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

THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF NAUTEC GROUP PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of NauticAWT Limited (the "**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company has on 9 October 2020 (the "**Announcement Date**") entered into a sale and purchase agreement (the "**SPA**") with John Grønbech (the "**Purchaser**"), for the proposed disposal by the Company of the entire issued and paid-up ordinary shares (the "**Sale Shares**") in the capital of Nautec Group Pte. Ltd. ("**NGPL**") for an aggregate consideration of US$214,345.00 (the "**Proposed Disposal**").

2. INFORMATION ON NGPL AND THE PURCHASER AND FINANCIAL INFORMATION RELATING TO THE PROPOSED DISPOSAL

Information on NGPL

2.1 NGPL is a private company incorporated in Singapore on 26 June 2019 with an issued and paid-up share capital of S$3,650,000 comprising 3,650,000 ordinary shares as at the date of the SPA. Its principal activities is investment holding. The Company is the legal and beneficial owner of the entire issued and paid-up share capital of NGPL.

2.2 NGPL is the holding company of the following subsidiaries ("**Subsidiaries**"):

	Name of Company	Date and Place of Incorporation	Issued and Paid-Up Capital/Registered Capital	Effective Equity Interest	Principal Activity
1.	Nautec Pte. Ltd.	2 September 2011, Singapore	SGD350,000	100%	Offshore engineering
2.	Nautec Materials Sdn. Bhd.	23 September 2013, Malaysia	MYR 1,000,000	100%	Engineering and manufacturing works
3.	Nautic (B) Sdn. Bhd.	9 March 2013, Brunei	BND 20,000	- (1)	Offshore engineering
4.	Nautic Australia Pty Ltd	3 September 2014, Australia	AUD 10	100%	Offshore engineering
5.	Nautic India Private Limited	26 August 2013, India	INR 100,000	100%(2)	Offshore engineering
6.	Nautic Middle East DMCC	11 November 2012, United Arab Emirates	AED 100,000	100%	Offshore engineering
7.	Nautic Offshore Mexico S.A. de C.V	22 October 2013, Mexico	MXN 50,000	100%(3)	Offshore engineering

Notes:

(1) Nautic (B) Sdn. Bhd. is a locally owned entity but controlled by Nautec Group Pte. Ltd. (2018 - NauticAWT Limited) through a franchising and management agreement. Based on the management agreement, the Company has consolidated Nautic (B) Sdn. Bhd. in accordance with the definition of control under SFRS(I) 10 Consolidated Financial Statements.

(2) The remaining share is held by an employee for the Company.

(3) The remaining share is held by a director, an employee and a nominee for the Company.

2.3 The primary business activities of NGPL and the Subsidiaries (the "**Sale Group**") is the provision of marine and offshore engineering services, which includes the development and production of Ultra High Performance Concrete and Composites (UHPC) for the installation and retrofitting of onshore, offshore and marine structures. This includes marine and offshore structural engineering services. The corporate structure of the Group before and immediately after the completion of the Proposed Disposal is set out in Annex A to this announcement. Upon completion of the Proposed Disposal, the Group will not have any revenue generating subsidiaries.

Information on the Purchaser

2.4 The Purchaser is an Executive Director and the Chief Executive Officer of the Company. The date of his initial appointment to the Board is 2 September 2011, and he was last re-elected to the Board on 29 June 2020. The Purchaser has abstained and will abstain from making any recommendations or voting as a Director on any resolutions of the Board in connection with the Proposed Disposal.

Financial Information

2.5 Based on the unaudited pro forma management consolidated financial statements prepared by NGPL, the relevant financial information of the Sale Group and NGPL respectively for the financial year ended 31 December 2019 ("**FY2019**") is as follows:

	FY2019	
	Sale Group (US$)	**NGPL (US$)**
Revenue	6,168,542	114,407
Net Profit/ (Loss)	(313,524)	(4,606,924)
Net Tangible Assets/ (Liabilities)	(1,398,744)	(3,020,911)
Net Assets/ (Liabilities)	(274,412)	(1,945,216)

The Sale Group contributed 100% of the Group's revenue for FY2019.

