

NAUTICAWT LIMITED

CONDENSED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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

Contents

	Page
Condensed Statement of Financial Position	1
Condensed Statement of Comprehensive Income	2
Condensed Statement of Changes in Equity	3
Condensed Statement of Cash Flows	4
Notes to the Condensed Financial Statements	5
Other Information	13

NAUTICAWT LIMITED

**CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 S\$	2021 S\$
<u>ASSETS</u>			
Non-current Assets			
Investment in an associate	5	2,069,798	2,202,596
Total non-current assets		2,069,798	2,202,596
Current assets			
Other receivables	6	115,645	47,678
Cash and bank balances	7	5,263	196
Total current assets		120,908	47,874
Total assets		2,190,706	2,250,470
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital	8	16,268,642	16,268,642
Other capital reserve	9	3,064,907	3,064,907
Share options reserve		146,310	146,358
Foreign currency translation reserve	10	(147,399)	(102,904)
Accumulated losses		(18,849,227)	(18,058,201)
Total equity		483,233	1,318,802
Current liabilities			
Other payables	11	1,707,473	931,668
Total current liabilities		1,707,473	931,668
Total equity and liabilities		2,190,706	2,250,470

NAUTICAWT LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	Half year ended			Financial year ended		
		31 December	31 December	Increase/ (Decrease) %	31 December	31 December	Increase/ (Decrease) %
		2022 S\$	2021 S\$		2022 S\$	2021 S\$	
Revenue	12	-	-	NM	-	-	NM
Cost of sales		-	-	NM	-	-	NM
Gross profit		-	-	NM	-	-	NM
Administrative expenses		(110,083)	(678,277)	(83.8)	(697,261)	(774,763)	(10.0)
Share of loss of an associate		(119,203)	(34,046)	250.1	(93,765)	(166,601)	(43.7)
Loss before income tax	13	(229,286)	(712,323)	(67.8)	(791,026)	(941,364)	(16.0)
Income tax expense		-	-	NM	-	-	NM
Loss for the period/year		(229,286)	(712,323)	(67.8)	(791,026)	(941,364)	(16.0)
Other comprehensive loss							
Exchange differences on translation of foreign operations		(71,496)	(172,569)	(58.6)	(44,495)	(169,401)	(73.7)
Total other comprehensive loss for the period/year		(71,496)	(172,569)	(58.6)	(44,495)	(169,401)	(73.7)
Total comprehensive loss for the period/year		(300,782)	(884,892)	(66.0)	(835,521)	(1,110,765)	(24.8)
Loss attributable to:							
Owners of the Company		(229,286)	(712,323)	(67.8)	(791,026)	(941,364)	(16.0)
Non-controlling interests		-	-	NM	-	-	NM
		(229,286)	(712,323)	(67.8)	(791,026)	(941,364)	(16.0)
Total comprehensive loss attributable to:							
Owners of the Company		(300,782)	(884,892)	(66.0)	(835,521)	(1,110,765)	(24.8)
Non-controlling interests		-	-	NM	-	-	NM
		(300,782)	(884,892)	(66.0)	(835,521)	(1,110,765)	(24.8)
Loss per share (cents):	15						
Basic		(0.03)	(0.09)		(0.10)	(0.12)	
Diluted		(0.03)	(0.09)		(0.10)	(0.12)	

NAUTICAWT LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share Capital S\$	Other Capital Reserve S\$	Share Options Reserve S\$	Foreign Currency Translation Reserve S\$	Accumulated Losses S\$	Total S\$
Balance at 1 January 2022	16,268,642	3,064,907	146,358	(102,904)	(18,058,201)	1,318,802
Loss for the year	-	-	-	-	(791,026)	(791,026)
<i>Other comprehensive loss for the year</i>						
Exchange differences on translating foreign operations	-	-	(48)	(44,495)	-	(44,543)
Balance at 31 December 2022	16,268,642	3,064,907	146,310	(147,399)	(18,849,227)	483,233
Balance at 1 January 2021	16,268,642	3,064,907	146,358	66,497	(17,116,837)	2,429,567
Loss for the financial year	-	-	-	-	(941,364)	(941,364)
<i>Other comprehensive loss for the year</i>						
Exchange differences on translating foreign operations	-	-	-	(169,401)	-	(169,401)
Balance at 31 December 2021	16,268,642	3,064,907	146,358	(102,904)	(18,058,201)	1,318,802

