

**Axington Inc.**  
**(formerly known as Axcelasia Inc.)**  
(Incorporated in Labuan)  
(Company Registration No. LL12218)

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**Unaudited Financial Statement and Dividend Announcement**  
**For the Financial Year Ended 31 December 2020**

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>		<b>Change</b>
	<b>Twelve Months Ended</b>		
	<b>31-Dec-20</b>	<b>31-Dec-19</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	25	-	N.M.
Other gain - Net	665	358	86
	<u>690</u>	<u>358</u>	92
<b>Expenses</b>			
- Depreciation of property, plant and equipment	(202)	(125)	62
- Employee compensation	(569)	(1,563)	(64)
- Rental on operating lease and maintenance	(54)	(86)	(37)
- Finance expenses	(1,361)	1	N.M.
- Other expenses	(3,433)	(1,023)	236
Total expenses	<u>(5,619)</u>	<u>(2,796)</u>	101
Gain/(Loss) before income tax from Continuing Operations	(4,929)	(2,438)	102
Income tax expenses	-	(1)	(100)
<b>Net Gain/(Loss) from Continuing Operations</b>	<u>(4,929)</u>	<u>(2,439)</u>	102
<b>Discontinued Operations</b>			
Net profit for the period from Discontinued Operations	57,073	5,158	N.M.
<b>Net profit/(loss)</b>	<u><b>52,144</b></u>	<u><b>2,719</b></u>	N.M.
<b>Other comprehensive income:</b>			
Currency translation differences arising from consolidation – Losses	-	*	-
<b>Total comprehensive profit</b>	<u><b>52,144</b></u>	<u><b>2,719</b></u>	N.M.
<b>Profit/(Loss) attributable to:</b>			
Equity holders of the Company	52,166	2,743	N.M.
Non-controlling interests	(22)	(24)	(10)
	<u><b>52,144</b></u>	<u><b>2,719</b></u>	N.M.

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**Total comprehensive profit/(loss) attributable to:**

Equity holders of the Company	52,166	2,743	N.M.
Non-controlling interests	(22)	(24)	(10)
	52,144	2,719	N.M.

Discontinued operations

On 11 February 2020, the Company announced that it had entered into a share sale and purchase agreement in relation to the divestment of the entire paid-up share capital of its subsidiary corporation, Tricor Taxand Sdn. Bhd. ("**Tricor Taxand**") (previously known as Axcelasia Taxand Sdn. Bhd.). Hence, Tricor Taxand is classified as "Discontinued Operations" and prior year's comparative figures are restated.

The divestment of Tricor Taxand ("**Divestment**") was completed on 15 April 2020 for a total consideration of RM69.7 million. The gain on Divestment recognised was RM57.1 million.

N.M. – Not meaningful

\* - less than RM1,000

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1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Profit for the financial period is stated after charging/(crediting) the following:	Group Twelve Months Ended		Change %
	31-Dec-20 (Unaudited) RM'000	31-Dec-19 Audited) RM'000	
<b>Continuing Operations</b>			
<b><i>Other gain – net and foreign exchange loss/(gain)</i></b>			
Fixed deposits interest income	(541)	(356)	52
Bank deposits interest income	(121)	(5)	N.M.
Realised foreign exchange loss/(gain), net	13	3	333
Unrealised foreign exchange loss/(gain)	1,344	(1)	N.M.
Sundry income	-	1	(100)
Depreciation of property, plant and equipment	202	125	62
<b><i>Rental on operating lease and maintenance</i></b>			
Rental of office and car park	54	86	(37)
<b>Other expenses</b>			
Travelling	12	49	(76)
Advertising and promotion	23	14	64
Admin fee	106	12	783
Annual dinner	27	1	N.M.
Annual General Meeting	45	3	N.M.
Insurance	8	20	(60)
Audit fee	6	194	(97)
Direct expenses	13	127	(90)
Tax fee	92	-	N.M.
Subscription fee	34	33	3

