NauticAWT Limited
(Company Registration No: 201108075C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 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.

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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of immediately preceding financial year

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Unaudited FY2019 US$	**Audited FY2018 US$**	**Increase/ (Decrease) %**
Continuing operations			
Revenue	6,168,542	7,565,952	(18.5)
Cost of sales	(3,833,007)	(3,761,120)	1.9
Gross profit	2,335,535	3,804,832	(38.6)
Distribution expenses	(438,995)	(550,412)	(20.2)
Administrative expenses	(3,790,263)	(4,979,482)	(23.9)
Other income	246,656	40,844	(503.9)
Finance costs	(555,488)	(555,600)	(0.0)
Loss before tax	(2,202,555)	(2,239,818)	(1.7)
Income tax credit	-	45,434	N/M
Loss for the year from continuing operations	(2,202,555)	(2,194,384)	0.4
Discontinued operations			
Loss for the year from discontinued operations	(57,183)	(2,788,991)	(97.9)
Loss for the year	(2,259,738)	(4,983,375)	(54.7)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	98,366	138,441	(28.9)
Total other comprehensive income for the year	98,366	138,441	(28.9)
Total comprehensive loss for the year	(2,161,372)	(4,844,934)	(55.4)
Loss attributable to:			
Owners of the Company	(2,259,738)	(4,983,375)	(54.7)
Non-controlling interests	-	-	N/M
	(2,259,738)	(4,983,375)	(54.7)
Total comprehensive loss attributable to:			
Owners of the Company	(2,161,372)	(4,844,934)	(55.4)
Non-controlling interests	-	-	N/M
	(2,161,372)	(4,844,934)	(55.4)

N/M: Not meaningful

1(a)(ii) The total comprehensive income include the following charges (credits):

	Group		
	Unaudited FY2019 US$	**Audited FY2018 US$**	**Increase/ (Decrease) %**
Depreciation of property, plant and equipment	675,442	731,226	(7.6)
Depreciation of right-of-use assets	126,860	-	N/M
Amortisation of intangible assets	20,700	30,193	(31.4)
Over amortisation of intangible assets in prior years	(21,687)	-	N/M
Finance costs	560,282	623,213	(10.1)
Interest income	-	(17,163)	N/M
Allowance for doubtful debts	159,987	915,026	(82.5)
Impairment losses of assets held for sale	-	2,718,338	N/M
One-off NauticAWT Performance Share Plan ("**PSP**") expense	-	485,702	N/M
Write off (Write back) of obsolete inventories	127,928	(14,523)	N/M
Net foreign exchange loss	143,390	214,843	(33.3)
Write back of deferred tax liabilities	-	(52,589)	N/M
Loss on impairment of subsidiaries	1,001	-	N/M
Loss on disposal of property, plant and equipment	63,872	182,426	(65.0)
Write off of property, plant and equipment	-	26,391	N/M
Impairment loss of property, plant and equipment	991,403	-	N/M
Gain on disposal of asset held for sale	(214,572)	-	N/M

N/M: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated Statement of Financial Position

	Group		Company	
	Unaudited 31-Dec-19 US$	Audited 31-Dec-18 US$	Unaudited 31-Dec-19 US$	Audited 31-Dec-18 US$
ASSETS				
Current assets				
Cash and bank balances	3,201,539	38,624	2,577,935	1,317
Trade receivables	750,019	1,530,842	-	9,849,410
Other receivables	1,764,506	903,574	749,063	265,287
Inventories	260,336	556,127	-	-
Contract assets	50,034	479,755	-	-
	6,026,434	3,508,922	3,326,998	10,116,014
Assets classified as held for sale	-	4,877	-	
Total current assets	6,026,434	3,513,799	3,326,998	10,116,014
Non-current assets				
Property, plant and equipment	5,361,326	7,299,905	-	630,592
Right-of-use assets	123,483	-	-	-
Intangible assets	1,124,332	1,109,606	-	1,060,970
Investment in subsidiaries	-	-	-	546,423
Other receivables	-	-	-	2,867,936
Total non-current assets	6,609,141	8,409,511	-	5,105,921
Total assets	12,635,575	11,923,310	3,326,998	15,221,935
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)				
Current liabilities				
Trade payables	870,600	1,136,829	-	-
Other payables	4,346,261	5,456,053	776,676	15,929,959
Contract liabilities	69,871	-	-	-
Government grant received	355,130	355,130	-	355,130
Lease liabilities	112,622	-	-	-
Liabilities for trade bills discounted with recourse	26,056	137,272	-	-
Bank loan and advances	582,229	697,956	-	-
Loan from directors	-	136,078	-	136,078
	6,362,769	7,919,318	776,676	16,421,167
Liabilities directly associated with assets classified as held for sale	-	219,142	-	-
Total current liabilities	6,362,769	8,138,460	776,676	16,421,167
Non-current liabilities				
Bank loans and advances	2,992,451	3,149,748	-	-
Lease liabilities	14,419	-	-	-
Loan from directors	-	624,459	-	624,459
Convertible notes and loans	-	2,639,143	-	2,639,143
Other payables	1,144,873	494,257	71,170	494,257
Total non-current liabilities	4,151,743	6,907,607	71,170	3,757,859
Total liabilities	10,514,512	15,046,067	847,846	20,179,026
Capital and reserves				
Share capital	15,587,081	7,733,885	15,587,081	7,733,885
Other capital reserve	718,247	1,166,251	718,247	1,166,251
Share options reserve	108,639	108,639	108,639	108,639
Foreign currency translation reserve	144,329	45,963	-	-
Accumulated losses	(14,437,233)	(12,177,495)	(13,934,815)	(13,965,866)
Equity attributable to owners of the Company	2,121,063	(3,122,757)	2,479,152	(4,957,091)
Non-controlling interests	-	-	-	-
Total equity (Capital deficiency)	2,121,063	(3,122,757)	2,479,152	(4,957,091)
Total liabilities and equity (net of capital deficiency)	12,635,575	11,923,310	3,326,998	15,221,935

