

NAUTICAWT LIMITED
CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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.*

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NAUTICAWT LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Company	
		2023 S\$	2022 S\$
<u>ASSETS</u>			
Non-current assets			
Investment in an associate	6	1,435,185	2,069,798
Total non-current assets		1,435,185	2,069,798
Current assets			
Other receivables	10	87,988	115,645
Cash and bank balances	11	10,703	5,263
Total current assets		98,691	120,908
Total assets		1,533,876	2,190,706
<u>EQUITY AND LIABILITIES</u>			
Capital and reserves			
Share capital	12	16,268,642	16,268,642
Other capital reserve	13	3,064,907	3,064,907
Share options reserve	14	146,358	146,358
Foreign currency translation reserve	15	(137,396)	(146,717)
Accumulated losses		(20,698,709)	(18,913,116)
Total equity		(1,356,198)	420,074
Current liabilities			
Other payables	16	2,890,074	1,707,473
Income tax payable		-	63,159
Total current liabilities		2,890,074	1,770,632
Total equity and liabilities		1,533,876	2,190,706

NAUTICAWT LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		Half year ended 31 December	Financial year ended 31 December
		2023 S\$	2023 S\$
Revenue	5	199,031	1,111,946
Cost of sales		(98,742)	(565,611)
Gross profits/(losses)		100,289	546,335
Other income		969,203	2,057,007
Other items of expense			
Administrative expenses		(819,108)	(1,387,940)
Selling expenses		(185,280)	(648,908)
Finance costs		(5,963)	(31,872)
Loss on deemed disposal of an associate		(166,654)	(166,654)
Loss on deemed disposal of a subsidiary		(2,248,736)	(2,248,736)
Share of loss of an associate		(80,923)	(80,923)
Loss before income tax	18	(2,437,172)	(1,961,691)
Income tax expense		10,846	39,143
Loss for the financial year		(2,426,326)	(1,922,548)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of tax and currency translation differences of the Company's financial statements		128,869	35,266
Reclassified to profit and loss on disposal of a subsidiary		(119,548)	(25,945)
Total other comprehensive income for the financial year, net of tax		9,321	9,321
Total comprehensive income for the financial year		(2,417,005)	(1,913,227)
Loss for the financial year attributable to:			
Owners of the Company		(2,355,750)	(1,785,593)
Non-controlling interests		(70,576)	(136,955)
		(2,426,326)	(1,922,548)
Total comprehensive income for the financial year attributable to:			
Owners of the Company		(2,346,429)	(1,776,272)
Non-controlling interests		(70,576)	(136,955)
		(2,417,005)	(1,913,227)
Loss per share attributable to owners of the company (in cents):			
- Basic and diluted	20	(0.30)	(0.22)

NAUTICAWT LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Cont'd)

	Company					
	Half year ended			Financial year ended		
	31 December 2023 S\$	31 December 2022 S\$	Increase/ (Decrease) %	31 December 2023 S\$	31 December 2022 S\$	Increase/ (Decrease) %
Note						
Other income	157,273	-	NM	1,225,877	-	NM
Administrative expenses	(747,007)	(122,036)	512.1	(1,200,386)	(697,261)	72.2
Loss on deemed disposal of an associate	(166,654)	-	NM	(166,654)	-	NM
Loss on deemed disposal of a subsidiary	(1,591,845)	-	NM	(1,591,845)	-	NM
Share of loss of an associate	(80,923)	(107,250)	(24.5)	(80,923)	(93,765)	(13.7)
Loss before income tax	(2,429,156)	(229,286)	959.4	(1,813,931)	(791,026)	129.3
Income tax expense	41	(63,889)	NM	28,338	(63,889)	NM
Loss for the period/year	(2,429,115)	(293,175)	728.6	(1,785,593)	(854,915)	108.9
Other comprehensive income						
Exchange differences on translation of foreign operations, net of tax and currency translation differences of the Company's financial statements	(12,967)	(70,814)	(81.7)	9,321	(43,813)	NM
Total other comprehensive income for the period/year	(12,967)	(70,814)	(81.7)	9,321	(43,813)	NM
Total comprehensive income for the period/year	(2,442,082)	(363,989)	570.9	(1,776,272)	(898,728)	97.6
Loss for the financial period/year attributable to:						
Owners of the Company	(2,429,115)	(293,175)	728.6	(1,785,593)	(854,915)	108.9
Non-controlling interests	-	-	NM	-	-	NM
	(2,429,115)	(293,175)	728.6	(1,785,593)	(854,915)	108.9
Total comprehensive income for the period/year attributable to:						
Owners of the Company	(2,442,082)	(363,989)	570.9	(1,776,272)	(898,728)	97.6
Non-controlling interests	-	-	NM	-	-	NM
	(2,442,082)	(363,989)	570.9	(1,776,272)	(898,728)	97.6

NAUTICAWT LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Cont'd)

	Company				
	Half year ended		Financial year ended		
	31 December	31 December	31 December	31 December	
	2023	2022	2023	2022	
Note	S\$	S\$	S\$	S\$	
Loss per share attributable to owners of the Company (in cents):					
Basic and diluted	20	(0.31)	(0.04)	(0.22)	(0.11)

The calculation of basic loss per share is based on loss attributable to owners of the Company for the financial years ended 31 December 2023 and 31 December 2022 divided by 794,186,046 ordinary shares.

