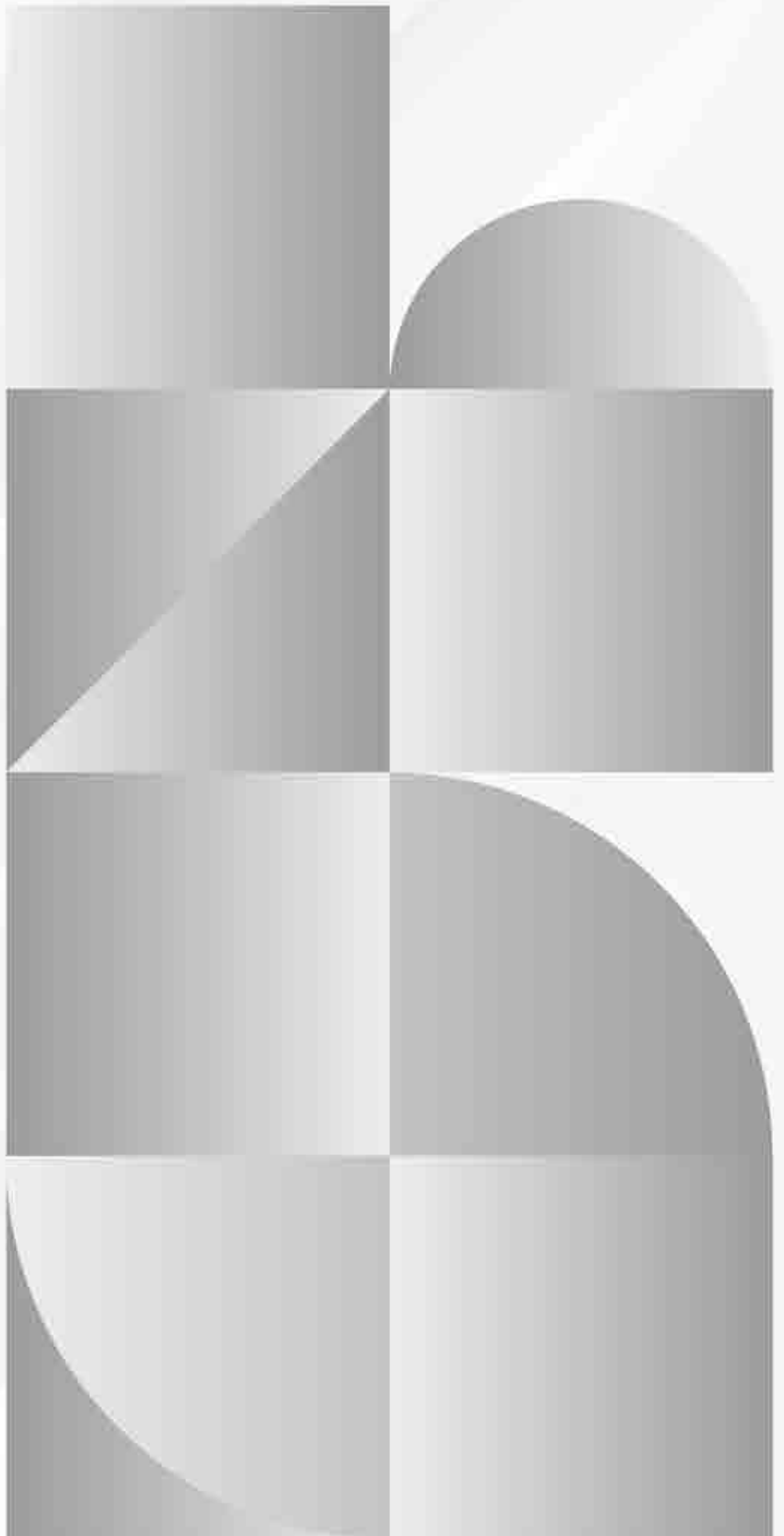


AXINGTON INC

ANNUAL REPORT
2023





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This annual report 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 Singapore Exchange Securities Trading Limited (the "SGX-ST").

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Joseph Au, Registered Professional, RHT Capital Pte. Ltd., 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

CHARIMAN'S MESSAGE

Dear Shareholders,

2023 is a largely meaningful year for the Company, with all resources focused on the pursuit of a successful reverse take over of the Company – an outcome which will deliver value to all shareholders.

Throughout the year, the team worked closely with the Company's legal counsels, financial advisors, Serial I-Tech (Far East) Pte. Ltd. and other stakeholders to fulfil the requirements for a successful Reverse Takeover ("RTO"). The work culminated in the Company securing the requisite approvals and subsequently, lodging the Circular in relation to the RTO on 27 December 2023.

An extraordinary general meeting ("EGM") was held on 22 January 2024 which is the first physical meeting since Covid-19 pandemic, pursuant to which, the current board of directors ("BOD") was able to meet with its shareholders for the first time. The EGM was successful with healthy discussions being held between the BOD and shareholders as well as the Company obtaining shareholders' approvals for all of the proposed resolutions in respect of the RTO.