NAUTICAWT LIMITED

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	S\$	S\$
Operating activities		
Loss before income tax	(791,026)	(941,364)
Adjustments for:		
Share of loss of an associate	93,765	166,601
(Reversal of allowance) / allowance for impairment loss on investment in an associate	(56,535)	20,532
Operating cash flows before working capital changes	(753,796)	(754,231)
Working capital changes:		
Other receivables	(70,713)	126,238
Other payables	(97,187)	(54,589)
Cash (used in) operations	(921,696)	(682,582)
Income tax paid	-	-
Net cash (used in) operating activities	(921,696)	(682,582)
Financing activities		
Advances from controlling shareholder	926,810	590,521
Net cash generated from financing activities	926,810	590,521
Net increase / (decrease) in cash and cash equivalents	5,114	(92,061)
Cash and cash equivalents at beginning of year	196	96,914
Exchange difference on cash and cash equivalents	(47)	(4,657)
Cash and cash equivalents at end of year	5,263	196

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1 General Information

The condensed financial statements of NauticAWT Limited (the “Company”) for the financial year ended 31 December 2022 were authorised for issue by the Board of Directors.

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

The Company’s registered office and the principal place of business is located at 138 Robinson Road #26-03 Oxley Tower Singapore 068906.

The principal activity of the Company is investment holding.

2 Basis of Preparation

The condensed financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the change in the Company’s financial position and performance of the Company since the last condensed financial statements for the six-month ended 30 June 2022.

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

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for the current financial year.

The adoption of the new and revised standards did not result in substantial changes to the Company’s accounting policies and had no material effect on the financial statements of the Company.

2.2 Material Uncertainty Related to Going Concern

As at 31 December 2022, the Company’s current liabilities exceeded its current assets by S\$1,586,565 (31 December 2021: S\$883,794). The Company recorded a loss of S\$791,026 for the financial year ended 31 December 2022 (31 December 2021: loss of S\$941,364).

The ability of the Company to continue as a going concern is dependent on the financial support from the controlling shareholder. The Company has obtained an undertaking from the controlling shareholder to provide the necessary financial support up to S\$2,200,000 so as to enable the Company to meet the debts as and when they fall due. As such, there are sufficient cash resources to satisfy its working capital requirement within the next 12 months. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Significant Accounting Estimates and Judgements

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

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

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

- **Classification of investment in associate**

On 10 January 2020, the Company announced the completion of the acquisition of 35% of the issued and paid-up share capital in Chokdee Dimsum Corporation Company Limited ("Chokdee"). The consideration was THB70,000,000 (approximately equivalent to S\$3,072,000). 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 has exercised significant judgement and determined that the Company continues to have significant influence over Chokdee. Accordingly, this investment is classified as an associate as at 31 December 2022.

- **Determination of functional currency**

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

Key Sources of Estimation Uncertainty

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

- **Impairment of investment in associate**

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

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

4 Seasonal Operations

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

5 Investment in an Associate

	2022	2021
	S\$	S\$
Unquoted equity shares, at cost	3,072,127	3,072,127
Bargain purchase	69,617	69,617
Share of post-acquisition results, net of tax	(826,170)	(732,405)
Share of other comprehensive income, net of tax	33,446	33,446
	<u>2,349,020</u>	<u>2,442,785</u>
Less: Allowance for impairment loss	-	(56,535)
Currency re-alignment	(279,222)	(183,654)
Balance at end of the financial year	<u>2,069,798</u>	<u>2,202,596</u>

Movement in allowance for impairment loss was as follows:

	2022	2021
	S\$	S\$
Balance at beginning of financial year	56,535	36,003
(Reversal of allowance) / allowance for impairment loss recognised	(56,535)	20,532
Balance at end of financial year	<u>-</u>	<u>56,535</u>

As at 31 December 2022, the Company carried out an assessment on whether there is any indicator of impairment for its investment in an associate based on the existing performance of the associate. The assessment was made with reference to its recoverable amount which has been determined based on its value-in-use calculations covering a period of 5 years and projections to terminal year. Following the review, a reversal of allowance for impairment loss of S\$56,535 (31 December 2021: allowance for impairment loss of S\$20,532) was recognised in the current financial year.