The diluted loss per share for the relevant periods are same as the loss per share as the Company does not have any dilutive options for the relevant periods.

NAUTICAWT LIMITED
CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Share capital S\$	Other capital reserve S\$	Share options reserve S\$	Foreign currency translation reserve S\$	Accumulated losses S\$	Total equity attributable to owners of the parent S\$	Non-controlling interests S\$	Total equity S\$
Balance at 1 January 2023	16,268,642	3,064,907	146,358	(146,717)	(18,913,116)	420,074	-	420,074
Acquisition of subsidiary	-	-	-	-	-	-	3,533,731	3,533,731
Loss for the financial year	-	-	-	-	(1,785,593)	(1,785,593)	(136,955)	(1,922,548)
Disposal of subsidiary	-	-	-	-	-	-	(3,396,776)	(3,396,776)
Other comprehensive income								
Exchange differences on translation of foreign operations	-	-	-	15,305	-	15,305	19,961	35,266
Effects on disposal of subsidiaries	-	-	-	(5,984)	-	(5,984)	(19,961)	(25,945)
Total comprehensive income	-	-	-	9,321	-	9,321	-	9,321
Balance at 31 December 2023	16,268,642	3,064,907	146,358	(137,396)	(20,698,709)	(1,356,198)	-	(1,356,198)

NAUTICAWT LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Cont'd)

<u>Company</u>	Share capital S\$	Other capital reserve S\$	Share options reserve S\$	Foreign currency translation reserve S\$	Accumulated losses S\$	Total equity S\$
Balance at 1 January 2023	16,268,642	3,064,907	146,358	(146,717)	(18,913,116)	420,074
Loss for the financial year	-	-	-	-	(1,785,593)	(1,785,593)
Other comprehensive income						
Exchange differences on translation of foreign operations and currency translation differences of the Company's financial statements	-	-	-	9,321	-	9,321
Total comprehensive income	-	-	-	9,321	-	9,321
Balance at 31 December 2023	16,268,642	3,064,907	146,358	(137,396)	(20,698,709)	(1,356,198)
Balance at 1 January 2022	16,268,642	3,064,907	146,358	(102,904)	(18,058,201)	1,318,802
Loss for the financial year	-	-	-	-	(854,915)	(854,915)
Other comprehensive income						
Exchange differences on translation of foreign operations and currency translation differences of the Company's financial statements	-	-	-	(43,813)	-	(43,813)
Total comprehensive income	-	-	-	(43,813)	-	(43,813)
Balance at 31 December 2022	16,268,642	3,064,907	146,358	(146,717)	(18,913,116)	420,074

NAUTICAWT LIMITED
CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group	Company	
	2023	2023	2022
	S\$	S\$	S\$
Operating activities			
Loss before income tax	(1,961,691)	(1,813,931)	(791,026)
Adjustments for:			
Reversal of impairment loss on investment in an associate	-	-	(56,535)
Provision for employee benefit obligations	1,901	-	-
Share of loss of an associate	80,923	80,923	93,765
Loss on deemed disposal of an associate	166,654	166,654	-
Loss on deemed disposal of subsidiary	2,248,736	1,591,845	-
Gain on bargain purchase	(808,261)	-	-
Compensation received in the form of equity	(1,225,877)	(1,225,877)	-
Depreciation of property, plant and equipment	92,034	-	-
Depreciation of right-of-use assets	107,203	-	-
Amortisation of intangible assets	33,469	-	-
Gain on lease modification	(34,908)	-	-
Interest expense	31,909	-	-
Operating cash flows before working capital changes	(1,267,908)	(1,200,386)	(753,796)
Working capital changes:			
Trade and other receivables	1,834,246	26,247	(70,713)
Inventories	(15,627)	-	-
Contract liabilities	(38,927)	-	-
Trade and other payables	(264,721)	123,749	(97,187)
Cash generated from / (used in) operations	247,063	(1,050,390)	(921,696)
Income tax paid	(34,862)	(34,862)	-
Net cash from / (used in) operating activities	212,201	(1,085,252)	(921,696)
Investing activities			
Purchase of property, plant and equipment	(388,415)	-	-
Acquisition of subsidiary, net of cash acquired	352,051	-	-
Deemed disposal of subsidiary, net of cash disposed	(565,508)	-	-
Additions to intangible assets	(39,683)	-	-
Proceeds from disposal of property, plant and equipment	1,053	-	-
Net cash used in investing activities	(640,502)	-	-
Financing activities			
Repayment of borrowings	(546,000)	-	-
Repayment of obligations under leases			
- Principal portion	(75,959)	-	-
- Interest portion	(31,774)	-	-
Advances from controlling shareholder (Note A)	1,090,786	1,090,786	926,810
Net cash from financing activities	437,053	1,090,786	926,810
Net change in cash and cash equivalents	8,752	5,534	5,114
Cash and cash equivalents at beginning of financial year	5,263	5,263	196
Exchange difference on cash and bank balances	(3,312)	(94)	(47)
Cash and cash equivalents at end of financial year	10,703	10,703	5,263

NAUTICAWT LIMITED
CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Cont'd)

Note A: Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	1 January 2023	Foreign exchange movement	Cash flows	31 December 2023
	S\$	S\$	S\$	S\$
Advances from controlling shareholder	1,482,738	(24,601)	1,090,786	2,548,923

	1 January 2022	Foreign exchange movement	Cash flows	31 December 2022
	S\$	S\$	S\$	S\$
Advances from controlling shareholder	590,521	(34,593)	926,810	1,482,738

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 General Information

The financial statements of NauticAWT Limited (the “Company”) for the financial year ended 31 December 2023 were authorised for issue by the Board of Directors.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore. The Company is listed on the Catalist which is a market on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and the principal place of business is located at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542.