As we move into 2024, the team's efforts are entirely focused on the last stage of the Company's transformation - completing the RTO and transitioning to the new leadership.

On behalf of the BOD, I express my sincere gratitude to all shareholders and stakeholders for your continued trust in the BOD and the Company throughout this transformation process.

We believe the completion of the RTO will herald an exciting new chapter for Axington Inc. and we are enthusiastic about the opportunities this will present to create substantial value for all shareholders and stakeholders.

Sincerely,

Roberto Dona

Non-Executive Chairman and Independent Director



BOARD OF DIRECTORS

MR. ROBERTO DONA

Non-Executive Chairman and Independent Director

Mr. Roberto was appointed as the Independent Director on 14 July 2020, and was subsequently redesignated as the Non-Executive Chairman and Independent Director on 20 November 2020. He is also the Chairman of Nominating Committee, and a member of Audit Committee and Remuneration Committee.

He is currently the Chair of the Advisory Board of Santoni Knitting Technologies Ltd, a Professor and Associate Dean of Professional Engagement at the Xi'an Jiaotong-Liverpool University. Mr. Roberto was Adjunct Professor at MIP Politecnico di Milano School of Management between 2015 to 2019, and a Faculty Member, Professor and Director of Executive Master in Business Administration Programme and Academic Director of Double Degree Programme at Bocconi University between 1990 to 2013. As an academician with experience in strategy, Mr. Roberto brings with him years of experience from the academic and strategic sector. His experience has been crucial in the company's decision making process in manoeuvring the business landscape.

Mr. Roberto also serves as a Board Member of Shanghai Chapter European Chamber of Commerce in China.

He has obtained an MBA from the SDA Bocconi School of Management and a Laurea in Scienze dell'Informazione (postgraduate in Computer Science) from the University of Milan.

BOARD OF DIRECTORS

MR. ANG CHIANG MENG

Executive Director

Mr. Ang was appointed as the Independent Director on 20 November 2020 and was subsequently redesignated as the Executive Director on 4 June 2021. He is also a member of the Nominating Committee.

His key mission in the Group is to work with key stakeholders to develop and implement the company's business strategy and create value for the shareholders.

Mr. Ang is currently the managing partner of Argile Partners Pte. Ltd., which is a regional management consultancy and turnaround firm, an executive director of R&O Corporate Services Pte. Ltd., which is a corporate and accounting services firm and an independent director of Singapore Kitchen Equipment Limited.

He was previously a director at an international restructuring and insolvency firm from June 2015 to April 2019 and a corporate banker at an international bank from July 2010 to May 2015. Mr. Ang comes with years of global experience in banking, strategic management, corporate finance, consultancy and turnarounds.

Mr. Ang holds a Bachelor of Science (Real Estate) from the National University of Singapore.

MR. TEO CHOON KOW @WILLIAM TEO

Independent Director

Mr. Teo was appointed as the Independent Director on 20 November 2020. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

He is currently a consultant providing corporate advisory work and an independent director of Wee Hur Holdings Ltd.

From 1997 to 2004, he was the vice-president of Walden International Investment Group where he was responsible for its investment function. From 1989 to 1997, he was a senior manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work.

He is a chartered accountant and life member of Institute of Singapore Chartered Accountants, and he holds a Master in Management from Asian Institute of Management, Philippines.

MR. LUKE ANTHONY FURLER

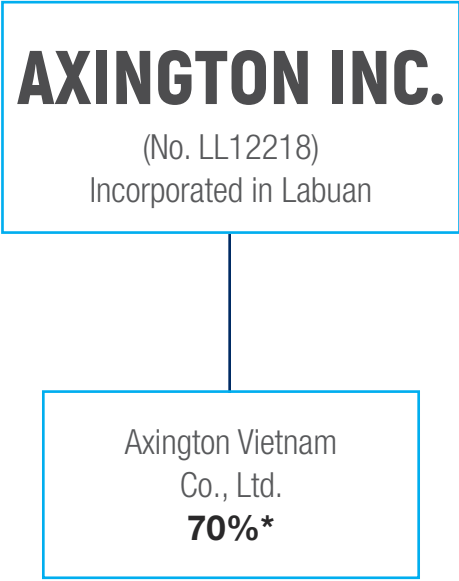
Independent Director

Mr. Furler was appointed as an Independent Director on 1 September 2021 and was subsequently appointed Chair of the Audit Committee and a member of the Remuneration and Nominating Committee.

Mr. Furler is currently the Managing Director and Head of APAC for Quantuma, a global advisory business serving the needs of mid-market and corporate companies, as well as their stakeholders. Mr. Furler regularly advises clients on business transactions, resolving business disputes, mitigating risk and managing operational as well as financial challenges. Mr. Furler's experience in corporate restructuring and compliance has been crucial in the company's navigation of various complex issues.