Name	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2022	2021	
Chokdee Dimsum Corporation Company Limited ⁽¹⁾	Thailand	35%	35%	Food and beverage

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

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

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 THB70,000,000 (approximately equivalent to S\$3,072,000).

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.

The summarized financial information below reflects the amount presented in the financial statements of associate adjusted for fair value adjustment, but not adjusted for the proportion of ownership interest held by the Company.

	2022	2021
	S\$	S\$
<u>Income and Expenses</u>		
Revenue	3,032,965	2,723,507
Loss for the financial year	(267,900)	(476,003)
Other comprehensive income	-	-
Total comprehensive Loss	(267,900)	(476,003)
<u>Assets and Liabilities</u>		
Non-current assets	6,201,299	9,498,384
Current assets	2,057,550	403,795
Non-current liabilities	(1,058,605)	(1,317,787)
Current liabilities	(1,286,536)	(2,129,732)
Net assets	5,913,708	6,454,660

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

	2022	2021
	S\$	S\$
Net assets of associate	5,913,708	6,454,660
Percentage of equity interest in associate	35%	35%
Company’s share of interest in associate	2,069,798	2,259,131
Less: allowance for impairment loss	-	(56,535)
Carrying amount at end of financial year	2,069,798	2,202,596

6 Other Receivables

	2022	2021
	S\$	S\$
Deposits	110,000	-
Prepayments	5,645	47,678
Total	115,645	47,678

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7 Cash and Bank Balances

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

	2022	2021
	S\$	S\$
Singapore dollar	5,172	59
Thailand Baht	91	137
Total	5,263	196

8 Share Capital

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

	Number of ordinary shares	
	2022	2021
Balance at beginning and end of financial year	794,186,046	794,186,046
	2022	2021
	S\$	S\$
Balance at beginning and end of financial year	16,268,642	16,268,642

There has been no change in the Company's share capital since 30 June 2022 up to 31 December 2022.

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

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 2021.

- (b) **Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	2022	2021
Total number of shares (excluding treasury shares)	794,186,046	794,186,046

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

- (c) **A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company did not have any treasury shares during and as at the end of the current financial year.

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

Not applicable as the Company did not have any subsidiary holdings during and as at the end of the current financial year.

9 Other Capital Reserve

The movement of other capital reserve is as follows:

	2022	2021
	S\$	S\$
	<hr/>	<hr/>
At beginning and end of the year	<u>3,064,907</u>	<u>3,064,907</u>

The other capital reserve represents:

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

10 Foreign Currency Translation Reserve

The movement of foreign currency translation reserve is as follows:

	2022	2021
	S\$	S\$
	<hr/>	<hr/>
At beginning of the year	(102,904)	66,497
Exchange difference on translation of foreign operations	(44,495)	(169,401)
At end of the year	<u>(147,399)</u>	<u>(102,904)</u>

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11 Other Payables

	2022	2021
	S\$	S\$
Accrued expenses	147,642	196,800
Other payables	77,093	144,347
Amount due to controlling shareholder	1,482,738	590,521
Total	1,707,473	931,668

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

12 A breakdown of revenue as follows:

	2022	2021	Increase/ Decrease
	S\$	S\$	(%)
<u>First half year</u>			
Revenue	-	-	-
Operating loss after tax reported for first half year	(561,740)	(229,041)	145.3
<u>Second half year</u>			
Revenue	-	-	-
Operating loss after tax reported for second half year	(229,286)	(712,323)	(67.8)

13 Loss before Tax

	2022	2021
	S\$	S\$
(Reversal of allowance) / Allowance for impairment loss on investment in an associate	(56,535)	20,532

14 Related Party Transactions

For the purpose of the financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the controlling shareholder (who is also a director of the Company) has provided advances to the Company amounting to S\$1,482,738 for the financial year ended 31 December 2022 (2021: S\$590,521). The amounts are unsecured, interest-free and repayable on demand.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The remuneration of directors of the Company during the financial year ended 31 December 2022 and 31 December 2021 were as follows:

	2022	2021
	S\$	S\$
Director fees	60,000	60,000

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

	6 months ended 31 December		12 months ended 31 December	
	2022	2021	2022	2021
Loss per share (S\$ cents) based on:				
a. weighted average number of shares on issue	(0.03)	(0.09)	(0.10)	(0.12)
b. a fully diluted basis ⁽¹⁾	(0.03)	(0.09)	(0.10)	(0.12)
Weighted average shares for calculation of:				
a. weighted average number of shares on issue	794,186,046	794,186,046	794,186,046	794,186,046
b. a fully diluted basis ⁽¹⁾	794,186,046	794,186,046	794,186,046	794,186,046