The principal activity of the Company is investment holding.

2 Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Act and Singapore Financial Reporting Standards (International) (“SFRS(I)”) - 34 Interim Financial Reporting issued by the Accounting Standards Council (“ASC”). The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the change in the Group’s financial position and performance of the Group since the last condensed consolidated financial statements for the six-months ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out below.

2.1 Adoption of New and Revised Standards

The Group and the Company have adopted the same accounting policies and methods of computation in the condensed interim financial statements as compared to the most recently audited financial statements for the financial year ended 31 December 2022, as well as applicable new and revised SFRS(I) which became effective for financial years beginning on or after 1 January 2023. The adoption of the applicable new and revised SFRS(I) did not require any significant change to the accounting policies, measurement methods or make retrospective adjustments as a result of adopting those SFRS(I).

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2.2 Basis of Consolidation (Cont'd)

The financial statements of the subsidiaries are prepared for the same financial year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests

Non-controlling interests represents the equity in subsidiaries which is not attributable directly or indirectly to the equity owners of the parent. They are shown separately in the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investments in subsidiaries, associates and joint ventures are carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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2.4 Trade Receivables

Trade receivables are initially recognized at the fair value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful accounts.

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

2.5 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost is calculated by the first-in-first-out method.

Net realizable value is calculated based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the necessary costs to make the sale. The amount of any write-down of inventories to net realizable value is recognized as an expense by presented in part of costs of sales.

Allowance for obsolete inventories is made for all deteriorated, damage, obsolete and slow-moving inventories at the end of reporting period by the estimation from the aging analysis of inventories.

2.6 Property, Plant and Equipment

Property, plant and equipment are recorded at cost which is measured by the cash or cash equivalents price of obtaining the asset to bring the asset to the location and condition necessary for its intended use in the manner intended by management. Plant and equipment are presented in the statement of financial position at cost less accumulated depreciation and allowance for declining value of assets (if any).

Depreciation of plant and equipment are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

	Year
Buildings and building improvements	10 – 40
Machinery and equipment	5
Vehicles	5
Furniture and fixtures	5

No depreciation is provided on freehold land and assets under construction. Expenditure incurred in addition, renewal or improvement, which results in a substantial increase in an asset's current replacement value, is capitalized. Repair and maintenance cost is recognized as an expense in the period when incurred. In addition, it is a requirement to review the useful lives, values and depreciation method on a regular basis.

2.7 Intangible Assets

Intangible assets are computer software, which are presented in the statement of financial position at cost less accumulated depreciation and allowance for declining value of assets (if any).

Amortisation is calculated by the straight-line method over the estimated useful lives of 2 to 10 years.

No amortisation is provided on trademarks.

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2.8 Leases

Leases of equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the underlying lease assets or the present value of the lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the outstanding balance. The lease payment obligation under the lease agreement, net of financial charge, is recorded as finance lease liabilities. The interest element of the finance charge is charged to the statement of comprehensive income over the lease period. The assets acquired under finance lease agreements is depreciated over the useful lives of the assets.

Leases of assets under which the lessor effectively retains all risks and benefits of ownership are classified as operating leases and charged to the statement of comprehensive income on a straight-line basis over the lease period. When an operating lease is terminated before the expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

2.9 Revenues and Expenses Recognition

Revenue from sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Other income and expenses are recognized on accrual basis.

2.10 Material Uncertainty Related to Going Concern

As at 31 December 2023, the Company's current liabilities exceeded its current assets by S\$2,791,383 (31 December 2022: S\$1,649,724) for the financial year then ended. The Company's total liabilities exceeded its total assets by S\$1,356,198. The Company recorded a loss of S\$1,785,593 (31 December 2022: S\$854,915) for the financial year ended 31 December 2023.

The ability of the Company to continue as a going concern is dependent on the financial support from the controlling shareholder. The Company has obtained an undertaking from the controlling shareholder to provide the necessary financial support up to S\$2.1 million so as to enable the Company to meet the debts as and when they fall due. As such, there are sufficient cash resources to satisfy its working capital requirement within the next 12 months. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below:

- Acquisition and deemed disposal of an investment in subsidiary

On 31 March 2022, the Company entered into a sale and purchase agreement to dispose of its entire 35% equity interest in its associate, Chokdee Dimsum Corporation Company Limited ("Chokdee") to a third party for a cash consideration of THB 54.6 million. On 20 January 2023, the Company terminated the proposed disposal of Chokdee as the purchaser has not fulfilled his obligation to pay the purchase consideration of THB 54.6 million. Given that the Company has incurred significant time, resources, professional fees and other expenses in relation to the preparation of the proposed disposal, the Company has negotiated and the purchaser has agreed to a compensation of THB 27.3 million (equivalent to S\$1.1 million) which represented 50% of the purchase consideration. As the purchaser was unable to pay the compensation in cash, both parties further agreed the compensation to be satisfied by way of the purchaser transferring his shares held in Chokdee to the Company.

