NauticAWT Limited

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

TERMINATION OF PROPOSED DISPOSAL OF CHOKDEE DIMSUM CORPORATION COMPANY LIMITED (FORMERLY KNOWN AS "RICH RESTAURANT COMPANY LIMITED")

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*Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings as ascribed to them in the Company's earlier announcement dated 31 March 2022, 14 April 2022, 29 April 2022, 11 July 2022, 9 September 2022, 7 October 2022, and 9 December 2022 (the "**Announcements**").*

1. Introduction

The board of directors (the "**Board**" or the "**Directors**") of NauticAWT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Announcements as well as the sale and purchase agreement dated 31 March 2022 ("**Sale and Purchase Agreement**") that the Company had entered into with Mr Kritsada Tunpow (the "**Purchaser**") in relation to the proposed disposal of 35% of the issued and paid-up share capital of Chokdee Dimsum Corporation Company Limited ("**Target Company**") ("**Proposed Disposal**"). Please refer to the Company's announcement dated 31 March 2022 for more information on the Purchaser and the Target Company.

The Board wishes to update Shareholders that as the Purchaser has not fulfilled his obligation to pay the Purchase Consideration of THB 54.6 million by the long-stop date of 30 November 2022, as extended in the Third Extension Agreement dated 30 September 2022, the Company has decided not to extend the long-stop date further. Accordingly, the Sale and Purchase Agreement has therefore lapsed and ceased to have further effect with respect to the Proposed Disposal.

2. The Settlement Agreement

Given that the Company has incurred significant time, resources, professional fees and other expenses in relation to the preparation of the Proposed Disposal, the Company has negotiated and the Purchaser has agreed, to enter into a settlement agreement ("**Settlement Agreement**") on 20 January 2023, pursuant to which the Company serves a notice to terminate the Sale and Purchase Agreement and seeks compensation of THB 27.3 million (or equivalent to approximately SGD 1.06 million, based on the exchange rate of THB 25.6845 : SGD 1.00) ("**Compensation**"), due to non-fulfilment of the Purchaser's obligations under the Sale and Purchase Agreement.

The Compensation, representing 50% of the Purchase Consideration, was arrived at after arms' length negotiation and on a willing-buyer willing-seller basis having considered, *inter alia*, it is not uncommon to have compensation negotiated for similar type of default in Thailand as well as the time, fees and expenses incurred in relation to the preparation of the Proposed Disposal.

Given that the Purchaser is unable to pay the Compensation in cash, both parties further agreed that the Compensation will be satisfied by way of the Purchaser transferring its shares in the Target Company to the Company. Based on initial valuation of the Proposed Disposal of THB 78 per share, the Purchaser shall transfer 350,000 shares or 17.5% shareholdings in the Target Company to the Company. The Company should own 52.5% (35.0% + 17.5%) shareholdings in the Target Company upon the completion of the Compensation.

However, as there are foreign ownership restrictions imposed by The Foreign Business Act B.E. 2542 (1999) ("**FBA**") on the Target Company, both the Company and the Purchaser agreed to a shareholding restructuring of the Target Company, pursuant to which the Purchaser shall subscribe to 40,000 preference shares in the share capital of the Target Company, where each preference share is entitled to five voting rights. Thereafter, the Purchaser shall satisfy the Compensation by transferring 255,000 ordinary shares and 40,000 preference shares in the share capital of the Target Company ("**Compensation Shares**") to the Company. After the proposed

transfer of the Compensation Shares, the Company will hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in the Target Company. The Company has engaged a reputable international firm to advise the Company on the Thai laws which has opined that the aforesaid arrangement is not prohibited under the FBA.

The transfer of Compensation Shares is expected to be completed within 5 calendar days from the date of the Settlement Agreement.

The Target Company will be deemed as a subsidiary of the Company by virtue of the Company's effective interest and control over its financial and operating policies of the Target Company.