Note:

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

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

	2022	2021
Net asset value per share (S\$ cents)	0.06	0.17
Number of issued shares	794,186,046	794,186,046

17 Subsequent Events

As announced on 15 February 2023, Chokdee is now a direct subsidiary of the Company by virtue of the Company's effective interest and control over its financial and operating policies. The Company now holds 955,000 ordinary shares and 40,000 preference shares, representing 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. However, this does not lead to adjustments to this set of financial statements.

**NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Other Information

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

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

- 19 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, please provide:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue**

Not applicable

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable

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

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

Review of Results

Revenue

Following the completion of the disposal of Nautec Group Pte. Ltd. in December 2020, the Company's key remaining business is its investment of 35% interest in Chokdee Dimsum Corporation Company Limited, hence no revenue was recorded for FY2022.

Administrative expenses

Administrative expenses was approximately S\$697,000 in FY2022 as compared to approximately S\$775,000 in FY2021. Administrative expenses in FY2022 included the reversal of allowance for impairment loss on investment in an associate amounting to approximately S\$57,000 whereas in FY2021, administrative expenses included an allowance for impairment loss on investment in an associate of approximately S\$21,000. Excluding the reversal and allowance for impairment in an associate in both financial years, administrative expenses remained fairly stable at approximately S\$754,000 for both financial years.

Share of loss of an associate

Share of loss from an associate was approximately S\$94,000 in FY2022 as compared to approximately S\$167,000 in FY2021. The food and beverage industry that the Company invested in was adversely affected by the COVID-19 pandemic during the period under review.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Income tax expense

No income tax expense was recorded in both FY2022 and FY2021 due to losses incurred.

Loss after tax

As a result of the above, the Company suffered a loss for the year of S\$791,026 in FY2022 and S\$941,364 in FY2021 respectively.

Review of Statement of Financial Position

Overall

The Company was designated a Cash Company on 11 December 2020. The Company's financial position consist of the investment in an associate, Chokdee Dimsum Corporate Company Limited as at 31 December 2022 and 2021.

Non-current asset

The decrease in investment in an associate was mainly due to share of loss of an associate recognised in FY2022, offset by the reversal of allowance for impairment loss on investment in an associate.

Current assets

Current assets comprise cash and bank balances and other receivables. The increase in current assets is mainly due to (i) cash and bank balances increased from S\$196 in FY2021 to approximately S\$5,000 in FY2022, and (ii) other receivables increased from approximately S\$48,000 in FY2021 to approximately S\$116,000 in FY2022.

Current liabilities

Current liabilities consist of amount due to controlling shareholder, accrued expenses and other payables as at 31 December 2022. The increase in current liabilities was mainly due to increase in amount due to controlling shareholder in FY2022.

Going concern assessment

As at 31 December 2022, the Company's current liabilities exceeded current assets by S\$1,586,565. In addition, the Company recorded a loss of S\$791,026 for the financial year ended 31 December 2022.

As at the date of this announcement, the Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial information is appropriate as the Company has obtained an undertaking from the controlling shareholder to provide the necessary financial support to enable the Company to meet its obligations as and when they fall due.

Review of Cash Flows

Net cash used in operating activities in FY2022 amounted to approximately S\$922,000, taking into account the loss before income tax of approximately S\$791,000, adjusted for non-cash items of approximately S\$37,000 and net working capital outflows of approximately S\$168,000.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The net cash flows generated from financing activities of approximately S\$927,000 in FY2022 as compared to approximately S\$591,000 was attributable to working capital provided by the controlling shareholder.

As a result of the above, the Company's cash and cash equivalents increased by approximately S\$5,000, from S\$196 as at 31 December 2021 to S\$5,263 as at 31 December 2022.

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

Not applicable. No specific forecast or prospect statement were made previously.

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

(a) UPDATE ON THE DISPOSAL OF THE ASSOCIATED COMPANY

As announced on 31 March 2022 and 11 July 2022, the Company had entered into a sale and purchase agreement (the "SPA") with Mr Kritsada Tunpow (the "Purchaser") in relation to the proposed disposal of Chokdee Dimsum Corporation Company Limited ("Chokdee") (the "Proposed Disposal"). On 30 September 2022, the Company and the Purchaser entered into a Third Extension Agreement to extend the long stop date of the Proposed Disposal to 30 November 2022.