On 14 February 2023, the Company received 255,000 ordinary shares and 40,000 preference shares in Chokdee from the purchaser. Upon completion, the Company holds 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. Pursuant to the settlement, Chokdee became a subsidiary of the Company with effect from 14 February 2023.

On 26 July 2023, Chokdee issued and allotted 1,000,000 ordinary shares to a new shareholder at a subscription price of THB100 per share. Following the share subscription, the Company's equity interest and voting rights in Chokdee was diluted. The Company continues to hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 32.7% of the issued share capital and 36.1% of voting rights. The equity interest in Chokdee was determined to be 38.0% based on the rights to returns on profits and losses in Chokdee. Hence, management assessed that the Company no longer has control over Chokdee and hence Chokdee ceased to be a subsidiary of the Company and became an associated company of the Company.

- Determination of functional currency

The Company measures foreign currency transactions in the functional currency of the Company. In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices of its products and of the country whose competitive forces and regulations mainly determine the sales prices of its good. The functional currency of the Company is determined based on management's assessment of the economic environment in which the entity operate and the entity's process of determining sales prices.

NAUTICAWT LIMITED
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3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

- Impairment of investment in associate

The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investment in associate is impaired. This determination requires significant judgements and assumptions. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health and near-term business outlook of the investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Investment in associate is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of the assets and where applicable, cash-generating units (“CGU”) have been determined based on value-in-use calculations. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the CGU and a suitable discount rate to calculate present value.

4 Seasonal Operations

The Company’s businesses are not affected significantly by seasonal or cyclical factors during the financial year.

5 Segment Information

The Group primarily operates in one business segment in Thailand, which is the food & beverage segment. The Company is not required to report separately information about its operating segments in the financial statements as the Company is an investment holding company. Accordingly, no segmental information is prepared as is not meaningful for the Group and Company level for the financial years ended 31 December 2023.

Disaggregation of revenue

	Group	Company	
	31	31	31
	December	December	December
	2023	2023	2022
	S\$	S\$	S\$
At a point in time:			
Sale of food, beverages and other consumables	1,034,446	-	-
Royalty and marketing fees	32,428	-	-
Over time:			
Franchise fees	39,222	-	-
Software fees	5,850	-	-
	1,111,946	-	-

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5 Segment Information (Cont'd)

Geographical information:

	Group	Company	
	31	31	31
	December	December	December
	2023	2023	2022
	S\$	S\$	S\$
Singapore	-	-	-
Thailand	1,111,946	-	-
Total	1,111,946	-	-

6 Investment in an/a Associate/Subsidiary

Investment in a Subsidiary

Acquisition of a subsidiary

On 31 March 2022, the Company entered into a sale and purchase agreement to dispose of its entire 35% equity interest in its associate, Chokdee Dimsum Corporation Company Limited (“**Chokdee**”) to a third party for a cash consideration of THB 54.6 million. On 20 January 2023, the Company terminated the proposed disposal of Chokdee as the purchaser has not fulfilled his obligation to pay the purchase consideration of THB 54.6 million. Given that the Company has incurred significant time, resources, professional fees and other expenses in relation to the preparation of the proposed disposal, the Company negotiated and the purchaser agreed to a compensation of THB 27.3 million which represented 50% of the purchase consideration. As the purchaser was unable to pay the compensation in cash, both parties further agreed the compensation to be satisfied by way of the purchaser transferring his shares held in Chokdee to the Company.

On 14 February 2023, the Company received 255,000 ordinary shares and 40,000 preference shares in Chokdee from the purchaser. Upon completion, the Company holds 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. Pursuant to the settlement, Chokdee became a subsidiary of the Company.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6 Investment in an/a Associate/Subsidiary (Cont'd)

The fair values of the identifiable assets and liabilities of Chokdee as at the date of acquisition were as follows:

	<u>S\$'000</u>
Property, plant and equipment	5,051,468
Right-of-use assets	1,272,138
Intangible assets	1,228
Franchise agreement	178,639
Trademark	921,641
Other non-current assets	97,890
Trade and other receivables	1,802,101
Cash and cash equivalents	352,051
Inventories	121,625
Other current asset	29,951
	<u>9,828,732</u>
Short-term loan from shareholder	536,760
Trade and other payables	682,388
Other current liabilities	19,176
Lease liabilities	911,159
Employee benefit obligations	24,854
Deferred revenue	81,701
Deferred tax liabilities	121,757
Other non-current liabilities	11,502
	<u>2,389,297</u>
Net identifiable assets acquired	7,439,435
Non-controlling interest measured at the non-controlling interests' proportionate share of net identifiable assets	(3,533,731)
Fair value of previously held 35% equity interest at acquisition date	(1,871,566)
Purchase consideration ⁽¹⁾	(1,225,877)
Bargain purchase arising from acquisition of a subsidiary ⁽²⁾	<u>808,261</u>

Notes: (1) Purchase consideration, measured at the fair value of shares received of S\$1,225,877 is included in "other income" of the consolidated statement of comprehensive income of the Group and statement of comprehensive income of the Company.

