ANNUAL REPORT

2020

NAUTICAWT LIMITED

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CHAIRMAN'S MESSAGE

Dear Value Shareholders,

On behalf of the board of directors (the **"Board"** or the **"Directors")** of NauticAWT Limited (the **"Company"**), I am pleased to present to you the annual report for the financial year ended 31 December 2020 **("FY2020")**.

FY2020 was yet another challenging year for the Company where Covid-19 pandemic caused a global shutdown affecting many businesses including our business and other corporate activities.

In efforts to diversify into the new business and to stem the losses, the Company has completed an acquisition of 35% of equity interest of Chokdee Dimsum Corporate Company Limited (Formerly known as Rich Restaurant Company Limited), a company that is incorporated in Thailand and principally engaged in the manufacturing and distribution of food products in restaurant and franchising under a recognised brand name. Subsequently, the Company has successfully disposed of its wholly owned subsidiary Nautec Group Pte Ltd and its subsidiaries (the "**Sale Group**") at the end of the year. The primary business activity of the Sale Group is the provision of marine and offshore engineering services.

Following the completion of disposal of Sale Group and with effect from 11 December 2020, the Company has been designated as a Cash Company as there is no other revenue generated business. Despite being a Cash Company, the Board believes that this represents a good position for the Company to further diversify and rightsizing for a more sustainable new business.

As previously announced, the Company has identified a potential education business in Thailand as an acquisition target and to this end, a pre-clearance application had been submitted to SGX. We will provide further updates to shareholders when there are material developments. We will also provide in the Company's monthly and quarterly update announcement as part of the Catalist Rules requirement.

I would like to take the opportunity to thank the former CEO and executive director, Mr John Gronbech, and former employees for his and their contributions and dedications towards the Company and being resilience during the difficult times of the past.

On behalf of the Company, I would also like to express my sincere gratitude to the fellow directors, staff, shareholders and business associates for their continued support and commitment.

Lastly, we hope to realise our plans for the acquisition of education business soon and bring the Company to a new journey that will enhance the value for our shareholders.

Dr Chirasak Chiyachantana
Non-Independent Non-Executive Chairman

BOARD OF DIRECTORS

Name of Director	**DR CHIRASAK CHIYACHANTANA**	**MR KENNY LIM YEOW HUA**	**DR KUNCHIT SINGSUWAN**	**DR APHICHAT SRAMOON**
Board appointment	Non-Independent Non-Executive Chairman	Lead Independent Director	Independent Director	Independent Director
Date of first appointment	13 December 2019	13 December 2019	13 December 2019	13 December 2019
Date of last re-election	29 June 2020	29 June 2020	29 June 2020	29 June 2020
Directorships in other listed companies	*Present* • WP Assets Co Ltd • World Dental Hospital Co Ltd • EDU Corporation PCL • World Corporation Public PCL • Capital Link North Sathorn Co Ltd • Worldbuild Construction Co Ltd • World Credit Foncier Co Ltd • World Alternative Energy Co Ltd	*Present* • Accrelist Limited • KSH Holdings Ltd • Oxley Holdings Ltd *Past* • Advanced Integrated Manufacturing Corp. Ltd. • China Minzhong Food Corporation Limited • Eratat Lifestyle Limited • KTL Global Limited • Ying Li International Real Estate Limited	*Present* • 2S Metal Public Company Limited • Baupost Associates Company Limited *Past* • Islamic Bank of Thailand	*Present* • TEAM Consulting Engineering and Management PCL • Geotechnical and Foundation Engineering Co Ltd • World Credit Foncier Co Ltd • TEAM Construction Management Co Ltd • World Corporation PCL *Past* • TLT Consultants Co Ltd

BOARD OF DIRECTORS

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors (namely Dr.Kunchit Singsuwan and Dr.Aphichat Sramoon), who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Director	**DR KUNCHIT SINGSUWAN**	**DR APHICHAT SRAMOON**
Date of first appointment	13 December 2019	13 December 2019
Date of last re-appointment	29 June 2020	29 June 2020
Age	58	50
Country of principal residence	Thailand	Thailand
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr Kunchit Singsuwan as Independent Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Kunchit Singsuwan's contributions, performance, expertise and past experiences.	The re-election of Dr Aphichat Sramoon as Independent Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Dr Aphichat Sramoon's contributions, performance, expertise and past experiences.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Director • Chairman of Remuneration Committee • Member of Nominating Committee and Audit Committee	• Independent Director • Chairman of Nominating Committee • Member of Remuneration Committee and Audit Committee

BOARD OF DIRECTORS

Name of Director	DR KUNCHIT SINGSUWAN	DR APHICHAT SRAMOON
Professional qualifications	• Doctoral Degree in International Business, Alliant International University, United States of America • Master Degree in International Business, Alliant International University, United States of America • Bachelor's Degree in Criminal and Civil Laws, Chulalongkorn University, Thailand	• Doctor of Engineering (Civil Engineering and Energy), Nagaoka University of Technology, Japan • Master of Engineering, Asian Institute of Technology, Thailand • Bachelor of Industrial Education (Civil Engineering), King Mongkut's Institute of Technology Thonburi, Thailand
Working experience and occupation(s) during the past 10 years	• 2007 – Current 2S Metal Public Company Limited, Chairman of the Board • 2017 – Current Baupost Associates Company Limited, Managing Director • 2014 – 2014 Islamic Bank of Thailand, Acting Managing Director • 2010 – 2014 Islamic Bank of Thailand, Senior Executive Vice President • 2011 – 2012 SFIs Risk Management Club, President	• 2019 – Current TEAM Consulting Engineering and Management PCL, Executive Director • 2019 – Current Geotechnical and Foundation Engineering Co Ltd, EC • 2019 – Current World Credit Foncier Co Ltd, Chairman • 2018 – Current TEAM Construction Management Co Ltd, Director • 2017 – Current World Corporation PCL, Director • 2009 – Current Geotechnical and Foundation Engineering Co Ltd, Director • 2018 – 2019 TLT Consultants Co Ltd, Managing Director • 2016 – 2018 World Credit Foncier Co Ltd, Director • 2009 – 2015 Geotechnical and Foundation Engineering Co Ltd, Managing Director
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil

BOARD OF DIRECTORS

<table>
<tr><th>Name of Director</th><th>DR KUNCHIT
SINGSUWAN</th><th>DR APHICHAT
SRAMOON</th></tr>
<tr><td>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries</td><td>No</td><td>No</td></tr>
<tr><td>Conflict of interest (including any competing business)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Other Principal Commitments including Directorships</td><td>(a) Directorships

<u>Present</u>
• 2S Metal Public Company Limited
• Baupost Associates Company Limited

<u>Past</u>
• Islamic Bank of Thailand

(b) Principal Commitments (other than Directorships)

<u>Present</u>
• Nil

<u>Past</u>
• Islamic Bank of Thailand (Senior Executive Vice President)</td><td>(a) Directorships

<u>Present</u>
• TEAM Consulting Engineering and Management PCL
• Geotechnical and Foundation Engineering Co Ltd
• World Credit Foncier Co Ltd
• TEAM Construction Management Co Ltd
• World Corporation PCL

<u>Past</u>
• TLT Consultants Co Ltd

(b) Principal Commitments (other than Directorships)

<u>Present</u>
• Nil

<u>Past</u>
• TEAM Consulting Engineering and Management PCL (Senior Engineer)</td></tr>
</table>

BOARD OF DIRECTORS

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

Name of Director	DR KUNCHIT SINGSUWAN	DR APHICHAT SRAMOON
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him	Yes [(1)]	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

BOARD OF DIRECTORS

Name of Director		DR KUNCHIT SINGSUWAN	DR APHICHAT SRAMOON
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

BOARD OF DIRECTORS

Name of Director		DR KUNCHIT SINGSUWAN	DR APHICHAT SRAMOON
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

<u>Notes</u>

(1) Dr Kunchit Singsuwan was involved in a dispute with his previous employer, relating to a breach of employment contract and a judgement by the Central Labour Court of Thailand in June 2018 had indicated that Dr Kunchit had to pay the plaintiff an amount of THB4,462,287. Dr Kunchit who had counter-claimed for THB31,219,940.10 for unfair termination, is appealing the judgement with the Thailand Supreme Court. The appeal is still pending.

EXECUTIVE OFFICERS

CHERYL CHONG

*Chief Financial Officer ("**CFO**")*

Cheryl Chong is our CFO. She joined our Group as finance manager when it was founded in September 2011 and was promoted to Financial Controller in January 2014, where she assisted our CFO of that time with the finance related matters of our Group. On 29 August 2017, she was promoted to CFO and is responsible for overseeing the accounting, finance and commercial matters of the Group.

From 2002 to 2010, Ms Cheryl was an assistant manager with Esco Audio Visual Pte Ltd, where she assisted the CFO in various accounting and financial reporting matters. From 2010 to 2011, she was a finance manager with Densit.

Ms Cheryl graduated from the Oxford Brookes University with a Bachelor of Science (Honours) Applied Accounting degree in 2006. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

FINANCIAL HIGHLIGHTS

Key Financial Indicators	FY2020 US$ million	FY2019 US$ million
Continuing operations		
Revenue	**-**	-
Gross Profit	**-**	-
(Loss)/Profit for the year	**(0.6)**	0.2
Discontinued operations		
Revenue	**5.9**	6.2
Gross Profit	**2.4**	2.3
Profit/(Loss) for the year	**0.7**	(0.4)

Overall

The Company disposed the entire issued and paid up ordinary shares in the capital of Nautec Group Pte Ltd and its subsidiaries ("NGPL Group") on 11 December 2020. As a result, NGPL Group are separately presented as "Discontinued Operations" in the consolidated statement of comprehensive income. Subsequent to the disposal of NGPL Group, the Group does not have any revenue generating subsidiaries hence no revenue recorded under Continuing Operations.

Continuing Operations

Administrative expenses

The Group's administrative expenses decreased by US$1.2 million or 70.7%, from US$1.8 million in FY2019 to US$0.6 million in FY2020 primarily due to the following:

i. reduction in employee costs of US$0.7 million; and
ii. reduction in professional fee, office and admin costs of US$0.5 million.

Other income

The Group recorded other income of US$0.01 million and US$2.18 million in FY2020 and FY2019 respectively. The US$2.17 million decrease in FY2020 was primarily due to absence of gain on restructuring share issued of US$1.96 million and gain on disposal of asset held for sales of US$0.21 million recognised in FY2019

Finance costs

The Group's finance costs reduce to nil in FY2020 as compared to US$0.3 million in FY2019 as the Group has no interest bearing financial instruments.

Share of loss of an associate

The Group recorded share of loss of an associate of US$0.1 million in FY2020 which relates to the acquisition of 35% equity interest in Chokdee Dimsum Corporation Company Limited (Formerly known as Rich Restaurant Company Limited) ("RRCL") which was completed on 10 January 2020.

Loss/ Profit for the year

As a result, the Group recorded loss for the year of US$0.6 million in FY2020 and profit for the year of US$0.2 million in FY2019.

FINANCIAL HIGHLIGHTS

Discontinued Operations

Revenue

Revenue for FY2020 decreased by 3.9% or US$0.2 million to US$5.9 million, from US$6.2 million for FY2019. This was mainly due to the decrease in revenue contribution by the Ports and Offshore segment of US$1.6 million. However, the decrease was partially offset by the increase in revenue contribution by the Renewables segment of US$1.2 million and new segment in Civil Construction of US$0.2 million.

Gross profit

In line with the decreased revenue, cost of sales for FY2020 decreased by 8.4% or US$0.3 million to US$3.5 million, from US$3.8 million for FY2019. The overall decrease in cost of sales was mainly due to the higher margin of Renewables segment. As a result, the gross profit for FY2020 increased by 3.6% or US$0.1 million to US$2.4 million, from US$2.3 million in FY2019.

Profit/ Loss

Despite decreased revenue of US$0.2 million in FY2020 as compared to FY2019, net profit for the year is US$0.7 million mainly due to an absence of impairment of US$1.1 million and government grant of US$0.1 million.

FINANCIAL HIGHLIGHTS

Consolidated Statement of Financial Position	**31 December 2020 US$ million**	31 December 2019 US$ million
Current assets	**0.2**	6.0
Non-current assets	**2.3**	6.6
Current liabilities	**0.3**	6.4
Non-current liabilities	**-**	4.1
Equity attributable to owners of the Company	**2.2**	2.2

Overall

The Group's financial position changed significantly in FY2020 as compared to FY2019 due to the disposal of the major subsidiaries during the year. As such, the Group has ceased consolidated financial position of the subsidiaries and the Group's financial position mainly consists of the investment in an associate as at 31 December 2020.

Non-current asset

An investment in an associate for an acquisition of 35% equity interest in RRCL, within the food & beverage business that was completed on 10 January 2020.

Current assets

Consists of cash and bank balances of US$0.07 million and other receivables and prepayment of US$0.1 million as at 31 December 2020.

Current liabilities

Other payables consist of other payables from 3rd parties and accrued expenses as at 31 December 2020.

Working capital and going concern assessment

The Group reported a negative working capital of US$0.1 million as at 31 December 2020. As at the date of this annual report, 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 controlling shareholder, Dr Chirasak Chiyachantana has undertaken to provide an interest-free advance of up to S$1 million to the Company for working capital purpose. The Company expects that such advance would be sufficient for the Company to meet the existing liabilities and projected corporate expenses within the next 12 months.

FINANCIAL HIGHLIGHTS

Consolidated Statement of Cash Flows	**FY2020** **US$ '000**	FY2019 US$ '000
Net cash from operating activities	**425**	1,090
Net cash used in investing activities	**(2,379)**	(3)
Net cash (used in) / from financing activities	**(331)**	1,518
Cash and cash equivalents at end of year	**73**	2,288

Operating activities

Net cash generated from operating activities in FY2020 amounted to US$0.4 million taking into account the profit before tax of US$0.1 million, adjusted for non-cash items of US$1.1 million and working capital outflows of US$0.8 million. The working capital outflows was mainly due to increase in trade receivables of US$7.2 million, decrease in other payables of US$1.1 million and decrease in trade bills discounted with recourse of US$0.1 million, partially offset by decrease in other receivables of US$0.2 million, decrease in inventories of US$0.1 million and increase in trade payables of US$7.3 million. During FY2020, the Group paid income tax of approximately US$11,000.

Investing activities

Net cash used in investing activities in FY2020 amounted to US$2.4million mainly due to acquisition of 35% interest in the associate, RRCL of US$1.6 million, disposal of subsidiaries-net of cash disposed of US$0.6 million and purchase of plant and equipment of US$0.1 million.

Financing activities

Net cash used in financing activities in FY2020 amounted to US$0.3 million due to the repayment of bank loan and lease liabilities of US$0.1 million each and interest paid of US$0.1 million.

As a result of the above, the Group's cash and cash equivalents decreased by US$2.3 million, from a surplus of US$2.3 million as at 31 December 2019 to US$0.1 million as at 31 December 2020.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**" or "**Directors**") of NauticAWT Limited (the "**Company**", and together with its subsidiaries, the "**Group**") are firmly committed to ensuring a high standard of corporate governance which is essential to the long-term sustainability of the Group's business and performance.

This report describes the Group's corporate governance structures and practices that were in place throughout the financial year ended 31 December ("**FY**") 2020, with specific reference made to the principles of the Code of Corporate Governance 2018 (the "**Code**"), which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**").

The Board confirms that, for FY2020, the Company has adhered to the principles as set out in the Code, where there are deviations from the provisions of the Code, appropriate explanations are provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board works with the senior management of the Group (the "**Management**") for the long-term success of the Company.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold Management accountable for performance and the Board is accountable to shareholders of the Company ("**Shareholders**") through effective governance of the business. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Besides carrying out its statutory responsibilities, the principal functions of the Board are as follows:

- providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;

- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

- reviewing management performance;

- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;

- setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and

- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Continuous Training for Directors and Orientation for Incoming Directors

For new appointments to the Board, the Company will provide a formal letter to such new director, setting out the director's duties and obligations. Such directors are given appropriate briefings when they are first appointed to the Board. Appropriate induction programmes are conducted for all new directors appointed to the Board to ensure that they are familiar with the Group's business, operations, governance practice and regulatory requirements. The induction programme will allow the new Director to get acquainted with the Management which aims to facilitate interaction and ensures that all Directors have ongoing independent access to the Management. The Company will arrange the SGX-ST's prescribed training for directors with no prior experience as a director of a listed company on the SGX-ST on the roles and responsibilities of a director of a listed company.

CORPORATE GOVERNANCE REPORT

Dr Chirasak Chiyachantana, Dr Kunchit Singsuwan, Dr Aphichat Sramoon and Mr Kenny Lim Yeow Hua were appointed to the Board on 13 December 2019. Dr Chirasak Chiyachantana, Dr Kunchit Singsuwan and Dr Aphichat Sramoon do not have prior experience as a director of a company listed on the SGX-ST and had attended certain mandatory courses prior to their appointment. Subsequent to their appointments, Dr Kunchit Singsuwan and Dr Aphichat Sramoon have attended the following training courses conducted by Singapore Institute of Directors in March 2021:

- LED 5 – Audit Committee Essentials
- LED 6 – Board Risk Committee Essentials
- LED 7 – Nominating Committee Essentials
- LED 8 – Remuneration Committee Essentials

The Directors are provided with continuing briefings from time to time and are kept updated on changing commercial risks and key changes in the relevant legal and regulatory requirements including directors' duties and responsibilities, corporate governance and developing trends, insider trading and accounting standards so as to enable them to properly discharge their duties as Board members. The Company is responsible for arranging and funding the training of the Directors. During FY2020, the Directors were provided with updates on the developments in financial reporting and governance standards by the external auditors.

Matters Requiring Board Approval

The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, fundraising proposals, major corporate policies on key areas of operations, the release of the Group's half-year and full-year results and interested person transactions.

Delegation of Authority to Board Committees

To assist in the execution of its responsibilities, the Board has established three committees comprising the audit committee (the "**AC**"), the nominating committee (the "**NC**") and the remuneration committee (the "**RC**") (collectively, the "**Board Committees**"). These Board Committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis. The Board Committees have explicit authority to investigate any matter within their terms of reference, have full access to and co-operation by the Management, have resources to enable them to discharge their functions properly and full discretion to invite any Director or executive officer to attend their meetings. The Board Committees report its activities regularly to the Board and minutes of the Board Committees meetings are also regularly provided to the Board. The effectiveness of each Board Committee is also constantly monitored to ensure their continued relevance.

