

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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.

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

Table of Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B. Condensed interim statements of financial position	5
C. Condensed interim statements of changes in equity	6
D. Condensed interim consolidated statement of cash flows	7
E. Notes to the condensed interim consolidated financial statements	8
F. Other information required pursuant to Appendix 7C of the Catalist Rules	13

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

	Note	Group		
		6 months ended 30 June 2022	6 months ended 30 June 2021	Change
		S\$'000	S\$'000	%
Other income - net		*	60	(100.00)
Employee benefits expense	8	(162)	(83)	95.18
Short-term rental expense		-	(21)	(100.00)
Finance cost		-	(1)	(100.00)
Other expenses	A.1	(304)	(405)	(24.94)
Loss before taxation		(466)	(450)	3.56
Taxation		(18)	-	100.00
Loss after taxation		(484)	(450)	7.56
Loss for the period		(484)	(450)	7.56
Other comprehensive income after tax:				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences		-	-	N.M.
Total comprehensive loss for the period, net of tax of nil		-	-	N.M.
Total comprehensive loss for the period		(484)	(450)	7.62
Loss attributable to:				
Owners of the Company		(483)	(448)	7.81
Non-controlling interests:		(1)	(2)	(50.00)
Loss for the year		(484)	(450)	7.56
Total comprehensive loss attributable to:				
Owners of the Company		(483)	(448)	7.81
Non-controlling interests		(1)	(2)	(50.00)
Total comprehensive loss for the year		(484)	(450)	7.56
Loss per share attributable to owners of the Company (S\$ cents)				
Basic and diluted		(0.25)	(0.24)	4.17

* - less than S\$1,000

N.M.- Not meaningful

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

	Group		
	6 months ended 30 June 2022	6 months ended 30 June 2021	Change
	S\$'000	S\$'000	%
Other income - net			
Bank deposits interest income	-	(22)	(100.00)
Reversal in allowance for doubtful debts	-	(88)	(100.00)
Unrealised foreign exchange loss/(gain), net	8	50	(84.00)
Depreciation of plant and equipment	-	*	N.M.
Short-term rental expense			
Rental of office and car park	-	20	(100.00)
Upkeep of office and office equipment	-	1	(100.00)
Website maintenance	-	*	N.M.
Other expenses			
Travelling	1	*	N.M.
Training	1	8	(87.50)
Audit fee	85	63	34.92
Admin fee	-	10	(100.00)
Advertising and promotion	-	31	100.00)
Annual general meeting	16	24	(33.33)
Bank Charge	1	*	N.M.
Postage, courier, and dispatch	-	1	(100.00)
Printing stationery	*	-	N.M.
Subscription fee	*	-	N.M.
Storage	1	1	N.M.
Taxes	2	-	100.00
Professional fees (sponsorship, bookkeeping, legal, secretarial and other professional fee)	189	267	(29.21)

* - less than S\$1,000

N.M. - Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
ASSETS					
Non-current assets					
		-	-	-	-
Current assets					
Trade and other receivables	6	29	32	35	-
Prepayments	10	7	42	7	42
Cash and bank deposits	5	1,515	2,002	1,507	1,995
Restricted deposit	5	26,620	26,620	26,620	26,620
		28,171	28,696	28,169	28,657
Total assets		28,171	28,696	28,169	28,657
EQUITIES AND LIABILITIES					
Capital and reserves					
Share capital		14,343	15,093	14,343	15,093
Treasury shares		(1)	(1)	(1)	(1)
Reserves		13,630	13,377	13,685	13,390
Equity attributable to owners of the Company		27,972	28,469	28,027	28,482
Non-controlling interest		(25)	(20)	-	-
Total equity		27,947	28,449	28,027	28,482
Non-current liabilities					
		-	-	-	-
Current liabilities					
Other payables and accruals	7	224	247	142	175
Total liabilities		224	247	142	175
Total equity and liabilities		28,171	28,696	28,169	28,657

