

AXINGTON INC.

(Company Registration No.: LL12218)

(A Company incorporated under the Labuan Companies Act 1990, Malaysia)

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**”) of Axington Inc. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) refers to the unaudited full year financial statements announcement for the financial year ended 31 December 2023 (“**FY2023**”) released by the Company on 28 February 2024 (“**Announcement**”).

All capitalised terms in this announcement shall have the same meanings as ascribed to them in the Announcement unless otherwise defined.

Pursuant to Rule 704 (5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight that the management of the Company has adopted certain material adjustments and reclassifications proposed by the external auditor to the unaudited consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows for FY2023, following the finalisation of the audit. The details and explanations of the material variances are set out in Appendix A as annexed hereto.

Shareholders of the Company are advised to read the audited financial statements of the Group in conjunction with the Independent Auditor’s Report as set out in the Company’s annual report for FY2023 to be released on SGXNet in due course.

By Order of the Board

Ang Chiang Meng
Executive Director
4 April 2024

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the SGX-ST.*

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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APPENDIX A

1) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Variance %	Note
	Twelve Months Ended			
	31-Dec-23 (Unaudited)	31-Dec-23 (Audited)		
	S\$'000	S\$'000		
Other income	6	16	>100%	(a)
Expenses				
- Employee benefits expense	(324)	(324)	-	
- Other expenses	(1,094)	(1,112)	N.M	
Total expenses	(1,418)	(1,420)		
Loss after taxation from continuing operations	(1,412)	(1,420)		
Discontinued Operations				
Net loss for the period from discontinued operations, net of tax	-	(8)	100%	(b)
Loss for the year	(1,412)	(1,428)		
Other comprehensive income after tax:				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	-	1	N.M	
Foreign currency translation differences reclassified to profit or loss on disposal of a subsidiary	-	(2)	N.M	
Other comprehensive income for the year, net of tax	-	(1)		
Total comprehensive loss for the year	(1,412)	(1,429)		
Profit/(Loss) attributable to:				
Owners of the Company	(1,415)	(1,432)	N.M	
Non-controlling interests	3	4	N.M	
	(1,412)	(1,428)		
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(1,415)	(1,433)	N.M	
Non-controlling interests	3	4	N.M	
Total comprehensive loss for the year	(1,412)	(1,429)		

N.M – not meaningful

2) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Variance	Note	Company		Variance	Note
	31-Dec-23	31-Dec-23			31-Dec-23	31-Dec-23		
	(Unaudited) S\$'000	(Audited) S\$'000			(Unaudited) S\$'000	(Audited) S\$'000		
ASSETS								
Current assets								
Other receivables	-	40	100%	(c)	-	40	100%	(c)
Cash and bank deposits	163	163	-		163	163	-	
Restricted deposit	620	620	-		620	620	-	
Prepayment	1	-	N.M		1	-	N.M	
	<u>784</u>	<u>823</u>			<u>784</u>	<u>823</u>		
Total assets	<u>784</u>	<u>823</u>			<u>784</u>	<u>823</u>		
LIABILITIES								
Current liabilities								
Other payables and accruals	603	648	-7%		601	648	N.M	
Liabilities directly associated with disposal group classified as held for sale	-	3	100%	(d)	-	-	-	
	<u>603</u>	<u>651</u>			<u>601</u>	<u>648</u>		
Total liabilities	<u>603</u>	<u>651</u>			<u>601</u>	<u>648</u>		
NET ASSETS	181	172			183	175		
EQUITY								
Capital and reserves attributable to equity holders of the Company								
Share capital	2,431	2,431	-		2,431	2,431	-	
Treasury shares	(1)	(1)	-		(1)	(1)	-	
Reserve	(2,246)	(2,257)	N.M		(2,247)	(2,255)	N.M	
	<u>184</u>	<u>173</u>			<u>183</u>	<u>175</u>		
Non-controlling interests	(3)	(1)	-67%		-	-	-	
TOTAL EQUITY	<u>181</u>	<u>172</u>			<u>183</u>	<u>175</u>		

N.M – not meaningful

3) CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Variance	Note
	Twelve Months Ended 31-Dec-23 (Unaudited) S\$'000	31-Dec-23 (Audited) S\$'000		
Cash flows from operating activities				
Loss before taxation				
- Continuing operations	(1,412)	(1,420)	N.M%	
- Discontinued operations	-	(8)	100%	(b)
Loss before taxation	(1,412)	(1,428)		
Adjustments for:				
Gain on disposal of a subsidiary	-	(4)	100%	(b)
Reversal of accrued expenses	(6)	(10)	67%	(a)
Operating loss before working capital changes	(1,418)	(1,442)		
Changes in trade and other receivables	-	(40)	100%	(c)
Changes in prepayments	*	1	N.M	
Changes in other payables and accruals	433	497	15%	(e)
Net cash used in operating activities	(985)	(984)		
Cash disposed of on disposal of a subsidiary, net of proceeds from disposal	-	(8)	100%	(b)
Net cash used in investing activities	-	(8)		
Cash flows from financing activities				
Net cash used in financing activities	-	-		
Net decrease in cash and cash equivalents	(985)	(992)	N.M	
Cash and cash equivalents at beginning of year	1,155	1,155	-	
Exchange differences on translation of cash and cash equivalents	(7)	-	N.M	
Cash and cash equivalents at end of year	163	163		

* - less than S\$1,000
N.M – not meaningful

NOTES:

- (a) increase in other income of approximately S\$10,000 is mainly due to the reversal of over-accrual of AGM fee of approximately S\$10,000;
- (b) increase in net loss from discontinued operations amounting to approximately S\$8,000 is due to the reclassification of the results of Axington Lao Co., Ltd and Axington Vietnam Limited as discontinued operations. The disposal of Axington Lao Co., Ltd was completed on 1 June 2023;
- (c) increase in other receivables of approximately S\$40,000 relates to an amount to be reimbursed to the Company pertaining to transaction expenses incurred in relation to the reverse takeover transaction ("**RTO**") announced by the Company on 2 September 2022;
- (d) increase in liabilities directly associated with disposal group classified as held for sale of approximately S\$3,000 is due to the reclassification of the net liabilities of Axington Vietnam Limited to held for sale, which is currently in the process of being disposed of by the Company; and
- (e) increase of other payables and accruals of approximately S\$64,000 was due to the under accrual of RTO expenses of approximately S\$34,000, FY2023 annual general meeting expenses of approximately S\$10,000, reversal of over-accrual AGM fee of approximately S\$10,000 in relation to (a) above, and accrual of approximately S\$10,000 recognised in relation to the disposal of Axington Lao Co., Ltd.