

AXINGTON INC.
(Incorporated in Labuan)
(Company Registration No. LL12218)

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR
ENDED 31 DECEMBER 2021**

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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 correctness of any of the statements or opinions made, or reports contained in this announcement.

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

The presentation of the financial statements of the Group have been changed from Ringgit Malaysia (“RM”) to Singapore Dollar (“SGD” or “S\$”). Please refer to paragraph 4 of this announcement for details. Accordingly, the comparatives have also been restated and presented in SGD.

	Note	Group			
		6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 (Restated) S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 (Restated) S\$'000
Continuing operations					
Revenue		-	-	-	8
Other income		41	36	101	218
Depreciation of plant and equipment		-	(44)	-	(55)
Depreciation of right-of-use assets		-	(11)	-	(23)
Employee benefits expense	8	(138)	(109)	(221)	(293)
Short-term rental expense		-	(15)	(20)	(18)
Finance cost		-	-	-	(1)
Other expenses	A.1	(472)	(1,834)	(878)	(2,219)
Loss before taxation from continuing operations		(569)	(1,977)	(1,018)	(2,383)
Taxation		-	-	-	-
Loss after taxation from continuing operations		(569)	(1,977)	(1,018)	(2,383)
Discontinued operations					
Profit from discontinued operations, net of tax		-	3	-	18,736
Profit/(loss) for the period		(569)	(1,974)	(1,018)	16,353
Other comprehensive income after tax:					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		-	2	-	2
Other comprehensive income/(loss) for the year, net of tax of nil		-	2	-	2
Total comprehensive profit/(loss) for the period		(569)	(1,972)	(1,018)	16,355
Profit/(loss) attributable to:					
Owners of the Company					
- Loss from continuing operations, net of tax		(567)	(1,951)	(1,014)	(2,356)
- Profit from discontinued operations, net of tax		-	3	-	18,719
		(567)	(1,948)	(1,014)	16,363

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

		Group			
		6 months ended 31 December 2021	6 months ended 31 December 2020 (Restated)	12 months ended 31 December 2021	12 months ended 31 December 2020 (Restated)
Note		S\$'000	S\$'000	S\$'000	S\$'000
Non-controlling interests:					
	- Loss from continuing operations, net of tax	(2)	(24)	(4)	(24)
	- Profit from discontinued operations, net of tax	-	-	-	16
		(2)	(24)	(4)	(8)
Profit/(loss) for the period		(569)	(1,972)	(1,018)	16,355
Total comprehensive income attributable to:					
	Owners of the Company	(567)	(1,948)	(1,011)	16,363
	Non-controlling interests	(2)	(24)	(7)	(8)
Total comprehensive income for the year		(569)	(1,972)	(1,018)	16,355
Earnings per share attributable to owners of the Company (S\$ cents)					
	Basic and diluted	(0.29)	(1.90)	(0.53)	9.54
	From continuing operations	(0.29)	(1.12)	(0.53)	(1.37)
	From discontinued operations	-	(0.78)	-	10.91

Discontinued operations

The divestment of Tricor Taxand Sdn. Bhd. ("**Tricor Taxand**") (previously known as Axcelasia Taxand Sdn. Bhd.) was completed on 15 April 2020 for a cash consideration of S\$22.9 million equivalent (RM69.7 million) ("**Divestment**"). The gain of Divestment recognised was S\$18.8 million equivalent (RM57.3 million). Tricor Taxand is classified as "Discontinued Operations" and prior year's comparative figures are restated.

