

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**”) refers to the captioned subject, the announcement released by the Company on 13 December 2019 in respect of the same (the “**Announcement**”), and appends its corresponding replies as follows.

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

SGX Query 1

- a) Were the three Independent Directors (“ID”) who resigned part of the Nominating Committee (“NC”) which assessed the suitability of the new directors appointed?
- b) What were their considerations with regards to each of the new appointments and on efficacy of the board as a whole?

Response

- a) Yes. The suitability of the four proposed directors was assessed by the then NC of the Company comprising the three former IDs prior to their cessation.
- b) The NC had assessed the suitability of each proposed director based on the qualification of each proposed candidate and also the independence of each proposed independent director. Specifically for each director, the NC took into account the following:
 - (i) Dr Chirasak is an established entrepreneur with wide business interests in real estate, education, F&B and finance in Thailand, and he will be the majority shareholder of the Company following the completion of his then proposed subscription agreement with the Company. The NC noted that he will be providing the strategic vision and future direction for the Group and believes that the Company will be able to leverage on the experience and business network of Dr Chirasak to expand the Group’s business in Thailand.
 - (ii) Mr Kenny Lim is a qualified Chartered Accountant and Accredited Tax Advisor and possesses more than 30 years of experience in tax, financial services and investment banking. He is an experienced Independent Director for a number of other companies listed on the SGX and has experience in many diverse industries including the Oil & Gas sector. As such, the NC believes that Mr Lim would be able to contribute effectively to the Board.

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- (iii) Dr. Kunchit is a veteran professional with an outstanding track record, having served many organizations in various capacities at the top management level. He had served as an Acting Managing Director and an executive SEVP for a state-owned enterprise bank. His past experience also includes working as the president of a special financial institutions (SFIs) risk management club. Currently, he has blended all of his skills and experiences to establish BAUPOST ASSOCIATES, a professional consulting firm which he serves as its managing director, along with his capacity as a chairman of the board of a public company in Thailand. Given the Group's intention to expand into Thailand, the NC believes that Dr Kunchit would be able to contribute effectively to the Board.

- (iv) Dr Aphichat has more than 20 years of experience in study, design, and construction supervision on various infrastructure projects, especially for geotechnical engineering, dam engineering, underground structure, tunnel engineering, pipe jacking and micro tunneling, and ground improvement. He used to work for many overseas projects in such countries as Bhutan, Japan, Lao PDR, Thailand, and Vietnam. He is also an experienced independent director on a listed company in Thailand and had attended director and executive management training courses on financial statements, public economics management, governance and business. Given the Group's intention to expand into Thailand, the NC believes that Dr Aphichat would be able to contribute effectively to the Board.

For the proposed IDs, each of them has completed their personal declaration of independence which has been reviewed and concurred by the NC and the NC is satisfied that each of the proposed ID is considered independent taking into reference the guidance provided in the 2018 Code of Corporate Governance. Following the board restructuring, the NC notes that the Board will consist a majority of independent directors.

The NC believes that the new board composition has sufficient diversity of the Board in terms of balance of skills, experience, independence and knowledge, particularly with the Group's diversification plan which had been approved by the shareholders of the Company. As such, the NC did not note anything that would indicate that there would be any concern over the efficacy of the functioning of the Board going forward.

SGX Query 2

What did the Sponsor consider when assessing suitability of each of the new appointments and on efficacy of the board as a whole?

Response

The Sponsor has conducted its due diligence on the proposed directors which included background checks and interviewing the proposed directors as part of its review procedures. From the review, nothing has come to their attention that would disqualify any of the new directors in their ability to act as a director of the Company or that would deem the proposed candidates to be unsuitable to act as a director for the Company. The Sponsor also noted

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that the proposed directors had taken the initiative to complete the Singapore Institute of Directors (“SID”) training courses for new directors prior to their appointment. Taking into account that there is a new majority shareholder and new strategic direction for the Group, and assessing the qualifications and experience of each candidate, the Sponsor did not note anything that would indicate that there would be any concern over the efficacy of the functioning of the Board going forward.