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(A) the amount repayable in one year or less, or on demand;

Group		Group	
31-Dec-19		31-Dec-18	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
608,284	189,440	835,228	745,637

(B) the amount repayable after one year;

Group		Group	
31-Dec-19		31-Dec-18	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
2,992,451	-	3,149,748	3,757,859

Details of any collateral

Bank borrowings

The Group's bank borrowings are secured by the following:

(a) Assignment of an insurance policy;
(b) Fixed charge over all assets of two subsidiaries (31 December 2018: two subsidiaries);
(c) Fixed and floating charge over all assets of a subsidiary (31 December 2018: a subsidiary);
(d) A charge over the property of a subsidiary (31 December 2018: a subsidiary); and
(e) A charge of US$564,014 (31 December 2018: US$Nil) over a term deposit account of a subsidiary (31 December 2018: N/A).

The following securities had been discharged during FY2019 as the bank loan had been fully repaid in February 2019:

(a) A charge over the Project Account of a subsidiary; and
(b) Assignment of an offtake agreement by a subsidiary.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

		Group	
		Unaudited FY2019 US$	**Audited FY2018 US$**
Operating activities			
Loss before income tax	(A)	(2,259,738)	(5,028,809)
Adjustments for:			
Depreciation of property, plant and equipment		675,442	731,226
Depreciation of right-of-use assets		126,860	-
Amortisation of intangible assets		(987)	30,193
Gain on disposal of asset held for sales		(214,572)	-
Allowance for doubtful debts		159,987	915,026
Impairment losses on asset held for sale		-	2,718,338
Write off of property, plant and equipment		-	26,391
Impairment loss of property, plant and equipment		991,403	-
Loss on disposal of property, plant and equipment		63,872	182,426
Write back of provision for leave entitlement		(7,275)	(16,986)
Write off (Write back) of obsolete inventories		127,928	(14,523)
Finance costs		560,282	623,213
Interest income		-	(17,163)
Net foreign exchange loss		67,219	174,828
NauticAWT PSP expense		-	485,702
Operating cash flows before movements in working capital		290,421	809,862
Trade receivables		620,837	(632,286)
Contract assets		429,721	(141,057)
Other receivables		(856,548)	247,358
Inventories		167,864	(197,632)
Trade payables		72,149	(373,889)
Other payables		(6,942)	502,333
Contract liabilities		69,871	-
Trade bills discounted with recourse		(15,012)	(76,782)
Cash generated from operations		772,361	137,907
Income tax (paid) refund		(3,799)	87,138
Interest received			-
Interest paid		(314,571)	(379,627)
Net cash from (used in) operating activities		453,991	(154,582)
Investing activities			
Purchase of property, plant and equipment	(B)	(8,940)	(511,146)
Addition of intangible assets		(61,756)	(224,266)
Proceeds from disposal of property, plant and equipment		7,220	32,137
Net cash used in investing activities		(63,476)	(703,275)
Financing activities			
Loan from director		131,121	72,701
Repayments of loan from directors		(102,674)	-
(Placement) Release of restricted cash		(564,014)	74,630
Repayment of advances to bank		-	(79,878)
Receipts of loan from third parties		100,105	-
Repayments of loan from third parties		(305,846)	-
Repayments of bank loans		(293,161)	(1,288,039)
Issuance of convertible loans		-	1,900,000
Issuance of ordinary shares	(C)	3,249,097	-
Net cash from financing activities		2,214,628	679,414

