

MANDATORY UNCONDITIONAL CASH OFFER

by



DBS BANK LTD.

(Company Registration No. 196800306E)
(Incorporated in the Republic of Singapore)

for and on behalf of

DORR GLOBAL HEALTHCARE INTERNATIONAL PTE. LTD.

(Company Registration No.: 201621291M)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

AXINGTON INC.

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

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it

OFFER ANNOUNCEMENT

1. INTRODUCTION

DBS Bank Ltd. ("**DBS Bank**") wishes to announce, for and on behalf of Dorr Global Healthcare International Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a mandatory unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares¹ (the "**Shares**") in the capital of Axington Inc. (the "**Company**"), other than those already owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it ("**Offer Shares**") pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**").

2. THE ACQUISITION

On the date of this Announcement (the "**Offer Announcement Date**"), the Offeror has entered into a sale and purchase agreement (the "**SPA**") with Dato Tang Swee Guan, Mdm Chai Seow Lin, Mr Ranjit Singh, Dr Veerinderjeet Singh A/L Tejwant Singh, Mdm Rajinderpal Kaur (the "**Sellers**", and together with the Offeror, the "**Parties**"), pursuant to which the Offeror agreed to acquire and the Sellers agreed to sell an aggregate of 107,248,160 Shares ("**Sale Shares**"), representing approximately 66.90% of the Shares, at a total cash consideration of S\$22,307,617.28 (the "**Consideration**"), being S\$0.208 for each Sale Share (the "**Acquisition**"). The Acquisition will be effected by way of a married deal.

3. THE OFFER

¹ Based on publicly available information as Offer Announcement Date, for purposes of computation, all references in this Announcement to the total number of Shares shall be to 160,310,300 Shares (excluding 9,700 treasury shares).

In accordance with Rule 14 of the Code, and subject to the terms and conditions set out in the formal offer document to be issued by DBS Bank for and on behalf of the Offeror (the "Offer Document"), the Offeror will make the Offer for the Offer Shares on the following basis:

(a) Offer Price

The consideration for each Offer Share is **S\$0.208**, payable in cash (the "Offer Price").

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

(b) No Encumbrances

The Offer Shares will be acquired:

- (i) fully paid-up;
- (ii) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, claims, equity, title retentions, rights to acquire, security interests, options, pre-emptive or similar rights, rights of first refusal and any other encumbrance or condition whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date thereafter attaching thereto, (including the right to receive and retain all dividends, rights and other distributions or return of capital ("Distributions"), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

If any Distributions are announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price correspondingly by the amount of such Distributions.

(c) Unconditional Offer

The Offer will be **unconditional in all respects.**

4. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premium over the historical transacted prices of the Shares on the SGX-ST:

Description	Benchmark Price (S\$) ⁽¹⁾	Premium over the Benchmark Price (%) ⁽²⁾
Last transacted price per Share as quoted on the SGX-ST on 26 May 2020, being the last trading day on which the Shares were traded on the SGX-ST prior to the trading halt and the Offer Announcement Date (" Last Trading Day ")	0.145	43.45%
Volume-weighted average price (" VWAP ") of the Shares for the one-month period up to the Last Trading Day	0.148	40.09%
VWAP of the Shares for the three-month period up to and including Last Trading Day	0.147	41.29%
VWAP of the Shares for the six-month period up to and including the Last Trading Day	0.116	78.57%

VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.068	205.17%
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Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. and are calculated by using total value of Shares over the total volume of Shares traded for the relevant period. The figures are rounded to the nearest three decimal places.
- (2) Figures rounded to the nearest two decimal place.

5. INFORMATION ON THE OFFEROR

The Offeror is private limited company incorporated under the laws of Singapore on 3 August 2016. The Offeror's main business is the provision of management consultancy services for healthcare organisations. Its shareholders are Terence Loh Ne-Wei and Loh Ne-Loon Nelson. As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of S\$50,000,000 comprising 50,000,000 ordinary shares and the directors of the Offeror are Terence Loh Ne-Wei and Loh Ne-Loon Nelson.

As at the date of the Offer Announcement Date, the Offeror and its directors hold no Shares of the Company.

6. INFORMATION ON THE COMPANY

6.1. Introduction

The Company was incorporated in Malaysia on 21 August 2015 and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 27 November 2015. Historically, the Company, together with its subsidiaries, (the "**Axington Group**") provided integrated professional services mainly in Malaysia to government-linked entities, private and public listed companies, and multinational corporations. Its four key business segments are tax advisory, business consultancy, technology tools & advisory and business support services. As at 15 April 2020, the Company has completed the sale of its core business in Malaysia to the Tricor Group in Hong Kong. As such, the Axington Group currently consists primarily of the Company and certain subsidiaries in Singapore, Laos and Vietnam.

6.2. Share Capital

As at the Offer Announcement Date, based on publicly available information, the Company has an issued and paid-up share capital of RM27,817,984 comprising 160,310,300 ordinary shares (excluding 9,700 treasury shares). Based on publicly available information, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights.