* - less than S\$1,000

A.1 Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income

	Group			
	6 months ended 31 December 2021	6 months ended 31 December 2020 (Restated)	12 months ended 31 December 2021	12 months ended 31 December 2020 (Restated)
Profit for the financial period is stated after charging/(crediting) the following:	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations				
Other income				
Fixed deposits interest income	-	5	-	(177)
Bank deposits interest income	-	(41)	(23)	(41)
Reversal in allowance for doubtful debts	-	-	(78)	-
Unrealised foreign exchange loss/(gain)	(41)			
Other Expenses				
Allowance for doubtful debts	-	462	-	480
Bad debts written off	-	192	-	192
Impairment of property, plant & equipment	-	336	-	336
Interest expense on lease liabilities	-	1	-	1
Loss on disposal of fixed assets	-	16	-	16
Realised foreign exchange loss	4	7	4	7
Accommodation	-	-	-	1
Admin fee	-	31	-	35
Advertising and promotion	-	-	31	7
Annual dinner	-	-	-	9
Annual general meeting	61	14	85	15
Audit fee	49	130	112	132
Bank charges	22	1	22	1
Medical expenses	-	-	-	1
Petrol, toll and parking	-	-	-	1
Postage, courier, and dispatch	-	-	1	1
Printing stationery	-	39	*	56
Share registrar	-	-	-	5
Staff welfare	-	-	*	1
Storage	1	-	2	1
Subscription fee	-	-	*	11
Tax fee	26	-	26	34
Team building	-	-	-	6
Telephone, fax and internet	-	-	-	2
Training	4	-	12	*
Travelling	-	-	*	4
Upkeep of office and office equipment	1	2	1	2
Unrealised foreign exchange loss/(gain)	-	57	-	57
Professional fees (sponsorship, bookkeeping, legal, secretarial, and other professional fee)	304	547	582	804

* - less than S\$1,000

B. Condensed Interim statements of financial position

	Note	Group			Company		
		31 December 2021	31 December 2020 (Restated)	31 December 2019 (Restated)	31 December 2021	31 December 2020 (Restated)	31 December 2019 (Restated)
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS							
Non-current assets							
Plant and equipment		-	-	600	-	-	73
Goodwill		-	-	700	-	-	-
Subsidiaries		-	-	-	-	-	2,973
Right-of-use assets		-	24	-	-	24	-
Total non-current assets		-	24	1,300	-	24	3,046
Current assets							
Trade and other receivables	6	787	1,114	3,695	750	1,084	3,868
Prepayment	10	42	-	-	42	-	-
Current tax recoverable		*	*	-	-	-	-
Cash and cash equivalents	5	28,622	30,094	7,840	28,615	30,072	3,752
Total current assets		29,451	31,209	11,535	29,406	31,156	7,620
Total assets		29,451	31,232	12,835	29,406	31,180	10,666
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	14	15,532	15,532	9,527	15,532	15,532	9,527
Treasury shares		(1)	(1)	(1)	(1)	(1)	(1)
Reserves		13,618	14,636	1,432	13,701	14,686	988
Equity attributable to owners of the Company		29,149	30,167	10,958	29,232	30,217	10,514
Non-controlling interests		5	4	23	-	-	-
Total equity		29,154	30,172	10,981	29,232	30,217	10,514
Non-current liabilities							
Lease liabilities		-	-	184	-	-	26
Current liabilities							
Other payables and accruals	7	295	1,024	1,246	174	927	102
Lease liabilities		-	36	182	-	36	24
Bank overdraft		-	*	-	-	*	-
Current tax payable		2	2	242	-	-	-
Total current liabilities		297	1,060	1,670	174	963	126
Total liabilities		297	1,060	1,854	174	963	152
Total equity and liabilities		29,451	31,232	12,835	29,406	31,180	10,666

* - less than S\$1,000

C. Condensed interim statement of changes in equity

Group

	Share capital	Treasury shares	Merger reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Unaudited								
Balance at 1 January 2021	15,532	(1)	-	(772)	15,408	30,168	4	30,172
Profit/(Loss) for the year	-	-	-	-	(1,018)	(1,018)	(4)	(1,022)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Currency translation differences	-	-	-	(1)	-	(1)	5	4
Total comprehensive income/(loss) for the year	-	-	-	(1)	(1,018)	(1,019)	1	(1,018)
Contributions by and distributions to owners								
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance at 31 December 2021	15,532	(1)	-	(773)	14,390	29,149	5	29,154
(Restated)								
Balance at 1 January 2020	9,527	(1)	(884)	373	2,689	10,958	23	10,982
Profit/(Loss) for the year	-	-	-	-	16,355	16,355	-	16,355
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Currency translation differences	-	-	-	(399)	51	(348)	(9)	(746)
Total comprehensive income/(loss) for the year	-	-	-	(399)	16,406	16,006	(9)	15,609
Contributions by and distributions to owners								
Disposal of subsidiaries	-	-	884	*	-	885	(10)	875
Dividends	-	-	-	-	(3,687)	(3,687)	-	(3,687)
Issuance of shares	6,030	-	-	-	-	6,030	-	6,030
Share issuance costs	(25)	-	-	-	-	(25)	-	(25)
Transactions with owners in their capacity as owners	6,005	-	884	*	(3,687)	3,203	(10)	3,192
Balance at 31 December 2020	15,532	(1)	-	(772)	15,408	30,168	4	30,172