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Printing and stationery	172	49	251
Professional fees (audit, sponsorship, investor relations, legal, secretarial, listing related fee, and other professional fees)	2,465	401	515
<b>Discontinued Operations</b>			
<b><i>Other gain – net and foreign exchange loss/(gain)</i></b>			
Fixed deposits interest income	(64)	(258)	(75)
Reversal in allowance for doubtful debts	-	(33)	(100)
Realised foreign exchange loss, net	2	13	(85)
Unrealised foreign exchange loss/(gain), net	(2)	4	N.M.
Property, plant and equipment written off	-	*	N.M.
Sundry income	(24)	(134)	(82)
Depreciation of property, plant and equipment	240	360	(33)
<b><i>Rental on operating lease and maintenance</i></b>			
Rental of office and car park	5	552	(99)
Upkeep of office and office equipment	14	82	(83)
<b>Other expenses</b>			
Travelling	38	175	(78)
Advertising and promotion	-	14	(100)
Annual dinner	-	20	(100)
Annual General Meeting	-	12	(100)
Insurance	98	169	(42)
Seminar and training	15	135	(89)
Audit fee	-	23	(100)
Staff welfare	-	295	(100)
Medical expenses	-	21	(100)

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Direct expenses	-	21	(100)
Subscription fee	-	194	(100)
Petrol, toll and parking	-	57	(100)
Printing and stationery	-	97	(100)
Postage, courier and despatch	-	<u>20</u>	(100)

N.M. – not meaningful  
\* - less than RM1,000

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**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group			Company		
	31-Dec-20	31-Dec-19	Change	31-Dec-20	31-Dec-19	Change
	(Unaudited)	(Audited)		(Unaudited)	(Audited)	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>ASSETS</b>						
<b>Current assets</b>						
Trade and other receivables	5,700	11,248	(49)	5,467	11,772	(54)
Income tax recoverable	1	1	(31)	-	-	N.M.
Cash and cash equivalents	91,729	23,866	284	91,675	11,422	703
	<u>97,430</u>	<u>35,115</u>	<u>219</u>	<u>97,142</u>	<u>23,194</u>	<u>319</u>
<b>Non-current assets</b>						
Property, plant and equipment	820	1,827	(55)	799	221	262
Goodwill	-	2,130	(100)	-	-	-
Investments in subsidiary corporations	-	*	N.M.	2,090	9,052	(77)
	<u>820</u>	<u>3,957</u>	<u>(79)</u>	<u>2,889</u>	<u>9,273</u>	<u>(69)</u>
<b>Total assets</b>	<u>98,251</u>	<u>39,072</u>	<u>151</u>	<u>100,031</u>	<u>32,467</u>	<u>208</u>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Other payables	2,905	3,790	(23)	2,626	310	747
Current income tax liabilities	*	738	(100)	*	-	N.M.
Borrowings	31	554	(94)	31	73	(58)
	<u>2,936</u>	<u>5,082</u>	<u>(42)</u>	<u>2,657</u>	<u>383</u>	<u>594</u>
Borrowings	78	561	(86)	78	78	-
<b>Total liabilities</b>	<u>3,014</u>	<u>5,643</u>	<u>(47)</u>	<u>2,735</u>	<u>461</u>	<u>493</u>
<b>NET ASSETS</b>	<u>95,238</u>	<u>33,428</u>	<u>185</u>	<u>97,296</u>	<u>32,005</u>	<u>204</u>

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**EQUITY**

**Capital and reserves attributable to  
equity holders of the Company**

Share capital	42,904	27,818	54	42,904	27,818	54
Unpaid share capital	3,277	-	N.M.	3,277	-	N.M.
Treasury shares	(3)	(3)	-	(3)	(3)	-
Merger reserve	-	(2,692)	(100)	-	-	-
Other reserve	93	48	94	-	-	-
Retained profits	48,967	8,186	498	51,117	4,190	N.M.
	<u>95,238</u>	<u>33,357</u>	<u>186</u>	<u>97,296</u>	<u>32,005</u>	<u>204</u>
<b>Non-controlling interests</b>	*	71	N.M.	-	-	-
	<u>95,238</u>	<u>33,428</u>	<u>185</u>	<u>97,296</u>	<u>32,005</u>	<u>204</u>

