

NauticAWT Limited

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

PROPOSED ISSUE OF NEW SHARES TO THE NEW DIRECTORS OF THE COMPANY

1. INTRODUCTION

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, on 29 May 2017, the Company entered into addendums (the “**Addendums**”) to the letters of appointment (the “**Letters**”) with each of Mr. Teo Lek Hong and Mr. Tay Kee Liat (the “**New Directors**”), pursuant to which the Company will issue new shares in the capital of the Company (the “**New Shares**”) to the New Directors as partial payment of their respective Directors’ fees for the financial year ending 31 December 2017 (“**FY2017**”), in lieu of cash (the “**Proposed Share Issue**”).

2. THE PROPOSED SHARE ISSUE TO THE NEW DIRECTORS OF THE COMPANY

2.1 Background

Pursuant to shareholders’ approval at the Company’s annual general meeting held on 27 April 2017, the Company had approved payment of Directors’ fees of S\$250,326.07 for FY2017, to be paid quarterly in arrears. With respect to Mr. Teo Lek Hong and Mr. Tay Kee Liat, the Company will be paying a sum of S\$42,038.04 and S\$40,036.23 to them respectively (the “**New Directors’ Fees**”), being the Directors’ fees to be payable to the New Directors for services to be rendered in FY2017.

Pursuant to the Addendums, half of the New Directors’ Fees will be paid in cash and the other half in Shares and, accordingly, the Company proposes to issue the New Shares to the New Directors. The New Directors’ Fees to be payable in cash will be paid to the New Directors as soon as practicable after the half year ending 30 June 2017, and the New Shares will be issued to the New Directors as soon as practicable after the end of FY2017. The breakdown of the amount to be paid for FY2017 to each New Director is as follows:

	Amount of New Directors’ Fees to be paid (S\$)	Amount of New Directors’ Fees to be paid in cash (S\$)	Amount of New Directors’ Fees to be paid in New Shares (S\$)
Teo Lek Hong	42,038.04	21,019.02	21,019.02
Tay Kee Liat	40,036.23	20,018.12	20,018.12

2.2 Issue Price

The issue price (the “**Issue Price**”) for each New Share will be equivalent to the volume weighted average price (“**VWAP**”) of the Shares for trades done on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist**”) during the three (3) months in which trades were recorded on the Catalist immediately preceding the date of issue of the New Shares, but such issue price shall not be lower than the floor price of S\$0.099 (the “**Floor Price**”). The Floor Price is equivalent to the VWAP of the Shares for trades done on the Catalist on 31 March 2017, being the full market day on which trades were recorded on the Catalist immediately preceding the date of the signing of the Addendums.

2.3 New Shares

For illustrative purposes only, based on the Floor Price, the New Shares would be issued as follows:

Name	Number of New Shares	% of Existing Issued Share Capital ⁽¹⁾	% of Enlarged Issued Share Capital before full conversion of the Notes ⁽²⁾	% of Enlarged Issued Share Capital after full conversion of the Notes ⁽³⁾
Teo Lek Hong	212,313	0.1111	0.1109	0.1074
Tay Kee Liat	202,203	0.1059	0.1057	0.1023
Total	414,516	0.2170	0.2166	0.2097

Notes:

- (1) The existing issued share capital comprises 190,965,893 shares.
- (2) The enlarged issued share capital will comprise 191,380,409 shares, assuming that 414,516 New Shares are issued and not taking into account the Conversion Shares (as defined below). The Company had on 20 March 2017 and 29 May 2017 announced the proposed issue of redeemable convertible notes due 2020 (the “**Proposed Notes Issue**”) to Kim Seng Holdings Pte Ltd, and Mr. Lim How Teck and Mr. John Grønbech respectively, for the principal amounts of US\$500,000, US\$125,000 and US\$50,000 respectively (the “**Notes**”). The number of shares to be allotted and issued by the Company pursuant to the full conversion of the Notes at the conversion price of S\$0.15 (the “**Conversion Price**”) is 6,283,801 new ordinary shares in the capital of the Company (the “**Conversion Shares**”), based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017.
- (3) The enlarged issued share capital will comprise 197,664,210 shares, assuming that 414,516 New Shares and 6,283,801 Conversion Shares are issued.

The New Shares, when issued and allotted, shall rank *pari passu* in all respects with the existing Shares, including rights to any dividend, right, allotment or other distributions, the record date for which falls on or after the date of issue.