SGX Query 3

Why is there a need for all the 3 existing IDs to resign at the same time? How does the board ensure there is continuity and smooth transition of info / knowledge / experience to the new directors?

Response

Given, the new majority shareholder and strategic direction of the Group, the existing IDs viewed that it would be an opportune time to effect a board refreshment to allow the new Board to lead the Company going forward in its new strategic direction. Mr John Gronbech who remains on the Board and as the Group CEO is very familiar with the Group’s current operations and management styles and possesses a very strong knowledge and experience on the existing business. The board did not assess that there was any concerns over the current business nor any outstanding matter that would be disrupted, nor any key domain knowledge that would be lost with the restructuring of the board given the qualification and experience of the incoming directors.

SGX Query 4

3 of the 4 new directors are based in Thailand and have not been directors of Singapore listed companies before.

- a) What did the NC consider in assessing if they are able to devote sufficient time and resources to NauticAWT; and whether they are familiar with the Singapore capital market and regulatory requirements?
- b) What did the Sponsor consider in assessing if they are able to devote sufficient time and resources to NauticAWT and whether they are familiar with the Singapore capital market and regulatory requirements?

Response

- a) Following the diversification of the business of the Group, it is assessed that the Group’s strategic direction would be towards Thailand where the new majority shareholder has extensive business knowledge and network to grow the Group’s business going forward. As such, it would be just as important to have IDs who are familiar with the Thailand business and regulatory environment as well as the Singapore market. As such, the

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majority shareholder, Dr Chirasak had recommended two Thailand based experienced IDs who would be more familiar with the business and regulatory environment in Thailand. Prior to investing into the Company and since the entry into the subscription agreement in July 2019, Dr Chirasak had taken time and effort to understand the Singapore capital market and regulatory environment and have also attended the SID course with the other two Thailand based independent directors.

Notwithstanding the above, the NC will review from time to time competing commitments of Directors who serve on multiple boards or are based overseas, to ensure that each of them is able to and have been adequately carried out his duty as a Director of the Company. The NC will also take into account the respective Directors' actual conduct on the Board and the meeting attendance, in making this determination.

- b) In addition to the above consideration which was discussed with the Board, the Sponsor had also introduced to the Company Mr Kenny Lim, an experienced ID in Singapore listed companies who would be able to guide the Board on specific Singapore capital market and regulatory environment matters.

SGX Query 5

Dr Chirasak Chiyachantana is a controlling shareholder of the Company. What are his plans for the Company?

Response

Following the diversification mandate approved by shareholders into the F&B industry, Dr Chirasak intends to lead the Board in assessing opportunities for investment into the F&B sector, with a focus in the Thailand market where he has extensive business contacts and network. The Company has on 18 December 2019 announced the acquisition of a 35% interest in Rich Restaurant Company Limited. Dr Chirasak is also exploring other options for the Group and if there is any material developments, updates will be provided to shareholders in due course.

SGX Query 6

Mr Kenny Lim Yeow Hua is a director of Eratat from 2008 to present; and KTL Global from 2007 to present. During the period of Kenny Lim's directorship, both Eratat and KTL were the subject of investigations by regulatory authorities in China and Singapore, into irregularities.

- a) To provide details on the irregularities in Eratat and KTL as well as Kenny Lim's role and involvement in the irregularities.
- b) What did the NC do to satisfy itself that Kenny Lim is suitable as a director of a listed company? To provide details and all considerations.

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- c) What did the sponsor do to satisfy itself that Kenny Lim is suitable as a director of a listed company? To provide details and all considerations.