	Group	
	Unaudited FY2019 US$	**Audited FY2018 US$**
Net increase (decrease) in cash and cash equivalents	2,605,143	(178,443)
Cash and cash equivalents at beginning of year	(323,831)	(139,495)
Effects of exchange rate changes on balances of cash held in foreign currencies	6,777	(5,893)
Cash and cash equivalents at end of year	2,288,089	(323,831)

Notes:

(A) The amount reflected as loss before tax in the consolidated statement of cash flows is derived from the aggregate of loss for the year from discontinued operations of US$57,183 (2018: US$2,788,991) and loss before tax from continuing operations of US$1,343,507 (2018: US$2,239,818).

(B) The Group acquired property, plant and equipment at an aggregate cost of US$36,234 (2018: US$188,534) of which cash payment of US$1,624 (2018: US$33,833) were paid during the year. In addition, a further payment of US$7,316 were paid during the year as well as a reversal of US$136,790 in relation to property, plant and equipment from other payables. As at 31 December 2019, US$45,204 (2018: US$154,701) remains unpaid and was recorded under "Other Payables".

(C) Issuance of ordinary shares for US$3.2 million (S$4.5 million) pursuant to 2019 Placement and completion took place on 13 December 2019.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	Group	
	Unaudited FY2019 US$	**Audited FY2018 US$**
Cash and bank balances	3,201,539	38,624
Less: Bank overdrafts	(349,436)	(362,455)
Less: Restricted cash	(564,014)	-
Cash and cash equivalents	2,288,089	(323,831)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Other capital reserve	Share options reserve	Foreign currency translation reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2019	**7,733,885**	**1,166,251**	**108,639**	**45,963**	**(12,177,495)**	**(3,122,757)**	**-**	**(3,122,757)**
Total comprehensive (loss) income for the year								
Loss for the year	-	-	-	-	(2,259,738)	(2,259,738)	-	(2,259,738)
Other comprehensive income for the year	-	-	-	98,366	-	98,366	-	98,366
Total	-	-	-	98,366	(2,259,738)	(2,161,372)	-	(2,161,372)
Transactions with owners recognised directly in equity								
Issuance of Settlement Shares pursuant to Debt Restructuring	4,883,097	-	-	-	-	4,883,097	-	4,883,097
Issuance of Subscription Shares pursuant to 2019 Placement	2,970,099	-	-	-	-	2,970,099	-	2,970,099
Settlement of convertible notes and loans	-	(448,004)	-	-	-	(448,004)	-	(448,004)
Total	7,853,196	(448,004)	-	-	-	7,405,192	-	7,405,192
Balance at 31 December 2019 (unaudited)	**15,587,081**	**718,247**	**108,639**	**144,329**	**(14,437,233)**	**2,121,063**	**-**	**2,121,063**
Balance at 1 January 2018	**7,248,183**	**723,125**	**108,639**	**(92,478)**	**(7,194,120)**	**793,349**	**-**	**793,349**
Total comprehensive (loss) income for the year								
Loss for the year	-	-	-	-	(4,983,375)	(4,983,375)	-	(4,983,375)
Other comprehensive income for the year	-	-	-	138,441	-	138,441	-	138,441
Total	-	-	-	138,441	(4,983,375)	(4,844,934)	-	(4,844,934)
Transactions with owners recognised directly in equity								
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	-	485,702	-	485,702
Issuance of convertible loans	-	443,126	-	-	-	443,126	-	443,126
Total	485,702	443,126	-	-	-	928,828	-	928,828
Balance at 31 December 2018 (audited)	**7,733,885**	**1,166,251**	**108,639**	**45,963**	**(12,177,495)**	**(3,122,757)**	**-**	**(3,122,757)**