Accordingly, based on the Floor Price, up to 414,516 New Shares will be issued and allotted pursuant to the Proposed Share Issue.

2.4 Rationale of the Proposed Share Issue

The Proposed Share Issue will provide the New Directors with the opportunity to participate in the equity of the Company and motivate them towards better performance through increased dedication and loyalty. The issue of the New Shares to the New Directors will also encourage the alignment of interests between the New Directors and Shareholders whilst not compromising their independence.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the Proposed Share Issue, the working capital available to the Group is sufficient to fund its present requirement.

2.5 Information on the New Directors

2.5.1 Mr. Teo Lek Hong

Mr. Teo Lek Hong is an Independent Director of the Company, appointed to the Board on 14 March 2017. He serves as a member of the audit committee of the Company. Mr Teo Lek Hong has a Bachelor of Engineering (Mechanical) with first class honours from the University of Singapore and has extensive mid-stream and downstream experience following an extensive career with Exxon Mobil where he held numerous senior management roles.

As at the date of this announcement, Mr. Teo Lek Hong does not hold any Shares in the Company.

2.5.2 Mr. Tay Kee Liat

Mr. Tay Kee Liat is an Independent Director of the Company, appointed to the Board on 14 March 2017. He serves as a member of the nominating committee and remuneration committee of the Company. Mr Tay Kee Liat has a Bachelor of Engineering (Mechanical) from the University of Singapore and has extensive heavy manufacturing experience following a long career with Kobe Steel Limited where he served as Deputy Managing Director for Singapore Kobe Private Limited for fourteen years.

As at the date of this announcement, Mr. Tay Kee Liat does not hold any Shares in the Company.

3. FINANCIAL EFFECTS

The pro forma financial effects, as set out below, are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Company following the completion of the Proposed Share Issue.

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for the full financial year ended 31 December 2016 (“**FY2016**”) based on the following assumptions:

- (a) the financial effects of the Proposed Share Issue on the net tangible assets (“**NTA**”) per Share of the Group are computed assuming that there was full conversion of the Notes at the Conversion Price and that the Proposed Share Issue had been completed on 31 December 2016;
- (b) the financial effects of the Proposed Share Issue on the earnings per Share (“**EPS**”) of the Group are computed assuming that there was full conversion of the Notes at the Conversion Price and that the Proposed Share Issue had been completed on 1 January 2016;
- (c) the number of Conversion Shares was calculated based on the exchange rate of US\$1:S\$1.3964 on 30 April 2017;
- (d) the number of New Shares was calculated based on the Floor Price of S\$0.099 as described in paragraph 2.2 above;
- (e) an exchange rate for FY2016 of US\$1:S\$1.3808;
- (f) a closing exchange rate as at 31 December 2016 of US\$1:S\$1.4463.

3.1 Share Capital

	As at 31 December 2016		
Share Capital	Before the Proposed Notes Issue and the Proposed Share Issue	Enlarged share capital after the Proposed Share Issue and before full conversion of Notes	Enlarged share capital after the Proposed Share Issue and full conversion of Notes
Issued and paid up share capital (S\$'000)	10,483	10,524	11,467
Number of Shares	190,965,893	191,380,409	197,664,210

3.2 NTA per Share

	As at 31 December 2016		
NTA	Before the Proposed Notes Issue and the Proposed Share Issue	After the Proposed Share Issue and before full conversion of Notes	After the Proposed Share Issue and full conversion of Notes
NTA (S\$'000)	9,379	9,400	10,294
Number of Shares	190,965,893	191,380,409	197,664,210
NTA per Share (S\$ cents)	4.90	4.91	5.21

3.3 EPS

	As at 31 December 2016		
EPS	Before the Proposed Notes Issue and the Proposed Share Issue	After the Proposed Share Issue and before full conversion of Notes	After the Proposed Share Issue and full conversion of Notes
Profit attributable to owners of the Company (S\$'000)	985	985	985
Weighted average number of Shares	190,965,893	191,380,409	197,664,210
EPS (S\$ cents)	0.52	0.51	0.50

3.4 Gearing

	As at 31 December 2016		
Gearing	Before the Proposed Notes Issue and the Proposed Share Issue	After the Proposed Share Issue and before full conversion of Notes	After the Proposed Share Issue and full conversion of Notes
Net borrowings (S\$'000)	11,930	11,930	11,930
Total equity (S\$'000)	11,244	11,285	12,180
Gearing	1.06	1.06	0.98

4. SHAREHOLDERS' APPROVAL

4.1 Chapter 8 of the Listing Manual of the SGX-ST, Section B: Rules of Catalyst (the "Catalist Rules")

4.1.1 Rule 805 of the Catalyst Rules

Rule 805 of the Catalyst Rules states:

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) *The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or*
- (2) *If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:*
 - (a) *the principal subsidiary ceasing to be a subsidiary of the issuer; or*
 - (b) *a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of*

shares in the principal subsidiary reducing the issuer's equity interest to 56%.