Mr. Furler is also a Director and Board Member of the Turnaround Management Association (South East Asia Chapter). He holds a Bachelor of Science (Psychology), a Masters in Accounting and is a Chartered Accountant of Singapore (ISCA), Australia & New Zealand (ICAAANZ) and England & Wales (ICAEW). He is also a Certified Practising Accountant (CPA) in Hong Kong (HKICPA).

GROUP STRUCTURE



* asset held for sale

COMPANY REGISTRATION NUMBER

LL12218

REGISTERED OFFICE

Lot A020, Level 1, Podium Level
Financial Park, Jalan Merdeka
87000 Federal Territory of Labuan, Malaysia
Tel no. +6087-427745 | Fax: +6087-428845
axington@outlook.com

DIRECTORS

Roberto Dona

Non-Executive Chairman and Independent Director

Teo Choon Kow @ William Teo

Independent Non-Executive Director

Luke Anthony Furler

Independent Non-Executive Director

Ang Chiang Meng

Executive Director

AUDIT COMMITTEE

Luke Anthony Furler

Chairman

Teo Choon Kow @ William Teo

Roberto Dona

NOMINATING COMMITTEE

Roberto Dona

Chairman

Teo Choon Kow @ William Teo

Ang Chiang Meng

REMUNERATION COMMITTEE

Teo Choon Kow @ William Teo

Chairman

Roberto Dona

Luke Anthony Furler

SECRETARIES

Hans Corporate Services Ltd
Chen Chuanjian, Jason
Tan Ching Ching

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
9 Raffles Place #26-01
Republic Plaza Tower 1
Singapore 048619

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
36 Robinson Road
#10-06 City House
Singapore 068877

BANKER

DBS Bank Ltd

AUDITOR

Foo Kon Tan LLP
Public Accountants and Chartered
Accountants

1 Raffles Place
#04-61/62 One Raffles Place, Tower 2
Singapore 048616

Partner-in-charge:
Cheong Wenjie
(Appointed from the financial year ended
31 December 2021)

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FINANCIAL HIGHLIGHTS

	FY2022	FY2023
INCOME STATEMENT (S\$'000)		
Other Income from Continuing Operations	5	16
Loss After Tax from Continuing Operations	(874)	(1,420)
Profit/(Loss) from Discontinued Operations	37	(8)
Loss For the Year	(837)	(1,428)
BALANCE SHEET (S\$'000)		
	31 December 2022	31 December 2023
Total Assets	1,776	823
Total Liabilities	175	651
Total Shareholders' Equity	1,601	172
KEY FINANCIAL RATIOS (S\$ cent)		
Loss Per Share	(0.46)	(0.77)
Net Asset Value Per Share	S\$0.86 as at 31 December 2022	S\$0.09 as at 31 December 2023

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

DISCONTINUED OPERATIONS

On 14 April 2023, the Company entered into a share sale and purchase agreement with a third party to dispose of the Company's entire shareholdings in Axington Lao Co., Ltd. ("Axington Lao") and Axington Vietnam Limited ("Axington Vietnam") for an aggregate consideration of S\$1. On 29 May 2023, Axington Lao was disposed of by the Company whilst Axington Vietnam is still under disposal as at 31 December 2023.

As a result of the above, Axington Lao and Axington Vietnam are presented separately on the consolidated statement of profit or loss and other comprehensive income as discontinued operations ("Reclassification") for the financial year ended 31 December ("FY") 2023.

FINANCIAL HIGHLIGHTS

The Group recorded S\$ nil revenue for FY2023 as it does not have any revenue generating business following the Company's announcement of its cash company status in April 2021.

Excluding the effects of the Reclassification, other income increased by approximately S\$11,000 in FY2023 mainly due to reversal of accrued expenses.

Increase in other expenses by approximately S\$557,000 to approximately S\$1.11 million in FY2023 was mainly due to increase in (i) RTO expenses of approximately S\$762,000, (ii) listing fees of approximately S\$28,000, and (iii) other expenses of approximately S\$17,000 which comprises of bank charges, subscription fee, GST and others. The increase in total expenses was partially offset against the lower expenses incurred for (i) legal and professional fees by approximately S\$72,000, (ii) consultancy fees by approximately S\$43,000, (iii) foreign exchange loss of approximately S\$16,000, (iv) annual general meeting expenses of approximately S\$16,000, (v) bookkeeping fee of approximately S\$6,000 and (vi) sponsorship fees of approximately S\$4,000.

As a result of the above, the Group recorded a higher net loss of approximately S\$1.43 million in FY2023 compared to the net loss of approximately S\$837,000 in FY2022.

BALANCE SHEET

Current assets of the Group decreased by approximately S\$953,000 in FY2023 mainly attributable to the decrease in cash and bank deposits of approximately S\$992,000 to fund operating and RTO of the Group. The decrease in current assets was partially offset against an increase in other receivables of approximately S\$40,000.

The Group's current liabilities increased to approximately S\$651,000 in FY2023 from S\$175,000 in FY2022, largely due to increase in other payables and accruals in relation to the RTO.