Following the termination and settlement, the Sale and Purchase Agreement shall cease to be of any further force and effect and neither party shall have any further obligations under the Sale and Purchase Agreement to the other party.

3. Rationale and Benefits to the Company and its Shareholders

The Board believes that the Compensation is beneficial to the Company and its Shareholders having taken into consideration the following:

(i) Best possible course of action to protect Shareholders' interests

Since the announcement of the Proposed Disposal on 31 March 2022, the Company has incurred significant time, resources, professional fees and expenses to fulfil the conditions precedent stipulated in the Sale and Purchase Agreement. After taking into consideration of the Purchaser's inability to pay in cash, the Board believes that the Compensation offers the best possible course of action that the Company can take to protect the interests of the Shareholders as it will, in lieu, recoup the resources expensed in relation to the preparation of the Proposed Disposal.

(ii) Envisage recovery of the Food and Beverage ("**F&B**") industry in Thailand

The Company has previously announced that the reasons for disposing the Target Company was because the Target Company was adversely affected by the COVID-19 pandemic and there is no certainty or assurance that the sales of the Target Company would recover. However, with the recent lifting of travelling and safe distancing restrictions in Thailand, it is envisaged that the F&B industry in Thailand will gradually resume back to normalcy. Therefore, the Compensation presents a good opportunity for the Company to obtain majority control over the Target Company without significant cash outlay.

Please see below the summarised financial information of the Target Company from FY2020 to FY2022:

	FY2020 S$'000	**FY2021 S$'000**	**FY2022 S$'000 (Unaudited)**
Revenue	3,536	2,724	3,003
(Loss)/Profit for the financial year	(1,617)	(476)	1
Net Assets	7,514	6,455	6,813

Notes:
(1) FY2022 financial information are based on management accounts.
(2) The FY2022 management accounts are translated based on the exchange rate of THB 25.6845 : SGD 1.00.
(3) FY2020 and FY2021 financial information are extracted from the Company Annual Report 2021.

(iii) Sustainability of the Company

The Company is currently a designated as a "Cash Company" with no substantial business operations. Although the Company is in the process of acquiring a new business, namely, World Industrial Estate Company Limited, which is principally engaged in commercial and industrial real estate development in Lamphun, Thailand ("**Proposed VSA**"), the progress of the Proposed VSA is expected to be delayed due to the recent change in the Financial Advisor to the Proposed VSA. Accordingly, the Compensation presents a good opportunity for the Company to obtain majority control over the Target Company to ensure sustainability of the Company before the completion of the Proposed VSA.

4. Relative Figures Computed Based on Rule 1006 of the Catalist Rules

Notwithstanding that the Compensation does not fall within the ambit of Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"), the Company has, for illustrative purposes only, computed the relative figures in relation to the Compensation on the applicable bases set out in Rule 1006 of the Catalist Rules, using (i) the Group's unaudited consolidated financial statements for the 6-month financial period ended 30 June 2022 ("**1H2022**") (being the latest announced consolidated accounts of the Group as at the date of this Announcement), (ii) the unaudited financial statements of the Target Company for 1H2022, as provided by the Target Company, and (iii) assuming the Compensation sum of THB 27.3 million to be the consideration received for the purpose of computing the relative figures. The relative figures are as follows:

Rule 1006	Bases	%
(a)	The net asset value of the assets to be disposed of, as compared with the Group's net asset value(1).	Not applicable
(b)	The net loss attributable to the assets acquired, as compared with the Group's net losses(2).	8.8%
(c)	The aggregate value of the consideration given, as compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares(3).	19.1%
(d)	The 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
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, as compared with the aggregate of the group's proved and probable reserves.	Not applicable

Notes:

(1) "Net assets" means total assets less total liabilities.

(2) "Net profit or loss" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the unaudited consolidated financial statements of the Target Company for 1H2022, the net losses attributable to the 17.5% equity interests amounts to approximately S$49,371, which represents approximately 8.8% of the Group's net losses of approximately S$561,740.