Meetings of Board and Board Committees

The Board meets regularly and ad-hoc Board meetings are convened when they are deemed necessary. The Company's constitution ("**Constitution**") provides for meetings of the Board to be held by way of video and telephonic conference.

For FY2020, the number of Board and Board Committee meetings held and the attendance of each Board member at the meetings are as follows:

		Board Committees		
	Board	**Audit**	**Nominating**	**Remuneration**
Number of meetings held	2	2	1	1
Number of meetings attended				
Mr John Grønbech (2)	2	1 (1)	1 (1)	1 (1)
Dr Chirasak Chiyachantana	2	1 (1)	-	-
Dr Kunchit Singsuwan	2	2	1	1
Dr Aphichat Sramoon	2	2	1	1
Mr Kenny Lim Yeow Hua	2	2	1	1

Notes:

(1) Attendance by invitation.

(2) Resigned on 14 December 2020

Multiple Board Representations

Directors with multiple board representations are to disclose such board representations and ensure that sufficient time and attention are given to the affairs of the Group. The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Group.

Provision of Information to the Board and Board Committees

The Board and Board Committees are furnished with detailed information concerning the Group from time to time to support their decision-making process and to fulfil their responsibilities. Prior to each Board and Board Committee meetings, the members are each provided with the relevant documents and information necessary, including background and explanatory statements, financial statements, budgets, forecasts and progress reports of the Group's business operations for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained. Such Board papers are prepared for each Board and Board Committee meetings and are normally circulated in advance of each meeting so that the Directors can be adequately prepared for the Board and Board Committee meetings. The Management will supply additional information that the Board or Board Committees require in a timely manner.

Access to Management, Company Secretary and Independent Professional Advice

The Board (whether individually or as whole) has separate and independent access to the Management and the Company Secretary at all times. In the furtherance of their duties, the Board may seek independent professional advice from external professionals and such costs are to be borne by the Company.

The Company Secretary attends all Board meetings and ensures that all Board procedures and requirements of regulatory filings are complied with. The appointment and removal of the Company Secretary is a matter for consideration for the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company

Board Composition and Degree of Independence of the Board

As at the date of this report, the Board comprises four members, as follows:

Dr Chirasak Chiyachantana	Non-Independent Non-Executive Chairman
Dr Kunchit Singsuwan	Independent Director
Dr Aphichat Sramoon	Independent Director
Mr Kenny Lim Yeow Hua	Lead Independent Director

The criterion of independence is based on the definition set out in the Code. The Board considers an "independent" director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. With three out of four Directors being Independent Directors and all Directors being non-executive Directors, it is believed that the Board is able to exercise independent judgment on corporate affairs and rovide the Management with a diverse and objective perspective on issues. Therefore, there is no individual or small group of individuals who dominates the Board's decision making.

The independence of each Director is reviewed annually by the NC in accordance with the Code's definition of independence. The Independent Directors do not have any relationships including immediate family relationships between the Directors, the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company. The NC is satisfied that all Independent Directors of the Company are independent. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been hardcoded into the listing rules of the SGX-ST to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions.

Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, it stipulates that a director will not be independent if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the issuer.

In this regard, each of the Independent Directors has confirmed that they and their respective associates do not have any employment relationships with the Company.

Composition and Size of the Board

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The NC is of the view that the current Board size of four members is appropriate taking into account the nature and scope of the Group's operations.

The Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each Director has been appointed on the strength of his calibre, experience and stature. Each Director is expected to bring valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Board also confirms that none of the Directors has served on the Board beyond nine years from the date of his first appointment. Nonetheless, the independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to particularly rigorous review.

The profiles of the Directors are set out on page 3 to 9 of the annual report.

Meetings without the presence of Management

Non-Executive Directors and Independent Directors meet regularly without the presence of Management, in the meetings with the external auditors at least annually and on such other occasions as may be required and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

CORPORATE GOVERNANCE REPORT

Roles and Responsibilities of Chairman and CEO

The Chairman and the Chief Executive Officer of the Company are separate individuals.

The Chairman is Dr Chirasak Chiyachantana. He has the responsibilities of setting the meeting agenda of the Board meetings, leading the other Board members, promoting high standards of corporate governance and maintaining effective communication with Shareholders.

The CEO is Mr John Grønbech. He is responsible for client management, strategic business development and oversees the overall management of the Group prior to his resignation on 14 December 2020. Subsequently, the Company does not have a CEO as it is designated a cash company with effect from 11 December 2020.

Lead Independent Director

The Lead Independent Director is Mr Kenny Lim Yeow Hua. He has the responsibilities to provide leadership in situations where the Chairman is conflicted. The lead independent director is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

Composition and Terms of Reference of Nominating Committee

As at the date of this report, the NC comprises the following members:

Dr Aphichat Sramoon	Chairman
Dr Kunchit Singsuwan	Member
Mr Kenny Lim Yeow Hua	Member

The NC is governed by its written terms of reference. All members of the NC, including the chairman, is independent. The NC is responsible for making recommendations on all board appointments and re-nominations having regard to the contribution and performance (such as attendance, participation, preparedness and candours) of the director seeking re-election including the following:

- the review of board succession plans for Directors, in particular the Chairman, the CEO and key management personnel;
- to ensure that all directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- to determine the independence of each director in accordance with the Code on an annual basis and as and when circumstances require;
- to evaluate whether a director is able to and has adequately carried out his duties as a director of the Company, in particular, where the director concerned has multiple board representations; and
- to assess the effectiveness of the Board as a whole, its Board Committees and the contribution by each director to the effectiveness of the Board.

Evaluation of the Board

In assessing and selecting a new suitable director, if required, consideration will be given to the candidate's background, experience, industry knowledge and appropriate skills relevant to the Group's business (so as to enable the Board to make sound and well-considered decisions), and also whether there are any conflicts of interests with the Group. The Company does not have a formal process for the selection and appointment of new directors to the Board. However, if required, the Company has or is able to procure search services, contacts and recommendations for the purposes of identifying suitably qualified and experienced persons for appointments to the Board. The Board and the NC will endeavour to ensure that directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They will also ensure that each director, with his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. The Board is also advised by the Sponsor on appointment of directors as required under Catalist Rule 226(2)(d).

Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended such appointments to the Board. Pursuant to the Company's Constitution, each director is required to retire at least once every three years by rotation and all newly appointed directors who are appointed by the Board are required to retire at the next annual general meeting of the Company following their appointment. The retiring directors are eligible to offer themselves for re-election. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance, independence or re-nomination as a Director or any other matters in which he has an interest.

The dates of initial appointment and re-election of the Directors are set out below:

Director	**Position**	**Date of initial appointment**	**Date of last re-election**
Dr Chirasak Chiyachantana	Non-Independent Non-Executive Chairman	13 December 2019	29 June 2020
Dr Aphichat Sramoon	Independent Director	13 December 2019	29 June 2020
Dr Kunchit Singsuwan	Independent Director	13 December 2019	29 June 2020
Mr Kenny Lim Yeow Hua	Lead Independent Director	13 December 2019	29 June 2020

The key information regarding the Directors is set out on page 3 to 9 of this annual report.

The NC in determining whether to recommend a director for re-election will take into consideration such director's performance and contribution to the Group which includes qualitative and quantitative factors such as performance of principal functions and fiduciary duties, level of participation at meetings, guidance provided to the Management and attendance record.

Determining Directors' Independence

The NC determines on an annual basis whether or not a Director is independent. As and when circumstances require, the NC will also assess and determine a Director's independence.

Each Independent Director completes a declaration to confirm his/her independence on an annual basis. The declaration is drawn up based on the guidelines provided in the Catalist Rules and the Code.

The NC carried out the review on the independence of each Independent Director, taking into account the respective Directors' self-declarations and their actual performance on the Board and Board Committees, and is satisfied that the Independent Directors are able to act with independent judgment.

Commitments of Directors Sitting on Multiple Boards

The NC has considered and taken the view that it would not be appropriate to set a limit on the number of listed directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the committees on which they serve are of different complexities. For FY2020, the NC is satisfied that sufficient time and attention is being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations, and there is presently no need to implement internal guidelines to address the competing time commitments.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board performance is linked to the overall performance of the Group. The Board complies with the applicable laws and members of the Board are required to act in good faith, with due diligence and care in the best interests of the Company and its Shareholders.

The NC has adopted a process for an annual evaluation, by way of questionnaire, of the Board's performance and effectiveness as a whole, its Board Committees and also individually, based on the contribution by each Director to the effectiveness of the Board. The appraisal process includes a review of a Director's background, experience, industry knowledge and appropriate skills relevant to the Group's business and also whether there are any conflicts of interests with the Group. The appraisal process also focuses on the evaluation of factors such as the size and composition of the Board, the Board's access to information, the Board processes and accountability, communication with the senior Management and the Directors' standard of conduct.

Each of the Directors has completed a Board Performance Evaluation Checklist, giving their individual assessment and evaluation of the Board's ability and Committees' ability to meet the relevant criteria stated in the Board Performance Evaluation Checklist. In addition, each of the Directors has completed an Individual Directors' Evaluation Checklist, giving their assessment and review of other Directors' performance and, in the case of Independent Directors who have served more than 9 years, to consider their continued independence despite the tenure of their office.

The results of such assessment and evaluation were collated by the Company Secretary and reviewed and considered by the NC, with the appropriate reports or recommendations (including on follow-up actions, if any) provided to the Board.

The Chairman will act on the results of the performance evaluation, and, in consultation with the NC, proposed, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

The Company does not engage an external facilitator in respect of the Board Performance Evaluation.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition and Terms of Reference of Remuneration Committee

As at the date of this report, the RC comprises the following members:

Dr Kunchit Singsuwan	Chairman
Dr Aphichat Sramoon	Member
Mr Kenny Lim Yeow Hua	Member

The RC reviews and makes recommendations to the Board on the framework of remuneration, and the remuneration packages for each director as well as for the key management personnel.

The RC is governed by its written terms of reference. All members of the RC, including the chairman, is independent. The duties and powers of the RC are, inter alia, as follows:

- to recommend to the Board a framework of remuneration for the Directors and the Management which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;

- to determine specific remuneration packages for each Executive Director;

- to recommend to the Board the remuneration of non-executive directors, which should be appropriate to the level of their respective contributions, taking into account factors such as effort and time spent, and the responsibilities of our non-executive directors; and

- to determine the targets for any performance-related schemes in respect of the Executive Director(s), and to review and recommend to the Board the terms of renewal of their service contracts to ensure that such contracts of service, if any, contain fair and reasonable termination clauses

Access to Remuneration Consultants

Majority of the members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. The RC has full authority to engage any external professional to advise on matters regarding executive compensation matters, if required.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

In setting remuneration packages, the Company takes into account the pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of each individual employee.

The RC's recommendations are submitted for approval by the Board. No director is involved in deciding his own remuneration. Each member of the RC will abstain from reviewing and voting on any RC resolution approving his own remuneration and the remuneration packages of persons related to him.

Remuneration Structure of Executive Director

In connection with the Company's listing on the SGX-ST in July 2015 (the "**Listing**"), the service agreement between the Executive Director is valid for an initial period of three (3) years upon Listing and will be automatically extended on a yearly basis thereafter. Pursuant to which, the remuneration for the Executive Director comprises a basic salary component and a variable component, based on the performance of the Group as a whole and his individual performance. The Executive Director does not receive Directors' fees.

Remuneration Structure of Key Management Personnel

The remuneration of the key management personnel generally comprises primarily of a basic salary component and a variable component which is the bonuses, based on the performance of the Company and the Group as a whole and individual performance.

Contractual Provisions Protecting the Company's Interests

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The RC, will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Director and key management personnel paid in prior years in such exceptional circumstances.

Remuneration Structure of Independent Directors and Non-Executive Directors

The Independent Directors and Non-Executive Directors receive directors' fees of varying amounts taking into account factors such as their respective roles and responsibilities, effort and time spent for serving on the Board and Committees. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The Board may, if it considers it necessary, consult experts on the remuneration of Independent Directors and Non-Executive Directors.

The payment of Directors' fees is subject to the approval of Shareholders, and the Board will recommend the remuneration of the Non-Executive Directors for approval by shareholders at the Annual General Meeting of the Company ("**AGM**"). The Executive Directors do not receive directors' fees.

Remuneration Framework

The Board is of the view that the current remuneration structure for the Executive Directors, Non-Executive Directors and key management personnel are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that full disclosure of the remuneration of the Directors and the Group's top key management executive (who are not Directors or the CEO) is not in the best interests of the Company. The Board has taken into account, inter alia, the sensitivity of the matter, the highly competitive business environment the Group operates in and the disadvantages that such disclosure may have on the Group.

The RC will also review the Company's obligations arising in the event of a termination of the Executive Director's and management's contracts of service, to ensure that the contracts of service contain fair and reasonable termination clauses which are not overly generous.

Remuneration of Directors and Key Management Personnel

The remuneration bands of the Directors for FY2020 are set out below:

CORPORATE GOVERNANCE REPORT

Remuneration Band and Name of Directors	Salary	Variable bonus	Director fees	Other benefits	Total
	(%)	(%)	(%)	(%)	(%)
Below or equal to S$250,000					
Mr John Grønbech (resigned on 14 December 2020)	64	-	-	36[1]	100.0
Dr Chirasak Chiyachantana	-	-	-	-	-
Dr Kunchit Singsuwan	-	-	-[2]	-	100
Dr Aphichat Sramoon	-	-	-[2]	-	100
Mr Kenny Lim Yeow Hua	-	-	100	-	100

Notes:

(1) Other benefits includes allowance and benefit-in-kind.

(2) Director fee waived in FY2020

The Group only has one key management executive (who is not a Director or the CEO) which is the CFO of the Company. The remuneration of the CFO is below S$250,000 for FY2020.

None of the full-time employees are related to the Directors and/or substantial Shareholders. The Company does not have any employee who is an immediate family member of a Director or CEO, and whose remuneration exceeds S$100,000 during FY2020.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS, AND AUDIT COMMITTEE

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

Principle 10: The Board has an AC which discharges its duties objectively.

Risk Management System

Risk management forms part of the responsibilities of the AC.

The Board, assisted by the AC, has oversight of the risk management system in the Group. The practice of risk management is undertaken by the Management under the purview of the AC and the Board. The Group has put in place appropriate risk management processes to evaluate the operating, investment and financial risks of the Group. The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

The Board reviews the adequacy and effectiveness of the Group's risk management systems and internal controls framework, including financial, operational, compliance and information technology controls on an annual basis.

*Assurance from Chairman and Chief Financial Officer ("**CFO**")*

For FY2020, the Chairman and the CFO have provided their assurance to the Board that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are adequate and effective.

Board's Opinion on Internal Controls

Based on the review and supervision under the AC, the existing internal controls in place and the assurance received from the CFO, the Board, with the concurrence of the AC, is of the opinion that, for FY2020, the internal controls in place in the Group to address risks relating to financial, operational, compliance, information technology controls and risk management systems are adequate and effective.

The Board acknowledges that risk is inherent in business and there are commercial risks to be taken in the course of generating a return on business activities. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, frauds or other irregularities.

Composition and Terms of Reference of Audit Committee

As at the date of this report, the AC comprises the following members:

Mr Kenny Lim Yeow Hua	Chairman
Dr Kunchit Singsuwan	Member
Dr Aphichat Sramoon	Member

The members of the AC are appropriately qualified and possess the relevant accounting or related financial management expertise or experience to discharge their responsibilities.

The AC is governed by its written terms of reference. All members of the AC, including the chairman, is independent. The duties and powers of the AC are, inter alia, as follows:

- assist the Board in the discharge of its responsibilities on financial reporting matters;

- review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors;

- review the interim and annual consolidated financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;

- review and report to the Board at least annually the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, information technology controls and risk management systems and ensure co-ordination between the internal and external auditors, and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);

- review the independence and objectivity of the external auditor;

- review and discuss with the external auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

- make recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;

- review significant financial reporting issues and judgments with the CFO and the external auditor so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;

- review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

- review any potential conflicts of interest;

- review the suitability of the CFO and the adequacy of the finance team on an on-going basis;

- review and approve all hedging policies and instruments (if any) to be implemented by the Group;

- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- review the financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

- review and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

- review the Group's compliance with such functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;

- review arrangements by which the staff may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters, and to ensure that those arrangements are in place for independent investigations of such matters and for appropriate follow-up; and

- generally to undertake such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and co-operation from the Management and full discretion to invite any director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

Continuing Development of the Audit Committee

The AC also meets regularly with the Management, the CFO and external auditor to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the external and internal auditors without the presence of the Management, to review any matters that might be raised privately. For FY2020, the AC has met the external and internal auditors without the Management.

External Audit Function

The AC reviews the scope and results of the audit work, the cost effectiveness of the audit and the independence and objectivity of the external auditor, Messrs Foo Kon Tan LLP ("**FKT**"). During FY2020, the AC has reviewed independence of the external auditor including the nature of non-audit services provided by FKT. The AC has reviewed the nature and amount of non-audit fees paid to FKT, as disclosed in Note [●] to the financial statements of the Company, and is of the view that the independence and objectivity of the external auditor and other auditors have not been compromised.

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC.

The AC has recommended to the Board the re-appointment of FKT as the Group's external auditor and the Board has accepted the AC's recommendation and the re-appointment will be tabled in the forthcoming annual general meeting.

The Company's external auditor have also briefed the AC on the changes in the financial reporting standards that will take effect in the following years. This ensures that the AC is kept abreast with the changes in financial reporting standards which could have a direct impact on the Group's financial statements.

The Group has appointed different auditors for its overseas subsidiaries and ceased after the completion of the disposal of Nautec Group Pte Ltd and being designated a cash company with effect from 11 December 2020. The Board and the AC are satisfied that the appointment of different auditing firms would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rules 712 and 716 of the Catalist Rules.

Whistle Blowing Policy

The Company has put in place a whistle-blowing policy where the staff of the Company and third parties may, in confidence, raise concerns via letter or email about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The AC will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted. No such whistle-blowing letter or email was received in FY2020.

Internal Audit Function

The Board supports the need for an internal audit function where its primary objective is to maintain a system of internal controls and processes to safeguard Shareholders' investment and the Group's assets. The internal auditor's primary role is to assist the Board and the Management to review the effectiveness of the key internal controls, including financial, operational, compliance, information technology controls, and risk management systems on an ongoing basis and to provide an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes.

