

AXINGTON INC.
(Formerly known as Axcelasia Inc.)
(Company Registration No.: LL12218)
(A Company incorporated under the Labuan Companies Act 1990, Malaysia)

**MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH FOR THE MONTH OF JUNE 2021
AND QUARTERLY UPDATE OF MILESTONE IN OBTAINING A NEW BUSINESS**

The Board of Directors (the “**Board**”) of Axington Inc. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following pursuant to Rule 1017(1)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”):

1) MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH

- i. The Company’s assets and liabilities⁽¹⁾ as at 30 June 2021 are as follows:-

	RM'000
<u>Assets</u>	
Trade and other receivables	3,300
Cash and cash equivalents	90,852
Escrow account	-(2)
	<hr/>
	94,152
Less:-	
<u>Liabilities</u>	
Other payables and accruals	1,415
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Net Assets	<u><u>92,737</u></u>

Notes:

- (1) The Company had adopted certain adjustments and reclassifications to its consolidated statement of financial position for the financial year ended 31 December 2020 (“**FY2020**”) following the finalisation of the audit for FY2020. Such adjustments and reclassifications include, *inter alia*, bad debt written off from the deferred proceeds receivables in relation to the divestment of Tricor Taxand Sdn Bhd in April 2020, the reclassification of certain other receivables to plant and equipment, and the full impairment of (a) plant and equipment owned by the Group, and (b) the Company’s investment in subsidiaries. Please refer to the Company’s announcement dated 7 July 2021 on material variances between the audited financial statements for FY2020 and the unaudited financial statements for FY2020 for more details.
- (2) 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).

- ii. The Company’s utilisation of cash for the period from 1 June 2021 to 30 June 2021 is as follows:-

	RM'000
Opening balance as at 1 June 2021	92,076

Less:-	
- Unrealised loss from FX translation ⁽¹⁾	977
- Professional services ⁽²⁾	164
- Annual general meeting cost	61
- Payment on behalf of subsidiary ⁽³⁾	19
- Other expenses	3
Closing balance as at 30 June 2021	90,852

Notes:

- (1) Adjusted for the unrealised FX movements arising from translation of foreign currency to reporting currency.
- (2) Mainly comprise of payment for accounting and consultancy services.
- (3) Payment on behalf of subsidiary relates to corporate secretarial fees.

All figures provided in this announcement have not been reviewed or audited by the Company's auditors.

2) QUARTERLY UPDATE OF MILESTONE IN OBTAINING NEW BUSINESS

- 2.1 As disclosed in the Company's announcements dated 8 July 2021 and 9 July 2021 (the "**Announcements**"), the Company had entered into a non-binding memorandum of understanding (the "**MOU**") with Delta Investment Holding Group Ltd (the "**Vendor**") (the Company and the Vendor are collectively known as, the "**Parties**") in connection with the proposed acquisition by the Company of 60% equity interest in Veivo Web Technology Limited from the Vendor (the "**Proposed Transaction**"). Please refer to the Announcements for more details.
- 2.2 The MOU is not intended to be legally binding between the Parties and the Proposed Transaction will be subject to the Parties' entry into a sale and purchase agreement within one (1) month from the date of the MOU, or such later date as the Parties may agree.
- 2.3 The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover of the Company as defined under Chapter 10 of the SGX-ST Catalist Rules. In accordance with Chapter 10 of the Catalist Rules, the Proposed Transaction will be subject to, amongst others, the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened pursuant to Rule 1015 of the Catalist Rules.
- 2.4 Currently, due diligence processes are underway and the Company will make further announcement(s) in relation to the Proposed Transaction as and when there are any material updates or developments.

The Board wishes to remind the shareholders of the Company ("**Shareholders**") that there is no certainty or assurance that the Company will be able to acquire new business that meets the SGX-ST's requirements for a new listing within the timeframe prescribed by the SGX-ST.

As such, Shareholders are advised to exercise caution when dealing in the Company's shares. In the event of any doubt, Shareholders are advised to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Ang Chiang Meng
Executive Director
21 July 2021

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. ("**Sponsor**"), in compliance with Rule 226(2)(b) 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 correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.