* - less than S\$1,000

C. Condensed interim statement of changes in equity (cont'd)

Company

	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Unaudited								
Balance at 1 January 2021	15,532	(1)	-	(773)	15,458	30,217	-	30,217
Profit/(Loss) for the year	-	-	-	-	(985)	(985)	-	(985)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Currency translation differences	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	(985)	(985)	-	(985)
Contributions by and distributions to owners								
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners								
	-	-	-	-	-	-	-	-
Balance at 31 December 2021	15,532	(1)	-	(773)	14,473	29,232	-	29,232
(Restated)								
Balance at 1 January 2020	9,527	(1)	-	(389)	1,376	10,514	-	10,514
Profit/(Loss) for the year	-	-	-	-	17,769	17,769	-	17,769
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Currency translation differences	-	-	-	(384)	-	(384)	-	(384)
Total comprehensive income/(loss) for the year	-	-	-	(384)	17,769	17,385	-	17,385
Contributions by and distributions to owners								
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(3,687)	(3,687)	-	(3,687)
Issuance of shares	6,030	-	-	-	-	6,030	-	6,030
Share issuance costs	(25)	-	-	-	-	(25)	-	(25)
Transactions with owners in their capacity as owners								
	6,005	-	-	-	(3,687)	2,318	-	2,318
Balance at 31 December 2020	15,532	(1)	-	(773)	15,458	30,217	-	30,217

* - less than S\$1,000

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 (Restated) S\$'000
Cash flows from operating activities		
Profit/(Loss) before taxation		
- Continuing operations	(1,018)	(2,317)
- Discontinued operations	-	18,672
(Loss)/ Profit before taxation	(1,018)	16,355
Adjustment for:		
Bad debts written off	-	458
Depreciation of plant and equipment	-	55
Depreciation of right-of-use assets	-	23
Impairment on plant and equipment	-	336
Interest expense	*	1
Interest income	(22)	(218)
Gain on disposal of subsidiaries	-	(18,672)
Other write-off	-	151
Plant and equipment written off	-	16
Translation difference	-	(499)
Operating (loss)/profit before working capital changes	(1,040)	(1,994)
Changes in trade and other receivables	325	(474)
Changes in prepayment	(39)	-
Changes in other payables and accruals	(728)	645
Income tax paid	-	*
Net cash used in operating activities	(1,482)	(1,823)
Cash flows from investing activities		
Purchase of plant and equipment	-	(372)
Interest received	22	218
Disposal of subsidiaries, net of cash disposed of	-	21,904
Written off fixed assets	24	-
Net cash generated from investing activities	46	21,750
Cash flows from financing activities		
Proceeds from issuance of shares	-	6,030
Share issuance expenses	-	(25)
Dividends paid	-	(3,687)
Repayment of lease liabilities	(36)	5
Fixed deposit pledged	-	4
Interest paid	-	(1)
Net cash (used in)/generated from financing activities	(36)	2,326
Net (decrease)/increase in cash and cash equivalents	(1,472)	22,253
Cash and cash equivalents at beginning of financial year	30,094	7,832
Exchange differences on translation on cash and cash equivalents	-	9
Cash and cash equivalents at end of financial year	28,622	30,094

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Axington Inc. (the “**Company**”) is incorporated in the Federal Territory of Labuan under the Labuan Companies Act 1990 and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of an investment holding company. The subsidiaries of the Company are currently dormant.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

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 amended standards as set out in Note 2.1 below.

The condensed interim consolidated financial statements are presented in SGD which is the Company’s functional currency that has been adopted for the financial year ended 31 December 2021. Please refer to the Company’s announcement dated 13 August 2021 and paragraph 4 of section F of this announcement for further details.

2.1 New and amended standards

As disclosed in the Company’s announcement dated 13 August 2021, the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021.

Save as disclosed in paragraph 4 of section F of this announcement, the adoption of these amendments did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current financial period. Please refer to paragraph 4 of section F of this announcement for more details.