CASH FLOW

Net cash used in operating activities in FY2023 was approximately S\$984,000, which comprised mainly cash used in operating activities before working capital changes of approximately S\$1.44 million and adjusted for net working capital inflow of approximately S\$458,000. Working capital changes were mainly due to increase in other payables and accruals of approximately S\$497,000, increase of other receivables of approximately S\$40,000, and increase in prepayments of approximately S\$1,000.

The net cashflow used in investment activities in FY2023 was approximately S\$8,000 due to the disposal of subsidiary. There were no financing activity in FY2023.

As a result, cash and cash equivalents decreased to approximately S\$163,000 in FY2023, excluding S\$620,000 restricted deposit relating to the escrow placement.

Pursuant to the Extraordinary General Meeting held on 22 January 2024, the Company had on 9 February 2024 fully withdrawn from the escrow agent the restricted deposit to fund the RTO expenses.

CORPORATE GOVERNANCE REPORT

DISCLOSURE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors of Axington Inc. (the “Company”) and its subsidiaries (the “Group”) are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2023 (“FY2023”), with specific reference made to the principles of the Code of Corporate Governance 2018 (the “Code”).

For FY2023, the Company has complied with the principles of the Code and provisions as set out in the Code and the practice guidance, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the provisions of the Code.

1. BOARD MATTERS

a. The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is entrusted to lead, oversee and act in the best interests of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. In addition to its statutory duties, the Board’s principal functions are to:

- provide entrepreneurial and strategic leadership including setting strategic objectives;
- develop, decide and approve strategic plans and key business initiatives including major investments and funding requirements;
- ensure necessary financial and human resources are in place for the Group to implement strategic plans and key business initiatives to meet its strategic objectives;
- monitor, review and ensure management performance;
- identify and work with key stakeholder groups to ensure alignment of interest and recognise that their perceptions affect the Company’s reputation;
- establish and maintain prudent and effective internal controls and risk management system to protect shareholders and the Company’s interests;
- set the Group’s values and standards (including ethical standards) and ensure that obligations to shareholders are understood and duly met;
- consider sustainability issues as part of its strategic formulation; and
- ensure compliance with the Code, Company’s Constitution, listing rules, accounting standards and other relevant statutes and regulations.

Conflict of Interest: Every Director is required to declare any conflict of interest in any discussions, transactions or proposed transactions with the Company as soon as practicable after all relevant facts have come to his or her knowledge. Directors facing conflicts of interest recuse themselves from discussions involving the issues of conflict. Annually, each Director is required to submit details of his or her associates for the purpose of monitoring interested person transactions.

CORPORATE GOVERNANCE REPORT

Induction, training and development: All newly appointed Directors will undergo an orientation programme where the newly appointed Directors would be briefed by the Board on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a Director of a listed company. In addition, the orientation programme will allow the newly appointed Directors to get acquainted with the management which aims to facilitate interaction and ensure that all Directors have independent access to management.

The Company will arrange the SGX-ST's prescribed training for newly appointed Directors with no prior experience as a director of a listed company on the SGX-ST.

To ensure Directors are able to fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continuous professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as SID. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs will be borne by the Company.

The Company Secretary also briefs the Directors on key regulatory changes, while the External Auditors ("EA") briefs the Directors on key amendments on the accounting standards.

Delegation of Authority to Board Committees: The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), and the Nomination Committee (the "NC") collectively, (the "Board Committees"). The composition of the Board Committees as at date of this report is set out below:

Designation	AC	NC	RC
Chairman	Luke Furler	Roberto Dona	William Teo
Member	Roberto Dona	William Teo	Roberto Dona
Member	William Teo	Ang Chiang Meng	Luke Furler

The Company held its Board and AC meetings on 13 February 2023 and 10 August 2023. The NC and RC meetings were held on 13 February 2023.

The Board meets at least two (2) times a year, and as and when circumstances require. The details of the Board and Board Committee meetings held during FY2023 and the attendance of each Board member are shown below:

	Board	AC	NC	RC
Number of Meetings Held	2	2	1	1
Name of Director	Number of Meetings Attended			
Mr. Roberto Dona	2	2	1	1
Mr. William Teo	2	2	1	1
Mr. Ang Chiang Meng	2	2*	1	1
Mr. Luke Furler	2	2	1*	1

* by invitation

Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Company and the Group. The Company's Articles of Association (the "Articles") allow for meetings to be held through telephone and/or video-conference.

CORPORATE GOVERNANCE REPORT

Matters Requiring Board Approval: The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, investments and divestments, material contracts, fund raising, material corporate policies, interested party transactions, material regulatory and compliance matters and release of periodic financials.

Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by key management personnel to Directors are set out in the table below:

Information	Frequency
Updates to Group's operations and key business initiatives	Monthly
Reports on on-going or planned corporate actions	As and when applicable
Internal audit report	As and when available
Business plans	As and when available
Shareholding statistics	As and when requested

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management. AC Chairman is regularly briefed on the financials of the Group.