For FY2020, the AC did not appoint an internal auditor as the Group do not have any revenue generating business and designated a cash company with effect from 11 December 2020 after the completion of the disposal of Nautec Group Pte Ltd. As there are minimal business and internal control risks arising to be dealt with, the AC reviewed and supervised the internal control function which primarily relates to the corporate related matters based on the current control policy that is already in place.

The AC will review the adequacy and effectiveness of the Group's internal audit function on an annual basis, where applicable.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision of Information to Shareholders

Shareholders are informed of general meetings through annual reports and circulars sent to all Shareholders through the Company's announcements via SGXNET. The Company ensures that timely and adequate disclosure of information on matters with material impact on the Company are made to Shareholders, in compliance with the Catalist Rules and Covid-19 (Temporary Measures) Act 2020.

Proxies

The Company's Constitution allows Shareholders to attend and vote at general meetings of the Company by proxies. A Shareholder may appoint up to 2 proxies to attend and vote on his behalf at a general meeting through proxy form deposited 48 hours before the meeting. However the Company allows Shareholders who are relevant intermediaries (as defined in Section 181(6) of the Companies Act, Chapter 50 of Singapore) to appoint more than 2 proxies to attend and vote at the same general meeting.

In conjunction with the notices of general meetings, Shareholders are provided with the proxy forms which include the instructions on voting.

However, in line with the Covid-19 (Temporary Measures) Act 2020, shareholders (whether individuals or corporates) who wish to exercise their votes must submit a proxy form to appoint the chairman of the AGM (the "**Chairman**") to vote on their behalf.

Procedure of General Meetings

The Company will also appoint a polling agent and an independent external party as scrutineer who will attend the general meetings to ensure that the polling process is properly carried out.

Prior to the general meetings, the scrutineer will review the proxies and the poll voting system and attends to the proxy verification process to ensure that the proxy and poll voting information is compiled correctly. The rules, including the voting process, shall be explained by the scrutineers at general meetings.

Separate resolutions on each distinct issue are tabled at general meetings. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

Shareholders (whether individuals or corporates) appointing the Chairman as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form. All resolutions are conducted by poll (by way of poll voting slips collected after all resolutions have been proposed and seconded), in the presence of independent scrutineers. The results of the poll showing the number of votes cast for and against each resolution and the respective percentages are shown to shareholders of the Company at the meeting after all the resolutions have been put to the poll, and will be published on SGXNET thereafter.

In light of the Covid-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 published on 13 April 2020 ("Covid-19 Order"), the Company will be conducting the AGM and EGM wholly by way of electronic means pursuant to First Schedule of the Covid-19 Order.

Shareholders will not be able to vote online at the AGM and EGM. Instead, if shareholders (whether individuals or corporates) wish to exercise their votes, they must submit a proxy form to appoint the chairman of the AGM (the "**Chairman**") to vote on their behalf.

Attendees at General Meetings

Shareholders may submit any questions they may have in advance in relation to any resolutions set out in the notice of AGM via email to the Company. The Company will endeavour to address substantial and relevant questions relating to the resolutions prior to or at the AGM and EGM via live webcast and audio only means. The Board, Management and external auditor (if applicable) are generally present at these meetings.

Details of the Board attendance for the two (2) general meetings held in FY2020 are as follows:

Date of Meeting	Meeting	Details of Board attendance
29 June 2020	AGM	Save for Dr. Aphichat Sramoon, the entire board present
8 December 2020	EGM	The entire board present

Voting in Absentia

The Constitution allows Directors, at their sole discretion, to approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. Voting in absentia such as voting via mail, electronic mail or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

Minutes of General Meetings

Minutes of general meetings (including minutes of AGM), which include substantial comments or queries from Shareholders and responses from the Board and Management, are publicly available at the Company's announcement via SGXNNET.

Dividend Policy

The Company currently does not have a formal dividend policy. The form, frequency and amount of future dividends on our shares will depend on our cash and retained earnings, expected and actual future earnings, working capital requirements, general financing conditions, projected levels of capital expenditure and other investment plans, restrictions on payments of dividends imposed on the Company by the financial arrangements (if any) as well as general business conditions and other factors as the Directors may, in their absolute discretion, deem appropriate. The Company recorded a loss for FY2020, accordingly no dividend was paid for the period.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

Disclosure of information on timely basis

The Company is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its Shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its Shareholders' views and addressing their concerns. By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility.

Communication with Shareholders

The Company communicates with Shareholders and the investment community through timely release of announcements via the SGXNET, including the Company's financial results announcements which are published through the SGXNET on a half yearly basis. Financial results announcements and annual reports are announced or issued within the mandatory period prescribed.

General meetings have been and are still the principal forum for dialogue with Shareholders. Shareholders' views are sought at general meetings, and Shareholders are given the opportunity to air their views and ask Directors and Management questions regarding the Company and the Group.

Shareholders may also provide any feedback they may have about the Company to the Company's registered address at 138 Robinson Road #26-03 Oxley Tower Singapore 068906

Investor Relations Practices

The Company's management and directors are also focus on facilitating the communications with all stakeholders – Shareholders, regulators, analysts and media, etc – on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

Shareholders can contact the Company at the above registered address. The Company has procedures in place for following up and responding to stakeholders queries as soon as applicable.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDER

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long term future of the Company. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators and shareholders.

The Company does not practice selective disclosure. Price sensitive information is released on SGXNET on a timely basis as required by the Catalist Rules. Financial results and annual reports are announced or issued within the mandatory periods. The release of such timely and relevant information is crucial to good corporate governance and enables Shareholders to make informed decisions in respect of their investments in the Company.

OTHER CORPORATE GOVERNANCE MATTERS

DEALINGS IN SECURITIES

The Company has adopted a policy which prohibits dealings in the securities of the Company by the Directors and employees of the Group while in possession of price-sensitive information. Under this policy, the Company, the Directors and employees of the Group are not permitted to deal with the securities of the Company during the period commencing one month before the announcement of the Company's half-year and full year results, and ending on the date of the announcement.

In addition, the Directors and employees are also discouraged from dealing in the Company's securities on short-term considerations and are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The Board is kept informed when a Director trades in the Company's securities.

CORPORATE GOVERNANCE REPORT

DISCLOSURE OF MATERIAL CONTRACTS

Except as disclosed in Note [●] and [●] of the notes to the financial statements, there were no other material contracts of the Company and its subsidiaries involving the interests of the Group CEO or each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All interested person transactions are subject to review by the AC to ensure compliance with established procedures.

No general mandate has been obtained from Shareholders in respect of interested person transactions for FY2020.

On 9 October 2020, the Company announced that it had entered into a sale and purchase agreement with John Gronbech for the proposed disposal by the Company of the entire issued and paid-up ordinary shares in the capital of Nautec Group Pte Ltd for an aggregate consideration of US$214,345 ("Disposal") which has since been completed on 11 December 2020. John Gronbech was the Executive Director and Chief Executive Officer of the Company prior to the completion of the Disposal.

There were no other interested person transactions of S$100,000 or more for FY2020 except for the above.

NON-SPONSORSHIP FEES

The non-sponsor fees paid to UOB Kay Hian Private Limited for FY2020 is S$67,000.

FINANCIAL CONTENTS

Directors' statement
for the financial year ended 31 December 2020

The directors are pleased to present their statement to the members together with the audited financial statements of NauticAWT Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2020.

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Name of directors
The directors of the Company in office at the date of this statement are:

Chirasak Chiyachantana
Kunchit Singsuwan
Aphichat Sramoon
Lim Yeow Hua @ Lim You Qin

Arrangements to acquire shares, debentures, warrants or options
During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or any other corporate body, other than as disclosed in this report.

Directors' interest in shares, debentures, warrants or options
According to the Register of Directors' Shareholdings kept by the Company under the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Directors' interest in shares, debentures, warrants or options (Cont'd)

	Holdings registered in the name of director or nominee			Holdings in which director is deemed to have an interest		
	As at 1.1.2020	**As at 31.12.2020**	**As at 21.1.2021**	As at 1.1.2020	**As at 31.12.2020**	**As at 21.1.2021**
The Company						
NauticAWT Limited			Number of ordinary shares			
Chirasak Chiyachantana	400,000,000	**400,000,000**	**400,000,000**	-	**-**	**-**

By virtue of Section 7 of the Act, Mr Chirasak Chiyachantana is deemed to have an interest in all the related corporations of the Company.

There is no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or of its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee consisting all non-executive directors, at the date of this report are as follows:

Lim Yeow Hua @ Lim You Qin	(Chairman of AC and independent director)
Kunchit Singsuwan	(Independent director)
Aphichat Sramoon	(Independent director)

The Audit Committee performs the functions set out in Section 201B(5) of the "Act", the Catalist Rules of the Listing Manual of the SGX-ST and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It also met with the Company's internal auditor to discuss the results of their examination and evaluation of the Group's system of internal accounting controls;

(ii) the audit plan of the Company's external auditor and any recommendations on the Group's internal accounting controls arising from the statutory audit;

Audit Committee (Cont'd)

(iii) the half-yearly financial information, the statement of financial position of the Company as at 31 December 2020 and the consolidated financial statements of the Group for the financial year ended 31 December 2020, as well as the auditor's report thereon;

(iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor;

(v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) the internal auditors' internal audit plans and their evaluation of the adequacy of the Group's internal control and accounting system before submission of the results of such review to the Board for approval;

(xi) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xii) interested person transactions (as defined in Chapter 9 of the Catalist Rules of the Listing Manual of the SGX-ST).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Corporate Governance Report.

In appointing our auditors for the Company and its subsidiaries, we have complied with Catalist Rules 712 and 715 of the SGX-ST Listing Manual.

Independent auditor
The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
CHIRASAK CHIYACHANTARA

....
LIM YEOW HUA @ LIM YOU QIN

Dated: 15 April 2021

Independent auditor's report to the members of NauticAWT Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of NauticAWT Limited (the Company) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group and statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

<u>Purchase price allocation exercise on acquisition of associate</u>

On 10 January 2020, the Company announced the completion of the acquisition of a 35% equity interest in Chokdee Dimsum Corporation Company Limited ("Chokdee"), a restaurant in Thailand. The consideration was THB70 million (approximately equivalent to US$2,274,000).

Management has evaluated its investment in the restaurant to be an associate in accordance with SFRS(I) 1-28 Investments in Associates and Joint Ventures on the basis that the Company has significant influence over the associate.

SFRS(I)1-28 Investments in Associates and Joint Ventures requires the Group to recognise the identified assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over identified fair value of recognised assets and liabilities as goodwill. The Company is required to perform a purchase price allocation exercise ("PPA") as at the acquisition date to determine the appropriate fair values of the net identifiable assets and liabilities at the acquisition date on 10 January 2020. No PPA has been performed at the date of this report. Therefore, we were unable to obtain sufficient appropriate audit evidence to ascertain that the requirements of SFRS (I) 3 have been complied with, as well as the resultant gain on bargain purchase of US$31,896 recognised in the consolidated profit and loss for financial year ended 31 December 2020.

Independent auditor's report to the members of NauticAWT Limited (Cont'd)

Basis for Disclaimer of Opinion (Cont'd)

Recoverable amount of investment in an associate

The carrying values as at 31 December 2020 of investment in associate are US$2,277,618 for the Group and US$2,274,470 for the Company. There were indicators of impairment in the associate as at 31 December based on their latest financial statements for the year ended 31 December 2020. The recoverable amount of the investment is the higher of fair value less cost to sell and value-in-use ("VIU"). The Group completed an impairment testing using the value-in-use method to compute the cash flows. However, we were not able to verify the key assumptions of the discounted cash flows of the VIU computations. As a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves if the carrying amount is appropriately stated, including whether any impairment is required as at 31 December 2020.

Unaudited financial information of associate

The Group accounts for its investment in associate in Chokdee using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss include its share of the investee's profit or loss and the investor's other comprehensive income or loss includes its share of the investee's other comprehensive income or loss. Losses of the investee in excess of the investor's interest in the investee are not recognised except to the extent that the investor has an obligation.

We understand that for the purpose of consolidating Chokdee, management obtained the unaudited financial statements of Chokdee for the year ended 31 December 2020 and used these accounts to equity account for Chokdee in the consolidated financial statements of the Group.

We were not able to obtain sufficient appropriate audit evidence on the accounts of Chokdee as we are unable to obtain the audited financial statements of the associate and a component audit of Chokdee could not be carried out for the purposes of the consolidated financial statements of the Group.

Because of the limitation in the scope of our work, we are unable to determine if the share of losses of Chokdee and the carrying value of Chokdee are appropriately stated for the year ended 31 December 2020 and at 31 December 2020 respectively.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and the Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Soh Mui.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 15 April 2021

Statements of financial position
as at 31 December 2020

	Note	The Group 31 December 2020 US$	 31 December 2019 US$	The Company 31 December 2020 US$	 31 December 2019 US$
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	**-**	5,361,325	**-**	-
Right-of-use assets	4	**-**	117,345	**-**	-
Intangible assets	5	**-**	1,124,332	**-**	-
Investment in subsidiaries	6	**-**	-	**-**	-
Investment in an associate	7	**2,277,618**	-	**2,274,470**	-
		2,277,618	6,603,002	**2,274,470**	-
Current Assets					
Inventories	8	**-**	260,336	**-**	-
Contract assets	9	**-**	50,034	**-**	-
Trade receivables	10	**-**	750,019	**-**	-
Other receivables	11	**143,576**	1,764,506	**143,576**	749,063
Cash and bank balances	12	**73,303**	3,201,539	**73,303**	2,577,935
		216,879	6,026,434	**216,879**	3,326,998
Total Assets		**2,494,497**	12,629,436	**2,491,349**	3,326,998
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	13	**12,075,892**	12,075,892	**12,075,892**	12,075,892
Other capital reserve	13.1	**2,275,020**	2,275,020	**2,275,020**	2,275,020
Share options reserve	13.2	**108,639**	108,639	**108,639**	108,639
Foreign currency translation reserve	13.3	**88,164**	144,329	**-**	-
Accumulated losses		**(12,350,253)**	(12,391,437)	**(12,265,237)**	(11,982,695)
Total Equity		**2,197,462**	2,212,443	**2,194,314**	2,476,856
Non-Current Liabilities					
Bank loans and advances	15	**-**	2,992,451	**-**	-
Lease liabilities	16	**-**	1,437	**-**	-
Other payables	18	**-**	1,053,850	**-**	-
		-	4,047,738	**-**	-
Current Liabilities					
Trade payables	17	**-**	870,600	**-**	-
Other payables	18	**297,035**	4,346,261	**297,035**	850,142
Contract liabilities	9	**-**	69,871	**-**	-
Deferred government grant received		**-**	355,130	**-**	-
Liabilities for trade bills discounted with recourse	19	**-**	26,055	**-**	-
Bank loans and advances	15	**-**	582,229	**-**	-
Lease liabilities	16	**-**	119,109	**-**	-
		297,035	6,369,255	**297,035**	850,142
Total Liabilities		**297,035**	10,416,993	**297,035**	850,142
Total Equity and Liabilities		**2,494,497**	12,629,436	**2,491,349**	3,326,998

Consolidated statement of profit or loss and other comprehensive income
for the financial year ended 31 December 2020

	Note	**Year ended 31 December 2020 US$**	Year ended 31 December 2019 US$
Continuing operations			
Revenue		**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
Distribution expenses		**-**	-
Administrative expenses		**(515,827)**	(1,757,962)
Other income	20	**8,941**	2,184,202
Finance costs	21	**-**	(282,985)
Share of loss of an associate	7	**(85,016)**	-
(Loss)/Profit before tax		**(591,902)**	143,255
Taxation	22	**-**	-
(Loss)/Profit for the year from continuing operations		**(591,902)**	143,255
Discontinued operations			
Profit/ (loss) for the year from discontinued operations	23	**633,086**	(357,197)
Profit/(Loss) for the year	24	**41,184**	(213,942)
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss			
Loss			
Exchange differences on translation of foreign operations (nil tax)		**88,164**	98,366
Reclassified to profit or loss on disposal of subsidiaries		**(144,329)**	-
Total other comprehensive income for the year		**(56,165)**	98,366
Total comprehensive loss for the year		**(14,981)**	(115,576)
Loss attributable to:			
Owners of the Company		**41,184**	(213,942)
Loss attributable to equity holders of the company relates to:			
Loss from continuing operations		**(591,902)**	143,255
Loss from discontinued operations		**633,086**	(357,197)
		41,184	(213,942)
Total comprehensive profit/ (loss) attributable to:			
Owners of the Company		**(14,981)**	(115,576)
Loss per share			
From continuing and discontinued operations:			
Basic (cents)	25	**0.01**	(0.09)
Diluted (cents)	25	**0.01**	(0.09)
From continuing operations:			
Basic (cents)	25	**(0.07)**	0.06
Diluted (cents)	25	**(0.07)**	0.06

Consolidated statement of changes in equity

for the financial year ended 31 December 2020

The Group	Share capital US$	Other capital reserve US$	Share options reserve US$	Foreign currency translation reserve US$	Accumulated losses US$	Total equity US$
At 1 January 2019	7,733,885	1,166,251	108,639	45,963	(12,177,495)	(3,122,757)
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(213,942)	(213,942)
Other comprehensive income for the year	-	-	-	98,366	-	98,366
	-	-	-	98,366	(213,942)	(115,576)
Transaction with owners recognised directly in equity						
Issuance of shares pursuant to:						
- Debt restructuring (Note 13)	1,371,908	1,556,773	-	-	-	2,928,681
- 2019 placement (Note 13)	3,249,097	-	-	-	-	3,249,097
- Share issuance expenses (Note 13)	(278,998)	-	-	-	-	(278,998)
Conversion of convertible bonds (Note 17)	-	(448,004)	-	-	-	(448,004)
	4,342,007	1,108,769	-	-	-	5,450,776
At 31 December 2019	**12,075,892**	**2,275,020**	**108,639**	**144,329**	**(12,391,437)**	**2,212,443**
Total comprehensive loss for the year						
Loss for the year	**-**	**-**	**-**	**-**	**41,184**	**41,184**
Other comprehensive income for the year	**-**	**-**	**-**	**(56,165)**	**-**	**(56,165)**
	-	**-**	**-**	**(56,165)**	**41,184**	**(14,981)**
At 31 December 2020	**12,075,892**	**2,275,020**	**108,639**	**88,164**	**(12,350,253)**	**2,197,462**

Consolidated statement of cash flows
for the financial year ended 31 December 2020

