NauticAWT Limited

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

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

The Board of Directors (the "**Board**") of NauticAWT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the captioned subject, the announcement released by the Company on 12 April 2019 in respect of the same (the "**Announcement**"), and appends its corresponding replies as follows.

Unless otherwise defined, capitalized terms used herein shall bear the same meaning ascribed to them as in the Announcement.

The Company's announcement on 12 April 2019 mentioned that the auditors had included a material uncertainty related to going concern in its FY2018 Audited Financial Statements. The Group's current liabilities exceeded its current assets by US$4,624,661 and the Group recorded a loss of US$4,983,375 for the financial year then ended. In addition, the Group was in a capital deficiency position of US$3,122,757 and breached its financial covenants on bank loans of US$205,197 as at 31 December 2018.

The validity of the going concern assumption of the Group is contingent upon:

(a) the Group's negotiations with third parties to secure additional funding for operations through the placement of new shares of the Company;

(b) the Group continuing to receive support from its existing banks; and

(c) the Group is able to generate sufficient cash flows from its operations based on management's ability to secure new contracts from customers.

Notwithstanding the above, the Board is satisfied that the use of the going concern assumption in the preparation and presentation of the financial statements is appropriate as the management of the Company is currently in negotiations for the above and believes that the above will take place.

1. With regards to (a) above, at what stage is the Group at for negotiations with third parties to secure additional funding through placement? When does the Group anticipate such placements to occur and how much does the Group envisage to be able to raise?

The negotiations are on-going and are progressing towards the advance stage of the negotiation. The Company expects to complete the placement by 30 June 2019 from the initial planned date of 30 April 2019. The Company will make the necessary announcement as and when there is material development to the placement. Barring any unforeseen circumstances,

the Company is still looking at raising a reasonable amount sufficient for the intended purposes as announced on 22 January 2019.

2. ***Noted from the FY2018 Audited Financial Statements that current bank loans and advances comprise only US$698,000, while total current liabilities stand at US$4.6 million. Bulk of current liabilities arose from Other Payables of US$5.5 million. Please elaborate on how condition (b) above on the continuing support to be received from its existing banks will address the validity of the going concern assumption.***

The Group is in regular discussions with its existing bankers, to review, maintain or amend the facilities where necessary to finance the Group for its on-going and new contracts from customers in order to meet the working capital requirements and improve cash flow. The Group believes that this will also facilitate the payment of current liabilities as and when they fall due.

Included in net current liabilities of US$4.6 million are bank loans and advances including trade bills of US$0.83 million, loan from directors of US$0.14 million, government grants advance of US$0.36 million (out of the total approved grant of S$0.98 million), QP loan of US$0.16 million which was under liabilities directly associated with assets classified as held for sale (which will be assumed by the Purchaser as per the SSA as announced on 18 February 2019) as well as other payables of US$5.5 million, of which US$1.8 million was due to management employees and directors and US$1.4 million was due to non-trade creditors such as professional fees. However, management employees and directors have been supportive and remain committed to the Group.

By Order of the Board

John Grønbech
Executive Director and CEO
26 April 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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