(2) Bargain purchase arising from acquisition of a subsidiary of S\$808,261 is included in "other income" of the consolidated statement of comprehensive income of the Group.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6 Investment in an/a Associate/Subsidiary (Cont'd)

Loss of control in a subsidiary

On 26 July 2023, Chokdee issued and allotted 1,000,000 ordinary shares to a new shareholder at a subscription price of THB100 per share. Following the share subscription, the Company's equity interest and voting rights in Chokdee was diluted. The Company continue to hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 32.7% of the issued share capital and 36.1% of voting rights in Chokdee. The effective equity interest in Chokdee was determined to be 38.0% based on the rights to returns on profits or losses in the associate. Management assessed that the Company no longer has control over Chokdee and hence Chokdee ceased to be a subsidiary of the Company and became an associated company of the Company.

The carrying amounts of net assets and liabilities arising from the loss of control in Chokdee were as follows:

	<u>SS'000</u>
Property, plant and equipment	5,369,524
Right-of-use assets	1,135,948
Intangible assets	1,113,366
Other non-current assets	84,005
Trade and other receivables	42,913
Inventories	137,616
Other current assets	27,939
Cash and cash equivalents	565,508
Trade and other payables	(297,816)
Lease liabilities	(769,474)
Employee benefit obligation	(22,549)
Contract liabilities	(43,752)
Other current liabilities	(30,678)
Other non-current liabilities	(7,708)
Deferred tax liabilities	(111,711)
Carrying amount of net assets derecognised	7,193,131
Realisation of foreign currency translation reserve	(5,984)
Fair value of equity interests retained as associate	(1,521,674)
Non-controlling interest	(3,416,737)
Loss on loss of control	<u>(2,248,736)</u>

Effect of loss of control in a subsidiary on the consolidated statement of cash flows:

Cash proceeds from deemed disposal	-
Less: Cash and cash equivalents in subsidiary derecognised	(565,508)
Net cash outflows	<u>(565,508)</u>

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6 Investment in an Associate (Cont'd)

Investment in an Associate

	2023	2022
	S\$	S\$
Unquoted equity shares, at cost	1,521,674	3,072,127
Bargain purchase	-	69,617
Share of post-acquisition results, net of tax	(80,923)	(826,170)
Share of other comprehensive income, net of tax	-	33,446
	<u>1,440,751</u>	<u>2,349,020</u>
Currency re-alignment	(5,566)	(279,222)
Balance at end of the financial year	<u>1,435,185</u>	<u>2,069,798</u>

Movement in allowance for impairment loss was as follows:

	2023	2022
	S\$	S\$
Balance at beginning of financial year	-	56,535
Reversal of allowance for impairment loss	-	(56,535)
Balance at end of financial year	<u>-</u>	<u>-</u>

Name	Country of incorporation/ Principal place of business	Effective equity interest as at 31 December		Principal activities
		2023	2022	
Chokdee Dimsum Corporation Company Limited ⁽¹⁾	Thailand	38.0%	35.0%	Food and beverage

⁽¹⁾ Audited by BDO Thailand, a member firm of BDO International Limited.

This associate is accounted for using the equity method in these financial statements. The effective equity interest in the associate was determined to be 38.0% based on the rights to returns on profits or losses in the associate.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6 Investment in an/a Associate/Subsidiary (Cont'd)

The summarized financial information below reflects the amount presented in the financial statements of associate adjusted for fair value adjustment, but not adjusted for the proportion of ownership interest held by the Company. The income and expenses of the associate presented for the financial year ended 31 December 2023 was the 5-month period from August 2023 to December 2023, the equity-accounting period.

	2023	2022
	S\$	S\$
<u>Income and Expenses</u>		
Revenue	865,637	3,032,965
Loss for the financial year	(212,751)	(267,900)
Other comprehensive income	-	-
Total comprehensive Loss	(212,751)	(267,900)
<u>Assets and Liabilities</u>		
Non-current assets	6,971,486	6,201,299
Current assets	4,502,814	2,057,550
Non-current liabilities	(779,135)	(1,058,605)
Current liabilities	(624,110)	(1,286,536)
Net assets	10,071,055	5,913,708

Reconciliation of summarised financial information presented, to the carrying amount of the Company's interest in associate, is as follows:

	2023	2022
	S\$	S\$
Net assets of associate	10,071,055	5,913,708
Percentage of equity interest in associate	38.0%	35.0%
Company's share of interest in associate	3,830,677	2,069,798
Less: Fair value adjustment on acquisition	(2,402,974)	-
Currency realignment	7,482	-
Carrying amount at end of financial year	1,435,185	2,069,798

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8 Rights-of-Use Assets

	Group 31 December 2023 S\$
<u>Cost</u>	
At 1 January 2023	-
Acquisition of a subsidiary	1,272,138
Additions	60,730
Lease remeasurement	84,161
Lease modification	(191,469)
Loss of control in a subsidiary	(1,232,713)
Currency realignment	7,153
At 31 December 2023	<u>-</u>
<u>Accumulated Depreciation</u>	
At 1 January 2023	-
Depreciation	107,203
Lease modification	(9,280)
Loss of control in a subsidiary	(96,765)
Currency realignment	(1,158)
At 31 December 2023	<u>-</u>
Carrying amount at 31 December 2023	<u><u>-</u></u>

Lease Liabilities

	Group 31 December 2023 S\$
<u>Cost</u>	
At 1 January 2023	-
Acquisition of a subsidiary	911,159
Additions	60,730
Lease remeasurement	84,161
Lease modification	(217,097)
Interest expenses	31,774
Lease payments:	
- Principal portion	(75,959)
- Interest portion	(31,774)
Loss of control in a subsidiary	(769,474)
Currency realignment	6,480
At 31 December 2023	<u><u>-</u></u>