C. Condensed interim statement of changes in equity

Group

	Share capital	Treasury shares	Capital reserve	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	S\$'000
Unaudited									
Balance as at 1 January 2022	15,093	(1)	(750)	-	4	14,123	28,469	(20)	28,449
Profit/(Loss) for the year	-	-	-	-	-	(484)	(484)	(1)	(485)
Other comprehensive income for the year									
- Currency translation differences	-	-	-	-	(12)	-	(12)	(4)	(16)
Share cancellation	(750)	-	750	-	-	-	-	-	-
Balance as at 30 June 2022	14,343	(1)	-	-	(8)	13,639	27,973	(25)	27,948
(Unaudited)									
Balance as at 1 January 2021	15,532	(1)	-	-	(467)	15,128	30,192	(17)	30,175
Effect of prior year adjustments	(439)	-	-	-	468	(29)	-	-	-
Balance as at 1 January 2021, as restated	15,093	(1)	-	-	1	15,099	30,192	(17)	30,175
Profit/(Loss) for the year	-	-	-	-	-	(448)	(448)	(2)	(450)
Other comprehensive income for the year									
- Currency translation differences	-	-	-	-	55	-	55	-	55
Balance as at 30 June 2021	15,093	(1)	-	-	56	14,651	29,799	(19)	29,780

Company

	Share capital	Treasury shares	Capital reserve	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	S\$'000
Unaudited									
Balance as at 1 January 2022	15,093	(1)	(750)	-	-	14,140	28,482	-	28,482
Profit/(Loss) for the year	-	-	-	-	-	(454)	(454)	-	(454)
Other comprehensive income for the year									
- Currency translation differences	-	-	-	-	-	-	-	-	-
Share cancellation	(750)	-	750	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	14,343	(1)	-	-	-	13,686	28,028	-	28,028
(Unaudited)									
Balance as at 1 January 2021	15,532	(1)	-	-	(467)	14,679	29,743	-	29,743
Effect of prior year adjustments	(439)	-	-	-	468	(29)	-	-	-
Balance as at 1 January 2021, as restated	15,093	(1)	-	-	1	14,650	29,743	-	29,743
Profit/(Loss) for the year	-	-	-	-	-	(443)	(443)	-	(443)
Other comprehensive income for the year									
- Currency translation differences	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2021	15,093	(1)	-	-	1	14,207	29,300	-	29,300

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000
Cash flows from operating activities		
Loss before taxation	(484)	(450)
Adjustment for:		
Interest income	-	(22)
Right-of-use assets impairment	-	(12)
Unrealised foreign exchange loss/(gain)	(17)	50
Finance expense	-	1
	<hr/>	<hr/>
Operating cash flows before working capital changes	(501)	(433)
Changes in working capital		
Changes in trade and other receivables	38	22
Changes in other payables and accruals	(24)	(257)
Changes in other current liabilities	-	1
	<hr/>	<hr/>
Cash used in operations	14	(234)
Net cash used in operating activities	(487)	(667)
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	-	22
	<hr/>	<hr/>
Net cash generated from investing activities	-	22
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(487)	(644)
Cash and cash equivalents at beginning of financial period	2,002	30,085
Exchange differences on translation on cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	1,515	29,441
	<hr/>	<hr/>

E. Notes to the unaudited condensed interim consolidated financial statement

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 30 June 2022 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 30 June 2022 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 annual financial statements for the year ended 31 December 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.

The condensed interim financial statements are presented in Singapore dollars (“**SGD**”) which is the Company’s functional currency.

2.1 New and amended standards

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgment and estimates

In preparing the condensed interim 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 Company’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 2021.