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**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>As at 31 December 2020 (Unaudited)</b>		<b>As at 31 December 2019 (Audited)</b>	
<b>Secured (RM'000)</b>	<b>Unsecured RM'000</b>	<b>Secured (RM'000)</b>	<b>Unsecured RM'000</b>
31	-	554	-

**Amount repayable after one year**

<b>As at 31 December 2020 (Unaudited)</b>		<b>As at 31 December 2019 (Audited)</b>	
<b>Secured (RM'000)</b>	<b>Unsecured RM'000</b>	<b>Secured (RM'000)</b>	<b>Unsecured RM'000</b>
78	-	561	-

***Details of any collateral***

*The Group's borrowings consist of obligations under lease liabilities only.  
There are no unsecured borrowings as at 31 December 2020 and 31 December 2019.*



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- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>Twelve Months Ended</b>	
	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Net Gain/(loss) from continuing operations	(4,929)	(2,439)
Net profit from discontinued operations	57,073	5,158
Adjustments for:		
Income tax expense	-	1,656
Depreciation of property, plant and equipment	202	999
Interest income	(665)	(620)
Gain on divestment of a subsidiary corporation	(57,260)	-
Property, plant and equipment written off	-	8
Unrealised currency translation difference	(7)	1
Finance expense	4	91
<b>Operating cash flows before working capital changes</b>	<b>(5,581)</b>	<b>4,854</b>
<b>Change in working capital</b>		
Trade and other receivables	909	(723)
Trade and other payables	2,309	(483)
<b>Cash generated from/(used in) operations</b>	<b>(2,363)</b>	<b>3,648</b>
Income tax paid	-	(488)
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,363)</b>	<b>3,160</b>

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**Cash flows from investing activities**

Additions to property, plant and equipment	(768)	(289)
Disposal of property, plant and equipment	-	75
Interest received	665	606
Divestment of a subsidiary corporation	66,622	-
<b>Net cash generated from investing activities</b>	<b>66,519</b>	<b>392</b>

**Cash flows from financing activities**

Acquisition of a subsidiary corporation by non-controlling interest	*	*
Proceeds from issuance of ordinary shares	15,086	6
Bank deposit pledged	12	(12)
Dividend paid to equity holders of the Company	(11,386)	(987)
Share buyback	-	(3)
Principal payment of lease liability	(42)	(457)
Interest paid	(4)	(91)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,666</b>	<b>(1,544)</b>

**Net increase in cash and cash equivalents** 67,822 2,008

**Cash and cash equivalents**

Beginning of financial year	23,854	21,848
Effects of currency translation on cash and cash equivalents	53	(1)
<b>End of financial year</b>	<b>91,729</b>	<b>23,855</b>

Cash and bank balances	91,729	23,855
Bank deposits pledged	*	(12)
Cash and cash equivalents per consolidated statement of cash flow	91,729	23,843

Note:-

(1) Bank deposits are pledged as security for a bank guarantee.

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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Treasury shares	Merger reserve	Other reserve	Retained profits	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>							
<b>Balance as at 1 January 2020</b>	27,818	(3)	(2,692)	48	8,186	71	33,429
Total comprehensive profit for the year	-	-	-	43	52,166	(16)	52,194
Issue of ordinary share	15,086	-	-	-	-	-	15,086
Issue of ordinary share (unpaid)	3,277	-	-	-	-	-	3,277
Divestment of subsidiary corporation	-	-	2,692	1	-	(56)	2,638
Dividend paid	-	-	-	-	(11,386)	-	(11,386)
<b>Balance as at 31 December 2020</b>	<b>46,182</b>	<b>(3)</b>	<b>-</b>	<b>93</b>	<b>48,967</b>	<b>-</b>	<b>95,239</b>
<b>Balance as at 1 January 2019</b>	27,818	-	(2,692)	41	6,457	(29)	31,595
Total comprehensive profit for the year	-	-	-	*	2,743	(24)	2,719
Purchase of treasury shares	-	(3)	-	-	-	-	(3)
Divestment of subsidiary corporation	-	-	-	7	(27)	125	104
Dividend paid	-	-	-	-	(987)	-	(987)
<b>Balance as at 31 December 2019</b>	<b>27,818</b>	<b>(3)</b>	<b>(2,692)</b>	<b>48</b>	<b>8,186</b>	<b>71</b>	<b>33,429</b>