Response

KTL Global Ltd

Kenny Lim is a non-executive independent director of KTL Global Limited. In 2017, the then chief executive officer of KTL Global Limited had been investigated by MAS and CAD relating to possible offences under the Securities and Futures Act (Chapter 289). In connection with such investigations, KTL Global Limited had provided assistance to MAS and CAD in their investigation of this matter. Mr Lim had also rendered his assistance to the CAD by attending an interview with CAD. Mr Lim was not the subject of the investigations by MAS and CAD. To date MAS and CAD have not given KTL Global Limited any further updates of their investigations.

Eratat Lifestyle Limited

Kenny is a non-executive independent director of Eratat Lifestyle Limited. Eratat Lifestyle Limited is currently undergoing liquidation pursuant to compulsory winding up proceedings. The company had been served a statutory demand from its bondholder, arising from the company's failure to pay the coupon interest as well as failure to pay the redemption amount for all principal and interest in 2014. In July 2014, the company was served an originating summons by the bondholder with regard to their application to the High Court of Singapore for an order to place the company under judicial management. The company was delisted from the mainboard of the SGX-ST on 19 June 2017.

The NC and the Sponsor notes that Mr Lim is not part of the management of both companies, was not a subject of investigation for any of the matters highlighted above and that he remains a director of several listed companies in Singapore. As such, there is no reason to believe that the above cases would deem Mr Lim unsuitable to be a director of the Company.

SGX Query 7

Dr Chirasak Chiyachantana responded positively to item (a) in his statutory declaration on whether any application under bankruptcy law was filed against him in the last 10 years.

- a) To provide more details on the lawsuit, his relationship with Rockwell Media Network, amount of monies owed to the plaintiff (who is this and what is the amount owed for?), and why Rockswell is being placed into receivership whilst the case against Dr Chirasak was dismissed?

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- b) What did the NC do to satisfy itself that Dr Chirasak is suitable as a director of a listed company? To provide details and all considerations.
- c) What did the Sponsor do to satisfy itself that Dr Chirasak is suitable as a director of a listed company? To provide details and all considerations.

Response

Dr Chirasak had acted as guarantor for a loan taken by Rockswell from the plaintiff as the shareholder of Rockswell was a friend of Dr Chirasak. Rockswell had failed to repay the loan which led to the case and the plaintiff took out a suit against both Rockswell and Dr Chirasak. The case was closed on 22 May 2018 with Rockswell being placed into receivership while the case against Dr Chirasak was dismissed.

As the case against Dr Chirasak was dismissed and there was no further action against Dr Chirasak noted, there is no reason for the NC nor the Sponsor to opine that this matter would deem Dr Chirasak unsuitable to be a director of the Company.

SGX Query 8

Dr Kunchit is currently appealing against a judgement by the Central Labour Court of Thailand in relation to a dispute with his previous employer for breach of employment contract and his counter claim for unfair termination.

- a) To provide details of the dispute and circumstances surrounding his termination.
- b) What did the NC do to satisfy itself that Dr Kunchit's termination was not due to concerns which may deem him unsuitable to be a director of a listed company? To provide details and all considerations.
- c) What did the Sponsor do to satisfy itself that Dr Kunchit's termination was not due to concerns which may deem him unsuitable to be a director of a listed company? To provide details and all considerations.

Response

The dispute revolves around Dr Kunchit's role as the senior management of the employer and he was deemed to be held responsible for losses suffered by the employer by virtue of his position and had to return his retirement fund. The case is one a labour dispute heard in the labour court of Thailand and it is noted that neither criminal charges nor breach of fiduciary duties charges has been brought against Dr Kunchit. Dr Kunchit had answered yes to the relevant question in his appointment announcement as he is disputing the judgement amount and the counterclaiming, the proceedings of which are still ongoing.

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From their review when assessing the suitability of Dr Kunchit as set out above in Queries 1 and 2 above, there is no reason for the NC nor the Sponsor to opine that this matter would deem Dr Kunchit unsuitable to be a director of the Company.

By Order of the Board

John Grønbech

Executive Director and CEO

20 December 2019

*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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