The Company will not be relying on a general mandate. Accordingly, the Directors propose to seek Shareholders' approval for the issue and allotment to Mr. Teo Lek Hong and Mr. Tay Kee Liat of the New Shares, pursuant to Rule 805(1) of the Catalist Rules.

4.1.2 Rule 812 of the Catalist Rules

Rules 812(1) and 812(2) of the Catalist Rules provide as follows:

- (1) *An issue must not be placed to any of the following persons:*
 - (a) *the issuer's directors and substantial shareholders;*
 - (b) *immediate family members of the directors and substantial shareholders;*
 - (c) *substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders;*
 - (d) *corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or*
 - (e) *any person who, in the opinion of the SGX-ST, falls within category (a) to (d).*
- (2) *Rule 812(1) will not apply if specific shareholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.*

Mr. Teo Lek Hong and Mr. Tay Kee Liat are Directors of the Company. Therefore, in accordance with Rule 812(2) of the Catalist Rules, specific approval from Shareholders is required for the issue and allotment of the New Shares to Mr. Teo Lek Hong and Mr. Tay Kee Liat pursuant to the Proposed Share Issue.

Accordingly, the Directors propose to seek specific approval from Shareholders for the issue and allotment of the New Shares to Mr. Teo Lek Hong and Mr. Tay Kee Liat, pursuant to the Proposed Share Issue.

4.2 **Chapter 9 of the Catalist Rules**

Each of Mr. Teo Lek Hong and Mr. Tay Kee Liat are "interested persons" pursuant to the Catalist Rules. However by virtue of Rule 915(8) of the Catalist Rules, where the transaction involves the payment of, amongst others, Directors' fees, such transactions need not comply with the requirements of, amongst others, Rules 906 and 907 of the Catalist Rules. Although the Proposed Share Issue would be considered an "interested person transaction" pursuant to Chapter 9 of the Catalist Rules, the issue of the New Shares are in settlement of the New Directors' fees and accordingly, the Company will not be required to obtain Shareholders' approval under Chapter 9 of the Catalist Rules.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the New Directors, none of the Directors, or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Share Issue (other than through their respective shareholdings in the Company, if any).

6. ADDITIONAL LISTING AND QUOTATION APPLICATION TO SGX-ST

An application will be made to the SGX-ST via the Sponsor in due course for the listing and quotation of up to 414,516 New Shares to be issued. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the New Shares has been obtained from the SGX-ST.

7. EGM AND CIRCULAR

The Proposed Share Issue is subject to the approval of shareholders of the Company at an extraordinary general meeting to be convened ("**EGM**"), and the approval of the SGX-ST for the listing of and quotation for the New Shares on Catalist.

A circular setting out, amongst others, the details of the Proposed Share Issue, together with a notice of the EGM, will be despatched by the Company to its Shareholders in due course.

8. 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 Share Issue, 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.

9. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately. The Proposed Share Issue is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Share Issue will be completed or that no changes will be made to the terms thereof.

10. ANNOUNCEMENTS

Further announcements on the Proposed Share Issue will be made in due course as and when appropriate.

By Order of the Board

John Grønbech
Executive Director and CEO
29 May 2017

Overview of NauticAWT Limited

NauticAWT Limited is a Singapore headquartered firm offering subsurface, subsea and surface facilities engineering services and contracting solutions to the oil and gas industry. The Group is engaged in field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature assets for its clients.

With a global reach of 12 offices across Southeast Asia, Australasia, Middle East, Latin America and India, NauticAWT Limited provides a comprehensive range of technical and commercial solutions to the oil and gas industry. Through its multi-disciplined offerings, the Group is able to deliver customised technical greenfield development services and brownfield enhancement and extension solutions, either stand-alone or as an integrated package. The Group also produces a unique range of UHPC and HPC materials for subsurface, subsea and surface applications, which is marketed under its NAX™ trademark.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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 Mr Sebastian Jones, Director, SAC Advisors Private Limited, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