2.2 Use of judgment and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual

results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

The Company is a cash company with effect from 1 April 2021, and there are no critical judgements in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

The Board of Directors ("**BOD**") is of the opinion that there are no critical judgements made in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

The Company is a cash company with effect from 1 April 2021 and accordingly, the Group is not affected by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

In view that the Company is a cash company with effect from 1 April 2021 and the Group does not currently have any revenue generating business, no segmental or revenue information is presented.

5. Cash and cash equivalents

	Group		Company	
	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Cash in banks	2,002	30,094	1,995	30,072
Cash held in escrow	26,620	-	26,620	
	28,622	30,094	28,615	30,072

The Group's cash and cash equivalents comprise the following:

	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Cash and cash equivalents	28,622	30,094

6. **Trade and other receivables**

	Group		Company	
	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Trade receivables from third parties	760	1,118	750	1,084
Less: Allowance for impairment losses	(3)	(3)	-	-
	756	1,114	750	1,084
Amount due from subsidiaries (non-trade)	-	-	-	45
Less: Allowance for impairment losses	-	-	-	(45)
	-	-	-	-
Amount due from a non- controlling interest	31	-	-	-
Deposits	-	-	-	-
Interest receivable	-	-	-	-
Other receivable	-	-	-	-
	787	1,114	750	1,084

7. **Other payables and accruals**

	Group		Company	
	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Accrued expenses	207	629	155	602
Amounts due to directors of subsidiaries	-	-	-	-
Other payables	88	395	19	325
	295	1,024	174	927

8. **Employee benefits expense**

Group	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Directors' fees	221	150
Other than key management personnel:		
- Salaries and other related costs	-	143
	221	293

9. **Significant related party transactions**

Transactions with related parties based on terms agreed between parties are as follows:

Group	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
	Consultancy fees paid to current and former directors	157

The BOD is of the opinion that the transactions above have been entered in normal course of businesses and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

10. **Prepayment**

Group	31 December 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
	Prepayment for professional services	42

11. **Earnings per share**

Earnings per share ("EPS")	Group	
	Year ended	
	31 December 2021 (Unaudited)	31 December 2020 (Restated)
Net Profit/(Loss) (SGD) attributable to owners of the Company for the period from		
- Continuing operations	(1,013,638)	(2,356,392)
- Discontinued operations	-	18,719,548
Weighted average number of ordinary shares in issue	190,460,300	171,595,956
Basic EPS/(LPS) (SGD cents per share) from		
- Continuing operations	(0.53)	(1.37)
- Discontinued operations	-	10.91
Fully diluted EPS (SGD cents per share) ⁽¹⁾		
- Continuing operations	(0.53)	(1.37)
- Discontinued operations	-	10.91

Note:

(1) The basic and fully diluted EPS were the same as there were no potential dilutive ordinary shares in issue as at 31 December 2021 and 31 December 2020.

12. **Net asset value**

Net asset value ("NAV")	Group		Company	
	31 December 2021 (Unaudited)	31 December 2020 (Restated)	31 December 2021 (Unaudited)	31 December 2020 (Restated)
NAV (SGD)	29,154,461	30,172,661	29,231,997	30,216,554
Number of ordinary shares in issue (excluding treasury shares)	190,460,300	190,460,300	190,460,300	190,460,300
NAV per ordinary share (SGD cents)	15.31	15.84	15.35	15.87

13. **Borrowings**

Amount repayable in one year or less, or on demand

As at 31 December 2021 (Unaudited)		As at 31 December 2020 (Restated)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	*

Amount repayable after one year

As at 31 December 2021 (Unaudited)		As at 31 December 2020 (Restated)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

There are no secured borrowings as at 31 December 2021 and 31 December 2020.

* - less than S\$1,000

14. Ordinary shares

	Number of issued shares (excluding treasury shares)	Share capital (S\$)
Paid-up share capital	185,085,300	14,457,308
Recovery of unpaid share capital	1,625,000	325,000
Unpaid share capital*	3,750,000	750,000
Total share capital as at 31 December 2021	190,460,300¹	15,532,308²

Notes:

- (1) The total number of issued shares of 190,460,300 includes the 3,750,000 shares issued to Kerrigan Medical Supplies Pte. Ltd. (“**Kerrigan**”) in relation to the Company’s placement announced on 29 July 2020 (the “**Placement**”) for which the consideration of approximately S\$0.75 million for the issuance of such number of shares remains outstanding from Kerrigan. Please refer to the Company’s announcement dated 16 July 2021 for further details.
- (2) The total issued share capital of S\$15.53 million includes the outstanding amount of S\$0.75 million due from Kerrigan in relation to the Placement. Please refer to the Company’s announcement dated 16 July 2021 for further details.