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	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated Profits</b>	<b>Total equity</b>
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
Balance as at 1 January 2020	27,818	(3)	4,190	32,005
Total comprehensive profit for the year	-	-	58,313	58,313
Issue of ordinary share	15,086	-	-	15,086
Issue of ordinary share (unpaid)	3,277	-	-	3,277
Dividend paid	-	-	(11,386)	(11,386)
Balance as at 31 December 2020	<u>46,182</u>	<u>(3)</u>	<u>51,117</u>	<u>97,296</u>
Balance as at 1 January 2019	27,818	-	(7,335)	20,483
Total comprehensive profit for the year	-	-	12,512	12,512
Dividend paid	-	-	(987)	(987)
Share buyback	-	(3)	-	(3)
Balance as at 31 December 2019	<u>27,818</u>	<u>(3)</u>	<u>4,190</u>	<u>32,005</u>

\* - less than RM1,000

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1(d)(ii) Details of any changes 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. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

**Shares Capital – Ordinary Shares**

	Number of issued shares*	Share capital (RM)
Balance as at 30 June 2020	160,310,300	27,817,984
New shares issued (paid-up)	24,775,000	15,086,462
New shares issued (unpaid)	5,375,000	3,277,116
Balance as at 31 December 2020	190,460,300	46,181,562

\* excluding treasury shares

On 17 August 2020, the Company had issued 30,150,000 shares as follows:

- a) 30,000,000 new ordinary shares in the issued share capital of the Company (the "**Placement Shares**") to (1) Tan Su ling, Adele, (2) Wong Fong Hong, (3) Ng Ing-Yong Brian, (4) Tan Chuu Si, (5) Lu, Benson Cheng, (6) Chan Ho Lam, (7) Sinopharm Singapore Medical Consultants Pte. Ltd., (8) Low Chin Yew and (9) Kerrigan Medical Supplies Pte. Ltd. (the "**Placees**" and each a "**Placee**") in respect of the subscription agreements entered into between the Company and each of the Placees (the "**Placement**"). Pursuant to the Placement, the Company allotted and issued the Placement Shares at an issue price of S\$0.20 per Placement Share to the Placees for an aggregate subscription of S\$6.0 million, of which approximately S\$1.1 million remains outstanding from one of the Placees.
- b) 150,000 new ordinary shares in the issued share capital of the Company (the "**Compliance Placement Shares**") in relation to the compliance placement undertaken by the Company ("**Compliance Placement**") to restore the free float of the Company following the close of the mandatory unconditional cash offer by Dorr Global Healthcare International Pte. Ltd. in July 2020. Pursuant to the Compliance Placement, the Company allotted and issued the Compliance Placement Shares at an issue price of S\$0.20 per Compliance Placement Share for an aggregate consideration of S\$30,000.

**Treasury Shares**

	Company	
	31-Dec-20	31-Dec-19
Total number of treasury shares	9,700	9,700

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 2020 and 31 December 2019.

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**Subsidiary Holdings and Convertible Instruments**

The Company did not have any subsidiary holdings or convertible instruments as at 31 December 2020 and 31 December 2019.