Company	Share capital	Other capital reserve	Share options reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$
Balance at 1 January 2019	**7,733,885**	**1,166,251**	**108,639**	**(13,965,866)**	**(4,957,091)**
Total comprehensive income for the year					
Profit for the year	-	-	-	31,051	31,051
Total	-	-	-	31,051	31,051
Transactions with owners recognised directly in equity					
Issuance of Settlement Shares pursuant to Debt Restructuring	4,883,097	-	-	-	4,883,097
Issuance of Subscription Shares pursuant to 2019 Placement	2,970,099	-	-	-	2,970,099
Settlement of convertible notes and loans	-	(448,004)	-	-	(448,004)
Total	7,853,196	(448,004)	-	-	7,405,192
Balance at 31 December 2019 (unaudited)	**15,587,081**	**718,247**	**108,639**	**(13,934,815)**	**2,479,152**
Balance at 1 January 2018	**7,248,183**	**723,125**	**108,639**	**(7,847,520)**	**232,427**
Total comprehensive loss for the year					
Loss for the year	-	-	-	(6,118,346)	(6,118,346)
Total	-	-	-	(6,118,346)	(6,118,346)
Transactions with owners recognised directly in equity					
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	485,702
Issuance of convertible loans	-	443,126	-	-	443,126
Total	485,702	443,126	-	-	928,828
Balance at 31 December 2018 (audited)	**7,733,885**	**1,166,251**	**108,639**	**(13,965,866)**	**(4,957,091)**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary Shares

	Number of Shares	(US$)
As at 31 December 2018 and 30 June 2019	212,333,525	7,733,885
Issuance of Settlement Shares pursuant to Debt Restructuring	181,852,521	4,883,097
Issuance of Subscription Shares pursuant to 2019 Placement	400,000,000	2,970,099
As at 31 December 2019	794,186,046	15,587,081

Share Options

On 27 June 2016, the Company granted 23,550,000 options, in 3 equal tranches of 7,850,000 options each, under the NauticAWT Employee Share Option Scheme (the "**Scheme**"). As at 31 December 2018, 9,600,000 options to subscribe for 9,600,000 shares remained outstanding. Details of the outstanding options as at 31 December 2018 are as follows:

		Exercisable Period	
Outstanding Options as at 31 December 2018	**Exercise Price (S$)**	**From**	**To**
3,200,000	0.25	31 December 2017	31 December 2020
3,200,000	0.30	31 December 2018	31 December 2021
3,200,000	0.35	31 December 2019	31 December 2022
9,600,000			

During FY2019, 750,000 options to subscribe for 750,000 shares were forfeited. On 14 August 2019, the Company cancelled all the outstanding 8,850,000 options to subscribe for 8,850,000 shares. As at 31 December 2019, no option remained outstanding.

Convertible notes and loans

On 20 March 2017, 29 May 2017 and 22 June 2017, the Company issued up to US$1,000,000 in aggregate principal amount of convertible notes (the "**Notes 1**") due 2020. The number of shares to be converted (the "**Conversion Shares 1**") will be determined by dividing the principal amount of the Notes 1, translated into Singapore dollars at the spot rate for the sale of Singapore dollars against the purchase of United State dollars on the day when the conversion right of the Notes 1 holder is exercised, by the conversion price of S$0.15 per share. Based on the exchange rate of US$1:S$1.3964 on 30 April 2017 which was used for illustration purposes in the circular in relation to the Notes 1, the number of Conversion Shares 1 which may be issued and allotted will be 9,309,333 in total.

On 7 August 2018, the Company issued up to US$2,320,000 in aggregate principal amount of convertible loans (the "**Notes 2**") due 2021. The number of shares to be converted (the "**Conversion Shares 2**") will be determined by dividing the principal amount of the Notes 2, by the conversion price of US$0.02675 per share. The maximum number of Conversion Shares 2 which may be issued and allotted will be 86,728,971 in total. As at 31 December 2018, the Company had drawn down US$1,950,000 in total.

Details of the outstanding convertible notes as at 31 December 2018 are as follows:

				Conversion Period	
	Principal amount of the convertible notes as at 30 June 2019 (US$)	**Conversion Price**	**Number of conversion shares that may be issued on conversion**	**From**	**To**
Notes 1	1,000,000	S$0.15	9,309,333	17 October 2019	16 October 2020
Notes 2	1,950,000	US$0.02675	72,897,196	18 September 2018	17 September 2021
	2,950,000		82,206,529		

As announced on 24 September 2019, the Company had on the same day, entered into settlement and release agreements with each of Notes 1 and Notes 2 noteholders to issue and allot an aggregate of 124,119,313 shares (the "**Settlement Shares**") to extinguish and terminate Notes 1 and Notes 2 as part of the Group's Debt Restructuring. The Settlement Shares had been subsequently issued and allotted on 13 December 2019. As at 31 December 2019, there were no outstanding convertible notes.