In August 2021, the Company had recovered S\$0.32 million from the unpaid share capital and have obtained legal advice to cancel the outstanding and unpaid shares from the shareholder for the placement shares subscribed in August 2020. The Company is working with its legal advisers on the cancellation of the outstanding and unpaid shares and will update shareholders accordingly.

There has been no change 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.

Treasury Shares

There were 9,700 treasury shares representing 0.005% of the Company’s 190,460,300 ordinary shares (excluding treasury shares) as at 31 December 2021 and 31 December 2020.

Subsidiary Holdings and Convertible Instruments

The Company did not have any subsidiary holdings or convertible instruments as at 31 December 2021 and 31 December 2020.

14.1 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

	As at 31 December 2021	As at 31 December 2020
Total number of issued shares (excluding treasury shares)	190,460,300	190,460,300

14.2 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any sales, transfers, cancellation and/or use of treasury shares during, and at the end of the financial period reported on.

14.3 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. The Company did not have any subsidiary holdings during, and as at the end of the financial period reported on.

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue, and

The Company had on 16 July 2021, released an announcement setting out, among others, the next steps to be undertaken by the Company to resolve the outstanding audit matters (i) to (v) as set out as the section entitled “Basis for Disclaimer of Opinion” of the Company’s Independent Auditors’ Report dated 7 July 2021 (**Independent Auditors Report**”).

In the Company’s half yearly result announcement dated 13 August 2021, the Company further updated that two other outstanding audit matters (audit matters (vi) and (vii) of the Independent Auditors’ Report) mainly relate to the Company’s inability to provide sufficient audit evidence to satisfy its auditors for the financial year ended 31 December 2020 in respect of (aa) the gain on disposal of subsidiaries and discontinued operations and (bb) opening balances and comparative information. The audit matters cannot be immediately resolved by the Company due to:

- i. as disclosed under the Company’s announcement dated 16 July 2021, the historical books and records provided by the previous managements to the BOD were incomplete;
- ii. absence of information sharing agreement between the previous auditors and the current auditors; and
- iii. the above outstanding matters remain unresolved as the historical information cannot be retrieved by the BOD nor the current auditors.

With regards to the audit matter on functional currency, the Company has changed its functional and presentation currency for the financial year ending 31 December 2021. Please refer to paragraph 4 of section F below for more details.

(b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Impact on the outstanding matters have been disclosed in the Company’s announcement dated 16 July 2021. Save as disclosed in the announcement, the Board is of the view that the impact of all outstanding audit issues on financial statements have been adequately disclosed.

3. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in note 2.1 above and paragraph 4 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2020.

4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of Financial Reporting Standards ("**INT FRS**") that are mandatory for the accounting periods beginning on or after 1 January 2021. Save as disclosed below, the adoption of these new and revised SFRS(I) and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

The Company has decided to change its functional and presentation currency from RM to SGD (the "**Change in Presentation Currency**"). The Change in Presentation Currency has been adopted for the financial year ended 31 December 2021, as the Company is of the opinion that SGD is a better presentation currency than the RM, given the following:

- a) the Divestment of Tricor Taxand, which are transactions mainly denominated in RM, has been completed in April 2020;
- b) cash and cash equivalents of the Group are mainly denominated in SGD;
- c) the liabilities and expenses incurred by the Group are mostly denominated in SGD; and
- d) the shares of the Company, albeit currently being suspended for trading, are listed on the SGX-ST.

In accordance with Financial Reporting Standards 21 - *The Effects of Changes in Foreign Exchange Rates*, the results and financial position of entities within the Group whose functional currency are not denominated in SGD have been translated from its functional currency (RM) into the presentation currency (SGD), where their assets and liabilities are translated at the closing rate, and income and expenses are translated at the exchange rates at the dates of the transactions (or at the average rate for the period when it is a reasonable approximation). The comparatives have been restated and presented in SGD using similar method.

5. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:

- 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 for the performance of the Group for the financial year ended 31 December (“FY”) 2021 as compared to FY2020.

REVIEW OF GROUP PERFORMANCE

Effect for the change of Functional Currency

The presentation of the Group’s financial statements has been changed from RM to SGD based on the rationale explained in paragraph 4 of section F of this announcement. Accordingly, the comparatives have been restated and presented in SGD.

Effect of Cash Company Status

Following the Divestment of Tricor Taxand, the Group currently consists primarily of the Company and four subsidiaries namely Axington Singapore Pte. Ltd., Axington Lao Co., Ltd, Audex Governance Sdn. Bhd. and Axcelasia Vietnam Co., Ltd.

As the Group does not currently have any revenue generating business, the Company had, on 1 April 2021, notified the SGX-ST (via the Company’s sponsor) of its cash company status pursuant to Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

Further to the above, the Company, had on 1 July 2021 and 19 July 2021, placed an aggregate of S\$26.62 million (approximately RM82.09 million, converted at an exchange rate of S\$1: RM3.0839 as at 6 April 2021, the date of the Company’s announcement on its cash company status), representing approximately 90.0% of the total cash and short-dated securities of the Company, in the escrow account with DBS Bank Limited (the escrow agent).

The cash company status is not expected to have any material impact on the Company and the Group for the current period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Other income, net reduced by approximately S\$0.12 million mainly due to the absence of interest income from fixed deposits of approximately S\$0.18 million and decrease in interest income from current deposits of approximately S\$0.02 million. However, there is a reversal of allowance for doubtful debts of approximately S\$0.08 million.

No depreciation of plant and equipment and right-of-use of assets were recorded in FY2021 as the equipment and lease of the Company were fully impaired in FY2020.

Employee benefits expense decreased by approximately S\$0.07 million mainly due to a decrease in staff costs following the Divestment.

Other expenses decreased by approximately S\$1.28 million mainly due to (i) decrease in professional fees of approximately S\$0.22 million, (ii) allowance for doubtful debts and bad debts written off of approximately S\$0.67 million, (iii) impairment of property, plant and equipment (“**PPE**”) of approximately S\$0.34 million and (iv) depreciation of PPE of approximately S\$0.06 million. The decrease in other expenses was partially offset by (i) an increase in annual general meeting related fees of approximately S\$0.07 million and (ii) advertising and promotion expenses of approximately S\$0.02 million.

As a result of the above, the loss after taxation attributable to owners of company is approximately S\$1.02 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current assets

Trade and other receivables amounting to approximately S\$0.79 million mainly comprise of other receivables from non-related parties. The decrease in trade and other receivables by approximately S\$0.33 million was due to the Company recovering the partial unpaid share capital amounting to S\$0.33 million due from Kerrigan.

Cash and cash equivalents decreased by approximately S\$1.47 million mainly due to payment of expenditures during the financial year.

Non-current assets

There were no non-current assets recorded as at 31 December 2021 as the right-of-use of assets and plant and equipment have been fully impaired following the termination of lease on 31 March 2021 and the impairment of equipment of Company in FY2020 as they were not envisaged to generate future revenue for the Company.

Liabilities

Other payables and accruals decreased by approximately S\$0.73 million mainly due to settlement of accrued expenses by approximately S\$0.40 million and offsetting the amount of approximately S\$0.33 million as the Company has obtained confirmation from its trade payable on the intended purpose of funds received.

Following the termination of lease, there were no lease liabilities recorded in FY2021.

The Group is in a positive working capital position of S\$29.2 million as at 31 December 2021.

CONSOLIDATED STATEMENT OF CASH FLOW

The Group recorded net cash used in operating activities of approximately S\$1.48 million was mainly due to operating cash flows before working capital changes of approximately S\$1.04 million, and adjusted for net working capital outflow of approximately S\$0.44 million. The working capital outflow was due to (i) the decrease in other payables and accruals amounting to approximately S\$0.73 million and (ii) the increase in prepayments amounting to approximately S\$0.04 million, which was partially offset by the decrease in trade and other receivables amounting to approximately S\$0.33 million.