All Directors have separate and independent access to the Company Secretary. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, are as follows:

- Ensuring that Board procedures are observed and that the Company's Memorandum of Association and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Labuan Companies Act and the Catalist Rules, are complied with;
- Assist the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long term shareholders value;
- Assist the Chairman to ensure good information flows within the Board and its Board Committees and key management personnel;
- Facilitating orientation and assisting with professional development as required;
- Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
- Attend and prepare minutes for all Board meetings;
- As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
- Assist the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committees meetings.

Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required.

CORPORATE GOVERNANCE REPORT

b. Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this report, the Board comprises four (4) members, as follows:

Mr. Roberto Dona	Non-Executive Chairman and Independent Director
Mr. William Teo	Independent Non-Executive Director
Mr. Luke Furler	Independent Non-Executive Director
Mr. Ang Chiang Meng	Executive Director

As at the date of this report, the Board comprises four (4) Directors of which three (3) (i.e. 75%) are Independent Directors and the Company is compliance with the Code.

The Board has an Independent Non-Executive Chairman, Mr. Roberto Dona, who is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Director or management has failed to resolve, or is inappropriate. More than half of the Board is made up of Independent Directors, including independence from the substantial shareholders of the Company, and the Board views that it is capable of exercising independent and objective judgment on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The Board considers the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. The NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors had also confirmed their independence in accordance with the Code.

The Independent Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel including Executive Director to discuss concerns or matters such as the effectiveness of management. The Chairman of the meeting provides feedback to the Board and/or Executive Director as appropriate.

In FY2023, the Independent Directors had met in the absence of key management personnel as required.

The Board's policy in identifying Director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience relevant and useful for the Group, regardless of gender. The Board is of the view that the current Board size of four members, is appropriate taking into account the nature and scope of the Group's operations.

The current Board composition provides an appropriate balance and diversity of skills, experience and knowledge. Details of the Directors' academic and professional qualifications and other appointments are set out on pages 3 to 5 of this annual report.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

CORPORATE GOVERNANCE REPORT

c. Chairman and Chief Executive Officer (“CEO”)

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and Executive Director are clearly separated to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making.

Given the scope and nature of the operations of the Group, the Company does not have a CEO and there is no immediate necessity to appoint one. The Board will appoint a CEO as and when deem appropriate.

Externally, the Chairman is the face of the Board, and should ensure effective communication with shareholders and other stakeholders. Within the Company, the Chairman schedules and chairs Board meetings and ensures that Independent Directors are able to speak freely and contribute effectively. He also ensures proper information flow between the Board and the Management. He also takes a leading role in the Company’s efforts to achieve and maintain a high standard of corporate governance.

The Chairman and the Executive Director are not related to each other.

The Executive Director is responsible for overseeing the strategic positioning of the Group and manages the day-to-day operations of the Group. He also oversees the execution of the business and corporate strategy decisions made by the Board.

d. Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises at least three (3) directors, the majority of whom, including the NC Chairman are independent.

The NC is guided by its key terms of reference as follows:

- To establish criteria for appointment of new Directors to the Board;
- To review and recommend the re-appointment of Directors having regard to the Director’s contribution and performance;
- To determine on an annual basis whether a Director is independent;
- To develop a process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- To review and recommend to the Board the succession plans for the Chairman, Executive Directors and Key Management personnel; and
- To review and recommend to the Board the training and professional development programmes for the Board.

The composition of the Board is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively has the necessary core competencies for effective operation and informed decision making. The NC considers appropriate mix of diversity of skills, experience, gender and knowledge with competencies in areas such as accounting and finance, legal, business and management, industry knowledge, strategic planning, operation and customer relationship. These competencies enable management to learn and benefit from external and expert perspectives of the Directors pertinent to the direction and growth of the Group. The NC also ensures that new directors are aware of their duties and obligations.

CORPORATE GOVERNANCE REPORT

A director (whether independent, executive or non-executive) who has served on the board for an aggregate period of nine years (whether before or after listing) will no longer be eligible to be designated as an independent director of the issuer, effective on the date of a Company's annual general meeting for the financial year ending on or after 31 December 2023, as set out in Rule 406(3)(d)(iv). There are no Independent Directors who have served beyond nine (9) years since the date of their first appointment. The NC had also reviewed and confirmed the independence of the Independent Directors in accordance with the Code.

The Board has set the maximum number of listed company's board representations as five (5). Having assessed the capacity of the Directors based on factors disclosed below, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence, ultimately benefitting the Company.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principle commitments held.

The NC reviewed the time spent and attention given by each of the Director to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have adequately discharged their duties as Directors for FY2023.

A list of the other listed company directorships and principal commitments of each of the Directors (if any) for FY2023 is set out on pages 3 to 5 of this annual report.