NAUTICAWT LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9 Intangible Assets

Group

	Software S\$	Franchise Agreement S\$	Trademark S\$	Implementation in progress S\$	Total S\$
<u>Cost</u>					
At 1 January 2023	-	-	-	-	-
Acquisition of a subsidiary	1,228	178,639	921,641	-	1,101,508
Additions	-	-	-	39,683	39,683
Loss of control in a subsidiary	(1,235)	(179,566)	(926,425)	(39,214)	(1,146,440)
Currency realignment	7	927	4,784	(469)	5,249
At 31 December 2023	-	-	-	-	-
<u>Accumulated Depreciation</u>					
At 1 January 2023	-	-	-	-	-
Charge for the period	193	33,276	-	-	33,469
Loss of control in a subsidiary	(191)	(32,883)	-	-	(33,074)
Currency realignment	(2)	(393)	-	-	(395)
At 31 December 2023	-	-	-	-	-
Carrying amount at 31 December 2023	-	-	-	-	-

10 Other Receivables

	2023 S\$	2022 S\$
Deposits	87,988	110,000
Prepayments	-	5,645
Total	87,988	115,645

11 Cash and Bank Balances

The currency profile of cash and bank balances are as follows:

	2023 S\$	2022 S\$
Singapore dollar	10,618	5,172
Thailand Baht	85	91
Total	10,703	5,263

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12 Share Capital

- (a) 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.**

	Number of ordinary shares	
	2023	2022
Balance at beginning and end of financial year	794,186,046	794,186,046
	2023	2022
	S\$	S\$
Balance at beginning and end of financial year	16,268,642	16,268,642

There has been no change in the Company's share capital since 30 June 2023 up to 31 December 2023.

The Company has one class of ordinary shares which has no par value, carry one vote per share and a right to dividend as and when declared by the Company.

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2023 and 31 December 2022.

- (b) 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.**

	2023	2022
Total number of shares (excluding treasury shares)	794,186,046	794,186,046

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

- (c) 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 during and as at the end of the current financial year.

- (d) 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 during and as at the end of the current financial year.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13 Other Capital Reserve

The movement of other capital reserve is as follows:

	2023	2022
	S\$	S\$
At beginning and end of the year	<u>3,064,907</u>	<u>3,064,907</u>

The other capital reserve represents:

- (i) Share conversion reserve as a result of the equity component of convertible debt instruments;
- (ii) Other capital reserve which is the excess over the share capital for the conversion of convertible debt instrument in prior years, fair value of convertible notes and acquisition of subsidiary; and
- (iii) Gain on issuance of shares pursuant to debt restructuring in 2019.

14 Share Options Reserve

The share options reserve represents the value of service received from employees of the Company relating to equity settled share-based payment transactions.

15 Foreign Currency Translation Reserve

The movement of foreign currency translation reserve is as follows:

	2023	2022
	S\$	S\$
At beginning of the year	(146,717)	(102,904)
Exchange difference on translation of foreign operations	9,321	(43,813)
At end of the year	<u>(137,396)</u>	<u>(146,717)</u>

16 Other Payables

	2023	2022
	S\$	S\$
Accrued expenses	315,406	147,642
Other payables	25,745	77,093
Amount due to controlling shareholder	<u>2,548,923</u>	<u>1,482,738</u>
Total	<u>2,890,074</u>	<u>1,707,473</u>

Amount due to controlling shareholder is unsecured, non-interest bearing and repayable on demand.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17 A breakdown of revenue and operating loss as follows:

	Group	Company		Increase/
	2023	2023	2022	Decrease
	S\$	S\$	S\$	(%)
<u>First half year</u>				
Revenue	1,132,541	-	-	NM
Operating profit/(loss) after tax reported for first half year	476,193	643,522	(561,740)	NM
<u>Second half year</u>				
Revenue	199,031	-	-	NM
Operating loss after tax reported for second half year	(2,426,326)	(2,429,115)	(293,175)	728.6

18 Loss before Tax

	Group	Company	
	31	31	31
	December	December	December
	2023	2023	2022
	S\$	S\$	
Employee benefits expenses	457,133	97,050	-
Depreciation of property, plant and equipment	92,034	-	-
Amortisation of intangible assets	33,469	-	-
Depreciation of right-of-use assets	107,203	-	-
Interest expense on leases	31,774	-	-

19 Related Party Transactions

Related companies in these financial statements refer to members of NauticAWT Limited's (the "holding company") group of companies.