2.6 Based on the unaudited pro forma management consolidated financial statements prepared by NGPL, the relevant financial information of the Sale Group and NGPL respectively for the financial period ended 30 June 2020 ("**1H2020**") is as follows:

	1H2020	
	Sale Group (US$)	**NGPL (US$)**
Revenue	2,779,565	18,430
Net Profit/ (Loss)	250,782	(482,783)
Net Tangible Assets/ (Liabilities)	(1,201,755)	(3,601,030)

Net Assets/ (Liabilities)	19,913	(2,427,999)

The Sale Group contributed 100% of the Group's revenue for 1H2020.

2.7 The Proposed Disposal will result in a gain of US$194,432 over book value of the Sale Group of US$19,913 as at 30 June 2020 taking into account the Purchase Consideration of US$214,345.00.

2.8 Taking into account the repayment of a sum of US$205,934.00 owed by the Company to the Sale Group as at 30 September 2020 ("**Vendor's Liabilities**") and the professional fees of approximately S$114,000 incurred, there will be no net proceeds arising from the Proposed Disposal.

3. RATIONALE FOR THE PROPOSED DISPOSAL

General rationale for the Proposed Disposal

3.1 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. As such, the Company plans to rationalise and divest its non-performing businesses in this industry. The Sale Group has been loss making for the past three (3) years, save for the net profit recorded for 1H2020 as stated in paragraph 2.6 above, which was primarily due to further massive cost cutting measures relating to staff costs and the government subsidies and financial assistance received during this period. The Company has not declared or paid any dividend since its initial public offering in 2015 due to its financial performance and position. Besides the aforesaid pessimistic outlook, the Company has also considered the Sale Group's net current liability position and the short term and long term capital expenditure required to sustain the business.

3.2 The Proposed Disposal will 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, in line with the diversification of the Group's business approved by shareholders on 19 November 2019.

3.3 In addition, the Company believes that the Proposed Disposal would allow the Group to strengthen its financial position by reducing its net current liabilities and prevent any further exposure of the future losses.

Background for the disposal to the Purchaser

3.4 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.

3.5 During the debt restructuring of our Group, as announced in the Company's announcements on 10 July 2019 and 24 September 2019 and approved by our shareholders in a general meeting on 19 November 2019, in order to assist the Company to fulfill the conditions precedent for the completion of the subscription (which included taking steps to reduce the liabilities of the Company to not more than S$500,000) as announced in the Company's announcement on 10 July 2019 and approved by our shareholders in a general meeting on 19 November 2019, creditors have agreed, *inter alia*, to novate monies due and outstanding from the Company to NGPL. The creditors have also agreed to deferred instalment payments. Such creditors included our employees and former directors. As

such, the continual viability of the Sale Group would also be in the interest of the creditors and employees of the Group who had consented to the debt structuring as a pre-condition to the injection of fresh capital into the Company from the subscription. The Company believes that the Purchaser is a suitable candidate to assume ownership of the Sale Group as he is familiar with its businesses and operations, and the industry in which it operates.

3.6 For the same reason, the Company also believes that a disposal of the Sale Group should be undertaken in its entirety as compared to a sale of individual entities as these entities operate as a combined synergistic business and economic unit.

Future Plans of the Group

3.7 The Company will also continue to explore other new business areas (including food & beverage) leveraging on the experience and network of the Chairman and the Board.

3.8 As at the Announcement Date, the Company is in the latter stages of finalising discussions for a potential acquisition of a new business. The Company will make the necessary announcements in compliance with the Catalist Rules as and when there are material developments in relation to such potential acquisition. In the event that the aforesaid potential acquisition does not materialise prior to the completion of the Proposed Disposal, the Group's remaining assets will substantially consist of the investment in RRCL. During this time, the Company may be considered a cash company pursuant to Rule 1017 of the Catalist Rules, pending further consultation with the SGX-ST via its Sponsor.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

The terms of the Proposed Disposal are set out in the SPA. A summary of the principal terms of the Proposed Disposal is set out in this section.

4.1 Consideration

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 above.