The process for selection, appointment and re-appointment of Directors to the Board including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates are as follows:

CORPORATE GOVERNANCE REPORT

Process for the Selection and Appointment of New Directors

Determination of selection criteria	<p>The NC, in consultation with the Board, will consider the following factors when reviewing a candidate for Board appointment:</p> <ul style="list-style-type: none"> the skills, experience, expertise and personal trait that will best complement Board effectiveness; the existing composition of the Board, aimed at providing the Board the benefits of diversity among its Directors; and the capacity of the candidate to dedicate the necessary time and commitment to the role. This involves consideration of other commitments such as other board or executive appointments, integrity, potential conflicts of interest, and independence.
Search for suitable candidates	<ul style="list-style-type: none"> The NC will furnish to all Directors a comprehensive background information in relation to a candidate; and The NC would consider external search organisations for identification of potential Director candidates, if deemed necessary.
Assessment of shortlisted candidates	<ul style="list-style-type: none"> The NC would meet and interview the shortlisted candidates to assess their suitability. The Board is also advised by the Sponsor on appointment of directors as required under Catalist Rule 226(2)(d).
Appointment of Director	<ul style="list-style-type: none"> The NC would recommend the selected candidate to the Board for consideration and approval; and · All Board appointments should be formalised by letter in the standard format as approved by the Board from time to time.

Process for the Re-electing Incumbent Directors

Assessment of Director	<ul style="list-style-type: none"> The NC would assess the performance of the Director in accordance with the performance criteria set by the Board; and The NC would also consider the current needs of the Board.
Re-appointment of Director	<ul style="list-style-type: none"> Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles, at least one-third of the Board is to retire from office by rotation and be subject to re-election at the AGM. Additional Directors appointed by the Board after the AGM but during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Directors who are to be nominated for re-election are as follows:

Name of Director	Designation	Date of Initial Appointment	Date of Last Re-Election
Teo Choon Kow @ William Teo	Independent Director	20 November 2020	22 July 2021
Luke Anthony Furler	Independent Director	1 September 2021	27 May 2022

The key information of the Directors, including their appointment and last re-appointment dates and current and past directorships held in the past five (5) years, academic and professional qualifications and other principal commitments, are set out on pages 18 to 28 of this annual report.

CORPORATE GOVERNANCE REPORT

DECLARATION WITH REGARD TO RE-APPOINTMENT OF DIRECTOR

(This form is based on Appendix 7F and is to be completed when a candidate is proposed to be appointed for the first time or re-elected to the board at a general meeting)

Date of Appointment	20 November 2020
Date of last re-appointment (if applicable)	22 July 2021
Name of person	MR. TEO CHOON KOW @ WILLIAM TEO
Age	77
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Teo Choon Kow @ William Teo ("Mr Teo") as Independent Director of the Company was recommended by the Nomination Committee and the Board has accepted the recommendation, after taking into consideration Mr. Teo's qualifications, expertise, past experiences and overall contribution.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of RC and a member of the AC and NC.
Professional qualifications	The Association of Certified Accountants (UK). Master in Management, Asian Institute of Management, Manila, Philippines. Life member, Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Mr Teo has retired since 2004 and has been focusing on his independent directorships in Singapore-listed companies and on other commitments. Please refer to "Other Principal Commitments including Directorships" for more details.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CORPORATE GOVERNANCE REPORT

Other Principal Commitments* Including Directorships

* The term “**principal commitments**” includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Past (for the last 5 years)	<p>Ascendent Technologies Pte Ltd</p> <p>PSL Holdings Ltd</p> <p>Datapulse Technology Ltd</p> <p>SDAI Limited (formerly known as Kitchen Culture Holdings Ltd.)</p> <p>Pei Hwa Sec School SAC member</p> <p>OIO Holdings Limited</p>
Present	<p>Wee Hur Holdings Ltd.</p> <p>Other Principal Commitments: Sengkang West Community Development and Welfare Fund – Chairman Patron Sengkang West CCC Member Fernvale SMC CCC</p> <p>Ang Mo Kio GRC Town Council – Chairman of Finance Committee Management</p>

Information required pursuant to Catalyst Rule 704(6)

If the answer to any question is “yes”, full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?
- Yes No
- If yes, please provide full details:-
-
- (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?
- Yes No
- If yes, please provide full details:-

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- (c) Whether there is any unsatisfied judgment against him? Yes No
If yes, please provide full details:-
-
- (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? Yes No
If yes, please provide full details:-
-
- (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? Yes No
If yes, please provide full details:-
-
- (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? Yes No
If yes, please provide full details:-
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- (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? Yes No
If yes, please provide full details:-
-
- (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? Yes No
If yes, please provide full details:-
-
- (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? Yes No
If yes, please provide full details:-
-

CORPORATE GOVERNANCE REPORT

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-

- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
- Yes No

If yes, please provide full details:-

Delisting of FM Holdings Limited

Mr. Teo served as an independent director of FM Holdings Limited ("**FM Holdings**") from 1 August 2008 to 30 July 2009, and from 23 October 2009 to 20 January 2010. Mr. Teo, together with another independent director, resigned from the board of FM Holdings on 20 January 2010 as they were concerned that they could not effectively discharge their duties because of the lack of information and transparency by the management of FM Holdings. PrimePartners Corporate Finance Pte. Ltd., the then sponsor of FM Holdings, had also given notice to resign with effect from 18 January 2010 for the same reason. On 29 July 2020, the SGX-ST issued a directive for the delisting of FM Holdings due to failure in engaging a sponsor for more than three months as required by the Catalist Rules. FM Holdings was delisted on 13 October 2010.