Company did not have any treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Dec-19	**31-Dec-18**
Total number of shares (excluding treasury shares)	794,186,046	212,333,525

The Company did not have any treasury shares as at 31 December 2019 and 31 December 2018.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares as at 31 December 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not have any subsidiary holdings as at 31 December 2019.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 31 December 2018. Except as disclosed under Note 5 below, the adoption of new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretation of SFRS(I) ("**INT SFRS(I)**") effective from 1 January 2019 had no material impact on the financial information for the current financial year ended 31 December 2019 and its comparative balances.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of new and revised SFRS(I) and INT SFRS(I) effective from 1 January 2019, mainly SFRS(I) 16 *Leases* did not result in any significant changes to the Group's accounting policies and methods of computation for FY2019. The adoption of the SFRS (I) 16 Leases did not have significant impact on the financial statements of the Group except for the following:

The Group has recognized the Right-of-use ("**ROU**") assets to be equal to their lease liabilities. Subsequent to initial recognition, the Group depreciated the ROU assets over the shorter of the useful life of the ROU assets and the lease term.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	FY2019	FY2018
Loss per share (US cents) from continuing and discontinued operations based on:		
a. weighted average number of shares on issue	(0.93)	(2.39)
b. a fully diluted basis	(0.93) [(1)]	(2.39) [(1)]
Weighted average shares for calculation of:		
a. weighted average number of shares on issue	242,621,738	208,231,944
b. a fully diluted basis	242,621,738[(1)]	208,231,944[(1)]

Note:
[(1)] There is no change between basic and diluted loss per share as the Group was loss-making for the respective periods.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Net asset (liabilities) value per share (US cents)	0.27	(1.47)	0.31	(2.33)
Number of issued shares	794,186,046	212,333,525	794,186,046	212,333,525

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of results of continuing operations

Revenue
The Group's revenue for FY2019 decreased by 18.5% or US$1.4 million to US$6.2 million, from US$7.6 million for FY2018. This was mainly due to the decrease in revenue contribution by the Ports and Offshore segment of US$1.4 million and Energy and Mining segment of US$0.3 million. However, the decrease was partially offset by the increase in revenue contribution by the Renewables segment of US$0.2 million.

Gross profit and gross profit margin
Despite the decreased revenue, the Group's cost of sales for FY2019 increased by 1.9% or US$0.07 million to US$3.83 million, from US$3.76 million for FY2018. The overall increase in cost of sales was mainly due to the rising direct project costs.

As a result, the gross profit for FY2019 decreased by 38.6% or US$1.47 million to US$2.3 million, from US$3.8 million in FY2018. The Group's gross profit margin for FY2019 decreased by 12.4 percentage points to 37.9% as compared to 50.3% for FY2018.

Distribution expenses

The Group's distribution expenses decreased by US$0.1 million or 20.2%, from US$0.55 million in FY2018 to US$0.44 million in FY2019. The decrease was mainly due to lower business development cost.

Administrative expenses

The Group's administrative expenses decreased by US$1.2 million or 23.9%, from US$5 million in FY2018 to US$3.8 million in FY2019 primarily due to the following:

i. reduction in allowance for doubtful debts of US$0.8 million due to improved customer collection;
ii. reduction in employee and directors' remuneration of US$0.8 million; and
iii. the absence of one-off NauticAWT PSP expense of US$0.5 million in FY2018.

This decrease was partially offset by the increase in professional costs of US$0.1 million incurred in relation to the debt restructuring (the "**Debt Restructuring**") and placement (the "**2019 Placement**") exercises which were completed on 13 December 2019 and an impairment loss of property, plant and equipment of US$1 million.

Other income

The Group recorded other income of US$0.25 million and US$41,000 in FY2019 and FY2018 respectively. The U$0.2 million increase in FY2019 was primarily a result of recognition of gain on disposal of asset held for sale, which completed during the year.

Finance costs

The Group's finance costs remained at US$0.6 million in FY2019 as compared to FY2018. The interest expenses were incurred primarily from interest bearing bank loans, convertible notes and loans, loans from directors and third parties.

Income tax credit

The Group recorded income tax credit of US$45,000 in FY2018, mainly due to the reversal of deferred tax liabilities. No such reversal during FY2019.

Loss after tax

As a result of the above, the Group suffered a loss for the year from continuing operations of US$2.2 million in FY2019, marginally improved by 0.4% or US$8,171 as compared to the losses of US$2.2 million in FY2018.

Review of results of discontinued operations

Loss for the year from discontinued operations

The Group's loss for the year from discontinued operations decreased by US$2.7 million or 97.9%, from US$2.8 million in FY2018 to US$57,000 in FY2019. The significant decrease was mainly due to the one-off impairment loss of US$2.7 million to a major asset of a wholly owned subsidiary held for sale in FY2018 and lower interest expenses as the bank loan had been fully repaid in February 2019.