For the purposes of the Proposed Disposal, the Company commissioned Cushman & Wakefield VHS Pte Ltd (the "**Valuer**") as an independent valuer to assess and determine the market value of the 100% equity interest in the capital of the Sale Group. 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. The indicative valuation result is based primarily on the income approach with reference made to the market approach.

The final valuation report of the Valuer ("**Final Valuation Report**") will be disclosed in the Circular (as defined below) to be dispatched to shareholders in due course.

4.2 Conditions Precedent under the SPA

The obligation of the Company and the Purchaser to complete the Proposed Disposal ("**Completion**") is subject to the fulfillment on or prior to the Completion Date (as defined below) of the following conditions, which may be waived by the Purchaser:

(a) Consents and Approvals. All Required Consents shall have been obtained without restrictions or limitations whatsoever unacceptable to the Purchaser, and be in full force and

effect, and the Purchaser shall have been furnished with evidence reasonably satisfactory to it of the granting of such Required Consents, in particular, and without limitation:

(i) the approval of the Company's shareholders at a general meeting ("**EGM**") and its board of directors; and

(ii) the approval of the regulatory authorities (including the SGX-ST, where applicable),

in respect of the Proposed Disposal as contemplated under the SPA.

(b) Settlement of Vendor's Liabilities. The Vendor's Liabilities shall have been fully repaid and settled, such that there are no further outstanding liabilities between the Company and the Sale Group. The Company shall be fully discharged of any and all of its liabilities to the Sale Group following Completion and accordingly the Company and Purchaser agree and undertake to take all action and execute all documents to give effect to such discharge (if necessary).

For the purposes of the preceding paragraphs:

"**Required Consents**" includes any consent, approval, waiver, permits or action or the filing or giving of notice to, any governmental body or any other person in connection with the Proposed Disposal, and shall include, but not limited to, the consents and approvals described at paragraph 4.2(a) above.

4.3 **Long Stop Date**

The Long Stop Date of the SPA is 16 November 2020.

Pursuant to the terms of the SPA, the Company and the Purchaser shall use their respective best endeavours to procure the fulfilment of the Conditions Precedent on or before the Long Stop Date and in particular shall furnish such information, supply such documents, pay such reasonable fees and do such acts and things as may be required to enable such Conditions Precedent to be fulfilled, including all obligations contemplated pursuant and/or in connection with the same, including without limitation in connection with the Proposed Disposal.

Further, the Company has undertaken in the SPA that it shall as soon as practicable after the date of the SPA, convene the EGM to seek the approval of the Company's shareholders for the Proposed Disposal.

4.4 **Completion**

Completion shall take place on the date falling three (3) business days after the satisfaction of the conditions precedent set out in paragraph 4.2(a) above or such date as the Purchaser and the Company may agree in writing ("**Completion Date**"), at such place and time as the Company and the Purchaser may agree.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

5.1 The relative figures in relation to the Proposed Disposal computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), based on the Group's unaudited financial statements for 1H2020, being the latest announced financial statements of the Group, are as follows:-

Rule	Bases	Relative Figure

Rule 1006(a)	Net asset value of assets to be disposed, compared with the Group's net asset value	0.95%(1)
Rule 1006(b)	Net profits(2) attributable to the assets acquired or disposed of, compared with the Group's net losses	(150.29)%(3)
Rule 1006(c)	Aggregate value of consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	2.16(4)%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable. The Proposed Disposal does not involve an acquisition.
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable. The Proposed Disposal does not involve a disposal of mineral, oil or gas assets.

Notes:

(1) The assets of the Sale Group is in net assets position of US$0.02 million as at 30 June 2020, compared with the Group's net asset value US$2.1 million as at 30 June 2020.

(2) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests and extraordinary items.

(3) Based on net profits attributable to the assets of the Sale Group of US$0.3 million for 1H2020, compared with the Group's net losses of US$0.2 million for 1H2020.

(4) Based on the Purchase Consideration of US$214,345.00 and the Company's market capitalisation of approximately S$13.5 million (based on the Company's existing issued share capital of 794,186,046 Shares (excluding treasury shares) and the volume weighted average price of S$0.017 per Share on 16 September 2020, being the last full market day on which trades were recorded on Catalist of the SGX-ST immediately preceding the date on which the SPA was entered into.