In addition to the related party information disclosed elsewhere in the financial statements, the controlling shareholder has provided total advances to the Company amounting to S\$2,548,923 as at 31 December 2023 (2022: S\$1,482,738). The amounts are unsecured, interest-free and repayable on demand.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

<u>Company</u>	6 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
Loss per share (S\$ cents) based on:				
a. weighted average number of shares on issue	(0.31)	(0.04)	(0.22)	(0.11)
b. a fully diluted basis ⁽¹⁾	(0.31)	(0.04)	(0.22)	(0.11)
Weighted average shares for calculation of:				
a. weighted average number of shares on issue	794,186,046	794,186,046	794,186,046	794,186,046
b. a fully diluted basis ⁽¹⁾	794,186,046	794,186,046	794,186,046	794,186,046
<u>Group</u>	6 months ended 31 December 2023	12 months ended 31 December 2023		
Loss per share (S\$ cents) based on:				
b. weighted average number of shares on issue	(0.30)	(0.22)		
b. a fully diluted basis ⁽¹⁾	(0.30)	(0.22)		
Weighted average shares for calculation of:				
b. weighted average number of shares on issue	794,186,046	794,186,046		
b. a fully diluted basis ⁽¹⁾	794,186,046	794,186,046		

Note: (1) There is no change between basic and diluted loss per share as the Company does not have any convertible securities.

21 Net asset value (for the issuer) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the year

	2023	2022
Net (liabilities) / asset value per share (S\$ cents)	(0.17)	0.05
Number of issued shares	794,186,046	794,186,046

22 Subsequent Events

There are no known significant subsequent events which have led to adjustments to this set of financial statements.

**NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Other Information

- 23 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.

- 24 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. The latest audited financial statement of the Company for the financial year ended 31 December 2022 is an emphasis of matter with respect to material uncertainty relating to going concern.

- 25 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 Performance of the Group

On 20 January 2023, the Company terminated the proposed disposal of its associate, Chokdee as the purchaser did not fulfil his obligation to pay the purchase consideration of THB 54.6 million. Given that the Company has incurred significant time, resources, professional fees and other expenses in relation to the preparation of the proposed disposal, the Company negotiated and the purchaser agreed to a compensation of THB 27.3 million which represented 50% of the purchase consideration. As the purchaser was unable to pay the compensation in cash, both parties further agreed that the compensation shall be satisfied by way of the purchaser transferring his shares held in Chokdee to the Company.

On 14 February 2023, the Company received 255,000 ordinary shares and 40,000 preference shares in Chokdee, from the purchaser. Upon completion, the Company holds 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. Pursuant to the settlement, Chokdee became a subsidiary of the Company.

On 26 July 2023, Chokdee issued and allotted 1,000,000 ordinary shares to a new shareholder. Following this event, the Company continues to hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 32.7% of the issued share capital and 36.1% of voting rights, in Chokdee. The effective equity interest in Chokdee was determined to be 38.0% based on the rights to returns on profits or losses in Chokdee. Accordingly, Chokdee ceased to be a subsidiary of the Company and will be thereon accounted for as an associated company of the Company.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25 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 (cont’d)

Revenue

Chokdee is principally engaged in the manufacturing and distribution of food products in the restaurant and franchising industry (“F&B”).

In FY2023 total revenue of the Group amounted to approximately S\$1.1 million, breakdown as follows:

	Group 31 December 2023 S\$	Company 31 December 2023 S\$	31 December 2022 S\$
Sale of food, beverages and consumables	1,034,446	-	-
Revenue from services	77,500	-	-
	1,111,946	-	-

Cost of Sales

Cost of sales, which comprised mainly employee benefits expenses, depreciation of property, plant and equipment, food costs, raw materials and consumables amounted to approximately S\$0.6 million in FY2023.

Gross Profit

In FY2023, gross profit amounted to approximately S\$0.5 million and gross profit margin was approximately 49.1%.

Other Income

Other income comprised the following:

	Group 31 December 2023 S\$	Company 31 December 2023 S\$	31 December 2022 S\$
Compensation	1,225,877	1,225,877	-
Gain on bargain purchase	808,261	-	-
Other income	22,869	-	-
	2,057,007	1,225,877	-

Compensation income was in relation to the compensation shares received by the Company due to the termination of the proposed sale of Chokdee shares as the purchaser did not fulfil his obligations under the sale and purchase agreement of Chokdee.

Gain on bargain purchase of approximately S\$0.8 million arose due to the step acquisition of Chokdee by the Company, when the Company received the compensation shares on 14 February 2023.

Selling Expenses

Selling expenses comprised mainly salaries of operational staff, advertising and promotions, utilities, depreciation of property, plant and equipment, amortisation of intangible assets, depreciation of right-of-use assets and other miscellaneous expenses. Selling expenses amounted to approximately S\$0.6 million in FY2023.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25 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 (cont’d)

Administrative Expenses

Administrative expenses comprised mainly staff salaries, director fees, audit fee, professional fees and other miscellaneous expenses. Administrative expenses amounted to approximately S\$1.4 million in FY2023.

Finance costs

Finance costs comprised mainly interest expenses on right-of-use assets and amounted to approximately S\$32,000.

Loss on deemed disposal of an associate

Loss on deemed disposal of an associate of approximately S\$0.2 million arose from the excess of carrying amount in associate over the fair value of interest held in the associate prior to the acquisition of additional shares.

Loss on deemed disposal of a subsidiary

Loss on deemed disposal of a subsidiary of approximately S\$2.2 million arose from the difference between the share of net assets in associate disposed and the fair value of interests retained in the investment at the date of disposal.

Share of loss of an associate

On 26 July 2023, Chokdee issued and allotted 1,000,000 ordinary shares to a new shareholder. Following this event, the Company continues to hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 32.7% of the issued share capital and 36.1% of voting rights, in Chokdee. The effective equity interest in the associate was determined to be 38.0% based on the rights to returns on profits or losses in the associate. Accordingly, Chokdee ceased to be a subsidiary of the Company and will be deemed an associated company of the Company. Hence, the Group started to record its share of losses of approximately S\$81,000 from an associate starting August 2023.