(3) The value of consideration given is assumed to be the amount to be received by the Company in connection with the Compensation of THB 27.3 million (equivalent to approximately S$1.1 million, based on the exchange rate of THB 25.6845 : SGD 1.00) which represents approximately 19.1% of the Company's market capitalisation of approximately S$5.6 million on 19 January 2023, being the last full market day on which trades were done preceding the date of the Settlement Agreement. The Company's market capitalisation was determined by multiplying the number of shares in issue (794,186,046 shares) by the volume weighted average price of such shares transacted on 19 January 2023 (S$0.007).

As (i) the figures used to compute the relative figure under Rule 1006(b) of the Catalist Rules are negative figures, pursuant to paragraph 4.4(a) of Practice Note 10A of the Catalist Rules, the Company notes that the absolute relative figures computed on the basis of each of Rule 1006(c) of the Catalist Rules does not exceed 75% and the net loss attributable to the 17.5% equity interest for 1H2022 does not exceed 10% of the net loss of the Group for 1H2022; and (ii) the relative figure computed based on Rule 1006(c) of the Catalist Rules exceeds 5% but is less than 75%, the Compensation is considered a "discloseable transaction" under Chapter 10 of the Catalist Rules.

5. Pro Forma Financial Effects in respect of the Compensation

The pro forma financial effects in respect of the Compensation are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Company and/or the Group following the completion of the Compensation.

The financial effects of the Compensation set out below have been prepared based on the latest audited financial results of the Group and the Company for the financial year ended 31 December 2021 ("**FY2021**"). For illustrative purposes only, the financial effects of the Compensation are computed based on, amongst others, the following assumptions:

(i) For the purposes of illustrating the financial effects of the Compensation on net tangible asset ("**NTA**") per share, it is assumed that the Compensation had been completed on 31 December 2021;

(ii) For the purposes of illustrating the financial effects of the Compensation on losses per share ("**LPS**") of the Group, it is assumed that the Compensation had been completed on 1 January 2021; and

(iii) It does not take into account expenses that may be incurred in connection with the Compensation.

The pro forma financial effects of the Compensation on the Group's NTA per Share and LPS are set out below.

(a) NTA Per Share

Assuming that the Compensation is completed on 31 December 2021, the effect on NTA per share of the Group as at 31 December 2021 would have been as follows:

	As at 31 December 2021	
	Before the Compensation	**After the Compensation**
NTA (S$)	1,318,802	2,504,903
Number of Shares	794,186,046	794,186,046
NTA per Share (S$ cents)	0.17	0.32

(b) LPS

Assuming that the Compensation is completed on 1 January 2021, the effect on LPS of the Group for FY2021 would have been as follows:

	FY2021	
	Before the Compensation	**After the Compensation**
Losses attributable to Shareholders (S$)	941,364	1,024,665
Weighted average number of Shares for basic LPS	794,186,046	794,186,046
Weighted average number of Shares for diluted LPS		
LPS – basic (S$ cents)	0.12	0.13
– diluted (S$ cents)	0.12	0.13

6. Interests of Directors and Substantial Shareholders

Dr Chirasak Chiyachantana, who is a Director and Controlling Shareholder of the Company, holds 76,500 ordinary shares in the Target Company, representing approximately 3.83% of the issued and paid-up share capital of the Target Company as at the date of this announcement.

Save as disclosed above, none of the Directors or the Substantial Shareholders of the Company has any interest, direct or indirect, in the Compensation, other than through their direct and deemed shareholdings in the Company.

7. Document Available for Inspection

The Settlement Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906 for a period of three (3) months from the date of this announcement.

8. Cautionary Statement

Shareholders are advised to exercise caution when dealing with the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professionals.

By Order of the Board

NAUTICAWT LIMITED
Dr Chirasak Chiyachantana
Non-Independent Non-Executive Chairman

20 January 2023

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.