5.2 As the tests based on profits under Rule 1006(b) involve a negative figure in the numerator, denominator or both, pursuant to paragraph 4 of Practice Note 10A of the Catalist Rules (the "**Practice Note**"), the tests based on profits under Rule 1006(b) may not give a meaningful indication of the significance of the transaction to the Company. Notwithstanding the foregoing, pursuant to paragraph 4.6 of the Practice Note, as the Proposed Disposal does not fall within all the situations in paragraphs 4.3 and 4.4 of the Practice Note, Rule 1014 shall apply to the transaction and the Proposed Disposal shall constitute a "major transaction" under the Catalist Rules. Accordingly, the Proposed Disposal is subject to the approval of the Company's shareholders at the EGM.

6. FINANCIAL EFFECTS

6.1 The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after Completion. The financial effects of the Proposed Disposal set out below have been prepared based on the following:

(i) The Group's audited consolidated financial statements for FY2019, being the most recently completed financial year; and

(ii) The unaudited pro forma management consolidated financial statements prepared by NGPL of the Sale Group for FY2019.

(a) Net Tangible Assets ("NTA")

The effects of the Proposed Disposal on the audited consolidated NTA per share of the Group as at 31 December 2019, assuming that the Proposed Disposal had been effected on 31 December 2019, are summarised below:

	Before the Proposed Disposal	**After the Proposed Disposal**
Consolidated NTA (US$'000)	1,088	2,976
Number of Shares	794,186,046	794,186,046
Consolidated NTA per Share (cents)	0.14	0.37

(b) Earnings per Share ("EPS")

The effects of the Proposed Disposal on the audited consolidated EPS of the Group for FY2019, assuming that the Proposed Disposal had been effected at the beginning of the financial year on 1 January 2019, are summarised below:

	Before the Proposed Disposal	**After the Proposed Disposal**
(Loss)/Profit attributable to equity holders of the Company (US$'000)	(214)	589
Weighted average number of Shares	242,621,738	242,621,738
Consolidated EPS (cents)	(0.09)	0.24

(c) Gearing

The effects of the Proposed Disposal on the gearing of the Group as at 31 December 2019, assuming that the Proposed Disposal had been effected on 31 December 2019, are summarised below:

	Before the Proposed Disposal	**After the Proposed Disposal**
Total borrowings of the Group (US$'000)	3,600	0
Total equity of the Group (US$'000)	2,212	2,976
Gearing (%)	163	0

6.2 **Share Capital.** The Proposed Disposal will not have any effect on the share capital and shareholding structure of the Company as the Proposed Disposal does not involve the allotment and issuance of any new shares in the Company and the Purchase Consideration is wholly satisfied in cash.

7. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

7.1 As at the date of the SPA, the Purchaser is an Executive Director and the Chief Executive Officer of the Company. As at the Announcement Date, the Purchaser has a direct interest in the Company of 30,057,162 Shares, representing approximately 3.78% of the issued and paid-up capital of the Company. As such, the Purchaser is an "interested person" pursuant to Rule 904(a) of the Catalist Rules, and the Proposed Disposal constitutes an “interested person transaction” for the purposes of Chapter 9 of the Catalist Rules.

7.2 Based on the latest audited consolidated financial statements of the Group for FY2019, the audited consolidated NTA of the Group was approximately US$1,088,111 and the net assets value of the Group was approximately US$2,212,443 (including intangible assets of US$1,124,332). Pursuant to Rule 909(4) of the Catalist Rules, the value of the Proposed Disposal is US$266,000 to US$743,000 based on the preliminary valuation conducted by the Valuer, which is approximately 24.45% to 68.28% of the latest audited consolidated NTA of the Group. As such, the Proposed Disposal is an interested person transaction which is subject to the approval of the Company's shareholders at the EGM, pursuant to Rule 906(1)(a) of the Catalist Rules.

