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

PROPOSED ACQUISITION OF RICH RESTAURANT COMPANY LIMITED

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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 the Company had, on 18 December 2019, entered into a share purchase agreement ("**SPA**") with Mr Kritsada Tunpow (the "**Vendor**") to acquire 35% (the "**Equity Interests**") of the total issued and paid-up capital of Rich Restaurant Company Limited ("**RRCL**") (the "**Proposed Acquisition**"). The Company and the Vendor are individually referred to as a "**Party**", and collectively as the "**Parties**". The Vendor will sell the Equity Interest equivalent to 700,000 ordinary shares of RRCL to the Company.

2. INFORMATION ON RRCL[1] AND THE VENDOR

2.1 RRCL is a limited company incorporated in Thailand and principally engaged in the manufacturing and distribution of food products in restaurant and franchise. It operates a fast casual restaurant business and franchising the same under the name "Chokdee Dimsum" including any businesses related thereto, or any part of it (the "Business" or "Chokdee").

2.2 Chokdee is an award-winning fast casual restaurant brand that serves high quality and a wide variety of Chinese-style dim sum and bak kut teh in its branches across Thailand in addition to providing catering services through its central kitchen. Currently, RRCL has 24 branches (16 of which are via franchisees) and one central kitchen.

2.3 As at the date of this announcement, RRCL has an issued and paid-up capital of THB200 million comprising 2,000,000 ordinary shares.

2.4 The shareholders of RRCL are Mr Kritsada Tunpow, Dr Chirasak Chiyachantana and Ms Sawaluck Chatlamai who holds 1,923,499 shares (representing 96.17%), 76,500 shares (representing 3.83%) and 1 share of RRCL respectively. Mr Kritsada Tunpow is currently the sole director of RRCL.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration

The consideration for the Proposed Acquisition is THB70 million (approximately equivalent to S$3.1 million) (the "**Purchase Consideration**") which shall be satisfied as follows:

(a) THB21,000,000 representing 30% of the Purchase Consideration (the "**Deposit**") to be paid within 3 (three) business days after the signing of the SPA; and

(b) THB49,000,000 representing 70% of the Purchase Consideration to be paid not less than 5 (Five) business days prior to Completion Date (as define below).

Immediately after the payment of the Deposit by the Company, the Vendor shall deliver to the Company, the existing share certificates duly issued by RRCL representing the shares of RRCL held by the Vendor and evidencing that the Vendor is the lawful holders of such shares, to hold as security for the Deposit. In the event that the SPA is terminated, the Vendor shall return the Deposit to the Company within 3 (three) business days after the date of termination and the Company shall return to the Vendor the share certificates. The Board is of the view that there

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1 The information on RRCL and the financial information set out in this paragraph 2 were provided by RRCL, which have been extracted and reproduced herein. In respect of such information, the Directors have not independently verified the accuracy and correctness of the same and the Directors' responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

are appropriate safeguards over the Deposit on the basis of the provision of existing share certificates by the Vendor as security.

The Purchase Consideration was arrived at, on a willing-buyer and willing-seller basis, after negotiations which were conducted at arms' length between the Parties, and takes into account, *inter alia*, the unaudited net asset value of RRCL of approximately THB200 million (equivalent to S$9 million) as at 31 July 2019. Among the other considerations were the established and award winning brand name of the Chokdee, the current number of branches and the potential for further expansion of the Business.

The Purchase Consideration will be funded by the proceeds from the Subscription Agreement announced on 10 July 2019.

3.2 Conditions Precedent

The Proposed Acquisition is conditional upon, *amongst others*, the following:

3.2.1 The Company being satisfied with the results of legal, financial and tax due diligence of the RRCL; and

3.2.2 All approvals and consents from any governmental authority, all corporate approvals and consents from board of directors, shareholders, or the Singapore Exchange (SGX) including any other relevant authorities, or any third party necessary to permit the consummation of the Proposed Acquisition have been duly received.

3.3 Completion Date

Completion of the Proposed Acquisition (the "**Completion**") shall take place after the fulfilment or waiver of the last of the conditions precedent to the SPA (the "**Completion Date**"), in any event no later than 31 January 2020 ("**Long-Stop Date**"), subject to such extension of time as may be agreed in writing between the Parties.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects 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 Acquisition.