	Note	**Year ended 31 December 2020 US$**	Year ended 31 December 2019 US$
Cash Flows from Operating Activities			
Profit/(Loss) before taxation			
- Continuing operations		**(591,902)**	143,255
- Discontinued operation		**716,618**	(357,197)
Net profit/(loss) before taxation		**124,716**	(213,942)
Adjustments for:			
Depreciation of property, plant and equipment	3	**606,861**	675,441
Depreciation of right-of-use assets	4	**110,369**	120,438
Amortisation of intangible assets	5	**23,367**	(987)
Gain on disposal from discontinued operations	20	**-**	(214,572)
Loss on disposal of investment in subsidiaries	6	**38,722**	-
Share of loss of an associate	7	**85,016**	-
Impairment loss on of property, plant and equipment	3	**-**	991,403
(Gain)/Loss on disposal of property, plant and equipment	24	**(254)**	63,872
Finance costs		**275,808**	566,346
Gain on debt restructuring share issued	20	**-**	(1,954,416)
Finance income on non-current other payables initially measured at fair value		**-**	(91,023)
Operating profit/(loss) before working capital changes		**1,264,605**	(57,440)
Change in inventories		**157,020**	295,792
Change in contract assets		**(7,316)**	429,721
Change in trade receivables		**(7,238,405)**	780,823
Change in other receivables		**153,620**	(856,548)
Change in trade payables		**7,340,143**	72,149
Change in other payables		**(1,111,891)**	374,642
Change in contract liabilities		**-**	69,871
Change in trade bills discounted with recourse		**(121,953)**	(15,012)
Cash (used in)/generated from operations		**(435,823)**	1,093,998
Income taxes paid		**(11,216)**	(3,799)
Net cash (used in)/generated from operating activities		**(424,607)**	1,090,199
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	A	**(37,352)**	(2,127)
Acquisition of intangible asset	B	**(110,360)**	(7,519)
Proceeds from disposal of property, plant and equipment		**1,420**	6,709
Net cash outflow on disposal of investment in subsidiaries		**(640,649)**	-
Investment in an associate		**(1,592,129)**	-
Net cash used in investing activities		**(2,379,070)**	(2,937)
Cash Flows from Financing Activities			
Loan from director		**-**	131,121
Repayment of loan from directors		**-**	(102,674)
Receipt of loan from third parties		**-**	100,105
Repayment of loan from third parties		**-**	(282,166)
Placement of restricted cash		**-**	(564,013)
Principal payment of lease liabilities		**(116,155)**	(126,860)
Repayments of bank loans		**(70,816)**	(293,161)
Interest paid		**(143,951)**	(314,571)
Issuance of ordinary shares, net of expenses	C	**-**	2,970,099
Net cash (used in)/generated from financing activities		**(330,922)**	1,517,880
Net (decrease)/increase in cash and cash equivalents		**(2,285,385)**	2,605,142
Cash and cash equivalents at beginning of year		**2,288,089**	(323,831)
Effects of currency translation on cash and cash equivalents		**70,599**	6,778
Cash and cash equivalents at end of year	12	**73,303**	2,288,089

Consolidated statement of cash flows (Cont'd)
for the financial year ended 31 December 2020

Notes

(A) The Group acquired property, plant and equipment at an aggregate cost of US$120,644 (2019 - US$36,737) and cash payment of US$37,352 (2019 - US$2,127) were paid during the year. As at 11 December 2020, these have been disposed of under its disposed subsidiaries.

(B) The Group capitalised intangible assets at an aggregate cost of US$110,360 (2019 - US$13,739) and cash payment of US$110,360 (2019 - US$7,519) were paid during the year. The remaining amounts of US$Nil (2019 - US$99,671) pertains to the capitalisation of supplier invoices which remains unpaid and was recorded under "other payables". As at 11 December 2020, these have been disposed of under its disposed subsidiaries.

(C) During the year ended 31 December 2019, the Company entered into a share subscription agreement with new director to allot an aggregate of 400,000,000 new ordinary shares, amounting to US$3,249,097 (S$4,500,000). The Company incurred total cost of US$278,998 related to the issuance of new shares. Refer to Note 13 for further details.

Consolidated statement of cash flows (Cont'd)
for the financial year ended 31 December 2020

Reconciliation of liabilities arising from financing activities
The following are the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	Bank loans US$	Loan from third parties US$	Loan from Employees US$	Loan from Directors US$	Convertible Notes US$	Lease liabilities US$	Total US$
As at 1 January 2019	**3,847,704**	**511,375**	**592,411**	**760,537**	**2,639,143**	**-**	**8,351,170**
Adoption of SFRS(I) 16	**-**	**-**	**-**	**-**	**-**	**237,783**	**237,783**
Exchange movement	**(8,411)**	**-**	**-**	**-**	**(294)**	**-**	**(8,705)**
Settlement through shares	**-**	**(90,970)**	**(354,797)**	**(685,921)**	**(2,872,188)**	**-**	**(4,003,876)**
Debt restructuring - payable	**-**	**(108,166)**	**(566,311)**	**-**	**-**	**-**	**(674,477)**
Accruals	**-**	**46,896**	**264,592**	**(103,063)**	**-**	**-**	**208,425**
Lease payment	**-**	**-**	**-**	**-**	**-**	**(126,859)**	**(126,859)**
Finance cost	**246,914**	**12,366**	**64,105**	**-**	**233,339**	**9,622**	**566,346**
Interest paid	**(314,571)**	**--**	**-**	**-**	**-**	**--**	**(314,571)**
Proceeds from trade loan	**96,205**	**--**	**-**	**-**	**-**	**--**	**96,205**
Proceeds from loan	**-**	**100,105**	**-**	**131,121**	**-**	**--**	**231,226**
Repayment of loans	**(293,161)**	**(282,166)**	**-**	**(102,674)**	**-**	**--**	**(678,001)**
As at 31 December 2019	**3,574,680**	**189,440**	**-**	**-**	**-**	**120,546**	**3,884,666**
As at 1 January 2020	**3,574,680**	**189,440**	**-**	**-**	**-**	**120,546**	**3,884,666**
Exchange movement	**12,144**	**-**	**-**	**-**	**-**	**-**	**12,144**
Accruals	**70,595**	**-**	**-**	**-**	**-**	**-**	**70,595**
Lease payment	**-**	**-**	**-**	**-**	**-**	**(116,155)**	**(116,155)**
Interest paid	**(143,951)**	**-**	**-**	**-**	**-**	**-**	**(143,951)**
Finance cost	**272,901**	**-**	**-**	**-**	**-**	**2,907**	**275,808**
Repayment of loans	**(70,816)**	**-**	**-**	**-**	**-**	**-**	**(70,816)**
Disposal of subsidiaries	**(3,715,553)**	**(189,440)**	**-**	**-**	**-**	**(7,298)**	**(3,912,291)**
As at 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1 General information

The financial statements of NauticAWT Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

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 138 Robinson Road #26-03 OxleyTower Singapore 068906.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associate are disclosed in Note 6 and Note 7, respectively, to the financial statements.

2(a) Basis of preparation

Going Concern

As at 31 December 2020, the Group's current liabilities exceeded its current assets by US$80,156 (2019 - US$342,821) and the Group recorded a profit of US$41,184 (2019 – loss of US$213,942) for the financial year then ended. The Group and the Company has accumulated losses of US$12,350,253 (2019 - US$12,391,437) and US$12,265,237 (2019 - US$11,982,695) respectively. The Company has a net current liability of US$80,156 (2019 – net current assets of US$2,476,856) as at 31 December 2020.

The ability of the Group 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 of the Company to provide the necessary financial support of up to $1 million Singapore dollars, so as to enable the Group and the Company to meet the debts as and when they fall due. The directors believe that the Group will have sufficient cash resources to satisfy its working capital requirements within the next 12 months after the financial year ended 31 December 2020 to enable it to continue operations and meet its liabilities as and when they fall due. Accordingly, the Group and Company continue to adopt the going concern basis in preparing its financial statements. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

The financial statements are drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related Interpretations promulgated by the Accounting Standards Council ("ASC") and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in United States dollar which is the Company's functional currency. All financial information is presented in United States dollar, unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no effect on the amounts or the disclosures reported for the current or prior reporting periods:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised Conceptual Framework for Financial Reporting		1 January 2020

<u>Amendments to SFRS(I) 3 Definition of a Business</u>
The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

<u>Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material</u>
The amendments include clarifications to the definition of 'material' and the related guidance:
- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence;
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

The Group has adopted the amendments with effect from 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedging reserve at that date. The amendments are relevant for the following types of hedging relationships and financial instruments of the Group, all of which extend beyond 2021, the date by which the reform is expected to be implemented:

- cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked cash flows (in SGD);
- fair value hedges where IBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the IBOR risk component (in SGD);
- net investment hedge where an IBOR-linked derivative hedges the foreign currency risk of its net investment in foreign operations in China; and
- loans to joint ventures, bank borrowings and lease liabilities which reference IBOR and are subject to the IBOR reform.

The application of the amendments impacts the Group's accounting in the following ways.

- Hedge accounting relationships shall continue despite the following:
  - for cash flow hedge of IBOR cash flows: there is uncertainty about the timing and amount of the hedged cash flows due to the IBOR reform;
  - for IBOR fair value hedge: the benchmark interest rate component may not be separately identifiable; and
  - for net investment hedge: there is uncertainty about the replacement of the IBOR reference rate included in the hedging derivative.
- The Group shall not discontinue hedge accounting even if the retrospective assessment of hedge effectiveness for a hedging relationship that is subject to the IBOR reform falls outside the range of 80% to 125% in accordance with SFRS(I) 1-39.
- The Group shall retain the cumulative gain or loss in the cash flow hedging reserve for designated IBOR cash flow hedges that are subject to the IBOR reform even though there is uncertainty arising with respect to the timing and amount of the cash flows of the hedged items.

There is no impact to the Group's and the Company's financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Revised Conceptual Framework for Financial Reporting
The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I), issued together with the revised Conceptual Framework, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

2(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023

Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions
The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current
The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current (Cont'd)
The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(d) 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.

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

Significant influence over associate (Note 7)

The Group holds a 35% effective equity interest in Chokdee Dimsum Corporation Company Limited ("Chokdee"). Significant influence is presumed to exist when an entity holds 20% or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise. Management of Group has exercised significant judgement and determined that the Group continues to have significant influence over Chokdee, given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. As at 31 December 2020, the carrying amount of the investment in associate is US$2,235,700 for the Group and US$2,274,470 for the Company..

Significant judgements in applying accounting policies

Determination of functional currency
The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Income taxes
The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

Determination of the lease term (Cont'd)

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Determination of operating segments

Management identifies the Chief Operating Decision Maker ("CODM") as well as their business activities (which may not necessarily earn revenue or incur expenses). Management has further determined whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgement is applied by management in the allocation of resources to the operating segments.

Revenue recognition

The Group developed Ultra High-Performance Concrete and Composites ("UHPC") products and offer UHPC solutions and services for multiple industries including renewables industries, ports and offshore industries, civil construction industries and energy and mining industries. The duration of these projects may range from short-term to mid-term and some of the projects may cross over the financial year reporting period end.

Due to the nature and timing of the engineering services rendered by the Group, the Group has entered into fixed price contracts with customers for the provision of engineering design works, installation services (including mobilisation of equipment), engineering labour hours or delivery of materials. Subsequent changes to original contracts are supported by variation orders agreed with and acknowledged by customers.

Contract revenue is recognised based on the stage of completion of the contract, based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, and when the group has enforceable rights to payment for performance completed to date. The Group becomes entitled to invoice customers based on achieving a series of performance related milestones.

At each reporting period end, management estimates the stage of completion of each contract. In determining the stage of completion of the contract, the Group relies upon the following key estimates or judgement areas:

- total anticipated costs to complete the project;
- completeness of incurred costs recognised for the project to date; and
- changes to the budgeted costs as a result of variation orders with customers.

In making its judgement, management considered the detailed criteria as set out in SFRS(I) 15 Revenue from Contracts with Customers for the recognition of revenue from rendering of services for contract revenue. For sale of goods, management assesses if the Group had transferred to the buyer the control of the goods.

Details of contract assets and revenue are disclosed in Note 9 to the financial statements.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant assumptions used and critical accounting estimates in applying accounting policies

Allowance for expected credit loss ("ECL") of trade and other receivables
The Group and the Company apply the simplified approach and the 3-stage general approach to determine ECL respectively for trade and other receivables and non-trade amounts due from subsidiaries. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider reasonable and supportable qualitative and quantitative forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amounts of trade receivables and other receivables are disclosed in Notes 10 and 11, respectively.

Estimation of the incremental borrowing rate ("IBR")
For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the leased asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 4 and 16, respectively.

Depreciation of property, plant and equipment, intangible assets and right-of-use assets
As described in Note 2(e), the Group reviews the estimated useful lives of property, plant and equipment, intangible assets and right-of-use assets at the end of each annual reporting period. Changes in the expected level and future usage can impact the economic useful lives of these assets with consequential impact on the future depreciation charge. If depreciation on the Group's and the Company's property, plant and equipment increases/decreases by 10% from management's estimates, the Group's and the Company's results for the year will decrease/increase by US$Nil (2019: US$67,445) and US$Nil (2019: US$5,362), respectively. If depreciation on the Group's right-of-use assets increases/decreases by 10% from management's estimates, the Group's results for the year will decrease/increase by US$Nil.

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 3, 4 and 5, respectively, to the financial statements.

Impairment of property, plant and equipment, intangible assets and right-of-use assets
The carrying amounts of the property, plant and equipment, intangible assets and right-of-use assets are reviewed at the end of each reporting period to determine whether there is any indication that those property, plant and equipment, intangible assets and right-of-use assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated. The carrying amount is reduced to the estimated recoverable amount, if lower.

The estimation of recoverable amount involves projection of future cash flows and the use of an appropriate discount rate to discount the projected cash flows to net present value. These projections and discount rates are significant accounting estimates which can cause significant change in the carrying amount in the future should the estimates change. The Group has experienced the effects of challenging economic conditions in the oil and gas industry. Management has made significant estimates on the probability of the economic conditions improving in their projected cash flows. Any unfavourable change in these estimates could result in potential impairment charges to be recognised on the assets held by the Group.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant assumptions used and critical accounting estimates in applying accounting policies

Impairment of property, plant and equipment, intangible assets and right-of-use assets (Cont'd)
A decrease of 5% (2019 - 5%) in the value-in-use of the Group's property, plant and equipment would have decreased the Group's profit by US$Nil (2019 - US$268,066). A decrease of 5% (2019 - 5%) in the value-in-use of the Group's intangible assets would have decreased the Group's profit by US$Nil (2019 - US$56,217). and a decrease of 5% (2019 - 5%) in the value-in-use of the Group's right-of-use assets would have decreased the Group's profit by US$Nil (2019 - US$5,867).

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 3, 4 and 5 to the financial statements.

Valuation of inventories (Note 8)
The Group reviews the ageing analysis of inventories at each reporting date and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

Impairment of investment in an associate
Determining whether the investment in an associate is impaired requires an estimation of the recoverable amount of the investments. This requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows, or to determine the fair value less costs to sell of the investment.

The carrying amount of investment in associate is disclosed in Note 7 to the financial statements.

2(e) Summary of significant accounting policies

Consolidation
(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company or its subsidiary reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company or its subsidiary has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:

- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidation (Cont'd)

(i) Basis of consolidation (Cont'd)

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

(ii) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. 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 subsidiaries. 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 the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and 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. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment 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.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

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 on which 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.

2(e) Summary of significant accounting policies (Cont'd)

Business combinations (Cont'd)
The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Investment in associates
An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint venture using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income (gain on bargain purchase) in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates/joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate/joint venture are eliminated to the extent of the interest in the associates.

2(e) Summary of significant accounting policies (Cont'd)

Investment in associates (Cont'd)
When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate/joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in equity-accounted investees are accounted for at cost less impairment losses. On disposal of an equity-accounted investee, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

2(e) Summary of significant accounting policies (Cont'd)

Intangible assets

Intangible assets acquired separately
Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Internally-generated intangible assets - research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Amortisation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following bases:

Proprietary material development information	5 to 10 years
Trademark	10 years

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2(e) Summary of significant accounting policies (Cont'd)

Intangible assets (Cont'd)

Goodwill (Cont'd)

Goodwill arising from acquisition of associates and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, an associate or a joint venture, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the entity or the relevant cash generating unit.

Investment in subsidiaries
Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Property, plant and equipment and depreciation
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Freehold building	50 years
Machinery	5 years to 10 years
Computer equipment	3 years
Administrative equipment	3 years to 10 years
Laboratory equipment	5 years to 10 years
Motor vehicles	10 years
Leased assets	1 year to 10 years

No depreciation is charged on freehold land.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2(e) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)
Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Company and the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For acquisitions and disposals during the financial period, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimate.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement
Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, and the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policies in this section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit loss assessment. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired, and through the amortisation process.

The Group's financial assets at amortised cost include trade and other receivables and contract assets, excluding prepayments.

Fair value through other comprehensive income (debt instruments)
Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group and the Company do not have financial assets at FVOCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)
The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company do not have financial assets at FVOCI (equity instruments).

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at fair value through profit and loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments, and listed equity investment which the Company and the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity instruments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Group and the Company do not have financial assets at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instrument assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

<u>Credit-impaired financial assets</u>
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's and the Group's financial liabilities include trade and other payables, bank loans and advances, loans from directors, lease liabilities, convertible notes and loans, excluding contract liabilities and government grant received.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss when the changes arise.

The Group and the Company do not have any financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Financial liabilities at amortised cost

Borrowings
Borrowings which are due to be settled more than 12 months after the end of the reporting period are included in current borrowings in the statement of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequence of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least twelve months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the Group can rectify the breach and/or during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Classification as debt or equity
Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Compound instruments
The component parts of compound instruments (convertible notes and loans) issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the company's own equity instruments is an equity instrument.

2(e) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Compound instruments (Cont'd)
At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(c) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to an insignificant risk of changes in value.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Other capital reserve
The other capital reserve represents:

(i) Share conversion reserve as a result of the equity component of convertible debt instruments; and
(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.
(iii) Gain on issuance of shares pursuant to debt restructuring in 2019.

2(e) Summary of significant accounting policies (Cont'd)

Non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Inventories
Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured inventory, cost includes production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company and the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company and the Group performs under the contract.

