

NauticAWT Limited

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

PROPOSED PLACEMENT OF UP TO 705,882,353 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY – ENTRY INTO PLACEMENT AGREEMENTS

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of NauticAWT Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 22 January 2019 entered into a placement agreement with each of Zhongtai International Securities (Singapore) Pte. Ltd. (“**ZT**”) (the “**ZT Placement Agreement**”) and Soochow CSSD Capital Markets (Asia) Pte. Ltd. (“**SCCM**”) (the “**SCCM Placement Agreement**” and together with the ZT Placement Agreement, the “**Placement Agreements**”) (each of ZT and SCCM a “**Placement Agent**” and collectively, the “**Placement Agents**”).
- 1.2 Pursuant to the Placement Agreements, the Company has agreed to offer, by way of placement, and the Placement Agents have agreed to, on a best effort basis, procure subscribers for an aggregate of up to 705,882,353 new shares (the “**Placement Shares**”) in the capital of the Company at an issue price of S\$0.017 per Placement Share (the “**Issue Price**”) (the “**Proposed Placement**”), which will amount to an aggregate consideration of up to S\$12,000,000.

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

- 2.1 The Issue Price represents a discount of approximately 15.0% to the volume weighted average price of S\$0.020 per share based on trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 11 December 2018, being the date of the full market day on which shares of the Company (the “**Shares**”) were traded immediately preceding the date the Placement Agreements were signed.
- 2.2 The Issue Price was commercially agreed between the Company and the Placement Agents after arm’s length negotiations and taking into account historical trading performance of the Company and prevailing market conditions.
- 2.3 The Proposed Placement will be undertaken by way of a private placement to institutional, accredited and other investors (individually a “**Subscriber**” and collectively, the “**Subscribers**”) in accordance with Sections 272B, 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”). As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.
- 2.4 The Placement Shares
- 2.4.1 The Placement Shares (i) will not be placed to persons who fall within the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”), and (ii) will not be issued without the prior approval of the shareholders of the Company (“**Shareholders**”) if such issuance would result in a transfer of controlling interest in the Company pursuant to Rule 803 of the Catalist Rules.

- 2.4.2 Assuming that the Placement Shares are fully subscribed, the Placement Shares represent approximately 332.4% of the existing issued and paid-up share capital of the Company of 212,333,525 Shares as at the date of this announcement (excluding treasury shares). Immediately after completion of the Proposed Placement and assuming that no further Shares are issued prior thereto, the Proposed Placement will increase the issued and paid-up share capital of the Company to 918,215,878 Shares and the Placement Shares will represent approximately 76.9% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

As at the date of this announcement, the Company has the following outstanding convertibles and share issuance:-

- (a) convertible loan amounting to US\$2,320,000 to be converted into 86,728,971 Shares based on the conversion price of USD\$0.02675 per conversion share;
- (b) convertible notes amounting to an aggregate of US\$1.0 million to be converted into 9,309,334 Shares based on the conversion price of S\$0.15;
- (c) 414,516 Shares to be issued in lieu of directors' fees for the financial year ended 31 December 2017; and
- (d) 9,975,000 outstanding options to subscribe for 9,975,000 Shares pursuant to NauticAWT Employee Share Option Scheme.

Assuming the Shares mentioned above are issued (collectively known as the "**Full Conversion**") and the Placement Shares are fully subscribed, the Placement Shares represent approximately 221.5% of the issued and paid-up share capital of the Company after Full Conversion of 318,761,346 Shares (excluding treasury shares) and 68.9% of the enlarged share capital of 1,024,643,699 Shares (excluding treasury shares).

- 2.4.3 Assuming that the Placement Shares are fully subscribed and upon the issuance of the Placement Shares, the existing controlling shareholders of the Company (as at the date of this announcement), being John Grønbech and Kim Seng Holdings Pte. Ltd., may be diluted to less than 15% of the Company's enlarged share capital thereby ceasing to be controlling shareholders of the Company and the Proposed Placement may result in a transfer of controlling interest in the Company.

- 2.4.4 In connection to the Proposed Placement, pursuant to Rules 803, 805(1) and 811 of the Catalist Rules, the Company will be seeking the approval of its Shareholders at an extraordinary general meeting ("**EGM**") to be convened for the following:-

- a) the issuance and allotment of the Placement Shares at the Issued Price; and
- b) the transfer of a controlling interest to a Subscriber(s), if applicable.