**1(d)(iii) To show the 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**

	Company	
	31-Dec-20	31-Dec-19
Total number of issued shares excluding treasury shares	190,460,300	160,310,300

**1(d)(iv) 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 year reported on.

**1(d)(iv) 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 year reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

**3A. Where the latest financial statement 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**

Not applicable.

**(b) Confirmation from the Board that 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.**

Not applicable.

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

Except as disclosed in paragraph 5 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 combined financial statements for the financial year ended 31 December 2019.

**5. 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 ("SFRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2020. The adoption of these new and revised SFRS 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.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

**(a) based on the weighted average number of ordinary shares in issue; and**

**(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings per share ("EPS")	Group	
	12 months ended	
	31-Dec-20 (Unaudited)	31-Dec-19 (Audited)
Net Profit/(Loss) (RM) for the period from		
- Continuing operations	(4,928,419)	(2,439,001)
- Discontinued operations	57,072,767	5,157,972
Weighted average number of ordinary shares in issue	171,595,956	160,312,745
Basic EPS/(LPS) (RM cents per share) from		
- Continuing operations	(2.87)	(1.52)
- Discontinued operations	33.26	3.22
Fully diluted EPS (RM cents per share) <sup>(1)</sup>		
- Continuing operations	(2.87)	(1.52)
- Discontinued operations	33.26	3.22

Note:-

<sup>(1)</sup> The basic and fully diluted EPS were the same as there were no potential dilutive ordinary shares in issue as at 31 December 2020 and 31 December 2019.

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**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the;**

**(a) Current financial period reported on; and**

**(b) Immediately preceding financial year**

Net asset value ("NAV")	Group		Company	
	31-Dec-20 (Unaudited)	31-Dec-19 (Audited)	31-Dec-20 (Unaudited)	31-Dec-19 (Audited)
NAV (RM)#	95,238,576	33,428,957	97,296,188	32,005,450
Number of ordinary shares in issue (excluding treasury shares)	190,460,300	160,310,300	190,460,300	160,310,300
NAV per ordinary share (RM cents)	50.00	20.85	51.08	19.96

# Net asset value as disclosed above includes non-controlling interests.

**8. 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 2020 ("FY2020") as compared to the financial year ended 31 December 2019 ("FY2019").

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Following the Divestment, of which the financial results of Tricor Taxand had been recorded by the Group as discontinued operations in FY2020 and FY2019, the Group consists primarily of the Company and four wholly owned subsidiaries namely Axington Singapore Pte. Ltd. ("**Axington Singapore**"), Axington Lao Co., Ltd ("**Axington Laos**"), Audex Governance Sdn Bhd ("**Audex**") and Axcelasia Vietnam Co., Ltd ("**Axcelasia Vietnam**"), which represents the Group's continuing operations in FY2020 and FY2019.

Axington Laos, Audex and Axcelasia Vietnam are currently dormant while Axington Singapore's revenue was RM25,000 in FY2020 mainly due to the challenging business climate.

The Group's total other gain for FY2020 was approximately RM0.7 million, approximately RM0.3 million higher than the RM0.4 million recorded for FY2019 mainly due to higher deposit interest income received on the back of higher cash balance following the Divestment in April 2020.

Total expenses increased by approximately RM2.8 million during the year from RM2.8 million in FY2019 to RM5.6 million in FY2020 mainly due to higher (i) depreciation of property, plant and equipment of RM77,000, (ii) finance expenses which relate to unrealised foreign exchange translation loss of RM1.3 million, (iii) professional fees of RM2.5 million which are in line with the increased corporate actions of the Company in FY2020, and (iv) other miscellaneous expenses comprising administration expenses, printing and stationery, and tax expenses of RM0.5 million, which were partially offset



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against lower (i) employee compensation of RM1.0 million, and (ii) rental on operating lease and maintenance of RM32,000.

