

NauticAWT Limited
(Company Registration Number: 201108075C)
(Incorporated in the Republic of Singapore)

ENTRY INTO A NON-BINDING MEMORANDUM OF UNDERSTANDING

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of NauticAWT Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 7 January 2019 entered into a non-binding memorandum of understanding (the “**MOU**”) with all of the shareholders of Astral Nanotec Pte. Ltd., Bacten Pte. Ltd., Antimicrobial Engineering Sdn. Bhd. and One Mart Pte. Ltd. (collectively, the “**Vendors**”).
- 1.2 Pursuant to the MOU, the Company shall enter into negotiations with the Vendors for the proposed acquisition of a majority stake in the issued share capital of Astral Nanotec Pte. Ltd., Bacten Pte. Ltd., Antimicrobial Engineering Sdn. Bhd. and One Mart Pte. Ltd. (collectively, the “**Target Companies**”) (the “**Proposed Acquisition**”).
- 1.3 The Proposed Acquisition shall be subject to, *inter alia*, the Company and the Vendors (collectively, the “**Parties**”) finalising and entering into a definitive sale and purchase agreement (“**SPA**”) and any other legal documentation (where required) (collectively, the “**Definitive Documents**”).
- 1.4 The Parties shall as soon as practicable and in good faith, negotiate and settle the terms of the Definitive Documents.
- 1.5 The Proposed Acquisition, if entered into, is expected to involve a new business which is substantially different from the Group’s existing business and is envisaged to change the existing risk profile of the Group. Subsequent to the entry of the Definitive Documents and in connection with the Proposed Acquisition, the Company intends to diversify and expand its core business primarily to include the healthcare technology, environmental enhancement products and e-commerce businesses (“**Proposed Diversification**”). The Company will be seeking the approval of shareholders for the Proposed Acquisition, if necessary, and the Proposed Diversification, and further details on the Proposed Acquisition and the Proposed Diversification will be provided in due course.

2. INFORMATION ON TARGET COMPANIES

2.1 Information on Astral Nanotec Pte. Ltd.

Astral Nanotec Pte. Ltd. (“**Astral Nanotec**”) is a private company limited by shares and incorporated in Singapore on 26 September 2016. The principal business activity of Astral

Nanotec comprises research and development technologies for the healthcare and environmental enhancement sectors.

2.2 Information on Bacten Pte. Ltd.

Bacten Pte. Ltd. ("**Bacten**") is a private company limited by shares and incorporated in Singapore on 30 December 2014. The principal business activity of Bacten encompasses design and marketing strategies for new products applying Nanotec technologies.

2.3 Information on Antimicrobial Engineering Sdn. Bhd.

Antimicrobial Engineering Sdn. Bhd is a private company incorporated in Malaysia on 16 October 2018. Its focus mainly lies in the manufacturing of antibacterial products in powder, solid or liquid state.

2.4 Information on One Mart Pte. Ltd.

One Mart Pte. Ltd. ("**One Mart**") is a private company limited by shares and incorporated in Singapore on 9 February 2015. The principal business activity of One Mart involves online retail sales and e-commerce services.

None of the Vendors is related to any of the Company's directors, controlling shareholders, or substantial shareholders or their respective associates.

3. **RATIONALE FOR THE PROPOSED ACQUISITION AND THE PROPOSED DIVERSIFICATION**

Shortly after the Company's listing on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in 2015, the Group's business which was mainly involved in the provision of offshore and marine engineering services, was adversely affected by the volatile and decreasing oil prices. In response to the change in business landscape of the offshore and marine engineering services, the Group entered into the onshore or land based renewable wind turbine market with its Ultra High-Performance Concrete and Composites products in 2016 and further expanded into the offshore wind turbine market ("**UHPC Renewables Business**"). Notwithstanding that the UHPC Renewables Business had generated stable returns, the Group still recorded an overall loss from continuing operations of approximately US\$4.6 million for the financial year ended 31 December 2017.

In view of the foregoing, the Group has considered the Proposed Acquisition as an opportunity to further diversify its business primarily into the healthcare technology, environmental enhancement products and e-commerce sectors, which will allow it to broaden its stream of income and revenue and achieve a more consistent and sustainable financial growth. The Proposed Acquisition, once completed, will give the Company a controlling stake in the Target Companies as well as a strategic exposure and entry into the healthcare technology, environmental enhancement products and e-commerce businesses. In light of the above, the Board is of the view that the Proposed Acquisition and the Proposed Diversification are in the best interest of the Company and the shareholders of the Company.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

A summary of the principal terms of the Proposed Acquisition as set out in the MOU is provided below.

4.1 Consideration

The Company and the Vendors are to negotiate and agree on the consideration payable for the Proposed Acquisition.

4.2 Conditions Precedent

The Proposed Acquisition shall be conditional upon, but not limited to, *inter alia*, the following:

- (i) The legal and financial due diligence on the Target Companies having been completed by the Company to its satisfaction;
- (ii) All necessary approvals and consents from all relevant governmental, regulatory and other authorities and third parties in Singapore in respect of the transaction (including all formal approvals of the board of directors and shareholders (where applicable)) being obtained; and
- (iii) The execution of the legally binding Definitive Documents in relation to the Proposed Acquisition by the Parties.

4.3 Exclusivity Period

The Parties have agreed to an exclusivity period of four (4) months commencing from the date of the MOU (or such other period as the parties may agree from time to time) ("**Exclusivity Period**"), pursuant to which the Parties shall not take any action to consider, solicit, initiate, encourage any proposal, negotiation or offer from any person or entity relating to any potential collaboration, investment and/or acquisition with respect to the Target Companies.

4.4 Definitive Documents

If the Parties fail to finalise the Definitive Documents within the Exclusivity Period, then unless they mutually agree to extend such deadline, the MOU shall cease to be of effect, unless otherwise stated.

4.5 Non-binding Agreement

The MOU is not intended to be legally binding between the Parties, except for certain provisions relating to exclusivity, confidentiality, severability and governing law and dispute resolution.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the best of the Directors' knowledge, none of the Directors, substantial shareholders or controlling shareholders of the Company has any interests, direct or indirect, in the MOU and the transactions contemplated therein, save for their interests arising by way of their directorships and shareholdings in the Company.

6. RESPONSIBILITY STATEMENT

- 6.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.
- 6.2 Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements on the Proposed Acquisition and Proposed Diversification to update Shareholders as appropriate and in compliance with the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the SGX-ST, including information required under Chapter 10 of the Catalist Rules, upon finalisation of the terms and conditions of the SPA or as and when there are material developments on this matter.

8. CAUTION IN TRADING

Shareholders and potential investors are advised that the MOU has non-binding obligations on the Parties and is subject to, *inter alia*, the execution of the Definitive Documents among the Parties. Therefore, there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition or the Proposed Diversification will be completed, or that no changes will be made to the terms thereof. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that there is no assurance that any business activities or transactions, including the entry of the Definitive Documents, mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

By Order of the Board

John Grønbech
Executive Director and CEO
7 January 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (“**Sponsor**”), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

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 correctness of any of the statements or opinions made or reports contained in this announcement.

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