Review of Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets decreased by US$1.8 million, from US$8.4 million as at 31 December 2018 to US$6.6 million as at 31 December 2019. It was mainly due to the decrease in property, plant and equipment of US$1.9 million as a result of the impairment and depreciation charge and disposal, partially offset by the acquisition of property, plant and equipment during the year. There was also a recognition of right-of-use assets of US$0.1 million in FY2019, arising from the adoption of SFRS(I) 16 effective from 1 January 2019.

Current assets

The Group's current assets increased by US$2.5 million, from US$3.5 million as at 31 December 2018 to US$6.0 million as at 31 December 2019. The significant increase was mainly due to the following:

i. significant increase in cash and bank balances of US$3.2 million primarily due to the receipt of the 2019 Placement fund; and
ii. increase in other receivables of US$0.9 million mainly due to a deposit of US$0.7 million paid in relation to the acquisition of 35% equity interest in Rich Restaurant Company Limited as announced on 18 December 2019.

The increase was partially offset by the following:

i. decrease in trade receivables of US$0.8 million due to improved customer collection;

ii. decrease in inventories of US$0.3 million; and
iii. decrease in contract assets of US$0.4 million arising primarily from the timing of billing.

Non-current liabilities

The Group's non-current liabilities decreased by US$2.8 million, from US$6.9 million as at 31 December 2018 to US$4.2 million as at 31 December 2019. The decrease was mainly due to the settlement of convertible notes and loans of US$2.6 million as part of the Debt Restructuring and the repayment of bank loans in FY2019. The increase of other payables was mainly due to the transfer from current to non-current under the Debt Restructuring. In addition, an increase of lease liability of US$0.01 million in current year is due to the adoption of SFRS(I) 16 effective from 1 January 2019.

Current liabilities

The Group's current liabilities decreased by US$1.8 million, from US$8.1 million as at 31 December 2018 to US$6.4 million as at 31 December 2019. The decrease was mainly due to the following:

i. decrease in trade and other payables of US$1.3 million and loan from directors of 0.1 million mainly as a result of the Debt Restructuring;
ii. decrease in liabilities for trade bills discounted with recourse of US$0.1 million due to repayment during the year;
iii. decrease in bank loans and advances of US$0.1 million due to repayments during the year.
iv. decrease in liability directly associated with assets classified as held for sale of US$0.2 million due to the completion of the disposal in a subsidiary; and
v. partially offset by the increase in lease liabilities of US$0.1 million due to the adoption of SFRS(I) 16 effective from 1 January 2019 as well as contract liabilities of US$0.1 million for an advance payment from customer.

Working capital and going concern assessment

The Group reported a negative working capital of US$0.3 million as at 31 December 2019 as compared to US$4.6 million as at 31 December 2018. As at the date of this announcement, the Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial information is appropriate on the following bases:

i. the Group has continuous support from the existing bankers; and
ii. the Group is able to generate sufficient cash flows from its operations based on internal budget and management's ability to secure new contracts from customers.

Review of cash flows

Operating activities

Net cash from operating activities in FY2019 amounted to US$0.5 million taking into account the loss before tax of US$2.3 million, adjusted for working capital inflows of US$0.5 million. The working capital inflows was mainly due to decrease in trade receivables of US$0.6 million, decrease in contract assets of US$0.4 million, decrease in inventories of US$0.2 million and increase in trade payables of US$0.1 million and increase in contract liabilities of US$0.1 million, partially offset by decrease in other payables of US$6,942, increase in other receivables of US$0.9 million and decrease of trade bills discounted with recourse of US$15,012. During FY2019, the Group paid income tax of approximately US$4,000 and interest of US$0.3 million.

Investing activities

Net cash used in investing activities in FY2019 amounted to US$0.1 million mainly due to additions of intangible assets of US$0.1 million in relation to material development.

Financing activities

Net cash generated from financing activities in FY2019 amounted to US$2.2 million mainly due to the 2019 Placement fund of US$3.2 million, loan from directors and third parties of US$0.1 million each, which was partially offset by repayments of bank loans, loan from directors and third parties of US$0.3 million, US$0.1 million and US$0.3 million respectively and US$0.6 million fixed deposit placed with a financial institution as the additional security of the bank borrowing of a subsidiary.