Further information on the Proposed Placement will be provided in a circular to be despatched to Shareholders in due course ("**Circular**").

- 2.4.5 The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

3. SALIENT TERMS OF THE PLACEMENT AGREEMENTS

The ZT Placement Agreement and the SCCM Placement Agreement are materially identical to one another. The principal terms of the Placement Agreements are summarized as follows:

3.1 Placement Commission

- 3.1.1 In consideration of the agreement of the Placement Agent procuring Subscribers on a best effort basis for the Placement Shares, the Company shall pay to each Placement Agent respectively, upon the completion of the Proposed Placement, a placement commission of 5.0% of the Issue Price for every Placement Share for which the Placement Agent has procured Subscriber(s) (and if applicable, goods and services tax thereon) (the "**Placement Commission**"). The Proposed Placement will not be underwritten and the Placement Commission will not be shared with any of the Subscriber(s) pursuant to the Placement Agreements.

3.2 Conditions Precedent to the Placement Agreements

The completion of the Proposed Placement is conditional upon, *inter alia*, the following conditions:

- 3.2.1 the approval of Shareholders in an EGM having been obtained for the Proposed Placement and the allotment and issue of the Placement Shares and the transfer of a controlling interest (if applicable) to a Subscriber;
- 3.2.2 the Company obtaining such approval(s) from the Board in connection with the Proposed Placement and the transactions contemplated therein as may be necessary;
- 3.2.3 in-principle approval for the Additional Listing Application (as defined below) for the listing and quotation of the Placement Shares on the Catalist board of the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date (as defined below), they are so fulfilled;
- 3.2.4 the exemptions under Sections 272B, 274 and/or 275 of the SFA being applicable to the Placement under this Agreement;
- 3.2.5 the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Placement Agent;
- 3.2.6 in addition to the bondholders' consent (where required), all other approvals, consents, and/or waivers as may be necessary from any third party, governmental or regulatory body or relevant competent authority, bank or financial institution for the Proposed Placement being granted or obtained, and being in full force and effect;
- 3.2.7 the Placement Agreements not being terminated;
- 3.2.8 the delivery to the Placement Agent on Completion Date (as defined below), of a certificate, signed on behalf of the Company by its duly authorised officers;
- 3.2.9 there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the respective Placement Agreements which, in the opinion of the Placement Agent(s), is or is reasonably likely to be materially adverse in the context of the Proposed Placement or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and

- 3.2.10 the representations, warranties and undertakings in the respective Placement Agreements remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.
- 3.3 The respective Placement Agents may, and upon such terms as it thinks fit, waive compliance with any of the conditions contained in Paragraph 3.2 above and any condition so waived shall be deemed to have been satisfied.
- 3.4 If any of the conditions contained in Paragraph 3.2 above has not been satisfied on or before 30 April 2019 (or such other date as the Company and the respective Placement Agents may mutually agree), the Placement Agreements shall terminate and the Company and the respective Placement Agents shall be released and discharged from their respective obligations under the Placement Agreements, save for certain rights and liabilities accrued on or prior to such termination according to the terms of the respective Placement Agreements.

3.5 Completion Date

The completion date under the respective Placement Agreements (the “**Completion Date**”) shall take place on the date falling three (3) Singapore business days after the date on which the SGX-ST grants its in-principle approval for the listing and quotation of the Placement Shares on the SGX-ST (or such other date as the Company and the Placement Agents may agree).

4. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

4.1 Rationale and use of proceeds

The Company has decided to undertake the Proposed Placement to strengthen the Group's financial position and flexibility to capitalise on growth opportunities. As set out in the Company's announcement dated 7 January 2019, the Company had entered into a non-binding memorandum of understanding in relation to the proposed acquisition of a majority stake in the issued share capital of 4 companies which are in the healthcare technology, environmental enhancement products and e-commerce businesses (“**New Businesses**”).