Net cash generated from investing activities of approximately S\$0.05 million arise from the interest received from bank deposits of approximately S\$0.02 million and written off fixed assets of approximately S\$0.02 million.

Net cash used in financing activities of approximately S\$0.04 million was mainly due to repayment of lease liabilities.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$1.47 million mainly due to net cash used in operating activities of approximately S\$1.48

and net cash used in financing activities of approximately S\$0.04 million, which was partially offset by net cash generated from investing activities of approximately S\$0.05 million.

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

Not applicable as no forecast or a prospect statement has been provided previously.

7. 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.

As a cash company, the Company continues to engage with potential investors to explore new business opportunities that will meet the requirements of a new listing pursuant to Rule 1017(2) of the Catalist Rules.

The Company will make further announcements to inform the shareholders of any material updates or developments in due course.

8. Dividend

If a decision regarding dividend has been made: -

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

No dividend has been declared or recommended for the current financial year reported on.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

No dividend has been declared or recommended for the current financial year reported on.

(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 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

9. If no dividend has been declared/recommended, a statement to that effect and the reason for the decision

As of the date of this announcement, no dividend has been declared or recommended for as the Company has deemed it more appropriate to retain cash for the Group's future potential business opportunities.

10. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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 IPT. There was no IPT of S\$100,000 and above entered into during FY2021.

11. 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 it has procured undertakings from all of its directors and executive officers in the required format.

12. Segmented revenue and results for operating segments (of the group in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year.

Following the Divestment in April 2020, the Group has only a single business segment and is a cash company with effect from 1 April 2021. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 12 above.

14. A breakdown of sales:

Not applicable as the Company is a cash company with effect from 1 April 2021 and its subsidiaries are dormant entities. Further, following the Divestment of Tricor Taxand in April 2020, the Group does not have any revenue generating business, as such, a breakdown of sales is not prepared as it is not meaningful.

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

No dividends were issued in FY2020 and FY2021.

16. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

Use of IPO net proceeds

The Company refers to (i) the net proceeds amounting to S\$7.58 million (excluding listing

expenses of approximately S\$1.30 million) raised from the initial public offering (“IPO”) on the Catalist Board of SGX-ST on 27 November 2015 and the Company’s announcement dated 23 February 2017 on the re-allocation of IPO net proceeds.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

	<u>Amount allocated</u> (S\$’000)	<u>Amount utilised</u> (S\$’000)	<u>Balance</u> (S\$’000)
Expand business operations in Malaysia and the ASEAN region and enhance range of professional services	4,000	(1,843)	2,157
Enhance the Group’s office and support infrastructure	500	(118)	382
Working capital	3,080	(3,080) ⁽¹⁾	-
Listing expenses to be borne by the Company	1,300	(1,300)	-
Total	8,880	(6,341)	2,539

Note:

(1) The amount of working capital was used for payment of salaries and office expenses.

The above utilisations are in accordance with the intended use of IPO net proceeds, as stated in the Company’s offer document dated 18 November 2015 and the announcement dated 23 February 2017 on the reallocation of proceeds from the Company’s IPO.

Placement net proceeds

	<u>Amount allocated</u> (S\$’000)	<u>Amount utilised</u> (S\$’000)	<u>Balance</u> (S\$’000)
Business investments and acquisition	3,582	-	3,582
General working capital	2,388	-	2,388
Total placement net proceeds	5,970⁽¹⁾	-	5,970⁽¹⁾

As at the date of this announcement, the Company has yet to utilise the proceeds from the Placement.

Note:

(1) Inclusive of approximately S\$0.75 million which remains a receivable from one of the Placement subscribers. Please refer to the Company’s announcement dated 16 July 2021 for further details.

Compliance placement net proceeds

	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business investments and acquisition	3	-	3
General working capital	2	-	2
Total placement net proceeds	5	-	5

As at the date of this announcement, the Company has yet to utilise the proceeds from the compliance placement.

The Company will make periodic announcements as and when the balance of the net proceeds of the IPO, the Placement and the compliance placement are materially disbursed.

No breakdown of Rights Issue net proceeds utilisation is shown as the Company has returned all application monies to the participating shareholders by 18 March 2021, in accordance with the Company's announcement dated 15 March 2021.

- 17. Disclosure of persons occupying managerial positions 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) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ang Chiang Meng
Executive Director

Singapore
28 February 2022