6.3. Directors

As at the Offer Announcement Date, based on publicly available information, the directors of the Company are as follows:

- (a) Dr. Veerinderjeet Singh a/l Tejwant Singh (Non-Independent Non-Executive Chairman)²;
- (b) Dato' Peter Tang Swee Guan (Deputy Executive Chairman)²;

² Pursuant to the SPA, Dato' Peter Tang Swee Guan, Mr Ranjit Singh a/l Taram Singh and Dr Veerinderjeet Singh a/l Tejwant Singh shall resign as directors of the Company on the later of the completion of the Offer or the earliest date on which such resignations are permitted under the Code and all other applicable laws and regulations (including rules of the SGX-ST).

- (c) Mr. Ranjit Singh a/l Taram Singh (Non-Independent Non-Executive Director)²;
- (d) Tan See Yin (Lead Independent Director);
- (e) Lee Pih Peng (Independent Director); and
- (f) Datin Isharidah Binti Ishak (Independent Director).

7. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

7.1. Compliance with the Code

As a result of the Acquisition, the Offeror is required to make the Offer in compliance with the requirements of the Code. The Acquisition will result in the Offeror securing majority control of the Company.

7.2. Offeror's Intentions for the Company

The Offeror intends for the Company to continue with its existing activities and has no current intention to (a) introduce any major changes to the existing business of the Company, (b) re-deploy the fixed assets of the Axington Group, or (c) discontinue the employment of the employees of the Axington Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Offeror and/or the Company. Following the close of the Offer, the Offeror will undertake a comprehensive review of the businesses of the Company to determine the optimal strategy for the Company.

8. LISTING STATUS AND COMPULSORY ACQUISITION

8.1. Listing Status

Pursuant to Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Company must ensure that at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public (the "**Free Float Requirement**").

Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting or deemed to be acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer. In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST.

8.2. Compulsory Acquisition

The right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer under Section 215(1) of the Companies Act, Chapter 50 of Singapore is not applicable to the Company (incorporated under the Labuan Companies Act 1990, Malaysia) as a foreign company.

8.3. Offeror's Intention

It is the current intention of the Offeror to maintain the listing status of the Company. If, for any reason, the Free Float Requirements under the Catalist Rules are not met at the close of the Offer, the Offeror reserves the right to re-evaluate its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the Company does not meet the Free Float Requirements under the Catalist Rules.

9. DISCLOSURE OF HOLDINGS AND DEALINGS

9.1. Holdings and Dealings in Relevant Securities

As at the Offer Announcement Date, based on the latest information available to the Offeror and save for the Sale Shares acquired by the Offeror pursuant to the Acquisition, none of the Offeror and its directors and DBS Bank (as the financial advisor to the Offeror in connection with the Offer) (each a "**Relevant Person**" and collectively the "**Relevant Persons**")

- (i) owns, controls or has agreed to acquire any (a) Shares, (b) securities which carry voting rights in the Company, or (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the "**Relevant Securities**"); or
- (ii) has dealt for value in any Relevant Securities during the 6-month period preceding the Offer Announcement Date ("**Reference Period**").

9.2. Other Arrangements

The Sale Shares to be acquired by the Offeror pursuant to the Acquisition will be charged to DBS Bank, being the security agent, as part of the security arrangements for the financing for the Offer.

As at the Offer Announcement Date, based on the latest information available to the Offeror and save as described in the foregoing, none of the Relevant Persons has:

- (a) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to any Relevant Securities which might be material to the Offer;
- (b) granted any security interest in respect of any Relevant Securities in favour of another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); and
- (d) lent any Relevant Securities to another person.

9.3. No Irrevocable Undertaking

As at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has received any irrevocable commitment from any party to accept or reject the Offer.

9.4. Disclosure of Dealings

In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company under Rule 12 of the Code.

9.5. Confidentiality

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. For the same reason, DBS Bank has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with DBS Bank in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures, if any, will be made in due course and in the Offer Document.

10. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank, as the financial advisor to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer on the basis of the Offer Price.

11. OFFER DOCUMENT

Further information on the Offer will be set out in the Offer Document to be issued. The Offer Document, which will set out the full terms and conditions of the Offer and enclose the appropriate form(s) of acceptance of the Offer, will be electronically disseminated via an announcement on SGXNET and the Company's website not earlier than 14 days and not later than 21 days from the Offer Announcement Date. Pursuant to Rule 22.3 of the Code, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

A hardcopy notification and the appropriate form(s) of acceptance of the Offer will be despatched to the Shareholders with instructions on how to access the hardcopy Offer Document.

Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in the Shares.

12. OVERSEAS SHAREHOLDERS

12.1. Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable laws. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will be not capable of acceptance by any such use, means, instrumentality or facilities.

12.2. **Overseas Shareholders**

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited, as the case may be (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions. **For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.** Further details in relation to Overseas Shareholders will be contained in the Offer Document.

13. **CAUTIONARY STATEMENT**

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.

14. **RESPONSIBILITY STATEMENT**

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, information relating to the Company and its subsidiaries), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by
DBS BANK LTD.

For and on behalf of
DORR GLOBAL HEALTHCARE INTERNATIONAL PTE. LTD.

1 June 2020

Any enquiries relating to this Announcement or the Offer should be directed during office hours to the following:

DBS Bank Ltd.
Strategic Advisory
Tel: +65 6878 4620

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.