Leases

The Group as a lessee
The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognise those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position. The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(e) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Land use rights:	Over the lease period
Office premises:	Over the lease period

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position. The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

2(e) Summary of significant accounting policies (Cont'd)

Income taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group operates by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2(e) Summary of significant accounting policies (Cont'd)

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Company and the Group if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Extinguishing financial liabilities with equity instruments
When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, the equity instruments issued shall be measured at their fair value, unless that fair value cannot be reliably measured. If the fair value of the equity instruments issued cannot be reliably measured, then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss, unless an equity instrument is extinguished in which case the gain will be recorded in equity.

2(e) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets
The carrying amounts of the Group's and the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss, except for goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Employee benefits
<u>Short-term employee benefits</u>
Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employee benefits (Cont'd)

Retirement benefits under defined benefits plan
Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Share-based payments
The group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 14. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Provisions
Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Revenue recognition
The Group recognises revenue from the following sources:

- Sale of goods
- Rendering of services
- Interest income
- Dividend income
- Licensing income

Revenue is measured based on the consideration specified in a contract with customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods
Revenue from the sale of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

2(e) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Rendering of services

The Group offers engineering services and contracting solutions for field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature oil and gas fields. Revenue from these offshore engineering and consultancy projects undertaken is recognised based on the stage of completion of the contract, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

The Group becomes entitled to invoice customers for the work performed based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost–to–cost method then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in offshore engineering and consultancy projects with customers as the period between the recognition of revenue under the cost–to–cost method and the milestone payment is always less than one year.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Licensing income

Licensing income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Licensing income determined on a time basis are recognised on a straight-line basis over the period of the agreement. Licensing arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets are recognised as deferred government grant received in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2(e) Summary of significant accounting policies (Cont'd)

Borrowing cost
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Functional currency
Items included in the financial information of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial information of the Company and the Group are presented in United States dollars, which is also the functional currency of the Company.

Conversion of foreign currencies
Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the currency translation reserve in the consolidated financial information and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities
The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period;
(ii) Income and expenses are translated at average exchange; and
(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

2(e) Summary of significant accounting policies (Cont'd)

Operating segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO"), who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

3 Property, plant and equipment

The Group	Machinery US$	Computer equipment US$	Administrative equipment US$	Laboratory equipment US$	Motor vehicles US$	Freehold land US$	Building US$	Total US$
Cost								
At 1 January 2019	5,330,839	256,707	477,314	571,909	12,710	1,280,480	3,216,308	11,146,267
Additions	35,550	1,187	-	-	-	-	-	36,737
Write-off		(146,791)	-	-	-	-	-	(146,791)
Disposal	(99,426)	-	-	-	-	-	-	(99,426)
Exchange differences	(25,584)	(368)	(3,215)	(1,814)	500	(25,439)	(63,900)	(119,820)
At 31 December 2019	**5,241,379**	**110,735**	**474,099**	**570,095**	**13,210**	**1,255,041**	**3,152,408**	**10,816,967**
Additions	**-**	**120,644**	**-**	**-**	**-**	**-**	**-**	**120,644**
Disposals of subsidiaries	**(5,241,379)**	**(231,379)**	**(474,099)**	**(570,095)**	**(13,210)**	**(1,255,041)**	**(3,152,408)**	**(10,937,611)**
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation								
At 1 January 2019	3,066,706	106,817	305,758	221,606	741	-	144,734	3,846,362
Depreciation	496,647	2,742	56,487	54,049	1,296	-	64,220	675,441
Disposal	(28,844)	-	-	-	-	-	-	(28,844)
Exchange differences	(14,700)	(364)	(2,984)	(1,611)	55	-	(4,047)	(23,651)
At 31 December 2019	**3,519,809**	**109,195**	**359,261**	**274,044**	**2,092**	**-**	**204,907**	**4,469,308**
Depreciation	**451,507**	**6,063**	**40,319**	**47,902**	**1,109**	**-**	**59,961**	**606,861**
Disposals of subsidiaries	**(3,970,768)**	**(115,284)**	**(399,701)**	**(321,921)**	**(3,341)**	**-**	**(264,565)**	**(5,075,580)**
Exchange differences	**(548)**	**26**	**121**	**(25)**	**140**	**-**	**(303)**	**(589)**
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment								
At 1 January 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	**991,403**	**-**	**-**	**-**	**-**	**-**	**-**	**991,403**
Exchange differences	**(5,069)**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,069)**
At 31 December 2019	**986,334**	**-**	**-**	**-**	**-**	**-**	**-**	**986,334**
Disposals of subsidiaries	**(986,334)**	**-**	**-**	**-**	**-**	**-**	**-**	**(986,334)**
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value								
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2019	735,236	1,540	114,838	296,051	11,118	1,255,041	2,947,501	5,361,325

3 Property, plant and equipment (Cont'd)

The Company	Machinery	Computer equipment	Administrative equipment	Laboratory equipment	Total
	US$	US$	US$	US$	US$
Cost					
At 1 January 2019	865	197,132	297,469	452,630	948,096
Written off	-	(146,791)	-	-	(146,791)
Disposals	(865)	(50,341)	(297,469)	(452,630)	(801,305)
At 31 December 2019 and 2020	-	-	-	-	-
Accumulated depreciation					
At 1 January 2019	692	48,177	148,088	120,547	317,504
Depreciation	87	1,323	21,831	37,789	61,030
Disposals	(779)	(49,500)	(169,919)	(158,336)	(378,534)
At 31 December 2019 and 2020	-	-	-	-	-
Net book value					
At 31 December 2020	-	-	-	-	-
At 31 December 2019	-	-	-	-	-

Reconciliation of depreciation:

2020	Cost of sales	Administrative cost	Total
	US$	US$	US$
Depreciation	**511,468**	**95,393**	**606,861**

2019	Cost of sales	Administrative cost	Total
	US$	US$	US$
Depreciation	560,867	114,574	675,441

On 11 December 2020, the Company sold all its subsidiaries and the related plant and equipment were derecognised.

During the financial year ended 31 December 2019, the Company sold total value of plant and equipment amounting to US$422,771 to its wholly-owned subsidiary - Nautec Group Pte. Ltd.

As at 31 December 2019, all property, plant and equipment of two subsidiaries amounting to US$4,547,244 were pledged as security for banking facilities disclosed in Note 15 to the financial statements.

For the financial year ended 31 December 2019, there were impairment indicators for the Group's property, plant and equipment. The Group carried out a review of the recoverable amount of certain property, plant and equipment. Refer to Note 6 for the impairment assessment on property, plant and equipment, right-of-use assets and intangible assets.

4 Right-of-use assets

The Group	Office premises
	US$
Cost	
Adoption of SFRS(I) 16:	
- Initial recognition at 1 January 2019	237,783
At 31 December 2019	237,783
Disposal of subsidiaries	(237,783)
At 31 December 2020	-
Accumulated depreciation	
Adoption of SFRS(I) 16:	
- Initial recognition at 1 January 2019	-
Depreciation expense	120,438
At 31 December 2019	120,438
Depreciation expense	110,369
Disposals	(230,807)
At 31 December 2020	-
Net book value	
At 31 December 2020	**-**
At 31 December 2019	117,345

Information about the Group's leasing activities are disclosed in Note 26.

For the financial year ended 31 December 2020 and 2019, there were impairment indicators for the Group's right of use assets. Refer to Note 6 for the impairment assessment on property, plant and equipment, right-of-use assets and intangible assets.

5 Intangible assets

The Group	Goodwill	Material development	Trademarks	Total
	US$	US$	US$	US$
Cost				
At 1 January 2019	317,425	1,173,111	8,246	1,498,782
Additions	-	13,739	-	13,739
At 31 December 2019	**317,425**	**1,186,850**	**8,246**	**1,512,521**
Additions	**-**	**110,360**	**-**	**110,360**
Disposals	**-**	**(1,297,210)**	**(8,246)**	**(1,305,456)**
Write off	**(317,425)**	**-**	**-**	**(317,425)**
At 31 December 2020	**-**	**-**	**-**	**-**
Accumulated amortisation				
At 1 January 2019	-	67,706	4,045	71,751
Amortisation	-	(1,976)	989	(987)
At 31 December 2019	**-**	**65,730**	**5,034**	**70,764**
Amortisation	**-**	**22,430**	**937**	**23,367**
Disposals	**-**	**(88,160)**	**(5,971)**	**(94,131)**
At 31 December 2020	**-**	**-**	**-**	**-**
Impairment				
At 1 January 2019, 31 December 2019	(317,425)	-	-	(317,425)
Disposals	317,425	-	-	317,425
At 31 December 2020	**-**	**-**	**-**	**-**

5 Intangible assets (Cont'd)

The Group	Goodwill US$	Material development US$	Trademarks US$	Total US$
Net book value				
At 31 December 2020	**-**	**-**	**-**	**-**
At 31 December 2019	-	1,121,120	3,212	1,124,332

The Company	Material development US$	Trademarks US$	Total US$
Cost			
At 1 January 2019	1,124,475	8,246	1,132,721
Disposal	(1,124,475)	-	(1,124,475)
At 31 December 2019 and 2020	**-**	**-**	**-**
Accumulated amortisation			
At 1 January 2019	67,706	4,045	71,751
Charge for the year	(7,903)	494	(7,409)
Disposal	(59,803)	(4,539)	(64,342)
At 31 December 2019 and 2020	-	-	-
Net book value			
At 31 December 2020	-	-	-
At 31 December 2019	**-**	**-**	**-**

The goodwill and impairment are written off following the voluntarily liquidation of NauticAWT Engineering Pte Ltd was completed and dissolved on 12 March 2020.

During the last financial year ended 31 December 2019, the Company sold all its intangible assets amounting to US$1,069,379 for US$1,069,379 to its wholly-owned subsidiary - Nautec Group Pte. Ltd.

For the financial year ended 31 December 2019, there were impairment indicators for the Group's intangible assets. Refer to Note 6 for the impairment assessment on property, plant and equipment right-of-use assets and intangible assets.

6 Investment in subsidiaries

The Company	2020 US$	2019 US$
Unquoted equity shares, at cost		
At beginning of the year	**2,671,708**	546,423
Additions	**-**	2,661,708
Disposal	**(2,671,708)**	(536,423)
At end of the year	**-**	2,671,708
Impairment loss		
At beginning of the year	**2,671,708**	-
Additions	**-**	2,672,709
Disposal	**(2,671,708)**	(1,001)
At end of the year	**-**	2,671,708
Carrying Amount	**-**	-

Impairment tests for investments in subsidiaries, property, plant and equipment, right-of-use assets and intangible assets

For the financial year ended 31 December 2019, management of the Group had carried out an impairment assessment over the investments in subsidiaries, property, plant and equipment, right-of-use assets and intangible assets and identified the following significant cash generating units ("CGUs"). These were considered to have indications of possible impairment at 31 December 2019 as they were in a loss-making position for the past few years.

Impairment of property, plant and equipment. right-of-use assets and intangible assets
As at 31 December 2019, the carrying amounts of the Group's and the Company's property, plant and equipment amounted to US$5,361,325 and US$Nil respectively. As at 31 December 2019, the carrying amount of the Group's right-of-use assets amounted to US$117,345. As at 31 December 2019, the carrying amount of the Group's and the Company's intangible assets amounted to US$1,124,332 and US$Nil respectively.

The recoverable amount of the property, plant and equipment, right-of-use assets and intangible assets was based on the higher of fair value less costs to sell and value-in-use ("VIU").

In the financial year ended 31 December 2019, management had assessed the recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets based on discounted cashflows, representing the VIU, which is the higher of fair value less costs to sell and VIU. The VIU calculation is a discounted cash flow model using cash flow projections based on approved financial budget prepared by management covering a five-year period without terminal value. The discount rate used in measuring value-in-use was 8.4%.

Management had compared the carrying value of the property, plant and equipment, right-of-use assets and intangible assets with the recoverable amounts and had determined an impairment loss of US$991,403 was recognised in the profit or loss for the financial year ended 31 December 2019.

On 11 December 2020, the Company sold all its subsidiaries, therefore the plant and equipment, right-of-use assets and intangible assets were derecognised.

6 Investment in subsidiaries (Cont'd)

Impairment of cost of investment in subsidiaries
As at 31 December 2019, the carrying amount of the investment in subsidiaries amounted to US$Nil.

The recoverable amount of the subsidiaries was also estimated by management based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of the subsidiaries which comprised mainly of cash balances, trade and other receivables and trade and other payables which were current and approximated fair value at year end. Based on the impairment testing, an impairment loss of US$2,672,709 relating to the cost of investment in the subsidiaries is recognised under general and administrative expenses in profit or loss of the Company for the financial year ended 31 December 2019, being the shortfall between the carrying amount and the recoverable amount. The fair value is based on Level 3 of the fair value hierarchy.

On 11th December 2020, the Company sold all its subsidiaries, therefore the cost of investment in subsidiaries were derecognised.

Details of the subsidiaries are set out below:

Name	Country of incorporation/ principal place of business	Effective equity interest		Principal activities
		2020	2019	
Held by the Company		**%**	%	
Nautec Group Pte. Ltd. (1)	Singapore	-	**100**	Investment Holding
NauticAWT Energy Pte. Ltd. (14)	Singapore	-	-	Engineering consultancy
NauticAWT (Mauritius) Pte. Ltd. (15)	Mauritius	-	-	Dormant
NauticAWT Engineering Pte. Ltd. (11)	Singapore	-	-	Engineering consultancy
NauticAWT Engenharia E Consultoria Ltda. (7)(13)	Brazil	-	**100**	Dormant
Held by Nautec Group Pte. Ltd.				
Nautec Pte. Ltd. (1)	Singapore	-	**100**	Offshore engineering
Nautec Materials Sdn. Bhd. (2)	Malaysia	-	**100**	Engineering and manufacturing works
Nautic India Private Limited (3)	India	-	**100 (4)**	Offshore engineering
Nautic (B) Sdn. Bhd. (5)	Brunei	-	**- (6)**	Offshore engineering
Nautic Australia Pty Ltd (7)(10)	Australia	-	**100**	Offshore engineering
Held by Nautec Pte. Ltd.				
Nautic Offshore Mexico S.A de C.V. (7)(10)	Mexico	-	**100 (8)**	Offshore engineering
Nautic Middle East DMCC (9)	United Arab Emirates	-	**100**	Offshore engineering
Held by NauticAWT Energy Pte. Ltd.				
Nautic (P.A) Pte. Ltd. (12)	Singapore	-	-	Dormant

6 Investment in subsidiaries (Cont'd)

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Audited by YYC & Co PLT, Malaysia.

(3) Audited by Parag K. Shah & Co. Chartered Accountant, India.

(4) The remaining share is held by an employee for the Company.

(5) Audited by Lee Corporatehouse Associates, Brunei.

(6) Nautic (B) Sdn. Bhd. is a locally owned entity but controlled by Nautec Group Pte. Ltd. through a franchising and management agreement. Based on the management agreement, the Company has consolidated Nautic (B) Sdn. Bhd. in accordance with the definition of control under SFRS(I) 10 Consolidated Financial Statements.

(7) These subsidiaries are exempt from audit.

(8) The remaining share is held by a director, an employee and a nominee for the Company.

(9) Audited by Talal Abu-Ghazaleh & Co. International, United Arab Emirates.

(10) Audited by Foo Kon Tan LLP , Singapore for group consolidation purposes.

(11) On November 22, 2017, NEPL has been placed under voluntarily liquidation and control over this entity was lost. Hence, the Company has deconsolidated NEPL on the date of voluntarily liquidation in accordance with the definition of control under SFRS(I) 10 Consolidated Financial Statements. The voluntarily liquidation was completed and NEPL dissolved on 12 March 2020.

(12) Nautic (P.A) Pte. Ltd. was incorporated on August 31, 2017 and struck off on 24 May 2019.

(13) NauticAWT Engenharia E Consultoria Ltda. was incorporated on March 22, 2017 and struck off on 15 July 2020.

(14) NauticAWT Energy Pte. Ltd. disposal has been completed on 31 December 2019.

(15) NauticAWT (Mauritius) Pte. Ltd. has been deregistered from the Register of Companies pursuant to Section 309(1)(B) of the Companies Act 2001, Republic of Mauritius

Struck-off entities
For the financial year ended 31 December 2019, the Company has struck-off 1 subsidiary and disposed of 1 subsidiary. These subsidiaries are consolidated until the date they are struck off and ceased to be subsidiaries of the Company. There was a gain of US$214,572 recorded at the Group level.

Transfer of entities
For the financial year ended 31 December 2019, the Company has transferred 5 subsidiaries to its newly incorporated subsidiary. There was a loss of US$535,273 recorded at the Company level. There is no gain or loss recorded at the Group level.

6 Investment in subsidiaries (Cont'd)

Disposal entities

(A) NauticAWT Engenharia E Consultoria Ltda. was struck off on 15 July 2020 and recorded a loss US$10,000 at the Group level for the financial year ended 31 December 2020.

(B) On 11th December 2020, the Company sold all its subsidiaries, which comprised of Nautec Group Pte Ltd and its subsidiaries. There is gain of US$214,345 (2019: Nil) gain recorded at the Company level for the financial year ended 31 December 2020. There is a loss on disposal of US$28,722 recorded at the Group level for the financial year ended 31 December 2020.

On 11 December 2020, the Group disposed of a subsidiary, Nautec Group Pte Ltd and its subsidiaries. The effect of the disposal on the cash flow of the Group was:

	(A) Continuing operations US$	(B) Discontinued operations US$	Total US$
Property, plant and equipment	-	5,214,333	5,214,333
Intangible assets	-	1,212,054	1,212,054
Inventory	-	331,785	331,785
Cash and cash equivalent	-	854,994	854,994
Trade receivables	-	7,988,423	7,988,423
Other receivables	10,000	771,171	781,171
Contract assets	-	57,350	57,350
Trade and other payables	-	(10,202,215)	(10,202,215)
Contract liabilities	-	(69,871)	(69,871)
Tax payables	-	15,015	15,015
Government grant received	-	(355,130)	(355,130)
Bank loans	-	(3,584,375)	(3,584,375)
Loan from others	-	(1,557,293)	(1,557,293)
Hire purchase	-	(7,298)	(7,298)
Work in progress	-	(228,467)	(228,467)
Liabilities for trade bills discounted with recourse	-	(53,080)	(53,080)
Net assets disposed of	10,000	387,396	397,396
Realisation of foreign currency translation reserve	-	(144,329)	(144,329)
Total assets	10,000	243,067	253,067
Loss on disposal	(10,000)	(28,722)	(38,722)
Cash proceeds on disposal	-	214,345	214,345
Less: Cash and bank balances in subsidiaries disposed of	-	(854,994)	(854,994)
Net cash outflow on disposal of subsidiary	-	(640,649)	(640,649)

7 Investment in an associate

	The Group 2020 US$	2019 US$	The Company 2020 US$	2019 US$
Unquoted equity shares, at cost				
At beginning of the year	**-**	-	**-**	-
Cost of investment	**-**	-	**2,274,470**	-
Share of net assets	**2,306,366**	-	-	-
Share of losses	**(85,016)**	-	**-**	-
Negative goodwill	**(31,896)**	-	**-**	-
Translation reserve	**88,164**	-	**-**	-
At end of the year	**2,277,618**	-	**2,274,470**	-

Name	Country of incorporation/ principal place of business	Effective equity interest 2020 %	2019 %	Principal activities
Held by the Company				
Chokdee Dimsum Corporation Company Limited (FKA: Rich Restaurant Company Limited) [(1)]	Thailand	**35%**	**-**	Food and beverage

(1) Audited by Dharmniti Auditing Co., Ltd.