Overall, the Group's profit attributable to equity holders of the Company improved by approximately RM49.5 million from RM2.7 million in FY2019 to RM52.2 million in FY2020 which can be primarily attributed to the one-off gain of RM57.1 million from its discontinued operations, offset against the RM4.9 million loss arising from the continued operations.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Current assets

Trade and other receivables of approximately RM5.7 million comprise mainly other receivables from one of its Placees, an interested person (see Note 13), non-related parties and rental deposits. The decrease in trade and other receivables by approximately RM5.5 million was mainly due to the Divestment which was completed on 15 April 2020.

Cash and cash equivalents increased by approximately RM67.9 million from RM23.87 million in FY2019 to RM91.7 million in FY2020 mainly attributable to net proceeds received from the Divestment of RM66.6 million, placement subscription proceeds of approximately RM15.1 million, and interest income received of approximately RM0.7 million, of which were partially offset by dividends paid to equity holders of approximately RM11.4 million.

Non-current assets

Property, plant and equipment decreased by approximately RM1.0 million mainly due to the divestment of Tricor Taxand, which was partially offset by the acquisition of laser machines in FY2020. The acquisition is recorded at historical cost.

Goodwill decreased by approximately RM2.1 million as a result of the write-off recognized on the gain on Tricor Taxand in FY2020.

Current liabilities and non-current liabilities

Other payables decreased by approximately RM0.9 million mainly due to the divestment of Tricor Taxand in April 2020, and partially offset by the increase in unknown receipts amounting to approximately RM1.0 million received in August 2020 which requires further investigation and/or tracking to identify the source of funds in order to accurately record the nature of transaction. There were no trade payables as at 31 December 2020.

Borrowings decreased by approximately RM1.0 million mainly due to the Divestment which resulted in the reduction in lease liabilities following the adoption of SFRS(I) 16 Leases effective on 1 January 2019.

Equity

Share capital increased by approximately RM15.1 million mainly due to the placement of new shares in the issued share capital of the Company in August 2020.

Unpaid share capital increased by approximately RM3.3 million mainly due to the outstanding capital contribution from one of the Placees.

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#### **CONSOLIDATED STATEMENT OF CASH FLOW**

Net cash used in operating activities in FY2020 was approximately RM2.4 million, which comprised mainly cash used in operating activities before working capital changes of approximately RM5.6 million. Working capital changes were mainly due to decrease in trade and other receivables of approximately RM0.9 million and increase in trade and other payables of approximately RM2.3 million.

Net cash generated from investing activities in FY2020 was approximately RM66.5 million, mainly due to net proceeds received from the Divestment of approximately RM66.6 million, interest income received of approximately RM0.7 million, which was partially offset by the acquisition of property, plant and equipment of RM0.8 million.

Net cash generated from financing activities in FY2020 was approximately RM3.7 million, mainly due to receipt of placement subscription proceeds of approximately RM15.1 million, which was partially offset against mainly dividend paid to equity holders of the Company of approximately RM11.4 million. Overall, the Group recorded a net increase in cash and cash equivalents of approximately RM67.8 million in FY2020.

**9. 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.

**10. 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.**

The Company had, in July 2020, underwent a change of its board members and management following the close of the mandatory unconditional cash offer by Dorr Global Healthcare International Pte. Ltd. on the shares of the Company.

In August 2020, the Company announced the resignations of majority of its board members, including the sole executive director, Ms. Marjory Loh. During the same period, the new management of the Company had also resigned. As a result, the Company was, at that material time, left with only two (2) independent directors, Mr. Low Junrui and Mr. Roberto Dona on its board of directors.

On 20 November 2020, Mr. Teo Choon Kow @ William and Mr. Ang Chiang Meng were appointed as independent directors of the Company, and on the same day, Mr. Low Junrui resigned from the board of directors to facilitate board renewal and to focus on primary work commitments.

In light of the major changes in the board composition in July and August 2020 and certain developments concerning the Company's controlling shareholders, the Company had on 31 August 2020 requested a voluntary trading suspension of the Company's shares. Trading in the Company's share continued to be suspended at the date of this announcement.