7.3 Save as disclosed above, as at the Announcement Date, the Group has not entered into any transactions with the Purchaser or any other interested persons for the current financial year ending 31 December 2020.

7.4 Pursuant to Rule 919 of the Catalist Rules, the Purchaser and his associates will abstain from voting on the resolution approving the Proposed Disposal, and from accepting any appointments as proxies unless specific instructions as to voting are given at the EGM.

8. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Asian Corporate Advisors Pte. Ltd as the independent financial adviser (the "**IFA**") to the Directors of the Company who are considered independent for the purposes of the Proposed Disposal. The opinion of the IFA will be set out in the Circular (as defined below) to be dispatched to shareholders in due course.

9. AUDIT COMMITTEE STATEMENT

The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

A circular (the "**Circular**") to shareholders containing, *inter alia*, further information of the Proposed Disposal, to seek shareholders' approval for the Proposed Disposal as a major transaction and an interested person transaction, together with the notice of EGM to be convened, will be dispatched by the Company to shareholders in due course. In the meantime, shareholders are advised to refrain from taking any action in relation to their Shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the Circular.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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 Disposal, 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. 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.

14. DOCUMENTS FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 12 Tai Seng Link, #05-01A, Singapore 534233 for a period of three (3) months from the date of this announcement. A copy of the Final Valuation Report, once issued by the Valuer, will be made available for inspection during normal business hours at the registered office of the Company at 12 Tai Seng Link, #05-01A, Singapore 534233 for a period of three (3) months from the date of the Circular.

15. CAUTIONARY STATEMENT

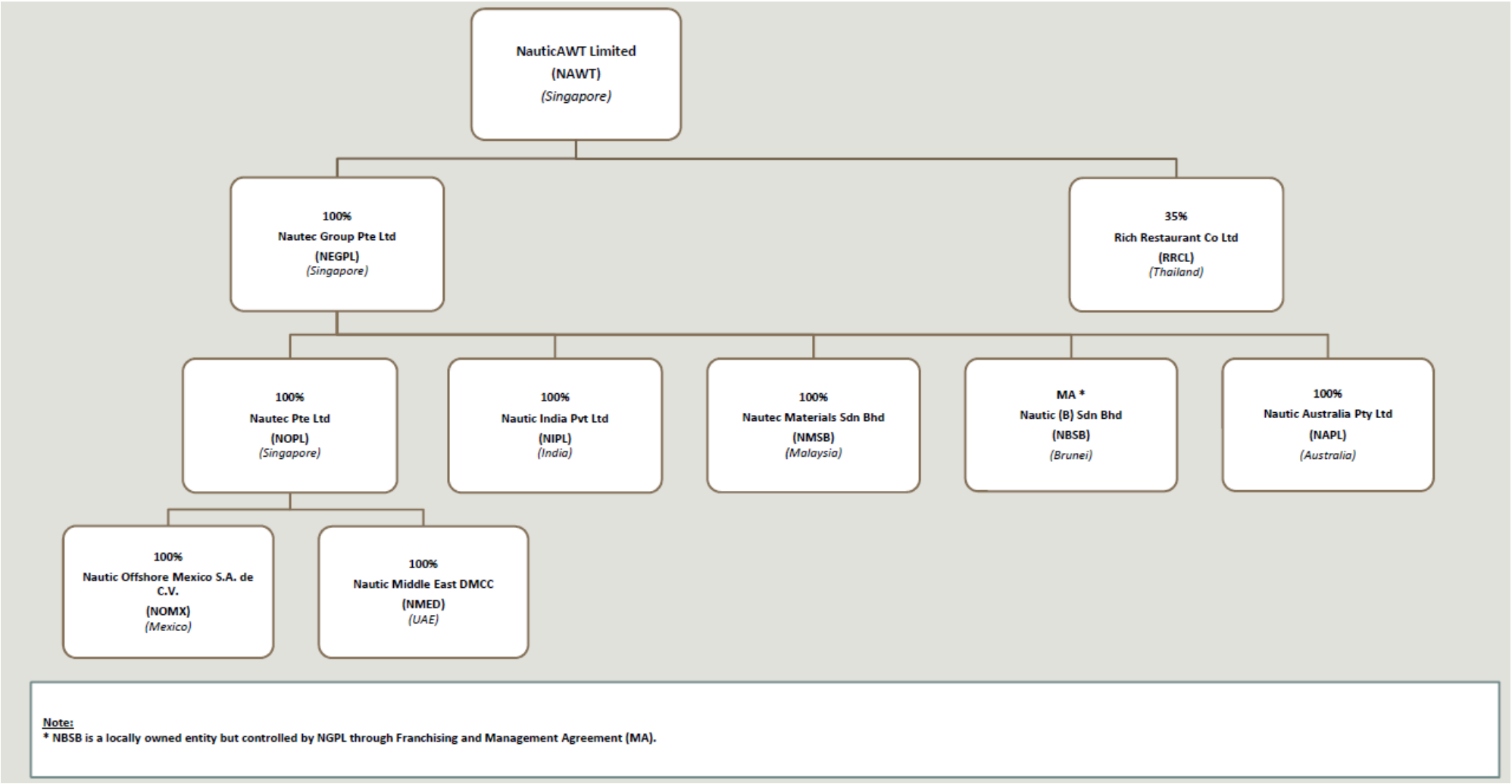
Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal, the SPA and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
NAUTICAWT LIMITED

