

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

**ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES IN RELATION TO
THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER
2021**

Pursuant to Rule 704(4) of Section B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (“**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 opinion, included an emphasis of matter on the material uncertainty related to going concern in their report (the “**Independent Auditors’ Report**”) on the audited financial statements of the Company for the financial year ended 31 December 2021 (the “**Audited Financial Statements**”).

The Company incurred a net loss of S\$941,364 for the financial year ended 31 December 2021. As at 31 December 2021, the Company’s total current liabilities exceeded its total current assets by S\$883,794. 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 and the receipt of the proceeds from the proposed disposal of the associate 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.

A copy of the Independent Auditors’ Report and an extract of Note 2.1 to the Audited Financial Statements are attached to this Announcement for information.

The Board (i) is of the opinion that sufficient information has been disclosed for trading of the Company’s securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company’s shares to continue. In addition, the Board is of the view that the Company would be able to continue as a going concern based on the undertaking from the controlling shareholder of the Company to provide the necessary financial support of up to S\$2 million Singapore dollars.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report for the financial year ended 31 December 2021, which has been released separately on SGXNET on 14 April 2022. 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
14 April 2022

*This announcement has been prepared by NauticAWT Limited (the "**Company**") and its contents have been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

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 2021;
- 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 2021, 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\$941,364 for the financial year ended 31 December 2021. As at 31 December 2021, the Company's total current liabilities exceeded its total current assets by S\$883,794.

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 and the receipt of the proceeds from the proposed disposal of the associate 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
<p>As at 31 December 2021, the carrying amount of the Company's investment in an associate amounted to S\$2,202,596.</p> <p>During the financial year ended 31 December 2021, arising from indicators of impairment in the associate, the management carried out an impairment assessment to determine whether an impairment loss should be recognised in the financial statements.</p> <p>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, an impairment loss of S\$20,532 was recognised during the financial year.</p> <p>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.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none">• 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;• Compared the carrying amount of the Company's investment in an associate as at 31 December 2021 to the consideration from the proposed disposal of the associate as disclosed in Note 29; and• Assessed the adequacy of the disclosure in the financial statements with respect to impairment assessment of investment in an associate.
<p>Refer to Notes 2.4, 3.2(i) and 8 to the accompanying financial statements.</p>	

INDEPENDENT AUDITORS' REPORT

To the Members of NauticAWT Limited

Other Matters

The financial statements of the Company for the financial year ended 31 December 2020 were audited by another auditor who expressed a disclaimer of opinion on those financial statements on 15 April 2021.

As part of our audit of the financial statements for the financial year ended 31 December 2021, we also audited the adjustments on the restatement as described in Note 30(ii) to the financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company for the financial year ended 31 December 2020 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the financial statements for the financial year ended 31 December 2020 taken as a whole.

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
14 April 2022

EXTRACT OF NOTE 2.1 TO THE FINANCIAL STATEMENTS FOR FY2021

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.

The Company incurred a net loss of S\$941,364 for the financial year ended 31 December 2021. As at 31 December 2021, the Company’s total current liabilities exceeded its total current assets by 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\$2million 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\$384,000 from the controlling shareholder;
- iv. On 31 March 2022, the Company has entered into a sale and purchase agreement with Mr. Kritsada Tunpow to dispose of 35% of the issued and paid-up share capital of Chokdee Dimsum Corporation Company Limited (“Chokdee”) with the total consideration of S\$2,210,000 (equivalent to THB54,600,000) (the “proposed disposal”). The proceeds from the proposed disposal of approximately S\$1,232,000 will be used for working capital and other general corporate purposes. However, the proposed disposal is subject to the approval by the shareholders at a general meeting of the Company to be convened on 29 April 2022; and
- v. On 30 November 2021, the Company entered into a share purchase agreement with World Corporation Public Company Limited in relation to the proposed acquisition of 100% issued ordinary shares of World Industrial Estate Co., Ltd. with total consideration of S\$27,000,000 by way of issuance of 135,000,000 ordinary shares of the Company. The Directors of the Company have intention to submit an application to the SGX-ST for the extension of time to complete the proposed acquisition pursuant to the Catalist Rule 1017(2). The time extension sought would provide a more practicable timeframe for the parties to execute and complete the proposed acquisition. The proposed acquisition is subject to the approval by the shareholders at a general meeting of the Company to be convened.

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 and the receipt of the proceeds from the proposed disposal of the associate 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.