The Proposed Placement, which will result in an estimated net proceeds, after deducting estimated fees and expenses of approximately S\$650,000, of approximately S\$11,350,000 (the “**Net Proceeds**”), will be utilised for (i) the acquisition of the New Businesses and (ii) general working capital and/or repayment of the Group's existing liabilities. The breakdown of the intended use of Net Proceeds on a percentage allocation basis will be provided in the Circular when finalized.

- 4.1.1 The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.
- 4.1.2 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments

or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

4.1.3 The Directors are of the opinion that:

- (a) taking into consideration the present bank facilities available to the Group, the Group's internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Placement is being undertaken for the aforesaid reasons and the intended use of proceeds; and
- (b) after taking into consideration the present bank facilities available to the Group and the proceeds arising from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

5. EXEMPTION FROM PROSPECTUS REQUIREMENT

The Proposed Placement is made pursuant to the exemptions under Sections 272B and/or 274 and/or 275 of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

6. ADDITIONAL LISTING APPLICATION

The Company will be making an application to the SGX-ST through its continuing sponsor, SAC Capital Private Limited, (the "**Sponsor**") for the listing and quotation for the Placement Shares on the Catalist board of the SGX-ST (the "**Additional Listing Application**"). The Company will make the necessary announcement in due course upon obtaining the listing and quotation notice from the SGX-ST.

7. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Group following the completion of the Proposed Placement and Full Conversion.

The following table illustrates the financial effects of the Proposed Placement on (i) the net tangible assets ("**NTA**") per Share of the Group (assuming the Proposed Placement and Full Conversion had been completed at the end of that financial year); and (ii) the loss per Share ("**LPS**") of the Group (assuming that the Proposed Placement and Full Conversion had been completed at the beginning of that financial year) based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("**FY2017**").

For the avoidance of doubt, such financial effects do not take into account (i) any corporate actions announced and undertaken by the Group subsequent to 1 January 2018; and (ii) any issuance of new shares in the capital of the Company subsequent to 1 January 2018.

Share Capital

	As at 31 December 2017		
	Before Proposed Placement	After Proposed Placement	After Proposed Placement and Full Conversion
Number of Shares	190,965,893	896,848,246	1,003,276,067

Issue and paid-up share capital (US\$)	7,248,183	15,595,194	19,091,437
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NTA per Share

	As at 31 December 2017		
	Before Proposed Placement	After Proposed Placement	After Proposed Placement and Full Conversion
NTA (US\$'000)	112	8,429	11,888
Number of Shares	190,965,893	896,848,246	1,003,276,067
NTA per Share (US\$ cents)	0.06	0.94	1.18

LPS

	FY2017		
	Before Proposed Placement	After Proposed Placement	After Proposed Placement and Full Conversion
Loss attributable to owners of the Company (US\$'000)	6,855	6,886	6,922
Weighted average number of Shares	190,965,893	896,848,246	1,003,276,067
LPS (US\$ cents)	3.59	0.77	0.69

8. EXTRAORDINARY GENERAL MEETING

A circular containing information in connection with the Proposed Placement will be despatched to the Shareholders in due course. The issue and allotment of the Placement Shares is subject to the approval of the Shareholders, in accordance with Rules 803, 805(1) and 811 of the Catalist Rules and Section 161 of the Singapore Companies Act (Cap. 50) of Singapore. The Company will convene an EGM to seek Shareholders' approval for the Proposed Placement and the issuance and allotment of the Placement Shares and the transfer of a controlling interest (if applicable) to a Subscriber(s), and will not be relying on the general share issue mandate.

9. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors, controlling shareholders or substantial shareholders of the Company, or their respective associates, has any interests, direct or indirect, in the Proposed Placement, save for their interests arising by way of their directorships and/or shareholdings, as the case may be, in the Company.

10. 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 Placement. 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.

11. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the ZT Placement Agreement and the SCCM Placement Agreement will be available for inspection during normal business hours at the Company's registered office at 12 Tai Seng Link, #05-01A, Singapore 534233 for three (3) months after the date of this announcement.

12. FURTHER ANNOUNCEMENTS

The Company will continue to keep shareholders updated and release announcements relating to the Proposed Placement (including any material developments and progress made) as may be appropriate from time to time.

13. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions precedent set out above, and accordingly, should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

John Grønbech
Executive Director and CEO
22 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.

The contact person for the Sponsor is Ms Alicia Sun, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.