Special Audit of Hongwei Technologies Limited

Mr. Teo served as an independent director in Hongwei Technologies Limited ("**HTL**") from June 2011 to March 2012. A special auditor was appointed on 29 March 2011 to investigate the affairs of HTL concerning issues pertaining to the cash and bank balances confirmation in HTL's China-incorporated subsidiary. The executive summary of the findings was announced on 22 October 2011. Mr. Teo was not a subject of the special audit. Mr. Teo, together with other members of the board, oversaw the special audit.

Special Audit of HB Global Limited

Mr. Teo served as an independent director in HB Global Limited ("**HBG**"), a company listed on Bursa Malaysia ("**Bursa**"), from 24 August 2012 to 31 December 2013. HBG had failed to submit its annual audited accounts for FY2012 to Bursa within the stipulated timeframe, i.e. by 30 April 2013, as the audit was still in progress. On 7 May 2013, HBG's auditors had issued a disclaimer audit opinion on the FY2012 accounts as it was unable to reconcile the bank balance of HBG's subsidiary and HBG's trade receivables and trade payables. On 8 May 2013, Bursa had directed HBG to appoint a special auditor to investigate the affairs of HBG, in particular, its financials, and to identify any potential irregularities. On 21 October 2013, key findings of the special audit were announced by HBG and the findings were contrary to the previous auditors' disclaimer of opinion. On 26 November 2013, Bursa directed HBG to conduct a special audit on its inventories. The key findings were subsequently announced on 24 February 2014, and it was noted that no material exceptions were found in the second special audit. Mr. Teo was not a subject of the special audit. Mr. Teo had, in his capacity as independent director, supervised the special audit together with the other members of the board during his appointment period.

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Special Audit of Kitchen Culture Holdings Ltd (now known as SDAI Limited)

Mr. Teo served as lead independent director of Kitchen Culture Holdings Ltd. (now known as SDAI Limited) (“SDAI”) from 1 February 2019 to 26 June 2023.

On 20 September 2021, a special auditor was appointed to conduct a review into, among others, the matters raised in the First Notice of Compliances issued by SGX RegCo on 14 July 2021. Please refer to SDAI’s announcement on 20 September 2021 for further information.

The Executive Summary of the special audit report was announced on 21 July 2023. On 22 November 2023 and 8 February 2024, SDAI announced further actions to be taken in relation to the special audit report. Please refer to SDAI’s announcements dated 21 July 2023, 22 November 2023 and 8 February 2024 for further details.

Mr. Teo was not a subject of the special audit.

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

Yes No

If yes, please provide full details:-

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

Yes No

If yes, please provide full details:-

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

Yes No

If yes, please provide full details:-

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Yes No

If yes, please provide full details:-

Disclosure applicable to the appointment of Director only - Not applicable as this relates to appointment of Director.

Any prior experience as a director of an issuer listed on the Exchange?

Yes No

CORPORATE GOVERNANCE REPORT

Date of Appointment	1 September 2021
Date of last re-appointment (if applicable)	27 May 2022
Name of person	MR. LUKE ANTHONY FURLER
Age	43
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Luke Anthony Furler ("Mr. Furler") as Independent Director of the Company was recommended by the Nomination Committee and the Board has accepted the recommendation, after taking into consideration Mr. Furler's qualifications, expertise, past experiences, and overall contribution.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of AC and a member of the RC.
Professional qualifications	<p>Master of Accounting, Curtin University of Technology</p> <p>Bachelor of Science (Psychology), University of Western Australia</p> <p>Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants (ISCA)</p> <p>Chartered Accountant, Chartered Accountants Australia and New Zealand (CAANZ)</p> <p>Certified Public Accountant, Hong Kong Institute of Certified Public Accountants (HKICPA)</p> <p>Chartered Accountant, Institute of Chartered Accountants of England and Wales</p> <p>Certified Public Accountant, American Institute of Certified Public Accountants</p> <p>Licensed Insolvency Practitioner, Ministry of Law, Singapore</p> <p>Associate Mediator, Singapore Mediation Centre</p> <p>Accredited Mediator, Singapore International Mediation Institute</p>
Working experience and occupation(s)	January 2022 to present:

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Date of Appointment	1 September 2021
during the past 10 years	<p>Managing Director, Head of APAC Quantuma (Singapore) Pte Ltd</p> <p>January 2019 to December 2021: Managing Director AJ Capital Advisory Pte Limited</p> <p>October 2016 – December 2018: Partner Korda Mentha Pte. Ltd.</p> <p>March 2015 – October 2016: Director Ernst and Young Solutions Pte. Ltd.</p> <p>October 2013 – March 2015: Director Borrelli Walsh Pte. Limited</p> <p>May 2012 – October 2013: Manager – Senior Manager McGrathNicol Services Pty Ltd</p> <p>April 2011 - May 2012: Senior Analyst – Manager PPB Advisory</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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Other Principal Commitments* Including Directorships