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	
	30 June 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000	30 June 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000
Cash in banks	1,515	2,002	1,507	1,995
Restricted deposit ¹	26,620	26,620	26,620	26,620
	28,135	28,622	28,127	28,615

Note:

(1) Restricted deposit relates to cash of S\$26.62 million placed in the escrow account opened with a bank in Singapore acting as escrow agent in compliance with Rule 1017(1)(a) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

6. Trade and other receivables

	Group		Company	
	30 June 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000	30 June 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000
Amount due from subsidiaries (non-trade)	-	-	105	70
Less: Allowance for impairment losses	-	-	(70)	(70)
	-	-	35	-
Deposits	29	28	-	-

Other receivables	-	4	-	-
	29	32	-	-

7. Other payables and accruals

	Group		Company	
	30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
Accrued expenses	176	209	123	155
Amount due to a subsidiary (non-trade)	-	-	10	11
Other payables	48	38	9	9
	224	247	142	175

8. Employee benefits expense

Group	30 June 2022 (Unaudited) S\$'000	30 June 2021 (Unaudited) S\$'000
	Directors: Directors' fees	72
Other than key management personnel: - Salaries and other related costs	90	-
	162	83

9. Significant related party transactions

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

Group	30 June 2022 (Unaudited) S\$'000	30 June 2021 (Unaudited) S\$'000
Consultancy fees paid to directors	-	120

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

10. Prepayment

Group	30 June 2022 (Unaudited) S\$'000	30 June 2021 (Unaudited) S\$'000
Prepayment for professional services	7	-

11. Loss per share

Loss per share ("LPS")	Group	
	Half year Ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Net Loss (SGD) attributable to owners of the Company for the period	(484,280)	(448,096)
Weighted average number of ordinary shares in issue	190,314,467	186,495,368
Basic LPS (SGD cents per share)	(0.25)	(0.24)
Fully diluted LPS (SGD cents per share) ⁽¹⁾	(0.25)	(0.24)

Note:

(1) The basic and fully diluted LPS were the same as there were no potential dilutive ordinary shares in issue as at 30 June 2022 and 30 June 2021.

12. Net asset value

Net asset value ("NAV")	Group		Company	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
NAV (SGD)	27,947,481	28,449,461	28,027,498	28,481,997
Number of ordinary shares in issue (excluding treasury shares)	186,710,300	190,460,300	186,710,300	190,460,300
NAV per ordinary share (SGD cents)	14.97	14.94	15.01	14.95

13. Borrowings

There are no borrowings as at 30 June 2022 and 31 December 2021.

14. Ordinary shares

	Number of issued shares (excluding treasury shares)	Share capital (S\$)
Paid-up share capital	185,085,300	14,017,289
Recovery of unpaid share capital	1,625,000	325,000
Unpaid share capital*	3,750,000	750,000
Total share capital as at 1 January 2022	190,460,300¹	15,092,289²
<i>Less: Share cancellation⁽³⁾</i>	<i>(3,750,000)</i>	<i>(750,000)</i>

Total share capital as at 30 June 2022**186,710,300****14,342,289**

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\$15.09 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.
- (3) The proposed cancellation of 3,750,000 ordinary shares held by Kerrigan was effective on 23 June 2022.

In August 2021, the Company had recovered S\$0.33 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.

Pursuant to the Company’s extraordinary general meeting (“**EGM**”) held on 27 May 2022, the Company’s shareholders had approved the “Special Resolution 1 – The proposed cancellation of 3,750,000 ordinary shares held by Kerrigan Medical Supplies Pte. Ltd.”. Accordingly, the net amount of S\$750,000 was deducted against the share capital account when the cancellation of shares was effective on 23 June 2022. Please refer to the Company’s circular dated 5 May 2022 (the “**Circular**”) and the Company’s announcements dated 27 May 2022, 3 June 2022 and 10 August 2022 for further details.

Treasury Shares

There were 9,700 treasury shares representing approximately 0.005% of the Company’s 186,710,300 and 190,460,300 ordinary shares (excluding treasury shares) as at 30 June 2022 and 30 June 2021 respectively.

Subsidiary Holdings and Convertible Instruments

The Company did not have any subsidiary holdings or convertible instruments as at 30 June 2022 and 30 June 2021.