This associate is accounted for using the equity method in these consolidated financial statements.

(A) Accounting for investment in associate
On 10 January 2020, the Company announced the completion of the acquisition of a 35% equity interest in Chokdee Dimsum Corporation Company Limited ("Chokdee"), a restaurant in Thailand. The consideration was THB70 million (approximately equivalent to US$2,274,470).

Management has evaluated its investment in the restaurant to be an associate in accordance with SFRS(I) 1-28 Investment in Associates and Joint Ventures on the basis that the Company has significant influence over the associate.

Arising from the acquisition, management recorded a negative goodwill (bargain purchase) of US$31,896 in the Group's carrying amount of its investment in Chokdee as at 31 December 2020. The Company is required to perform a purchase price allocation exercise ("PPA") as at the acquisition date to determine the appropriate fair values of the net identifiable assets and liabilities at the acquisition date on 10 January 2020. No PPA has been performed at the reporting date.

7 Investment in an associate (Cont'd)

(B) The summarised financial information of associate, not adjusted for the percentage of equity interest held by the Group, is as follow:

FY2020 **The Group**	**Chokdee Dimsum Corporation Company Limited** **US$**
(A) Balance Sheet:	
Current assets	752,223
Non-current assets	8,825,649
Current liabilities	(1,769,336)
Non-current liabilities	(1,301,054)
Net assets attributable to investee's shareholders	**6,507,482**
(B) Profit or Loss:	
Revenue	2,574,208
Expenses	(2,908,242)
Loss for the year	(334,034)
Other comprehensive income	-
Total comprehensive loss attributable to investee's shareholders	(334,034)
(C) Carrying amount of:	
Group's interest in net assets of investee at beginning of the acquisition	2,306,366
Group's share of:	
Total comprehensive loss	(85,016)
Translation reserve	88,164
Negative goodwill	(31,896)
Carrying amount of interest in investee at the end of the year	2,277,618

(C) Impairment testing

The carrying values as of 31 December 2020 of the Group and Company's investment in associate, Chokdee amounted to US$2,309,513 and US$2,274,470, respectively. There were indicators of impairment in the associate as at 31 December 2020 based on the latest financial statements for the financial year ended 31 December 2020.

The recoverable amount of the associate was also estimated by management based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of the associate which comprised mainly cash balances, trade and other receivables, inventories, property, plant and equipment, franchise license, bank loan and other payables which were current and approximated fair value at year end.

The Group and the Company did not recognise any impairment during the year ended 31 December 2020.

8 Inventories

The Group	2020 US$	2019 US$
At cost:		
Raw material	-	211,953
Work in progress	-	19,459
Finished goods	-	28,924
	-	260,336

The costs recognised as expense for raw materials and consumables together with changes in finished goods and work in progress in the consolidated statement of profit or loss and other comprehensive income amounted to US$Nil (2019 - US$1,068,466) for the financial year ended 31 December 2020.

The cost of inventories recognised as an expense includes US$Nil in respect of write off (2019 - US$127,928) of obsolete inventories.

9 Contract assets and liabilities

The Group	31 Dec 2020 US$	31 Dec 2019 US$
Contract assets		
- Specialised service contracts	-	50,034
Contract liabilities		
- Sales contract	-	(69,871)

Contract assets relate to fixed price specialised service contracts. The contract assets balance decreased as the Group provided lesser services ahead of the agreed payment schedules.

Contract liabilities for sales contract arises from the negotiation of prepayments.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due.

As there was no historical credit loss experience by the Group, no provision for loss allowance has been made.

10 Trade receivables

	The Group		The Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Outside parties	-	909,913	-	-
Allowance for impairment loss	-	(159,987)	-	-
Exchange difference	-	93	-	-
	-	750,019	-	-

Trade receivables are non-interest bearing and are generally granted 30 days credit term.

10 Trade receivables (Cont'd)

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group starts recognising loss allowance for all receivables over 180 days past due, and a 100% loss allowance is recognised for all receivables aged over 2 years because historical experience has indicated that these receivables are generally not recoverable.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

The Group	Lifetime ECL - credit-impaired US$	Total US$
At 1 January 2019	5,090,315	5,090,315
Allowance for impairment loss	159,987	159,987
Utilisation of impairment loss	(5,090,315)	(5,090,315)
At 31 December 2019	**159,987**	**159,987**
Allowance for impairment loss	**-**	**-**
Write back of impairment loss	**(33,370)**	**(33,370)**
Utilisation of impairment loss	**(126,617)**	**(126,617)**
At 31 December 2020	**-**	**-**

The Company	Lifetime ECL - credit-impaired US$	Total US$
At 1 January 2019	4,673,478	4,673,478
Reversal of impairment loss	(4,673,478)	(4,673,478)
At 31 December 2019	**-**	**-**

11 Other receivables

	The Group		The Company	
	2020	2019	**2020**	2019
Current	**US$**	US$	**US$**	US$
Deposits	**-**	89,895	**-**	-
Others	**-**	115,810	**-**	-
Financial assets at amortised cost	**-**	205,705	**-**	-
Deferred expenses	**44,949**	-	**44,949**	-
Income tax credit	**-**	3,799	**-**	3,799
Prepayments	**98,627**	77,809	**98,627**	42,874
Prepayment for investment	**-**	682,341	**-**	682,341
Withholding tax receivable	**-**	6,558	**-**	-
Advances	**-**	481,918	**-**	-
Goods and services tax receivable	**-**	306,376	**-**	20,049
Total	**143,576**	1,764,506	**143,576**	749,063

11 Other receivables (Cont'd)

For the purpose of impairment assessment, the other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for deferred consideration and other receivables.

12 Cash and bank balances

	The Group		**The Company**	
	2020	2019	**2020**	2019
	US$	US$	**US$**	US$
Cash on hand	**-**	1,147	**-**	-
Cash at bank	**73,303**	2,726,792	**73,303**	2,577,935
Fixed deposits	**-**	473,600	**-**	-
Total	**73,303**	3,201,539	**73,303**	2,577,935
Restricted cash	**-**	(564,014)	**-**	-
Bank overdrafts (Note 15)	**-**	(349,436)	**-**	-
Cash and cash equivalents as shown in the statement of cash flows	**73,303**	2,288,089	**73,303**	2,577,935

Fixed deposits placed with banks bear interest at average effective interest of 3.1% per annum. The fixed deposit has a maturity period of 12 months from the end of the financial year ended 31 December 2019. This was disposed under its subsidiaries as at 11 December 2020.

Restricted cash is pledged as a security for banking facilities as disclosed in Note 15 to the financial statements. This was disposed with the disposed subsidiaries as at 11 December 2020.

13 Share capital

The Group and The Company	No. of ordinary shares (With no par value)		Amount	
	2020	2019	**2020**	2019
			US$	US$
Issued and fully paid:				
At beginning of year	**794,186,046**	212,333,525	**12,075,892**	7,733,885
Issuance for debt restructuring	**-**	181,852,521	**-**	1,371,908
Issuance for 2019 placement	**-**	400,000,000	**-**	3,249,097
Issuance expenses	**-**	-	**-**	(278,998)
At end of year	**794,186,046**	794,186,046	**12,075,892**	12,075,892

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

13 Share capital (Cont'd)

Debt restructuring
On 13 December 2019, the Company allotted and issued 181,852,521 new ordinary shares at a rate of US$0.02675 (S$0.03667) per settlement share amounting to US$4,883,097 pursuant to the settlement and release agreements dated 24 September 2019 as part of the debt restructuring undertaken by the Company. The fair value of the allotment shares amounted to US$1,371,908. The new ordinary shares rank pari passu in all respects with the existing shares of the Company. Following the allotment and issuance of the new ordinary shares, the total number of issued shares of the Company has increased from 212,333,525 shares to 394,186,046 shares.

2019 Placement
On 13 December 2019, the Company allotted and issued 400,000,000 new ordinary shares at a rate of S$0.01125 per subscription share amounting to US$3,249,097 pursuant to the subscription agreement entered into between the Company and placement investor on 10 July 2019. The new ordinary shares rank pari passu in all respects with the existing shares of the Company. Following the allotment and issuance of the new ordinary shares, the total number of issued shares of the Company has increased from 394,186,046 shares to 794,186,046 shares.

13.1 Other capital reserve

The movement of other capital reserve is as follows:

The Group and the Company

	2020	2019
	US$	US$
At 1 January	**2,275,020**	1,166,251
Gain on issuance of shares pursuant to debt restructuring	**-**	1,556,773
Conversion of convertible bonds	**-**	(448,004)
At 31 December	**2,275,020**	2,275,020

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.

13.2 Share options reserve

The Group and the Company

	2020	2019
	US$	US$
At 1 January and 31 December	**108,639**	108,639

13 Share capital (Cont'd)

13.3 Foreign currency translation reserve

The movement of foreign currency translation reserve is as follows:

The Group

	2020	2019
	US$	US$
At 1 January	**144,329**	45,963
Transfer upon disposal of investment in subsidiaries	**(144,329)**	-
Exchange difference on translation of foreign operations	**88,164**	98,366
At 31 December	**88,164**	144,329

14 Equity-settled share-based plans

NauticAWT ESOS

Details of the share options outstanding during the year are as follows:

The Group and The Company	No. of share options		Weighted average exercise price	
	2020	2019	**20120**	2019
			US$	US$
At beginning of the year	**-**	**9,600,000**	**-**	0.22
Granted	**-**	**-**	**-**	-
Forfeited	**-**	**(750,000)**	**-**	0.22
Cancelled	**-**	**(8,850,000)**	**-**	-
At end of the year	**-**	**-**	**-**	0.22

There were no share options exercised during the year 2020 and 2019. The options outstanding at the end of last year have a weighted average remaining contractual life of 3 years in 2018. As at 31 December 2019, all share options are cancelled and extinguished as part of debt restructuring completed during the year.

The options were granted on 27 June 2016. The estimated fair value of the options granted was $2.13 cents. The fair value for share options granted during the year were calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

The Group and The Company	2016
Weighted average share price	US$0.11
Weighted average exercise price	US$0.22
Expected volatility	39.2%
Expected life	5.5
Risk free rate	2.3%
Expected dividend yield	Nil

15 Bank loans and advances

	Year of Maturity	The Group 2020 US$	2019 US$
Current			
Trade advances		-	96,205
Bank overdrafts (Note 12)		-	349,436
Bank loan 1	**2016-2033**	-	136,588
		-	582,229
Non-current			
Bank loan 1	**2016-2033**	-	2,992,451
		-	2,992,451
		-	3,574,680

The bank loans are secured by the following:

(a) Assignment of an insurance policy;

(b) Fixed charge over all assets of two subsidiaries for the financial year ended 31 December 2019;

(c) Fixed and floating charge over all assets of a subsidiary for the financial year ended 31 December 2019;

(d) A charge over the property of a subsidiary for the financial year ended 31 December 2019;

(e) A charge of US$564,014 over all term deposit accounts of a subsidiary for the financial year ended 31 December 2019 (Note 12).

The following securities had been discharged during the financial year ended 31 December 2019 as the quantum of bank loan fully repaid in February 2019:

(a) A charge over the Project Account of a subsidiary; and

(b) Assignment of an offshore agreement by a subsidiary.

On 11 December 2020, the Company sold all its subsidiaries, therefore the bank loans and advances were derecognised.

15 Bank loans and advances (Cont'd)

Trade advances

Trade advances carry different interest rates based on the currencies of the advances. The effective interest rate for the trade advances is 6.50% per annum for the financial year ended 31 December 2019. This was derecognised on disposal of subsidiaries as at 11 December 2020.

Bank overdrafts

Bank overdrafts carry different interest rates, depending on the banks. The effective interest rate for the bank overdrafts is 8.15% per annum for the financial year ended 31 December 2019. This was derecognised on disposal of subsidiaries as at 11 December 2020.

Bank loan 1

The interest rate is at 0.5% per annum above the bank's Base Lending Rate ("BLR"). Bank loan 2 is repayable over 204 monthly instalments commencing from 1 August 2016 to 31 July 2033. The effective interest rate is 7.15% per annum for the financial year ended 31 December 2019. This was derecognised on disposal of subsidiaries as at 11 December 2020.

Carrying amounts and fair values

The fair value of non-current borrowings at the reporting date is as follows:

The Group	Carrying amount US$	Fair value US$
31 December 2020		
Bank loan and advances	-	-
31 December 2019		
Bank loan and advances	2,992,451	3,507,216

16 Leases liabilities

Group as a lessee

The Group has lease contracts for various office used for its operations. Leases of office generally have lease terms between 1 and 2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There is a lease contract that include extension and termination.

The Group also has certain leases of office equipment with low value or short-term. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Information regarding the Group's right-of-use assets are disclosed in Note 4.

The Group	**2020 US$**	2019 US$
At 1 January 2020	**120,546**	237,783
Accretion of interest	**2,907**	9,622
Payments	**(116,155)**	(126,859)
Disposals of subsidiaries	**(7,298)**	-
At 31 December 2020	**-**	120,546
Presented as:		
- Non-current	**-**	1,437
- Current	**-**	119,109
	-	120,546

16 Leases liabilities (Cont'd)

The following are the amounts recognised in profit or loss:

The Group	**2020 US$**	2019 US$
Interest expense on lease liabilities	**2,907**	9,622
Lease expense - short-term leases	**2,980**	140,242
Lease expense - low-value leases	**2,334**	6,193
	8,221	156,057

Total cash outflow for all the leases in 2020 was US$76,584 (2019: US$126,859).

Future cash outflow which are not capitalised in lease liabilities has extension option that the leases for an office contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

17 Trade payables

Trade payables are due to outside parties and the average credit period on purchase of goods and services from outside parties is 30 days for the financial years ended 31 December 2020 and 2019. No interest is charged on overdue trade payables.

18 Other payables

	The Group		The Company	
	2020 US$	2019 US$	**2020 US$**	2019 US$
Current				
Accrued expenses	**66,359**	439,772	**66,359**	143,867
Other payables due to subsidiaries[3]	**-**	-	**-**	73,466
Other payables and accruals	**230,676**	1,368,804	**230,676**	427,549
Accrued project costs	**-**	84,586	**-**	-
Goods and services tax payable	**-**	398,544	**-**	999
Provision for employee entitlement	**-**	1,269,443	**-**	204,261
Debt restructuring payable[1]	**-**	595,672	**-**	-
Loan from third parties [2]	**-**	189,440	**-**	-
	297,035	4,346,261	**297,035**	850,142
Non-current				
Debt restructuring payable[1]	**-**	1,053,850	**-**	-
	-	1,053,850	**-**	-

(1) Debt restructuring payables arise from settlement agreements of debt restructuring from loan from third parties, loan from employees and vendors, at agreed terms and have a repayment period of 3 years. The repayment is from December 2020 to December 2022. The discount rate used to record the non-current portion of the debt restructuring is 5.25%. This was derecognised on disposal of subsidiaries as at 11 December 2020.

(2) The loan from third parties are unsecured. Loan amounting to US$189,440 (2019 - US$189,440) bears interest at 6.25% (2019 - 6.25%). The loan is denominated in Malaysian Ringgit, and is repayable over 3 yearly instalments commencing from 4 April 2016 and over monthly instalments commencing from 31 July 2019. This was derecognised on disposal of subsidiaries as at 11 December 2020.

18 Other payables (Cont'd)

(3) Other payables due to subsidiary amounting to US$12,397,315 were transferred and set off with amounts due from subsidiary to Nautec Group Pte Ltd during the financial year ended 31 December 2019.

Carrying amounts and fair values

The fair value of non-current payables at the reporting date is as follows:

The Group	Carrying amount US$	Fair value US$
31 December 2020		
Debt restructuring payable	-	-
31 December 2019		
Debt restructuring payable	1,053,850	1,144,873
The Company		
31 December 2020		
Loan from third parties	-	-
31 December 2019		
Loan from third parties	99,316	144,807

19 Liabilities for trade bills discounted with recourse

The following were the financial assets of the Group at the end of the reporting period that were securitised to bank by discounting those receivables on full recourse basis. As the Group had not transferred the risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables in the statement of financial position. These financial assets are carried at amortised cost in the group's financial statements and associated liability has been recognised and included under liabilities for trade bills discounted with recourse.

	Bill receivables discounted to banks with full recourse	
The Group	**2020 US$**	2019 US$
Carrying amount of transferred assets	-	26,055
Carrying amount of associated liabilities	-	(26,055)
Net position	-	-

As at 31 December 2020, the above liabilities for trade bills discounted with recourse are repayable within 3 months. The effective average interest rate for the trade bills discounted with recourse is 5.50% per annum.

20 Other income

The Group	2020 US$	2019 US$
Gain on share issuance on debt restructuring	**-**	1,954,416
Gain on disposal for assets held for sale	**-**	214,572
Others	**-**	350
Government grants	**8.941**	14,864
	8,941	2,184,202

21 Finance costs

The Group	2020 US$	2019 US$
Interest on bank facilities and loans	**-**	43,762
Interest on convertible notes	**-**	233,339
Interest on lease liabilities	**-**	5,884
	-	282,985

22 Taxation

	Continuing operations	
The Group	2020 US$	2019 US$
Current tax	**-**	-
Current deferred tax	**-**	-
Tax expense recognised in profit or loss	**-**	-

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting profit as a result of the following:

The Group	2020 US$	2019 US$
Loss before taxation		
- Continuing operations	**(591,902)**	143,255
- Discontinued operations	**726,618**	(357,197)
	124,716	(213,942)
Tax at statutory rate of 17% (2019 - 17%)	**21,202**	(36,370)
Tax effect on non-deductible expenses	**942,248**	243,462
Tax effect on non-taxable income	**(308,164)**	(34,371)
Effect of tax rates in foreign jurisdiction	**104,440**	48,638
Special deduction	**-**	(3,542)
Deferred tax assets not recognised	**107.541**	1,085,697
Utilisation of deferred tax assets not recognised in prior year	**(867,266)**	(1,303,514)
	-	-

23 Discontinued operations

The discontinued operations include the following:

The operations of NauticAWT Energy is classified as held-for-sale as at 31 December 2018 and the sale was completed on 30 December 2019.

