

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 2020

Pursuant to Rule 704(4) of Section B of the Singapore Exchange Securities Trading Limited (“**SGXST**”) Listing Manual (“**Catalist Rules**”), the Board of Directors (the “**Board**”) of NauticAWT Limited (the “**Company**”) wishes to announce that the Company’s Independent Auditors, Foo Kon Tan LLP (the “**Auditors**”) has issued disclaimer of opinion (the “**Disclaimer of Opinion**”) in its report (the “**Independent Auditors’ Report**”) on the audited financial statements of the Company for the financial year ended 31 December 2020 (the “**Audited Financial Statements**”).

A copy of the Independent Auditors’ Report and an extract of Note 2(a) to the Audited Financial Statements are attached to this announcement for information.

In relation to the basis for the Disclaimer of Opinion, the Board wishes to inform shareholders on the following:

(i) Purchase price allocation exercise on acquisition of associate (“**Chokdee**”)

As the Chokdee is incorporated in Thailand and owns major assets of property, plant and equipment locally, the Board is of the view that engagement of an overseas professional valuer is more appropriate and is able to perform the valuation work more effectively. Despite efforts to source for a suitable professional valuer, the progress of engaging a valuer was adversely affected due to the Covid-19 pandemic situation in Thailand. As such, the Company is not able to perform and complete the PPA within 12 months from the acquisition date.

In view of the slow progress of engaging a local valuer in Thailand, the Company will also consider engaging suitable professional valuers in Singapore instead. Based on the current progress, the Company expects to complete the PPA before the release of the Company’s results for the half year ending 30 June 2021.

(ii) Recoverable amount of investment in an associate

Based on their latest financial statements for the year ended 31 December 2020, there were indicators of impairment as at 31 December 2020. The Company has completed its preliminary impairment testing using value-in-use method to compute the cash flows. However, the Board is of the opinion that the final impairment assessment of the fair value of Chokdee should take into consideration the PPA as mentioned in note (i) above, in addition to the forecast and assumptions. As such, the Company will finalise its assessment when the PPA is finalised.

(iii) Unaudited financial information of associate

At the date of the Annual Report, the Company had only obtained the unaudited financial statements of Chokdee for the year ended 31 December 2020, which has yet to be finalised by the component auditor. Due to the tight schedule of the local component auditor, they are unable to complete and issue the audited financial statements to meet the reporting timeline of the Company. The Company will inform shareholders should there be any material variance between the unaudited financial statements and audited financial statements of Chokdee for the year ended 31 December 2020.

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 \$1 million Singapore dollars.

Shareholders of the Company are advised to read the Audited Financial Statements in its annual report for financial year ended 31 December 2020, which has been released separately on SGXNet on 16 April 2021. 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

Dr Chirasak Chiyachantana

Non-Independent Non-Executive Chairman

18 April 2021

*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 ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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.

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

Purchase price allocation exercise on acquisition of 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\$2,274,000).

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.

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

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

Notes to the financial statements

for the financial year ended 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.