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 30 June 2022	As at 31 December 2021
Total number of issued shares (excluding treasury shares)	186,710,300	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 unaudited condensed interim consolidated 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 Axington Inc. and its subsidiaries as at 30 June 2022 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 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

In relation to the matters raised in the Independent Auditor's Report dated 5 May 2022 ("**Independent Auditors Report**"), the Board wishes to highlight the:

- i. Opening balances and comparative information: Carry-Forward Effects will likely be resolved in the financial year ending 31 December 2022; and
- ii. Independent review: The Independent Review of the nature and circumstances relating to the unpaid placement shares which was set out in the Company's announcement dated 16 July 2021 ("**Independent Review**") is completed. Please refer to the Company's announcement dated 27 June 2022 for more information.

Notwithstanding the above, the Company will continue to engage and consult its auditors to determine the best approach in preparing the financial statements.

(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 5 May 2022. 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

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 2021.

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 2022. 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.

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 half year ended 30 June 2022 (“1H 2022”) as compared to the half year ended 30 June 2021 (“1H 2021”).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

There was no revenue recorded in 1H 2022 whilst other income was reduced by approximately S\$0.06 million mainly due to the absence of interest income from fixed deposits.

There were no lease expenses recorded for 1H 2022 as the Company had terminated the lease of its office premise in view that it was no longer required for the Company’s operations.

Employee benefits expense increased by approximately S\$0.08 million mainly due to higher director fee following the appointment of an independent director in September 2021 to comply with the Catalist Rules and the Code of Corporate Governance 2018.

Other expenses decreased by approximately S\$0.10 million to S\$0.30 million in 1H 2022 mainly due to decrease in (i) administration expenses of approximately S\$0.01 million, (ii) professional fees of approximately S\$0.08 million, (iii) advertising and promotion fees in relation to share placement of approximately S\$0.03 million, which was partially offset by an increase in audit fees of approximately S\$0.02 million.

As a result of the above, the loss after taxation attributable to owners of the Company is approximately S\$0.48 million in 1H 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current assets

Trade and other receivables amounting to approximately S\$0.03 million mainly comprise of deposits paid to its service providers by the Company.

Prepayment decreased from S\$0.04 million as at 31 December 2021 to \$0.01 million as at 30 June 2022 as professional services fee has been incurred and expensed off by the Company on a periodic basis.

Cash and cash equivalents decreased by approximately S\$0.49 million mainly due to payment for (i) professional fees amounting to approximately S\$0.28 million, (ii) employee benefit expenses amounting to approximately S\$0.16 million, (iii) taxation amounting to approximately S\$0.02 million and (iv) annual general meeting expenses amounting to approximately S\$0.02 million, during 1H 2022.

Non-current assets

There were no non-current assets recorded as at 30 June 2022.

Liabilities

Other payables and accruals decreased by approximately S\$0.02 million to S\$0.22 million as at 30 June 2022 mainly due to settlement of accrued expenses.

The Group is in a positive working capital position of S\$27.95 million as at 30 June 2022.

CONSOLIDATED STATEMENT OF CASH FLOW

The Group recorded net cash used in operating activities in 1H 2022 of approximately S\$0.49 million mainly due to (i) operating cash flows before working capital changes of approximately S\$0.50 million, and adjusted for net working capital outflow of approximately S\$0.01 million. The working capital outflow was due to (ii) payment for trade and other payables amounting to S\$0.02 million and offset against lower trade and other receivables of S\$0.04 million.

The Company did not use any cash for financing activities in 1H2022.

Overall, cash and cash equivalents decreased to approximately S\$1.52 million in 1H2022. Notwithstanding that, the cash balance remaining in the Group remains at an aggregate of S\$28.14 million in 1H2022 which is inclusive of the encumbered cash relating to the escrow placement of S\$26.62 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.