As a result of the above, the Group's cash and cash equivalents increased by US$2.6 million, from a deficit of US$0.3 million as of 31 December 2018 to a surplus of US$2.3 million as of 31 December 2019, net of the restricted cash and bank overdrafts.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

We are closely observing market conditions within the Oil & Gas industries whilst staying cautious on the business outlook of this market segment.

Following the recent acquisition of a 35% equity interest in Rich Restaurant Company Limited within the F&B business, the Group continues to look for new revenue streams and diversification of the business.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2019 as the Group is in a loss-making position for FY2019.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii). There was no interested person transaction of more than S$100,000 under Rule 920(1)(a)(ii) for FY2019.

14. Use of placement proceeds

The proceeds from the 2019 Placement has been disbursed in accordance to the intended purposes as announced on 10 July 2019.

As at the date of this announcement, the use of proceeds are as follows:

Intended Purposes	Allocated Amount S$ million	Utilised Amount S$ million	Unutilised Amount S$ million
Repayment of the Balance Liabilities	0.5	0.4	0.1
Working capital funding and investment via business diversification and acquisitions	3.8	3.5	0.3
Total	**4.3**	**3.9**	**0.4**

Working capital funding and investment via business diversification and acquisitions purposes has been utilised for the following:

a) Purchase consideration for acquisition of Rich Restaurant Company Limited-S$3.1 million
b) Legal costs-S$0.08 million
c) Professional fee-S$0.31 million
d) Advertisement costs-S$0.01 million

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

16. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.

The company had entered into a sale and purchase agreement to acquired 35% equity interest in Rich Restaurant Company Limited ("**RRCL**") as announced on 18 December 2019. The consideration for the proposed acquisition is THB70 million (approximately equivalent to S$3.1 million) was arrived at, on a willing-buyer and willing-seller basis, after negotiations which were conducted at arms' length, and takes into account, among others, 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 consideration for the proposed acquisition was funded by the proceeds from the 2019 Placement.

Subsequently, the completion took place on 10 January 2020 and RRCL become an associate of the Company.

For further details, please refer to the announcement on 18 December 2018 and 10 January 2020.

On 30 December 2019, the Company has also completed the Share Sale Agreement for the disposal of the entire issued and paid up share capital of NauticAWT Energy Pte Ltd, which is classified as held for sale for the cash consideration of US$1.

The consideration was determined on a willing-buyer willing-seller basis after arm's length negotiations between the Company and the purchaser, and taking into account, among others, the net liability position of NauticAWT Energy

Pte Ltd of approximately US$3.2 million as at 31 December 2018 as well as the liabilities of approximately US$0.3 million at Georgia operations of Block VIIB PSC to be assumed by the purchaser.

For further details, please refer to the circular to shareholders dated 15 March 2019.

RT II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

17. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Results by business segments

	Ports and Offshore		Renewables		Energy and Mining		Total	
	FY2019 Unaudited US$	FY2018 Audited US$	FY2019 Unaudited US$	FY2018 Audited US$	FY2019 Unaudited US$	FY2018 Audited US$	FY2019 Unaudited US$	FY2018 Audited US$
Total Revenue	3,217,266	4,582,995	2,905,140	2,669,826	46,136	313,131	6,168,542	7,565,952
Segment results	1,240,216	2,404,048	1,167,071	1,209,540	(71,752)	191,244	2,335,535	3,804,832
Depreciation of property, plant and equipment (excluding machinery and factory)							(114,575)	(129,228)
Depreciation of right-of-use assets							(126,860)	-
Amortisation of intangible assets							987	(30,193)
Write off of property, plant and equipment							-	(26,391)
Impairment loss of property, plant and equipment							(991,403)	-
Loss on disposal of property, plant and equipment							(63,872)	(182,426)
Allowance for doubtful debts							(159,987)	(915,026)
Gain on disposal of asset held for sale							214,572	-
One-off NauticAWT PSP cost							-	(485,702)
Interest income							-	17,163
Finance costs							(555,488)	(555,600)
Other unallocated expenses							(2,741,464)	(3,737,247)
Loss before tax							(2,202,555)	(2,239,818)
Income tax credit							-	45,434
Loss for the year from continuing operations							(2,202,555)	(2,194,384)

(b) Revenue by geographical segments

	FY2019		FY2018	
	US$	%	US$	%
Asia (exclude Middle East and India)	**2,598,448**	**42.1**	**2,636,494**	**34.9**
Brunei	945,134	15.3	817,705	10.8
Indonesia	-	-	267,634	3.5
Malaysia	1,052,707	17.1	403,037	5.3
Vietnam	10,570	0.2	7,013	0.1
Singapore	7,690	0.1	(9,704)	(0.1)
Myanmar	-	-	371,283	4.9
China	462,477	7.5	186,506	2.5
Philippines	-	-	230,710	3.1
Russia	119,870	1.9	39,000	0.5
Thailand	-	-	323,310	4.3
Australasia	**666,972**	**10.8**	**567,248**	**7.5**
Australia	666,972	10.8	567,248	7.5
India	**-**	**-**	**1,554,309**	**20.5**
India	-	-	1,554,309	20.5
Middle East and Africa	**43,096**	**0.7**	**847,883**	**11.2**
United Arab Emirates	8,171	0.1	34,040	0.5
Turkey	-	-	197,523	2.6
Turkmenistan	34,925	0.6	31,670	0.4
Saudi Arabia	-	-	584,650	7.7
Americas	**1,110,677**	**18.0**	**239,882**	**3.2**
Mexico	644,599	10.4	199,634	2.6
United States of America	-	-	40,248	0.6
Brazil	466,078	7.6	-	-
Europe	**1,749,349**	**28.4**	**1,720,136**	**22.7**
Denmark	1,685,907	27.4	1,709,469	22.6
Netherland	21,508	0.3	10,667	0.1
Ukraine	41,934	0.7	-	-
	6,168,542	100.0	7,565,952	100.0

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Review of performance by business segments

Ports and Offshore Business Segment

Revenue from Ports and Offshore business segment for FY2019 decreased by 29.8% or US$1.4 million to US$3.2 million, from US$4.6 million for FY2018. Segment result decreased by US$1.2 million to US$1.2 million, from US$2.4 million for FY2018. This was mainly due to decreased activities in Middle East and India as a result of the prevailing market condition, which was partially offset by the emerging project opportunities in Americas. The gross profit margin for this business segment decreased by 14 percentage points to 38.5% in FY2019 as compared to 52.5% in FY2018.

Renewables Business Segment

Revenue from Renewables business segment for FY2019 increased by 8.8% or US$0.2 million to US$2.9 million, from US$2.7 million for FY2018. However, segment result decreased by US$42,000 to US$1.2 million for FY2019 due to lower margin offered to a long term major customer. The gross profit margin for this business segment decreased by 5.1 percentage points to 40.2% in FY2019 as compared to 45.3% in FY2018.

Energy and Mining Business Segment

The revenue for FY2019 decreased by 85.3% or US$0.3 million to US$46,000, from US$0.3 million for FY2018. The decrease in revenue due to lesser activity in FY2019 as compared to FY2018. The Group suffered a loss of US$72,000 in FY2019 as compared to a profit of US$0.2 million in FY2018. The losses mainly due to higher unexpected costs since this is a relatively new business segment. The gross profit margin for this business segment was 61.1% in FY2018.

Review of revenue by geographical segments

Revenue from Asia (exclude Middle East and India) for FY2019 decreased by US$38,000 to US$2.6 million, from US$2.64 million for FY2018. This was mainly due to the decrease in Ports and Offshore projects of US$0.1 million which was partially offset by the increased revenue from Renewables segment of US$70,000.

Revenue from Australasia for FY2019 increased by 17.6% or US$0.1 million to US$0.7 million, from US$0.6 million for FY2018.

There was no revenue from India in FY2019, following the completion of few major Port and Offshore projects in FY2018. Revenue from India for FY2018 was US$1.6 million.

Revenue from Middle East and Africa for FY2019 significantly decreased by 94.9% or US$0.8 million to US$43,000, from US$0.8 million for FY2018. This was mainly due to lesser Ports and Offshore projects in this region as a result of the prevailing market conditions.

The revenue contribution from Americas for FY2019 increased by 363.0% from US$0.2 million in FY2018 to US$1.1 million in FY2019. This was mainly due to the commencement of few Ports and Offshore projects in Mexico during FY2019.

Revenue from Europe for FY2019 increased by 1.7% or US$29,000 to US$1.7 million. The revenue was derived primarily from the Renewables business segment.

19. A breakdown of sales as follows:

	Group		
	FY2019 US$	**FY2018 US$**	**Increase/ (Decrease) %**
1H			
- Revenue	3,545,979	4,687,578	(24.4)
- Operating loss after tax before deducting non-controlling interests reported for first half year from continuing operations	(385,305)	(244,776)	57.4
2H			
- Revenue	2,622,563	2,878,374	(8.9)
- Operating loss after tax before deducting non-controlling interests reported for second half year from continuing operations	(958,202)	(1,949,608)	(50.9)

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

On behalf of the Board of Directors

John Grønbech
Executive Director and CEO

27 February 2020