Income Tax

	Group	Company	
	31	31	31
	December	December	December
	2023	2023	2022
	S\$	S\$	S\$
Current income tax:			
- Over provision in respect of prior financial years	28,338	28,338	-
- Deferred tax – current year	10,805	-	-
	39,143	28,338	-

Loss after Tax

As a result of the above, the Group recorded a net loss of approximately S\$1.9 million in FY2023.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

- 25 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 (cont'd)**

Review of Statement of Financial Position

Non-Current Assets

As at 31 December 2023, the Company's non-current assets amounted to approximately S\$1.4 million and comprised investment in an associate. The decrease in investment in an associate of approximately S\$0.6 million was mainly due to the share of losses of an associate of approximately S\$0.1 million, loss on step acquisition of a subsidiary of S\$0.2 million and loss on deemed disposal of a subsidiary of approximately S\$1.6 million, partially offset by the fair value amount of compensation shares received of approximately S\$1.2 million.

Current Assets

Current assets comprised of cash and cash equivalents and other receivables. The decrease in current assets of approximately S\$22,000 in FY2023 was mainly due to:

- (i) Other receivables decreased from approximately S\$116,000 in FY2022 to approximately S\$88,000 in FY2023 due to decrease in deposits paid, partially offset by,
- (ii) Cash and cash equivalents increased from approximately S\$5,000 in FY2022 to approximately S\$11,000 in FY2023.

Current Liabilities

Current liabilities comprised other payables, accrued expenses and amount due to controlling shareholder. The increase in current liabilities of approximately S\$1.1 million in FY2023 was mainly due to increase in amount due to controlling shareholder.

Going Concern Assessment

As at 31 December 2023, the Company's current liabilities exceeded its current assets by approximately S\$2.8 million and the Company's total liabilities exceeded its total assets by approximately S\$1.4 million. The Company recorded a loss of S\$1.8 million for FY2023.

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 as the Company has obtained an undertaking from the controlling shareholder to provide the necessary financial support to the Company.

NAUTICAWT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

- 25 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 (cont’d)**

Review of Group’s Cash Flows

Operating Activities

Net cash generated from operating activities in FY2023 amounted to approximately S\$0.2 million taking into consideration the loss before income tax of approximately S\$2.0 million, with inflows adjustments of approximately S\$0.7 million, adjusted for working capital inflow of approximately S\$1.5 million. The working capital inflow was mainly due to decrease in trade and other receivables of approximately S\$1.8 million, partially offset by the decrease in trade and other payables of approximately S\$0.3 million. During FY2023, the Company paid income tax of S\$34,862 for income assessed in YA2021.

Investing Activities

Net cash used in investing activities in FY2023 amounted to approximately S\$0.6 million, mainly due to purchase of property, plant and equipment of approximately S\$0.4 million, deemed disposal of subsidiary, net of cash disposed of approximately S\$0.6 million, partially offset by acquisition of subsidiary, net of cash acquired of approximately S\$0.4 million.

Financing Activities

Net cash flows generated from financing activities amounted to approximately S\$0.4 million in FY2023 was mainly attributable to working capital provided by the controlling shareholder of S\$1.1 million, partially offset by repayment of borrowings of approximately S\$0.5 million and repayment of obligations under leases of approximately S\$0.1 million.

On account of the above, the Group’s cash and cash equivalents comprise cash and bank balances of approximately S\$11,000 as at 31 December 2023.

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

No specific forecast or prospect statement were made previously and the Company’s performance for the period under review is in line with expectations disclosed in prior announcements.

- 27 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**

UPDATE OF MILESTONES IN OBTAINING A NEW BUSINESS

On 21 March 2023, the Company announced that it had entered into a Conditional Share Purchase Agreement dated 21 March 2023 (“2023 SPA”) with World Industrial Estate Co., Ltd. (“WIE”) to proceed with the proposed acquisition of such number of shares in WIE on the terms and conditions of the 2023 SPA (the “Proposed Acquisition”). The Company has on 24 March 2023, through its Continuing Sponsor, submitted an application in relation to, inter alia, further extension of time from the current deadline of 31 March 2023 to 30 June 2024 (“Extension Application”) to complete the Proposed Acquisition in order to meet the requirements under Rule 1017(2) of the Catalist Rules. The Company has on 15 May 2023 further announced that SGX-ST has advised on 12 May 2023 that it has no objection to granting the Company a further extension of time from 31 March 2023 to 30 June 2024 with regards to compliance with Catalist Rules 1017(2), subject to certain conditions as stipulated in the Company’s announcement dated 15 May 2023.

The Board will update shareholders as and when there are further developments relating to the Proposed Acquisition.

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28 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

Not applicable.

(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.

29 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 the current financial period as the Company has been designated a Cash Company and has no revenue generating business.

30 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 discloseable interested person transaction for the current financial year.

31 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.

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

Save for the disclosure in relation to investment in Chokdee as disclosed in Note 6 to the Financial Statements in this announcement, the Company did not acquire and dispose shares in any companies during the 6-month period ended 31 December 2023.

33 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.

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

Not applicable.

On behalf of the Board of Directors

Kenny Lim Yeow Hua
Lead Independent Director
29 February 2024