- a. The Company had on 27 May 2022, obtained its shareholders' approval, via an EGM, to proceed with (i) the proposed cancellation of 3,750,000 ordinary shares held by Kerrigan; (ii) the proposed reduction of share capital by S\$11.903 million; and (iii) the proposed dividend of S\$14.097 million (together with the proposed reduction of share capital, the "**Proposed Distribution**"). Please refer to the Circular and the Company's announcements dated 27 May 2022 and 3 June 2022 for further details.

In relation to the Proposed Distribution, the Company had on 23 June 2022 and 18 July 2022 completed the cancellation of 3,750,000 ordinary shares and the reduction of share capital amounting to S\$11,903,372.25 respectively. A certificate confirming the lodgement of the Solvency Declaration from Labuan Offshore Financial Services Authority (LFSA) has also been obtained. Please refer to the Company's announcement dated 10 August 2022 for further details.

- b. The Company is expected to utilise the IPO, placement and compliance net proceeds to facilitate the Proposed Distribution. Please refer to paragraph 12 below for further details.
- c. On 18 July 2022, the Company announced that it had entered into a non-binding memorandum of understanding with Mr. Lim Boon Chay, Mr. Tan Soo See, Mr. Tan Soo Seng and Mr. Wong Sin Ting for the proposed acquisition of 100% Mushan Food Industries Pte. Ltd. and three sister companies including Mushan Foods Pte. Ltd., Vitamax Food International Sdn Bhd and Vitamax Food Beverages Co. Ltd. (the "**Proposed Acquisition**"). Please refer to the Company's announcement dated 18 July 2022 for further details.

The Company will make the necessary announcements when there are further developments on the Proposed Distribution and Proposed Acquisition.

8. Dividend

If a decision regarding dividend has been made: -

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

The Company had, on 27 May 2022, obtained Shareholders' approval for the Proposed Distribution of S\$26.0 million. Please refer to the Circular and Company's announcement dated 27 May 2022.

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

Not applicable.

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

No dividend has been declared or recommended for the previous financial period 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).**

Please refer to the Circular and the Company's announcement dated 10 August 2022 for further details.

(d) The date the dividend is payable.

The date of payment of the Proposed Distribution will be on 25 August 2022. Please refer to the Company's announcement dated 10 August 2022 for further details.

(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.

The record date is on 18 August 2022. Please refer to the Company's announcement dated 10 August 2022 for further details.

9. 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 1H 2022 as the Company has deemed it more appropriate to retain cash for the Company's ongoing business needs after taking into consideration the Proposed Distribution, approved by Shareholders on 27 May 2022.

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 1H 2022.

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. 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 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) ⁽¹⁾	-
Listing expenses to be borne by our 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 proceeds	5,970	-	5,970
(less) Unpaid shares	(750) ⁽¹⁾	-	(750) ⁽¹⁾
Total placement net proceeds	5,220	-	5,220

Note:

(1) The Company had on 23 June 2022 cancelled the unpaid shares owing by one of the placees. Refer to paragraph 14 of Section E for further details.

Compliance 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	-	3
General working capital	2	-	2
Total placement net proceeds	5	-	5

As at the date of this announcement and save as disclosed above, the Company has yet to utilise the net proceeds from the (i) IPO, (ii) placement and (iii) compliance placement (collectively, the "Net Proceeds"). In view of the Proposed Distribution approved by Shareholders at the EGM on 27 May 2022, the Company will be reallocating the Net Proceeds to facilitate the payment for the Proposed Distribution.

The Company will make announcement(s) when the Net Proceeds 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 on 18 March 2021, in accordance with the Company's announcement dated 15 March 2021.

13. Confirmation by the BOD

On behalf of the BOD, we, the unsigned, hereby confirm, to the best of our knowledge that nothing has come to the attention of the BOD which may render the financial statements for the half year ended 30 June 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ang Chiang Meng
Executive Director

Roberto Dona
Non-Executive Chairman and
Independent Director

Singapore
12 August 2022