Following the voluntary trading suspension of the Company's shares, the Company had reconstituted the board committees and the new board will, among others, in consultation with the Company's controlling shareholders, undertake a strategic review to evaluate opportunities and positioning, with a view to strengthening the core business of the Group whilst maximising potential value for its shareholders and explore new areas of opportunities and alternative businesses.

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

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**11. 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**

Name of Dividend (First and Final)	Interim
Dividend Type	Cash
Dividend Amount per Share	0.02 Singapore dollar
Tax Rate	Single tier tax exempt

Name of Dividend (First and Final)	Final
Dividend Type	Cash
Dividend Amount per Share	0.023 Singapore dollar
Tax Rate	Single tier tax exempt

**(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 receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for FY2020 as the continuing operations of the Group suffered a net loss for FY2020.

**13. 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 interested person transactions.

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Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,00 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RM'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (RM'000)
Huntington Holdings Pte. Ltd.	Associate of the Company's controlling shareholder – Mr. Nelson Loh	762	-

The nature of the transaction is being verified by the Company. Save as disclosed, there was no IPT of S\$100,000 and above entered into during FY2020.

**14. 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.

**15. 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 the net proceeds amounting to S\$7.6 million (excluding listing expenses of approximately S\$1.3 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:

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

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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 (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business investments and acquisition	3,582	-	3,582
General working capital	2,388	-	2,388
<b>Total Placement Net Proceeds</b>	<b>5,970<sup>(1)</sup></b>	<b>-</b>	<b>5,970<sup>(1)</sup></b>

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

Note:

(1) Inclusive of approximately S\$1.1 million which remains a receivable from one of the Placement subscribers.

**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
<b>Total Compliance Placement Net Proceeds</b>	<b>5</b>	<b>-</b>	<b>5</b>

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.

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**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmented reporting for FY2020 is not applicable as following the Divestment in April 2020, the Group has only a single business segment.

Set out below is the segmented reporting for FY2019.

<b>2019</b>	<b>Corporate Office RM'000</b>	<b>Tax Advisory RM'000</b>	<b>Business consultancy RM'000</b>	<b>EMS application RM'000</b>	<b>Business Support RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
Sales to external parties	-	9,217	10,543	1,099	4,946	25,806
<b>Results</b>						
Segment results	(2,456)	2,518	2,424	300	969	3,755
Interest income	357	160	20	-	82	620
(Loss)/profit before income tax	(2,098)	2,678	2,444	300	1,051	4,375
Income tax expense	-	(641)	(643)	(96)	(276)	(1,656)
	<u>(2,098)</u>	<u>2,037</u>	<u>1,801</u>	<u>204</u>	<u>775</u>	<u>2,719</u>
Segment assets	<u>14,213</u>	<u>9,939</u>	<u>7,414</u>	<u>1,491</u>	<u>6,014</u>	<u>39,072</u>
Segment assets includes: Additions of: Property, plant and equipment	5	45	130	5	106	289
Segment liabilities	<u>461</u>	<u>1,937</u>	<u>1,455</u>	<u>210</u>	<u>1,580</u>	<u>5,643</u>

- 17. 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 8 above.

- 18. A breakdown of sales:**

	<b>FY2020 RM'000</b>	<b>FY2019 RM'000</b>	<b>Increase/ (Decrease) %</b>
(a) Sales reported for first half year	25	-	N.M.

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(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	55,845	304	N.M.
(c) Sales reported for second half year	-	-	-
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	(3,679)	2,439	N.M.

*N.M. – not meaningful*

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

	<b>FY2020 (RM'000)</b>	<b>FY2019 (RM'000)</b>
Ordinary shares (single tier tax exempt)		
- interim	-	987
- final (proposed)	-	11,386
<b>Total Annual Dividend</b>	-	<b>12,373</b>

**20. Disclosure of person occupying a managerial position 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.**

None of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD OF**  
Axington Inc.

Roberto Dona  
Non-executive Chairman and Independent Director  
31 March 2021

This announcement has been prepared by Axington Inc. (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 ("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.

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