* The term “**principal commitments**” includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Past (for the last 5 years)	Zuji Travel Pte Ltd Base Consulting Pte Limited
Present	AJ Capital Advisor Pte Limited Turnaround Management Association Southeast Asia Ltd. Allford Associates Pte Ltd Marin Haus Pte Limited MeltedMozza Pte Ltd DSG Manufacturing Sdn Bhd DSG Projects Malaysia Sdn Bhd DS Projects Malaysia Sdn Bhd SG Wines Group Ltd Vignobles Holdings Ltd

Information required pursuant to Catalyst Rule 704(6)

If the answer to any question is “yes”, full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? Yes No
- If yes, please provide full details:-

CORPORATE GOVERNANCE REPORT

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- (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? Yes No
- If yes, please provide full details:-
- Mr. Furler was a director of Zuji Travel Pte. Ltd., which was dissolved by way of creditors' voluntary winding up. Mr. Furler was appointed director of the distressed company for the purposes of placing the company into voluntary liquidation as the other directors were either not contactable or were not able to undertake such appointment.
- This role is consistent with his primary occupation in advising distressed corporations and acting as an insolvency practitioner.
-
- (c) Whether there is any unsatisfied judgment against him? Yes No
- If yes, please provide full details:-
-
- (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? Yes No
- If yes, please provide full details:-
-
- (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? Yes No
- If yes, please provide full details:-
-
- (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? Yes No
- If yes, please provide full details:-
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(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? Yes No

If yes, please provide full details:-

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? Yes No

If yes, please provide full details:-

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? Yes No

If yes, please provide full details:-

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or Yes No

If yes, please provide full details:-

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or Yes No

If yes, please provide full details:-

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or Yes No

If yes, please provide full details:-

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, Yes No

If yes, please provide full details:-

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

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- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? Yes No
- If yes, please provide full details:-

Disclosure applicable to the appointment of Director only - Not applicable as this relates to appointment of Director.

- Any prior experience as a director of an issuer listed on the Exchange? Yes No

e. Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board's performance is linked to the overall performance of the Group. The following table sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board and its Board Committees as a whole, and for assessing the contribution by each Director to the effectiveness of the Board. The evaluations are designed to assess the Board's effectiveness to enable the NC, Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board.

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	<ul style="list-style-type: none"> • Size and composition • Access to information • Board processes • Inputs to strategic planning • Board accountability • Risk management • Succession planning 	<ul style="list-style-type: none"> • Commitment of time • Knowledge and abilities • Teamwork • Independence (if applicable) • Overall effectiveness • Engagement with Management
Quantitative	None	Attendance at Board and Board Committees meetings

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The review of the performance of the Board and the Board Committees is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

For FY2023, the review process was as follows:

- All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board, the Board Committees and the individual Directors based on performance criteria;
- The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and

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- The NC discussed the report and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance and/or his/her re-election as a Director. No external facilitator was used in the evaluation process as the Company has a robust internal process to evaluate Directors.

The Board and the Board Committees had on a whole met its performance objectives for FY2023.

2. REMUNERATION MATTERS

a. Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established a RC and it currently comprises of three (3) directors, all of which are independent non-executive directors.

The RC is guided by key terms of reference as follows:

- Review and recommend to the Board the remuneration framework for each Director and key management personnel of the Company;
- Review and recommend to the Board the individual remuneration structure and policy for the Executive Directors and key management personnel, taking due account of short term and long term incentives, termination terms and whether there is an appropriate balance between fixed and incentive pay that is aligned with the objectives of the Company and commensurate with the level of executive responsibilities;
- Review and recommend to the Board an appropriate performance framework; supporting the setting of performance target parameters for the remuneration of the Executive Directors and key management personnel; and monitor their performance against such targets and recommending resultant annual remuneration levels; and
- Review and make recommendations to the Board for the remuneration report for inclusion in the annual report.

No remuneration consultants were engaged by the Company in FY2023 and no “claw-back” provisions are provided for in the service agreements of Executive Director and key management personnel. The Board is of the view that as the Group pays performance bonus based on the actual results of the Group (and on forward-looking results) as well as actual performance of its Executive Directors and key management personnel, “claw-back” provisions in the service agreements may not be relevant or appropriate.

The Company’s remuneration policy covers all aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives, awards, retirement and termination terms, to ensure that they are fair, is one that is structured as to align their interests with those of the Company and its shareholders. The policy also seeks to pursue the long-term growth and success of the Company and its business plan.

The Company has entered into separate service agreements with the Executive Directors and key management personnel. No Directors is involved in deciding his or her own remuneration.

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b. Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company considers the compensation and benefits conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The remunerations have been formulated to attract, retain and motivate executives to successfully manage the Company.

The remuneration for non-executive directors considers the performance of the Group and is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities.

Remuneration Structure of Executive Director

The service agreement for the Executive Director is valid for six (6) months and will be automatically extended for another six (6) months. