

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

EMPHASIS OF MATTER ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

In compliance with Rule 704(4) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”), the Board of Directors (the “**Board**”) of NauticAWT Limited (the “**Company**”) wishes to announce that the Company’s Independent Auditors, BDO LLP (the “**Independent Auditors**”) had, without modifying its audit report, included an emphasis of matter on the material uncertainty related to ability of the Company to continue as a going concern in their report (the “**Independent Auditors’ Report**”) on the audited financial statements of the Company for the financial year ended 31 December 2022 (the “**Audited Financial Statements**”).

The Company incurred a net loss of S\$854,915 for the financial year ended 31 December 2022. As at 31 December 2022, the Company’s total current liabilities exceeded its total current assets by S\$1,649,724. The ability of the Company to continue as a going concern is highly dependent on the financial ability of the controlling shareholder in providing funds to the Company in order to meet its debt obligations and working capital requirements. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

For further details, please refer to the extracts of the Independent Auditors’ Report and Note 2.1 to the Audited Financial Statements annexed to this announcement which set out, *inter alia*, the bases for the Board’s opinion that the Group will be able to continue as a going concern.

The Board confirmed that all material disclosures have been provided for trading of the Company’s shares to continue.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report for the financial year 31 December 2022, which has been released separately on SGXNet on 13 April 2023. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

By Order of the Board
NAUTICAWT LIMITED

Dr Chirasak Chiyachantana
Non-Independent Non-Executive Chairman
13 April 2023

*This announcement has been prepared by NauticAWT Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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

A COPY OF THE INDEPENDENT AUDITORS' REPORT TO THE AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NauticAWT Limited (the "Company"), which comprise:

- the statement of financial position of the Company as at 31 December 2022;
- the statement of comprehensive income, statement of changes in equity, and statement of cash flows of the Company for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the financial position of the Company as at 31 December 2022, and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the financial statements, which indicates that the Company incurred a net loss of S\$854,915 for the financial year ended 31 December 2022. As at 31 December 2022, the Company's total current liabilities exceeded its total current assets by S\$1,649,724.

The ability of the Company to continue as a going concern is highly dependent on the financial ability of the controlling shareholder in providing funds to the Company in order to meet its debt obligations and working capital requirements.

These events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

AUDIT RESPONSE

1

Impairment assessment of investment in an associate

As at 31 December 2022, the carrying amount of the Company's investment in an associate amounted to S\$2,069,798.

During the financial year ended 31 December 2022, the management carried out an impairment assessment to determine if there is any indication of impairment loss or reversal of impairment previously made in the investment in an associate.

Management determined the recoverable amounts based on the value-in-use calculations by estimating the discounted future cash flows to be derived from the associate. Arising from the assessment, a reversal of impairment previously made of S\$56,535 was recognised during the financial year.

We focused on the impairment assessment of investment in an associate as a key audit matter owing to the significant management judgements and estimates involved in the key assumptions used in discounted cash flows forecast, such as the revenue growth rate, terminal growth rate and the discount rate.

We performed the following audit procedures, amongst others:

- Discussed with management and evaluated the reasonableness of the key assumptions made by management in preparing the discounted cash flows, including performing analytical procedures and comparing the revenue growth rate against historical performance and industry outlook and terminal growth rate against market data, as appropriate;
- Engaged our internal valuation specialists to evaluate reasonableness of the discount rate used;
- Performed sensitivity analysis around the key assumptions, including the revenue growth rate, terminal growth rate and discount rate used in the cash flow forecasts; and
- Assessed the adequacy of the disclosure in the financial statements with respect to impairment assessment of investment in an associate.

Refer to Notes 2.3, 3.2(i) and 4 to the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, 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 auditors' report is Yeo Siok Yong.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
6 April 2023

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and are prepared under the historical cost convention, except as disclosed in the accounting policies below and on a going concern basis.

The Company incurred a net loss of S\$854,915 (2021: S\$941,364) for the financial year ended 31 December 2022. As at 31 December 2022, the Company's total current liabilities exceeded its total current assets by S\$1,649,724 (2021: S\$883,794).

In assessing the appropriateness of the going concern assumptions of the Company, the Directors are however of the view that the use of going concern assumption to prepare the financial statements is appropriate based on the following factors:

- i. The controlling shareholder has provided personal undertakings to provide an interest-free loan advance of S\$2.2 million to the Company;
- ii. The Directors of the Company have carried out a detailed review of the cash flow forecast of the Company for the next 16 months after the end of the financial year. Based on such forecast, the Directors of the Company have estimated that adequate liquidity exists to finance the working capital requirements of the Company for the next 16 months;
- iii. Subsequent to the end of the reporting year, the Company obtained additional advances of S\$170,000 from the controlling shareholder;
- iv. As disclosed in Note 18, on 14 February 2023, the Company has received 255,000 ordinary shares and 40,000 preference shares in Chokdee Dimsum Corporation Company Limited ("Chokdee") from Mr. Kritsada Tunpow, who is a director of Chokdee. Upon the completion, the Company holds 955,000 ordinary shares and 40,000 preference shares, representing approximately 48.8% of the issued share capital and 52.5% of the voting rights in Chokdee. Pursuant to the settlement, Chokdee became a subsidiary of the Company. The Directors of the Company have estimated that there will be positive cash flow generated from Chokdee for the financial year ending 31 December 2023; and
- v. As disclosed in Note 18, on 21 March 2023, the Company entered into a conditional share purchase agreement with World Corporation Public Company Limited in relation to the proposed acquisition of approximately 99.5% of the economic interest of World Industrial Estate Co., Ltd. with total consideration of S\$27,000,000 by way of issuance of such number of ordinary shares of the Company, at an issue price to be determined at a later date. The proposed acquisition presents an opportunity for the Company to acquire a new operating business to meet the SGX-ST's requirements of a new listing on Catalist and allowing the Company to maintain its listing status on the SGX-ST.

Notwithstanding the above, the Directors acknowledge that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, which is highly dependent on the financial ability of the controlling shareholder in providing funds to the Company in order to meet its debt obligations and working capital requirements.

Should the Company be unable to discharge its liabilities in the normal course of business which may lead to the Company being unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may need to reclassify non-current assets to current assets. No such adjustments have been reflected in these financial statements.