The Board had updated on 20 January 2023 that as the Purchaser has not fulfilled his obligation to pay the purchase consideration of THB 54.6 million by the long-stop date of 30 November 2022, the Company has decided not to extend the long-stop date further. Accordingly, the SPA has therefore lapsed and ceased to have further effect with respect to the Proposed Disposal.

Given that the Company has incurred significant time, resources, professional fees and other expenses in relation to the preparation of the Proposed Disposal, the Company has negotiated and the Purchaser has agreed, to enter into a settlement agreement ("Settlement Agreement") on 20 January 2023, pursuant to which the Company serves a notice to terminate the SPA and seeks compensation of THB 27.3 million (or equivalent to approximately SGD 1.06 million, based on the exchange rate of THB 25.6845 : SGD 1.00) ("Compensation"), due to non-fulfilment of the Purchaser's obligations under the SPA.

Given that the Purchaser is unable to pay the Compensation in cash, both parties further agreed that the Compensation will be satisfied by way of the Purchaser transferring its shares in Chokdee to the Company. Based on initial valuation of the Proposed Disposal of THB 78 per share, the Purchaser shall transfer 350,000 shares or 17.5% shareholdings in Chokdee to the Company. The Company should own 52.5% (35.0% + 17.5%) shareholdings in Chokdee upon the completion of the Compensation.

However, as there are foreign ownership restrictions imposed by The Foreign Business Act B.E. 2542 (1999) ("FBA") on Chokdee, both the Company and the Purchaser agreed to a shareholding restructuring of Chokdee, pursuant to which the Purchaser shall subscribe to 40,000 preference shares in the share capital of Chokdee, where each preference share is entitled to five voting rights. Thereafter, the Purchaser shall satisfy the Compensation by transferring 255,000 ordinary shares and 40,000 preference shares in the share capital of Chokdee ("Compensation Shares") to the Company. After the proposed transfer of the Compensation Shares, the Company will hold 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. The Company has engaged a reputable international firm to advise the Company on the Thai laws which has opined that the aforesaid arrangement is not prohibited under the FBA.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

As announced on 15 February 2023, The Company has received the Compensation Shares from the Purchaser. Accordingly, Chokdee is now a direct subsidiary of the Company by virtue of the Company's effective interest and control over its financial and operating policies of Chokdee. The Company now holds 955,000 ordinary shares and 40,000 preference shares, representing 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee.

Thailand's economy is on a recovery path as the impact of the pandemic gradually eases. In addition, with the easing of China's travel restriction, it is expected that Thailand will see an increase in China's visitors in 2023 which would benefit the food and beverage industry. Hence, barring any unforeseen circumstances, the Board is cautiously optimistic with the operating performance of Chokdee in 2023.

(b) UPDATE OF MILESTONES IN OBTAINING A NEW BUSINESS

With regards to the proposed acquisition of World Industrial Estate Co., Ltd. ("**Proposed Acquisition**"), the Board had on 11 November 2022 updated that in view of the extended amount of time that has lapsed since the entry into the share purchase agreement for the Proposed Acquisition, the Company and UOB Kay Hian Private Limited ("**UOBKH**") have discussed and mutually agreed for UOBKH to cease as the Financial Adviser ("**FA**") in respect of the Proposed Acquisition.

The Board had on 30 December 2022 updated that the Company has appointed RHT Capital Pte. Ltd. ("**RHT Capital**") as the FA to the Proposed Acquisition. Pursuant to Rule 225(3) of the Catalyst Rules, the FA will subsequently be appointed as the Continuing Sponsor for the Company for at least 3 years after the completion of the Proposed Acquisition.

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

23 If a decision regarding dividend has been made

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

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

Not applicable.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

NAUTICAWT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

No dividend has been declared or recommended for the current financial period as the Company has been designated a Cash Company and has no revenue generating business.

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

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii). There was no discloseable interested person transaction for the current financial year.

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

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

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

Not applicable. The Company did not acquire and dispose shares in any companies during the financial year ended 31 December 2022.

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

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

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

Not applicable.

On behalf of the Board of Directors

Dr Chirasak Chiyachantana
Non-Independent Non-Executive Chairman
28 February 2023