The group's plan to dispose NauticAWT Energy was made in order to generate cash flow for the Group's working capital.

On 11 December 2020, the Company sold Nautec Group Pte Ltd and its subsidiaries, which are cosidered as a discontinued operation as the sales and related cost forms a substantial part of the Group's profit or loss for the financial year ended 31 December 2020.

The loss for the year from the discontinued operations is analysed as follows:

	2020 **US$**	2019 US$
Revenue	**5,930,181**	6,168,542
Cost of sales	**(3,511,284)**	(3,833,007)
Gross profit	**2,418,897**	2,335,535
Distribution expenses	**(196,554)**	(359,608)
Administrative expenses	**(1,346,454)**	(2,157,656)
Other income	**145,259**	107,893
Finance costs	**(275,808)**	(283,361)
Profit/(Loss) before tax	**745,339**	(357,197)
Taxation	**(83,532)**	-
Profit/(Loss) for the year	**661,808**	(357,197)
Loss on disposal of subsidiaries	**(28,722)**	-
Profit/(Loss) for the year from discontinued operations	**633,086**	(357,197)

The Group's revenue for the year is as follows:

The Group	**2019** **US$**	2018 US$
Timing of revenue recognition:		
At a point in time:		
Civil Construction	**161,407**	-
Renewables - Sale of goods	**4,113,222**	2,905,140
	4,274,629	2,905,140
Over time:		
Energy and Mining - Rendering of services	**65,318**	46,136
Ports and Offshore - Rendering of services	**1,590,234**	3,217,266
	1,655,552	3,263,402
	5,930,181	6,168,542

During the year, the net cash inflows/(outflows) attributable to the discontinued operations are as follows:

The Group	**2020** **US$**	2019 US$
Operating activities	**1,110,300**	1,126,406
Investing activities	**(146,292)**	(2,937)
Financing activities	**(330,922)**	(1,480,666)

24 Loss for the year

Loss for the year has been arrived at after charging (crediting):

The Group	Continuing operations **2020** **US$**	Continuing operations 2019 US$	Discontinued operations **2020** **US$**	Discontinued operations 2019 US$	Total **2020** **US$**	Total 2019 US$
Employee benefit expense (including directors' remuneration):						
Defined contribution plans	**65**	47,891	**121,085**	89,046	**121,150**	136,937
Salaries, bonuses and related costs	**4,504**	662,920	**1,275,301**	1,456,477	**1,279,805**	2,119,397
Directors' remuneration	**111,669**	80,158	**18,676**	94,230	**130,345**	174,388
Total employee benefit expense	**116,238**	790,969	**1,415,062**	1,639,753	**1,531,300**	2,430,722
Cost of inventories included in cost of sales	**-**	-	**1,345,503**	1,068,466	**1,345,503**	1,068,466
Depreciation of property, plant and equipment	**-**	61,030	**606,861**	614,411	**606,861**	675,441
Depreciation of right-of-use assets	**-**	72,078	**110,369**	48,360	**110,369**	120,438
Amortisation of intangible assets	**-**	(7,409)	**23,368**	6,422	**23,368**	(987)
(Write back)/Impairment loss on trade receivables	**-**	-	**(33,370)**	159,987	**(33,370)**	159,987
Write off of other receivable	**1,804**	-	**-**	-	**1,804**	-
Loss on disposal of subsidiaries	**10,000**	-	**28,722**	-	**38,722**	-
Audit fees:						
- paid to auditor of the Company	**39,300**	65,727	**54,180**	21,916	**93,480**	87,643
- paid to other auditors	**-**	26,636	**18,822**	25,838	**18,822**	52,474
Total audit fees	**39,300**	92,363	**73,003**	47,754	**112,303**	140,117
Non-audit fees: paid to auditor of the Company	**-**	-	**-**	41,603	**-**	41,603
(Write back)/Write off of obsolete inventories	**-**	-	**(2,018)**	127,928	**(2,018)**	127,928
Net foreign exchange (gain)/loss	**10,577**	(38,924)	**(23,793)**	182,792	**(13,216)**	143,868
(Gain)/Loss on disposal of property, plant and equipment	**-**	-	**(254)**	63,872	**(254)**	63,872
Impairment loss on property, plant and equipment	**-**	-	**-**	991,403	**-**	991,403

25 Loss per share

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the ordinary owners of the Company is based on the following:

The Group	2020 US$	2019 US$
From continuing and discontinued operations		
Profit/(Loss) for the year		
Earnings/(Loss) for the purposes of basic loss per share and diluted loss per share (Loss for the year attributable to owners of the Company)	41,184	(213,942)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share and diluted loss per share	794,186,046	242,621,738
Basic (cents)	0.01	(0.09)
Diluted (cents)	0.01	(0.09)

From continuing operations	2020 US$	2019 US$
(Loss)/Profit for the year		
Loss for the purposes of basic loss per share and diluted loss per share (Loss for the year attributable to owners of the company)	(59,102)	143,255
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share and diluted loss per share	794,186,046	242,621,738
Basic (cents)	(0.07)	0.06
Diluted (cents)	(0.07)	0.06
From discontinued operations		
Loss for the year		
Loss for the purposes of basic loss per share and diluted loss per share (Loss for the year attributable to owners of the company)	663,086	(357,197)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share and diluted loss per share	794,186,046	242,621,738
Basic (cents)	0.08	(0.15)
Diluted (cents)	0.08	(0.15)

26 Lease

Where the Group is the lessee,

Office premise

The Group leases office for operation purposes.
This office premise is recognised within the Group's right-of-use assets (Note 4)
The Group makes monthly lease payments for the use of office premise.
There are no externally imposed covenants on these lease arrangements.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Notes 4 and 16.

27 Holding company and related company transactions

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

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Company entered into the following transactions with related companies:

The Company	**2020 US$**	2019 US$
Management fees charged to subsidiaries	-	36,259
Franchise fees charged to a subsidiary	-	29,007
Transfer of related party receivables	-	14,814,408
Transfer of related party payables	-	15,304,664
Sale of plant and equipment to a subsidiary	-	422,771
Sale of intangible assets to a subsidiary	-	1,069,379
Disposal of subsidiaries to a subsidiary	-	535,422

Compensation of director and key management personnel

Compensation of directors and key management personnel during the year was as follows:

The Group	**2020 US$**	2019 US$
Salaries, bonuses and other short-term benefits	**247,014**	**797,598**

28 Debt restructuring

Pursuant to the Subscription Agreement entered into for the financial year ended 31 December 2019, the Company undertook to commence a Debt Restructuring which would include, inter-alia, the Company's issuance of an aggregate of up to 181,852,521 Shares for a partial capitalisation of the liabilities of the Company (the "Settlement Shares").

Following the issuance and allotment of the Settlement Shares, the Company's issued and paid-up share capital has increased from 212,333,525 shares to 394,186,046 shares.

The obligation to pay the remainder of the debts due to All Other Participants by the Company (the "Remaining Debt") shall be transferred entirely to the Company's fully owned subsidiary, Nautec Group Pte Ltd, and paid in the following manner.

- 20% on the date falling 1 year from 31 December 2019;
- 30% on the date falling 2 years from 31 December 2019; and
- 50% on the date falling 3 years from 31 December 2019.

The Company recorded a gain on the extinguishment of convertible notes of US$3,511,189 due to the difference between the carrying value of instruments extinguished and allotment price agreed of US$4,883,097 and fair value of US$1,371,908 as at 31 December 2019. The carrying value of the equity component of convertible notes converted to share capital of US$448,004 has been reclassified from the capital reserve to share capital.

28 Debt restructuring (Cont'd)

Based on the computation below, US$1,556,773 has been recognised as capital reserve and US$1,954,416 was recognised in profit or loss for the financial year ended 31 December 2019.

The summary of debt restructuring exercise is as follows:

	Convertible note US$ (A)	Convertible bond US$ (B)	Other creditors US$ (C)	Total US$ (D)=A+B+C
Amount settled by issuance of shares	1,137,123	2,183,069	1,562,905	4,883,097
Amount settled by cash through 3 instalments	-	-	1,716,961	1,716,961
Total settlement	1,137,123	2,183,069	3,279,866	6,600,058

	Allotment price US$ (A)	Fair value US$ (B)	Gain on Extinguishment US$ (C)=A-B
Shares issued equity holders in their capacities as equity holders			
– Capital reserve	2,151,906	595,133	1,556,773
Shares issued to non-equity holders			
– Profit or loss	2,731,191	776,775	1,954,416
	4,883,097	1,371,908	3,511,189

	Convertible note No. of shares	Convertible bond No. of shares	Other creditors No. of shares	Total No. of shares
Total shares issued	42,509,278	81,610,035	57,733,208	181,852,521

<u>Computation of the finance income of non-current portion of the debt restructuring payables initially measured at fair value as at 31 December 2019:</u>

	Due by 31/12/2020 US$	Due by 31/12/2021 US$	Due by 31/12/2022 US$	Total US$
Original carrying amount	595,672	429,327	715,546	1,740,545
Fair value	595,672	407,841	646,009	1,649,522
Finance income on non-current other payables initially measured at fair value	-	21,486	69,537	91,023

29 Segment information

The Group determines its reportable segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("CODM") in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products and services, based on which information is prepared and reported to the group's CODM for the purposes of resource allocation and assessment of performance.

29 Segment information (Cont'd)

The Group's reportable business segments under SFRS(I) 8 are as follows:

(1) Renewables segment mainly relates to provision of Ultra High Performance Concrete and Composites ("UHPC") materials for the installation of onshore and offshore wind turbines.

(2) Ports and Offshore segment mainly relates to provision of engineering and contracting services for greenfield and brownfield offshore and marine infrastructure projects.

(3) Energy & Mining ("Downhole") segment mainly relates to provision of Ultra High Performance Concrete and Composites ("UHPC") for well integrity and remediation of production wells.

(4) Civil Structures segment mainly relates to provision of Ultra High Performance Concrete and Composites ("UHPC") and High Performance Concrete and Composite ("HPC") materials for the civil structures, facades and claddings.

(5) Food and beverage

The Group's following reportable business segments have been discontinued in prior year:

(1) Subsurface and Wells segment mainly relates to provision of integrated geosciences, engineering and project management services on a wide range of international oil and gas assets.

(2) Facilities segment mainly relates to provision of integrated topside, offshore facilities and pipe line engineering and contracting services.

The accounting policies of the operating segments are the same as the Group's accounting policies as described in Note 2 to the financial statements. Segment performance is evaluated by the CODM based on the segment results which represent the gross profit earned by each segment. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

The allocation of costs cannot be done in a similar manner with reasonable accuracy as Group costs are general in nature and are pooled to serve all the customers. These costs comprise distribution expenses, administrative expenses, other operating expenses, finance costs and other charges. As CODM do not track the allocation of cost of sales and operating costs by geographical regions, any attempt to match these expenses to revenue in the various geographical regions is therefore not meaningful.

Inter-segment transfers are eliminated on consolidation.

Based on the management reporting to CODM, the segment assets and liabilities are not regularly provided for their review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

29 Segment information (Cont'd)

Segment information about the Group's reportable segment is presented as follows:

	Renewables		Civil Construction		Ports and Offshore		Energy and Mining		Food and beverage		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	US$	US$	**US$**	US$	**US$**	US$	**US$**	US$	**US$**	US$	**US$**	US$
Continuing operations												
Total Revenue	-	-	-	-	-	-	-	-			-	-
Segment results	-	-	-	-	-	-	-	-			-	-
Depreciation of property, plant and equipment (excluding machinery and factory which are included in segment results)											**-**	(61,030)
Depreciation of right-of-use assets											**-**	(72,078)
Amortisation of intangible assets											**-**	7,409
Write off of other receivable											**(1,804)**	-
Loss on disposal of subsidiary											**(10,000)**	-
Gain on settlement of debts											**-**	1,954,416
Gain on disposal of assets held for sale											**-**	214,572
Share of loss of an associate									**(85,016)**	**-**	**(85,016)**	-
Finance costs											**-**	(282,985)
Other unallocated expenses											**(495,082)**	(1,617,049)
Loss before tax											**(591,902)**	143,255
Income tax expense											**-**	-
Loss for the year from continuing operations											**(591,902)**	143,255

29 Segment information (Cont'd)

	Ports and Offshore		Renewables		Civil Construction		Energy and Mining		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	US$	US$	**US$**	US$	**US$**	US$	**US$**	US$	**US$**	US$
Discontinued operations										
Total Revenue	**1,590,234**	3,217,266	**4,113,222**	2,905,140	**161,407**	-	**65,318**	46,136	**5,930,181**	6,168,542
Segment results	**95,602**	1,240,216	**2,202,153**	1,167,071	**85,601**	-	**35,541**	(71,752)	**2,418,897**	2,335,535
Depreciation of property, plant and equipment (excluding machinery and factory which are included in segment results)									**(95,393)**	(53,544)
Depreciation of right-of-use assets									**(110,369)**	(48,360)
Amortisation of intangible assets									**(23,368)**	(6,422)
Impairment loss on property, plant and equipment									**-**	(991,403)
Loss on disposal of subsidiaries									**(28,722)**	-
Loss on disposal of property, plant and equipment										(63,872)
Impairment loss on trade receivables									**(33,370)**	(159,987)
Write off of other receivable										
Other unallocated expenses									**1,036,562**	(1,369,144)
Profit/(Loss) before tax									**745,340**	(357,197)
Income tax expense									**(83,532)**	-
Profit/(Loss) for the year from continuing operations									**661,808**	(357,197)

29 Segment information (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

Revenue	**2020 US$**	2019 US$
Total revenue for reportable segments	**5,930,181**	6,168,542
Consolidated revenue	**5,930,181**	6,168,542

Profit or loss	**2020 US$**	2019 US$
Total profit/(loss) for reportable segments from operations	**(591,902)**	143,255
Finance expense – continued operations	**-**	(282,985)
Unallocated expenses – continued operations	**(495,082)**	(1,617,049)
Finance expense – discontinued operations	**(275,808)**	566,346
Unallocated expenses – discontinued operations	**1,403,976**	(52,390)
Consolidated profit/(loss) before tax	**41,184**	(213,942)

Segment assets	**2020 US$**	2019 US$
Total assets for reportable segments	**2,491,349**	17,254,648
Elimination	**3,148**	(4,625,212)
Consolidated total assets	**2,494,497**	12,629,436

Segment liabilities	**2020 US$**	2019 US$
Total liabilities for reportable segments	**297,035**	14,892,747
Elimination	**-**	(4,475,754)
Consolidated total liabilities	**297,035**	10,416,993

29 Segment information (Cont'd)

Geographical information

The Group operates in seven principal geographical areas - Asia (exclude Middle East and India), Australasia, India, Middle East and Africa, Americas and Europe.

The Group's revenue from external customers by geographical locations are detailed below:

The Group	**2020** **US$**	2019 US$
Revenue from external customers (based on location of customer)		
Continuing operations:		
Asia (exclude Middle East and India)		
Brunei	**129,074**	945,134
Malaysia	**36,419**	1,052,707
Vietnam	**96,958**	10,570
Singapore	**64,767**	7,690
China	**784,561**	462,477
Russia	**73,563**	119,870
	1,185,342	2,598,448
Australasia		
Australia	**627,781**	666,972
India		
India	**64,300**	-
Sri Lanka	**90,499**	-
	154,799	-
Middle East and Africa		
United Arab Emirates	**91,740**	8,171
Qatar	**4,900**	-
Turkmenistan	**-**	34,925
	96,640	43,096
Americas		
Mexico	**1,344,341**	644,599
Brazil	**56,207**	466,078
	1,400,548	1,110,677
Europe		
Denmark	**2,465,071**	1,685,907
Ukraine	**-**	41,934
Netherland	**-**	21,508
	2,465,071	1,749,349
Total (discontinuing operations)	**5,930,181**	6,168,542

29 Segment information (Cont'd)

Information about major customers

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

The Group	**2020 US$**	2019 US$
Ports and Offshore		
Customer A	**-**	945,134
Renewables		
Customer B	**2,465,071**	2,163,145

30 Financial risk management

The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The key financial risks include foreign currency risk, credit risk, market price risk, interest rate risk and liquidity risk. The Company's and the Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Company's and the Group's financial performance. The Company's and the Group's overall risk management policy is to ensure adequate financial resources are available for the development of the Company's and the Group's business whilst managing the risk.

The Company's and the Group's risk management is carried out by the board of directors. The Company and the Group do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

There has been no change to the Company's and the Group's exposure to these financial risks and the manner in which they manage and measure the risks.

30.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans.

Cash flow sensitivity analysis for variable rate instruments

A change of 10 basis points (bp) in interest rates on variable rate borrowings at the reporting date would have increased/decreased profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

30 Financial risk management (Cont'd)

30.1 Interest rate risk (Cont'd)

The Group	Profit before tax increase/(decrease)		Equity increase/(decrease)	
	(10 bp increase) US$	(10 bp decrease) US$	(10 bp increase) US$	(10 bp decrease) US$
At 31 December 2020				
Liabilities for trade bills discounted with recourse	(3,575)	3,575	(3,575)	3,575
Bank loans and advances	(26)	26	(26)	26
Loan from third parties	(189)	189	(189)	189

The Company	Profit before tax increase/(decrease)		Equity increase/(decrease)	
	(10 bp increase) US$	(10 bp decrease) US$	(10 bp increase) US$	(10 bp decrease) US$
At 31 December 2020				
Convertible notes and loans	(2,639)	2,639	(2,639)	2,639
Loan from directors	(761)	761	(761)	761
Loan from third parties	(149)	149	(149)	149
Loan from employees	(592)	592	(592)	592

30.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from revenue and expenses, and also currency exposure to funding that are denominated in non-functional currencies. The Group's foreign currency exposure is mainly from the exchange rate movements of the Singapore dollars, Australian dollars, Euro, Brunei dollars and Malaysian ringgit against the United States dollars. The Group does not use derivative financial instruments to hedge the exposure. Instead, management constantly monitors the fluctuations of foreign currency exchange rates so as to ensure that the group's exposure to foreign currency risk is kept to a minimum.

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of each group entity at the end of the reporting period are as follows:

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

The Group	Singapore dollars 31 December 2020 US$	31 December 2019 US$
Financial Assets		
Cash and cash equivalents	**73,303**	988,833
Trade receivables	**-**	2,348
Other receivables	**-**	46,581
	73,303	1,037,762
Financial Liabilities		
Trade payables	**-**	130,912
Other payables	**297,035**	2,522,110
Lease liabilities	**-**	98,562
	297,035	2,751,584
Net currency exposure on financial liabilities	**(222,367)**	(1,713,822)

The Group	Australian dollars 31 December 2020 US$	31 December 2019 US$
Financial Assets		
Cash and bank balances	**-**	483
Trade receivables	**-**	703
	-	1,186
Financial Liabilities		
Trade payables	**-**	67,650
Other payables	**-**	163,044
	-	230,694
Net currency exposure on financial liabilities	**-**	(229,508)

The Group	Malaysian ringgit 31 December 2020 US$	31 December 2019 US$
Financial Assets		
Cash and bank balances	**-**	567,355
Trade receivables	**-**	463,025
Other receivables	**-**	7,282
	-	1,037,662
Financial Liabilities		
Trade payables	**-**	216,967
Other payables	**997**	638,716
Bank loan and advances	**-**	3,478,475
	997	4,334,158
Net currency exposure on financial liabilities	**(997)**	(3,296,496)

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

The Group	Brunei dollars 31 December 2020 US$	 31 December 2019 US$
Financial Assets		
Cash and bank balances	-	9,732
Trade receivables	-	39,050
Other receivables	-	12,530
	-	61,312
Financial Liabilities		
Trade payables	-	72,159
Other payables	-	32,628
Lease liabilities	-	9,795
Bank loan and advances	-	96,205
Liabilities for trade bills discounted with recourse	-	26,055
	-	236,842
Net currency exposure on financial liabilities	-	(175,530)

The Group	Euro 31 December 2020 US$	 31 December 2019 US$
Financial Assets		
Trade receivables	-	28,716
	-	28,716
Financial Liabilities		
Trade payables	-	53,431
Other payables	-	43,906
	-	97,337
Net currency exposure on financial liabilities	-	(68,621)

The Group	Thailand baht 31 December 2020 US$	 31 December 2019 US$
Financial Assets		
Cash and bank balances	-	1,598,434
	-	1,598,434
Financial Liabilities		
Trade payables	-	9,454
Other payables	**369**	-
	369	9,454
Net currency exposure on financial (liabilities)/assets	**(369)**	1,588,980

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table shows the sensitivity of the group's loss before income tax to a reasonably possible change in the relevant currency against the functional currency of each group entity, with all other variables held constant.

The Group	**2020** Loss before tax US$	**2020** Equity US$	2019 Loss before tax US$	2019 Equity US$
Singapore dollars				
- strengthened by 5%	**(11,118)**	**(11,118)**	85,691	85,691
- weakened by 5%	**11,118**	**11,118**	(85,691)	(85,691)
Australian dollars				
- strengthened by 5%	**-**	**-**	11,475	11,475
- weakened by 5%	**-**	**-**	(11,475)	(11,475)
Euro				
- strengthened by 5%	**-**	**-**	3,431	3,431
- weakened by 5%	**-**	**-**	(3,431)	(3,431)
Brunei dollars	**-**	**-**		
- strengthened by 5%	**-**	**-**	8,777	8,777
- weakened by 5%			(8,777)	(8,777)
Malaysian ringgit				
- strengthened by 5%	**(50)**	**(50)**	164,825	164,825
- weakened by 5%	**50**	**50**	(164,825)	(164,825)
Thailand baht				
- strengthened by 5%	**(18)**	**(18)**	(79,449)	(79,449)
- weakened by 5%	**18**	**18**	79,449	79,449

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the Company at the end of the reporting period are as follows:

The Company	**Singapore dollars** **31 December 2020 US$**	31 December 2019 US$
Financial Assets		
Cash and bank balances	**73,303**	979,501
	73,303	979,501
Financial Liabilities		
Other payables	**297,035**	760,978
	297,035	760,978
Net currency exposure on financial (liabilities)/assets	**(222,367)**	218,523

30 Financial risk management (Cont'd)

30.2 Currency risk (Cont'd)

The Company	Malaysian ringgit 31 December 2020 US$	 31 December 2019 US$
Financial Liabilities		
Other payables	**997**	402
	997	402
Net currency exposure on financial liabilities	**(997)**	(402)

The Company	Thailand baht 31 December 2020 US$	 31 December 2019 US$
Financial Assets		
Cash and bank balances	**-**	1,598,434
	-	1,598,434
Financial Liabilities		
Other payables	**369**	-
	369	-
Net currency exposure on financial (liabilities)/assets	**(369)**	1,598,434

Sensitivity analysis for foreign currency risk

The following table shows the sensitivity of the Company's loss before income tax to a reasonably possible change in the relevant currency against the functional currency of each company, with all other variables held constant.

The Company	2020 Profit before tax US$	 Equity US$	2019 Loss before tax US$	 Equity US$
Singapore dollars				
- strengthened by 5%	**(11,118)**	**(11,118)**	10,926	10,926
- weakened by 5%	**11,118**	**11,118**	(10,926)	(10,926)
Malaysian ringgit				
- strengthened by 5%	**(50)**	**(50)**	(20)	(20)
- weakened by 5%	**50**	**50**	20	20
Thailand baht				
- strengthened by 5%	**(18)**	**(18)**	79,922	79,922
- weakened by 5%	**18**	**18**	(79,922)	(79,922)

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

30 Financial risk management (Cont'd)

30.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

		---------------Contractual undiscounted cash flows-------------			
The Group	Carrying amount US$	Total US$	Less than 1 year US$	Between 2 and 5 years US$	Over 5 years US$
As at 31 December 2020					
Other payables	**297,035**	**297,035**	**297,035**	**-**	**-**
As at 31 December 2019					
Trade payables	870,600	870,600	870,600	-	-
Other payables	5,001,567	5,092,590	3,947,717	1,144,873	-
Bank loan and advances	3,574,680	5,358,136	807,297	1,446,624	3,104,215
Liabilities for trade bills discounted with recourse	26,055	26,055	26,055	-	-
Lease liabilities	120,546	123,484	122,044	1,440	-
	9,593,448	11,470,865	5,773,713	2,592,937	3,104,215

		---------------Contractual undiscounted cash flows-------------			
The Company	Carrying amount US$	Total US$	Less than 1 year US$	Between 2 and 5 years US$	Over 5 years US$
As at 31 December 2020					
Other payables	**297,035**	**297,035**	**297,035**	**-**	**-**
As at 31 December 2019					
Other payables	618,726	618,726	618,726	-	-

30.4 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

30 Financial risk management (Cont'd)

30.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group and the Company grant credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's and the Company's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's and the Company's assessment of their creditworthiness and in accordance with the Group's and the Company's policy.

The Group and the Company have trade and other receivables and cash and bank balances that are subject to the expected credit loss model. While other receivables and cash and bank balances are subject to the impairment requirements of SFRS(I) 9, the identified impairment loss is insignificant.

<u>Trade receivables</u>

The Group and the Company apply the SFRS(I) 9 simplified approach to measuring expected credit losses ("ECLs") which uses a lifetime ECL allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group and the Company have identified the GDP and the unemployment rate of the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

30 Financial risk management (Cont'd)

30.5 Credit risk (Cont'd)

On that basis, below is the information about the credit risk exposure on the Group's and the Company's trade receivables using provision matrix:

The Group	Current US$	Past due 0 to 30 days US$	Past due 31 to 60 days US$	Past due 61 to 90 days US$	Past due more than 90 days US$	Total US$
2020						
Gross carrying amount	-	-	-	-	-	-
Expected credit loss rate (%)	-	-	-	-	-	-
Loss allowance	-	-	-	-	-	-
2019						
Gross carrying amount	69,890	258,679	64,110	2,348	514,886	909,913
Expected credit loss rate (%)	-	-	-	-	31.07	-
Loss allowance	-	-	-	-	159,987	159,987

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group and the Company.

Other receivables (non-trade)

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs. The ECLs on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the end of the reporting period, no loss allowance for other receivables was required.

Amounts due from subsidiaries (non-trade)

Except for the non-trade amounts due from certain loss-making subsidiaries which are credit-impaired, the amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of its subsidiaries. The use of advances to assist with the subsidiaries' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the amounts due from subsidiaries since initial recognition. In determining the ECLs, management has taken into account the finances and business performance of the subsidiaries, and a forward-looking analysis of the financial performance of operations of the subsidiaries.

Management has assessed that the Company is not exposed to significant credit losses in respect of the amounts due from subsidiaries as at 31 December 2020.

30 Financial risk management (Cont'd)

30.5 Credit risk (Cont'd)

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except for letters of financial support and corporate guarantee issued by the Company to and on behalf of a subsidiary as at 31 December 2020.

The Company has given formal undertakings, which are unsecured, to provide financial support to certain subsidiaries in the Group.

The current interest rates charged by the lender on the loans to the subsidiary are at market rates and are consistent with the borrowing costs of the subsidiary without any corporate guarantee.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantee.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intra-group financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Notes 10 and 11.

31 Financial instruments

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Amortised cost US$	Other financial liabilities at amortised cost US$	Total US$
2020			
Financial assets			
Cash and bank balances (Note 12)	**73,303**	**-**	**73,303**
	73,303	**-**	**73,303**
Financial liabilities			
Other payables* (Note 18)	**-**	**297,035**	**297,035**
	-	**297,035**	**297,035**

* *Exclude goods and services tax*

31 Financial instruments (Cont'd)

The Group	Loans and receivables at amortised cost US$	Other financial liabilities at amortised cost US$	Total US$
2019			
Financial assets			
Trade receivables (Note 10)	750,019	-	750,019
Other receivables# (Note 11)	205,705	-	205,705
Cash and bank balances (Note 12)	3,201,539	-	3,201,539
	4,157,263	-	4,157,263
Financial liabilities			
Trade payables (Note 17)	-	870,600	870,600
Other payables* (Note 18)	-	5,001,567	5,001,567
Bank loans and advances (Note 15)	-	3,574,680	3,574,680
Liabilities for trade bills discounted with recourse (Note 19)	-	26,055	26,055
Lease liabilities (Note 16)	-	120,546	120,546
	-	9,593,448	9,593,448

* *Exclude goods and services tax*
\# *Excludes prepayments, withholding tax receivable, advances and goods and services tax*

The Company	Amortised cost US$	Other financial liabilities at amortised cost US$	Total US$
2020			
Financial assets			
Cash and bank balances (Note 12)	**73,303**	**-**	**73,303**
	73,303	**-**	**73,303**
Financial liabilities			
Other payables* (Note 18)	**-**	**297,035**	**297,035**
	-	**297,035**	**297,035**

* *Exclude goods and services tax*

The Company	Loans and receivables at amortised cost US$	Other financial liabilities at amortised cost US$	Total US$
2019			
Financial assets			
Cash and bank balances (Note 12)	2,577,935	-	2,577,935
	2,577,935	-	2,577,935
Financial liabilities			
Other payables* (Note 18)	-	849,143	849,143
	-	849,143	849,143

* *Exclude goods and services tax*

32 Fair value measurements

Definition of fair value
FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

However, the Group and the Company do not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables (excluding input taxes and tax recoverable), cash and bank balances, short-term borrowings, and trade and other payables (excluding contract liability and provision for retirement benefits), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 - Inputs order that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

32.1 Financial assets and financial liabilities subject to offsetting arrangements

(a) Set-off of balances with subsidiaries (the Company)

The subsidiary and the Company have arrangements to settle intercompany balances due to or due from each other on a net basis. The amounts of due to and due from subsidiaries that are set-off are as follows:

The Company **31 December 2019**	**Gross carrying amounts** **US$**	**Gross amounts offset in the statement of financial position** **US$**	**Net amounts in the statement of financial position** **US$**
Amounts due from subsidiaries (non-trade)	**20,257,906**	**(20,257,906)**	**-**
Amounts due to subsidiaries (non-trade)	**(20,331,372)**	**20,257,906**	**(73,466)**
	(73,466)	**-**	**(73,466)**

33 Commitments

Capital commitments

Capital commitments contracted for at the reporting date but not recognised in the financial statements are as follows:

	The Group		The Company	
	2020	2019	**2020**	2019
	USS$	US$	**US$**	US$
Proposed acquisition of investment	**-**	1,592,129	**-**	1,592,129

This was capitalised with additional investment cost of US$682,341 to a total investment in an associate of US$2,274,470 on 9 January 2020 as disclosed in Note 7.

34 Capital management

The Company's and the Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's ability to continue as a going concern, so that they continue to provide returns for shareholders and benefits for other stakeholders;

(b) To support the Company's and the Group's stability and growth; and

(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capability.

The Company and the Group actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

SHAREHOLDER INFORMATION

AS AT 31 MARCH 2021

SHARE CAPITAL

Issued and fully paid up-capital	: S$22,004,367.66
Total number of issued shares	: 794,186,046
Number of treasury shares	: Nil
Number of subsidiary holdings	: Nil
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	2	0.77	72	0.00
100 - 1,000	35	13.46	32,200	0.00
1,001 - 10,000	64	24.62	301,300	0.04
10,001 - 1,000,000	122	46.92	29,190,285	3.68
1,000,001 and above	37	14.23	764,662,189	96.28
Total	**260**	**100.00**	**794,186,046**	**100.00**

TWENTY LARGEST SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

	Name of shareholders	No. of shares	% of shares
1	UOB KAY HIAN PTE LTD	472,194,700	59.46
2	KIM SENG HOLDINGS PTE LTD	69,614,641	8.77
3	GALWAY PETROLEUM PTE LTD	33,714,916	4.25
4	RHODA KIRK OR EILIDH KIRK	31,235,947	3.93
5	JOHN GRONBECH	30,057,162	3.78
6	PETER ANDREW MILLS	16,659,172	2.10
7	LIM HOW TECK	11,984,979	1.51
8	CHU VOON THART @ PETER CHU	9,044,425	1.14
9	LOUREN DAVID WOOF	7,587,131	0.96
10	LAY KEVIN RAYMOND	6,894,312	0.87
11	PHILLIP SECURITIES PTE LTD	6,561,793	0.83
12	AIRSERVE MARINE TRAVEL PTE LTD	6,376,392	0.80
13	OCBC SECURITIES PRIVATE LTD	6,200,000	0.78
14	YDE ELO	5,955,938	0.75
15	YAK THIAN HUAT (YI TIANFA)	4,862,785	0.61
16	SAC CAPITAL PRIVATE LIMITED	4,674,897	0.59
17	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,662,672	0.46
18	CHONG SIU PENG	3,563,339	0.45
19	DBS NOMINEES PTE LTD	3,323,200	0.42
20	WANG JIAJIAN	3,224,000	0.41
	Total	**737,392,401**	**92.87**

SHAREHOLDER INFORMATION

AS AT 31 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct interest		Deemed interest	
Name of substantial shareholders	**No. of shares**	**% of issued share capital**	**No. of shares**	**% of issued share capital**
Dr Chirasak Chiyachantana	400,000,000	50.37	–	–
Jatechanya Boonchaleo	68,250,000	8.59	–	–
Kim Seng Holdings Pte Ltd (1)	69,614,641	8.77	–	–
Tan Fuh Gih (1)	3,086,702	0.39	69,614,641	8.77
Tan Kim Seng (1)	–	–	69,614,641	8.77
Tan Hoo Lang (1)	–	–	69,614,641	8.77

Note:

(1) Kim Seng Holdings Pte Ltd is an investment holding company incorporated in Singapore. Tan Kim Seng, Tan Fuh Gih and Tan Hoo Lang hold 24.0%, 22.0% and 22.0% of the issued and paid-up share capital of Kim Seng Holdings Pte Ltd respectively and are each deemed interested in the shares held by Kim Seng Holdings Pte Ltd. The remaining shareholders of Kim Seng Holdings Pte Ltd are Tan Wei Min (20%), Tan Ah Ling (5.0%), Loh Sok Beng (5.0%) and Tan Ah Moy (2.0%). Tan Kim Seng, Tan Fuh Gih, Tan Hoo Lang, Tan Wei Min, Tan Ah Ling, Loh Sok Beng and Tan Ah Moy are siblings. Tan Kim Seng, Tan Fuh Gih and Tan Hoo Lang are directors of Kim Seng Holdings Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on information available to the Company as at 31 March 2021, approximately 31.88% of the shareholdings of the Company is held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

REGISTERED OFFICE

138 Robinson Road
#26-03 Oxley Tower
Singapore 068906
Tel: +65 6236 9354

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DR CHIRASAK CHIYACHANTANA
(Non-Independent Non-Executive Chairman)

KENNY LIM YEOW HUA
(Lead Independent Director)

DR KUNCHIT SINGSUWAN
(Independent Director)

DR APHICHAT SRAMOON
(Independent Director)

AUDIT COMMITTEE

KENNY LIM YEOW HUA (Chairman)

DR KUNCHIT SINGSUWAN

DR APHICHAT SRAMOON

REMUNERATION COMMITTEE

DR KUNCHIT SINGSUWAN (Chairman)

KENNY LIM YEOW HUA

DR APHICHAT SRAMOON

NOMINATING COMMITTEE

DR APHICHAT SRAMOON (Chairman)

KENNY LIM YEOW HUA

DR KUNCHIT SINGSUWAN

REGISTERED OFFICE

138 Robinson Road
#26-03 Oxley Tower
Singapore 068906
Tel: +65 6236 9354

COMPANY REGISTRATION NUMBER

201108075C

COMPANY SECRETARY

CHUA KERN (LLB (HONS))

SHARE REGISTRAR

TRICOR BARBINDER
SHARE REGISTRATION SERVICES
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road
#02-00
Singapore 068898

SPONSOR

UOB KAY HIAN PRIVATE LIMITED
8 Anthony Road
#01-01
Singapore 229957

INDEPENDENT AUDITORS

FOO KOON TAN LLP
Public Accountants and Chartered Accountants
Singapore
Partner-in-charge: Ms Ang Soh Mui
(with effect from the financial year ended 31 December 2019)
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

BANKERS

UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza 1
Singapore 048264

NauticAWT Limited
Company Registered No.201108075C

138 Robinson Road
#26-03 Oxley Tower
Singapore 068906

Tel: +65 6236 9354