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for FY2018 and the audited financial statements of RRCL for FY2018 based on the following assumptions:

(a) the financial effects of the Proposed Acquisition on the net tangible liabilities ("**NTL**") per Share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2018;

(b) the financial effects of the Proposed Acquisition on the loss per Share ("**LPS**") of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2018;

(c) an exchange rate of US$1:THB30.2070 and US$1:S$1.3560; and

(d) transactional costs incurred for the Proposed Acquisition are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

4.1 NTL per Share

	As at 31 December 2018	**After the Proposed Acquisition**
NTL (US$'000)	4,232	4,212

Number of Shares	212,333,525	212,333,525
NTL per Share (US$ cents)	1.99	1.98

4.2 LPS

	FY2018	After the Proposed Acquisition
Net loss for FY2018 (US$'000)	4,452 (1)	4,432
Weighted average number of Shares	208,231,944	208,231,944
LPS (US$ cents)	2.14	2.13

Note
(1) Net loss for FY2018 represents loss before income tax, minority interests and one-off NauticAWT Performance Share Plan expense of US$0.5 million.

4.3 Gearing

There is no material impact on the gearing ratio of the Group arising from the Proposed Acquisition.

5. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**") are as follows:

Rule 1006	Bases	%
(a)	Net asset value of assets to be disposed of, as compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable(1)
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	(7.5)(2)
(c)	Aggregate value of the consideration to be paid, compared with the Company's market capitalisation	39(3)
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable(4)
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable(5)

Notes:

(1) This is not applicable as the Proposed Acquisition is in relation to the acquisition of assets.

(2) Based on the unaudited net profits before tax of RRCL of approximately THB2.4 million in respect of 7 months ended 31 July 2019, the 35% equity interest which is approximately US$0.03 million and the unaudited net loss before tax of US$0.4 million of the Group for HY2019.

(3) Based on the Purchase Consideration of THB70 million (equivalent to S$3.1 million) and the Company's market capitalisation of S$7.9 million (based on the Company's existing issued share capital of 794,186,046 Shares and the VWAP of the Shares on Catalist of S$0.0100 on 11 November 2019, being the market day preceding the date of the SPA).

(4) This basis is not applicable as there will be no issuance of shares as consideration for the Proposed Acquisition.

(5) This basis is not applicable as the Proposed Acquisition is not a disposal of mineral, oil or gas assets.

As the relative figure computed based on Rules 1006(c) of the Catalist Rules exceeds 5% but are less than 75%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

However, given that the relative figures computed under Rule 1006(b) are negative, pursuant to Catalist Rule 1007(1), the Company will, through its continuing sponsor, consult the SGX-ST on the applicability of Chapter 10 of the Catalist Rules on the Proposed Acquisition.

6. RATIONALE FOR THE PROPOSED ACQUISITION

The Company had on 19 November 2019 obtained shareholders' approval for the Group to diversify into the F&B Business and as highlighted in the shareholders circular, it is the Group's intention focus the initial expansion in Thailand where Dr Chirasak enjoys a wide network of business contacts. Dr Chirasak, being also an investor in RRCL, has identified and introduced RRCL to the Company as he believes that this represents a good investment opportunity for the Group.

The Board believes that the Proposed Acquisition will provide a good opportunity for the Company as its first foray into the F&B business in Thailand, a recognized brand name chain of restaurants that has potential for further expansion through its hybrid directly run and franchise model and also its catering services via its new central kitchen set up recently.
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7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Dr Chirasak Chiyachantana, Non-Independent Non-Executive Chairman and sole controlling shareholder of the Company 50.4% interest, was a former management and director in RRCL and currently still holds a direct interest of 76,500 ordinary shares representing 3.825% of the share capital of RRCL.

Other than as disclosed, none of the other Directors of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company, if any).

As Dr Chirasak Chiyachantana holds a direct interest in 76,500 ordinary shares in RRCL, representing 3.825% of the share capital of RRCL, he has abstained himself from all Board deliberations, recommendation and approvals for the Proposed Acquisition.

8. SERVICE AGREEMENT

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

9. 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 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. 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.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is 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.

By Order of the Board

John Grønbech
Executive Director and CEO
18 December 2019

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*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.