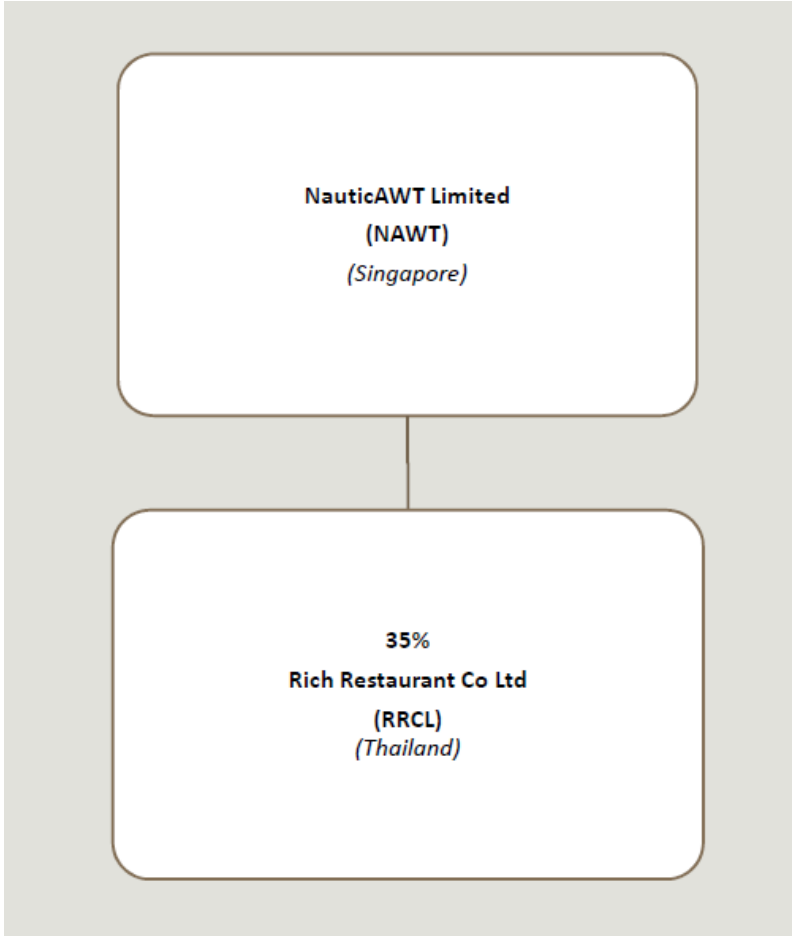
Dr Chirasak Chiyachantana
Non-Independent Non-Executive Chairman
9 October 2020

ANNEX A

Current Group structure



Group structure immediately following completion of the Proposed Disposal


NauticAWT Limited
(NAWT)
(Singapore)
35%
Rich Restaurant Co Ltd
(RRCL)
(Thailand)

*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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.