NauticAWT Limited
(Company Registration No: 201108075C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE ("1H") 2018

*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 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 Ms Alicia Sun, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

Overview of NauticAWT

NauticAWT is a Singapore based company currently engaging 60 people in subsidiaries and offices in Mexico, Dubai, Mumbai, Malaysia, Singapore, Brunei and Brisbane. **UHPC**, or **Ultra High-Performance Concrete** and **Composites** are our business - we develop and produce UHPC products and we offer UHPC based solutions and services for multiple industries including:

- Renewable Industries
- Ports and Offshore Industries
- Civil Construction Industries
- Energy and Mining Industries

Our UHPC products, which are manufactured at our automated production facility in Malaysia, are marketed under the trade name **NaX™** dry-mix series. The nano-engineered products are composed of selected silica and bauxite aggregates coupled with cementitious pozzolans and proprietary blend of chemical additives.

In a constantly changing and dynamic world, our organization must continually adapt and fine-tune our offerings in order to remain relevant and attractive to both clients, personnel and investors. Since our inception in 2011, through the listing on the catalyst exchange in Singapore in July 2015 to present day, NauticAWT has strived to move with the times, whilst retaining the overall ethics, service excellence, quality and ethos of the founding organisation.

Our evolution is symbolized in the adoption of our new brand, **NAUTEC** – which we believe precisely aligns itself with the original branding, expertise and cutting edge UHPC materials range NaX™ which is synonymous with the original company Nautic, together with a renewed emphasis on the technologies that will allow us to drive the business forward.

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

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 year

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Unaudited 1H2018 US$	**Restated [1] 1H2017 US$**	**Increase/ (Decrease) %**
Continuing operations			
Revenue	4,687,578	4,866,213	(3.7)
Cost of sales	(2,783,147)	(3,413,112)	(18.5)
Gross profit	1,904,431	1,453,101	31.1
Distribution expenses	(257,484)	(195,704)	31.6
Administrative expenses	(1,326,021)	(2,404,246)	(44.8)
One-off NauticAWT Performance Share Plan ("**PSP**") cost	(485,702)[2]	-	N/M
Other income	56,210	71,777	(21.7)
Finance costs	(177,991)	(243,178)	(26.8)
Loss before tax	(286,557)	(1,318,250)	(78.3)
Income tax credit	41,781	-	N/M
Loss for the period from continuing operations	(244,776)[2]	(1,318,250)	(81.4)
Discontinued operations [1]			
Loss for the period from discontinued operations	(104,641)	(83,567)	25.2
Loss for the period	(349,417)	(1,401,817)	(75.1)
Other comprehensive income (loss)			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	31,459	(37,078)	N/M
Total other comprehensive income (loss) for the period	31,459	(37,078)	N/M
Total comprehensive loss for the period	(317,958)	(1,438,895)	(77.9)
Loss attributable to:			
Owners of the Company	(349,417)	(1,375,503)	(74.6)
Non-controlling interests	-	(26,314)	(100.0)
	(349,417)	(1,401,817)	(75.1)
Total comprehensive loss attributable to:			
Owners of the Company	(317,958)	(1,409,264)	(77.4)
Non-controlling interests	-	(29,631)	(100.0)
	(317,958)	(1,438,895)	(77.9)

N/M: *Not Meaningful*

Notes:

(1) Following the administration and liquidation of two subsidiaries as announced on 15 May 2017 and 22 November 2017 respectively, the Group has discontinued the operations of Subsurface and Wells segment and Facilities segment.

In addition, the Company is currently in discussions to dispose a major asset of a wholly owned subsidiary (the "**Potential Disposal**"). Hence, the operations of this subsidiary have been reclassified under discontinued operations. The assets and liabilities attributable to this asset, which are expected to be sold within twelve months, have been classified as held for sale and are presented separately in the Consolidated Statement of Financial Position.

On 26 July 2018, the Company entered into a binding term sheet (the "**Term Sheet**") with Qyrin Petroleum Technology Sdn Bhd ("**QP**") and Vectra Petroleum Limited ("**VPL**"), in relation to the Potential Disposal.

Unless otherwise defined, capitalized terms used herein shall bear the same meaning ascribed to them as in the announcement dated 27 July 2018 in relation to the entry into the Term Sheet. Pursuant to the Term Sheet, QP has an

exclusivity period of not more than 3 months (subject to the advancement of USD40,000 from QP upon (a) receipt of HSE Satisfaction Letter and (b) satisfaction of other conditions precedent) to exercise the Option to purchase the interests in the Block VIIB PSC. The Option shall be exercised by QP upon receipt of the MWP Support Letter issued by the Agency and or GOGC. Notwithstanding the aforesaid, QP may, at their sole discretion, (i) exercise the Option or (ii) reject the MWP Support Letter for good reason acting reasonably and in good faith and thereby abort the Proposed Disposal.

As at 30 June 2018, the Company has not made any provision to the asset which is currently classified as held for sale due to the uncertainty of the transaction and the finalisation of the net NEPL Consideration will only be ascertained upon the entry into the definitive sales and purchase agreement.

Please refer to the Company's announcement dated 27 July 2018 for more details on the binding Term Sheet.

(2) Excluding the one-off NauticAWT PSP cost of approximately US$0.5 million, the Group would have recorded a profit before tax from continuing operations of US$0.2 million in 1H2018, representing a reversal to profitability from a loss before tax from continuing operations of US$1.4 million in 1H2017.

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

	Group		
	Unaudited 1H2018 US$	**Unaudited 1H2017 US$**	**Increase/ (Decrease) %**
Depreciation of property, plant and equipment	372,469	414,149	(10.1)
Amortisation of intangible assets	15,096	15,108	(0.1)
Finance costs	304,104	291,899	4.2
Write off of bad debts	285	-	N/M
(Inventories adjustments) Write off of obsolete inventories	(15,667)	9,838	N/M
One-off NauticAWT PSP expense	485,702	-	N/M
Loss on disposal of plant and equipment	-	1,615	(100.0)
Net foreign exchange loss (gain)	15,940	(134,213)	N/M
Interest income	(17,165)	(79)	N/M
Write back of deferred tax liabilities	(52,589)	-	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 30-Jun-18 US$	Audited 31-Dec-17 US$	Unaudited 30-Jun-18 US$	Audited 31-Dec-17 US$
ASSETS				
Current assets				
Cash and bank balances	161,623	317,067	15,796	58,687
Trade receivables	2,418,622	2,135,035	10,329,969	10,481,787
Other receivables	873,771	1,210,542	2,044,413	1,922,018
Inventories	581,556	343,973	-	-
	4,035,572	4,006,617	12,390,178	12,462,492
Assets classified as held for sale	2,519,291	2,518,600	-	-
Total current assets	6,554,863	6,525,217	12,390,178	12,462,492
Non-current assets				
Property, plant and equipment	7,860,189	8,201,501	556,366	607,987
Intangible assets	1,166,675	680,871	1,118,039	632,235
Investment in subsidiaries	-	-	425,623	425,623
Other receivables	-	-	2,815,436	2,762,936
Total non-current assets	9,026,864	8,882,372	4,915,464	4,428,781
Total assets	15,581,727	15,407,589	17,305,642	16,891,273
LIABILITIES AND EQUITY (NET CAPITAL DEFICIENCY)				
Current liabilities				
Trade payables	2,040,035	1,510,718	-	-
Other payables	4,173,022	5,431,390	14,859,312	14,550,510
Government grant received	355,130	355,130	355,130	355,130
Liabilities for trade bills discounted with recourse	69,876	214,054	-	-
Bank loan and advances	1,088,540	1,915,932	-	237,046
	7,726,603	9,427,224	15,214,442	15,142,686
Liabilities directly associated with assets classified as held for sale	62,065	120,786	-	-
Total current liabilities	7,788,668	9,548,010	15,214,442	15,142,686
Non-current liabilities				
Long-term bank loan	3,336,739	3,374,731	-	-
Loan from directors	687,836	500,099	687,836	500,099
Deferred tax liabilities	-	52,589	-	-
Convertible notes	1,016,061	1,016,061	1,016,061	1,016,061
Other payables	1,791,330	122,750	1,791,330	-
Total non-current liabilities	6,831,966	5,066,230	3,495,227	1,516,160
Total liabilities	14,620,634	14,614,240	18,709,669	16,658,846

	Group		Company	
	Unaudited 30-Jun-18 US$	Audited 31-Dec-17 US$	Unaudited 30-Jun-18 US$	Audited 31-Dec-17 US$
Capital and reserves				
Share capital	7,733,885	7,248,183	7,733,885	7,248,183
Other capital reserve	723,125	723,125	723,125	723,125
Share options reserve	108,639	108,639	108,639	108,639
Foreign currency translation reserve	(61,019)	(92,478)	-	-
Accumulated losses	(7,543,537)	(7,194,120)	(9,969,676)	(7,847,520)
Equity (Capital deficiency) attributable to owners of the Company	961,093	793,349	(1,404,027)	232,427
Non-controlling interests	-	-	-	-
Total equity (Net capital deficiency)	961,093	793,349	(1,404,027)	232,427
Total liabilities and equity (net capital deficiency)	15,581,727	15,407,589	17,305,642	16,891,273

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;

30-Jun-18		31-Dec-17	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
1,158,416	371,400	2,129,986	745,599

(B) the amount repayable after one year;

30-Jun-18		31-Dec-17	
Secured	Unsecured	Secured	Unsecured
US$	US$	US$	US$
3,336,739	3,495,227	3,374,731	1,138,811

Details of any collateral

Bank borrowings

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

(a) Assignment of an insurance policy;
(b) A charge of US$Nil (31 December 2017: US$74,360) over all term deposit accounts of a subsidiary (31 December 2017: a subsidiary);
(c) Fixed charge over all assets of two subsidiaries (31 December 2017: three subsidiaries);
(d) Fixed and floating charge over all assets of a subsidiary (31 December 2017: a subsidiary);
(e) A charge over the property of a subsidiary (31 December 2017: a subsidiary);
(f) A charge over the Project Account of a subsidiary (31 December 2017: a subsidiary); and
(g) Assignment of an offtake agreement by a subsidiary (31 December 2017: a subsidiary).

As at 30 June 2018, the Group is still in breach of certain bank covenants in relation to loans from one of its principal bankers since the Group did not fulfil the minimum tangible net worth requirement, which had been disclosed in 1H2017 and FY2017 results announcement. As a result, all the outstanding loans due to this principal banker are repayable on demand and hence classified as current liabilities. Please refer to paragraph 8 (Working capital and going concern assessment) for further details.

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 1H2018 US$	**Unaudited 1H2017 US$**
Operating activities			
Loss before tax from continuing operations		(286,557)	(1,318,250)
Loss before tax from discontinued operations		(104,641)	(83,567)
Adjustments for:			
Depreciation of property, plant and equipment	(A)	372,469	414,149
Amortisation of intangible assets		15,096	15,108
Loss on disposal of plant and equipment		-	1,615
Write off of bad debts		285	-
(Inventories adjustments) Write off of obsolete inventories		(15,667)	9,838
NauticAWT PSP expense		485,702	-
Interest expense		304,104	291,899
Interest income		(17,165)	(79)
Net foreign exchange loss		59,585	
Share based payment		-	(10,171)
Operating cash flows before movements in working capital		813,211	(679,458)
Trade receivables		(266,843)	2,168,108
Other receivables		325,272	(410,137)
Inventories		(221,917)	(120,886)
Trade payables		529,317	1,165,729
Other payables		(617,688)	1,021,858
Liabilities for trade bills discounted with recourse		(69,548)	(1,087,314)
Cash generated from operations		491,804	2,057,900
Interest received		136	79
Interest paid		(254,815)	(291,899)
Net cash from operating activities		237,125	1,766,080
Investing activities			
Purchase of property, plant and equipment		(58,420)	(772,228)
Addition of intangible assets	(A)	(473,636)	(133,579)
Investment in joint venture		-	(570,000)
Net cash used in investing activities		(532,056)	(1,475,807)
Financing activities			
Loan from directors		-	197,350
Loan receipts from third parties		1,107,628	-
Advances from bank		146,055	46,164
Repayments of finance lease payables		-	(6,071)
Repayments of bank loans		(793,962)	(638,460)
Net cash from (used in) financing activities		459,721	(401,017)
Net increase (decrease) in cash and cash equivalents		164,790	(110,744)
Cash and cash equivalents at beginning of period		(139,495)	(302,711)
Effects of exchange rate changes on balance of cash held in foreign currencies		2,134	(3,470)
Cash and cash equivalents at end of period (see note below)		27,429	(416,925)

Notes:

(A) The Group capitalised intangible assets mainly in relation to Ultra High Performance Concrete ("**UHPC**") materials development at an aggregate cost of US$500,900 (1H2017: US$160,854) of which cash payment of US$473,636 (1H2017: US$133,579) were paid during 1H2018. The remaining US$27,264 (1H2017: US$27,275) was pertaining to capitalisation of depreciation charge of laboratory equipment.

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

	Group	
	Unaudited 1H2018 US$	**Unaudited 1H2017 US$**
Cash and bank balances	161,623	682,406
Less: Bank overdrafts	(134,194)	(726,721)
Less: Restricted cash	-	(372,610)
Cash and cash equivalents	27,429	(416,925)

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 capitalization 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 2018	**7,248,183**	**723,125**	**108,639**	**(92,478)**	**(7,194,120)**	**793,349**	**-**	**793,349**
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(349,417)	(349,417)	-	(349,417)
Other comprehensive income for the period	-	-	-	31,459	-	31,459	-	31,459
Total	-	-	-	31,459	(349,417)	(317,958)	-	(317,958)
Transaction with owners recognised directly in equity								
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	-	485,702	-	485,702
Balance at 30 June 2018 (unaudited)	**7,733,885**	**723,125**	**108,639**	**(61,019)**	**(7,543,537)**	**961,093**	**-**	**961,093**
Balance at 1 January 2017	**7,248,183**	**718,247**	**64,184**	**82,961**	**(339,208)**	**7,774,367**	**(584,684)**	**7,189,683**
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(1,375,503)	(1,375,503)	(26,314)	(1,401,817)
Other comprehensive loss for the period	-	-	-	(33,761)	-	(33,761)	(3,317)	(37,078)
Total	-	-	-	(33,761)	(1,375,503)	(1,409,264)	(29,631)	(1,438,895)
Transaction with owners recognised directly in equity								
Recognition of share-based payment	**-**	**-**	(10,171)	**-**	**-**	(10,171)	**-**	(10,171)
Balance at 30 June 2017 (unaudited)	**7,248,183**	**718,247**	**54,013**	**49,200**	**(1,714,711)**	**6,354,932**	**(614,315)**	**5,740,617**

Company	Share capital	Other capital reserve	Share options reserve	Accumulated losses	Total
	US$	US$	US$	US$	US$
Balance at 1 January 2018	**7,248,183**	**723,125**	**108,639**	**(7,847,520)**	**232,427**
Total comprehensive loss for the period					
Loss for the period	-	-	-	(2,122,156)	(2,122,156)
Total	-	-	-	(2,122,156)	(2,122,156)
Transaction with owners recognised directly in equity					
Issuance of shares pursuant to NauticAWT PSP	485,702	-	-	-	485,702
Balance at 30 June 2018 (unaudited)	**7,733,885**	**723,125**	**108,639**	**(9,969,676)**	**(1,404,027)**
Balance at 1 January 2017	**7,248,183**	**718,247**	**101,337**	**(1,449,852)**	**6,617,915**
Total comprehensive loss for the period					
Loss for the period	-	-	-	(2,316,493)	(2,316,493)
Total	-	-	-	(2,316,493)	(2,316,493)
Balance at 30 June 2017 (unaudited)	**7,248,183**	**718,247**	**101,337**	**(3,766,345)**	**4,301,422**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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	(S$)
As at 31 December 2017	190,965,893	10,194,807
Issuance of shares pursuant to NauticAWT PSP	21,367,632	641,029
As at 30 June 2018	212,333,525	10,835,836

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 30 June 2018, 10,725,000 options to subscribe for 10,725,000 shares remained outstanding (30 June 2017: 20,625,000). Details of the outstanding options as at 30 June 2018 are as follows:

Outstanding Options as at 30 June 2018	Exercise Price (S$)	Exercisable Period From	Exercisable Period To
3,575,000	0.25	31 December 2017	31 December 2020
3,575,000	0.30	31 December 2018	31 December 2021
3,575,000	0.35	31 December 2019	31 December 2022
10,725,000			

Convertible notes

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**") due in 2020. The number of shares to be converted (the "**Conversion Shares**") will be determined by dividing the principal amount of the Notes, 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 Note holder is exercised, by the Conversion Price of S$0.15 per share. Should the need for a higher number of Conversion Shares to be issued and allotted to any of the subscribers to the Notes other than the number of shares stated herein arises, the Company will make further applications for the listing and quotation of such excess shares in due course, subject to, inter alia, the approval of the SGX-ST. Based on the exchange rate of US$1:S$1.3964 on 30 April 2017 which was used for illustration purposes in the circular dated 31 May 2017 in relation to the Notes, the number of Conversion Shares may be issued will be 9,309,334 in total. Details of the outstanding Notes as at 30 June 2018 are as follows:

Principal amount of the Notes as at 30 June 2018 (US$)	Conversion Price (S$)	Number of Conversion Shares that may be issued on Conversion	Conversion Period	
			From	To
1,000,000	0.15	9,309,334	17 October 2019	16 Oct 2020

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

1(d)(iii) 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.

	30-Jun-18	31-Dec-17
Total number of shares (excluding treasury shares)	212,333,525	190,965,893

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2018 and 31 December 2017.

1(d)(iv) A statement showing all sales, transfers, disposals, 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 30 June 2018.

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 30 June 2018.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

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

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

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 2017, including the first time adoption of Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), effective from 1 January 2018 for Singapore incorporated companies listed on the Singapore Exchange. Except as disclosed under Note 5 below, the adoption of new SFRS(I) and Interpretation of SFRS(I) ("**INT SFRS(I)**") which have become effective for the financial year ending 31 December 2018 have had no material impact on the financial information for the current period ended 30 June 2018 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 2018, mainly SFRS(I) 9 *Financial Instruments and* SFRS(I) 15 *Revenue from Contracts with Customers* is not expected to result in any significant changes to the Group's accounting policies and methods of computation for 1H2018.

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.

	1H2018	1H2017
Loss per share (US cents) from continuing and discontinued operations based on:		
a. weighted average number of shares on issue	(0.17)	(0.72)
b. a fully diluted basis	(0.17)	(0.72)
Weighted average shares for calculation of:		
a. weighted average number of shares on issue	201,826,789	190,965,893
b. a fully diluted basis	201,826,789	190,965,893

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	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
Net asset value per share (US cents)	0.45	0.42	(0.66)	0.12
Number of issued shares	212,333,525	190,965,893	212,333,525	190,965,893

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 1H2018 decreased by 3.7% or US$0.2 million to US$4.7 million, from US$4.9 million for 1H2017. This was mainly due to lower revenue contribution by the Ports and Offshore segment of US$1.2 million. However, the decrease was partially offset by the increase in revenue contribution by the Renewables segment of US$0.9 million which represents an increase of approximately 100% as compared to 1H2017.

Gross profit and gross profit margin
The Group's gross profit for 1H2018 had increased by 31.1% or US$0.5 million to US$1.9 million, as compared to US$1.5 million for 1H2017. The increase in gross profit was mainly due to lower staff costs.

The Group's gross profit margin for 1H2018 increased by 10.7 percentage points, from 29.9% for 1H2017 to 40.6% for 2H2018.

Distribution expenses
The Group's distribution expenses increased by US$0.1 million or 31.6%, from US$0.2 million in 1H2017 to US$0.3 million in 1H2018. The increase was largely due to higher business development costs incurred in securing projects.

Administrative expenses
The Group's administrative expenses decreased significantly by US$1.1 million or 44.8%, from US$2.4 million in 1H2017 to US$1.3 million in 1H2018 primarily due to the decrease in staff costs and office related costs, such as office rental.

One-off NauticAWT PSP cost
This was pertaining to the cost of 21,367,632 shares issued to employees of the Company pursuant to the grant of share awards under the NauticAWT PSP during 1H2018.

Other income
Other income decreased by US$16,000 or 21.7%, from US$72,000 in 1H2017 to US$56,000 in 1H2018. In 1H2018, the other income comprised primarily the government subsidy.

Finance costs
The Group's finance costs decreased by US$0.1 million or 26.8%, from US$0.3 million in 1H2017 to US$0.2 million in 1H2018. The decrease was mainly due to lower interest expense due to the repayments of bank borrowings.

Income tax credit
The Group recorded income tax credit of US$42,000 in 1H2018, mainly due to the reversal of deferred tax liabilities.

Loss after tax
As a result of the above, the Group suffered a loss for the period from continuing operations of US$0.2 million in 1H2018 after a one off PSP cost of USD0.5 million, significantly improved by USD1.1million as compared to the losses of US$1.3 million in 1H2017.

Review of results of discontinued operations

Loss for the period from discontinued operations
The Group's loss for the period from discontinued operations increased by US$20,000 or 25.2%, from US$84,000 in 1H2017 to US$0.1 million in 1H2018. The increase is mainly due to higher interest expenses suffered from a US$1.4 million bank loan drawdown in 2H2017 which remain outstanding during 1H2018.

Review of Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets increased by US$0.1 million, from US$8.9 million as at 31 December 2017 to US$9.0 million as at 30 June 2018. The increase was mainly due to the increase in intangibles of US$0.5 million in relation to the Company's UHPC materials development which was partially offset by the decrease in property, plant and equipment of US$0.4 million as a result of the depreciation charge.

Current assets

The Group's current assets increased by US$30,000, from US$6.53 million as at 31 December 2017 to US$6.55 million as at 30 June 2018. The increase was mainly due to an increase in inventories of US$0.2 million. The increase was partially offset by the following:

i. a decrease in trade and other receivables of US$53,000; and
ii. a decrease in cash and bank balances of US$0.2 million (please refer to the review of cash flows below).

Non-current liabilities

The Group's non-current liabilities increased by US$1.7 million, from US$5.1 million as at 31 December 2017 to US$6.8 million as at 30 June 2018. The increase was mainly due to US$1.7 million increase in other payables arising from the unsecured loans from staff and lenders and US$0.2 million increase in loan from directors.

Current liabilities

The Group's current liabilities decreased by US$1.8 million, from US$9.5 million as at 31 December 2017 to US$7.8 million as at 30 June 2018. The decrease was mainly due to the following:

i. a decrease in trade and other payables of US$0.7 million; and
ii. a decrease in liabilities for trade bills discounted with recourse, and bank loan and advances of US$0.1 million and US$0.8 million respectively due to repayments during 1H2018.

Working capital and going concern assessment

The Group reported a negative working capital of US$1.2 million as at 30 June 2018 as compared to US$3.0 million as at 31 December 2017. 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 basis that the Group has continuous support from the existing bankers, is able to generate cash flows from its operations based on the internal budget, as well as assuming the Group is able to dispose a wholly owned subsidiary which has been classified as assets held for sale. Furthermore, the Group is currently negotiating with certain third parties to secure additional funding for the Group. The Company will update shareholders when necessary.

Review of cash flows

Operating activities

Net cash from operating activities in 1H2018 amounted to US$0.2 million as compared to US$1.8 million in 1H2017. The Group had a net cash inflow of US$0.8 million from its operating activities before changes in working capital. Working capital movement included a decrease in trade and other receivables of US$59,000, partially offset by a decrease in trade and other payables of US$30,000, a decrease in trade bills discounted with recourse of US$70,000 and increase in inventories of US$0.2 million. The Group also paid interest of US$0.3 million during 1H2018.

Investing activities

Net cash used in investing activities in 1H2018 amounted to US$0.5 million as compared to US$1.5 million in 1H2017, mainly due to the acquisition of intangibles pertaining to the Company's UHPC materials development.

Financing activities

Net cash from financing activities for 1H2018 amounted to US$0.5 million, mainly due to proceeds from third party loans of US$1.1 million which was partially offset by the repayment of bank borrowings of US$0.8 million.

As a result of the above, the Group's cash and cash equivalents increased by US$0.2 million, from a deficit of US$0.2 million as of 31 December 2017 to a surplus of US$27,000 as of 30 June 2018.

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.

The Renewables segment, through the sales of UHPC materials for wind turbine foundations, continues to contribute significantly in the 1H2018 as compared to 1H2017. Barring unforeseen circumstances, we are positive on the business outlook of this segment.

In addition, we expect the sales from civil construction and the downhole markets to take place in 2H2018 or FY2019.

The Group's recent rebranding exercise from NauticAWT to NAUTEC aligns our focus in UHPC materials together with the renewed emphasis on the technologies that allows us to drive the business forward.

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

Not applicable.

(b)(ii) Previous corresponding period

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.

No dividend has been declared or recommended for the current financial period reported on.

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 1H2018.

14. Negative confirmation by the Board pursuant to Rule 705(5)

On behalf of the board of directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for 1H2018 to be false or misleading in any material aspect.

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.

On behalf of the Board of Directors

John Grønbech
Executive Director and CEO

BY ORDER OF THE BOARD

John Grønbech
Executive Director and CEO
6 August 2018