future transactions. However, the Board believe that the Proposed Disposal will facilitate the future plans or transactions to be undertaken by the Company such as new businesses.

By Order of the Board
Dr Chirasak Chiyachantana

Non-Independent Non-Executive Chairman

16 October 2020

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*This announcement has been prepared by NauticAWT Limited (the "**Company**") and its contents have been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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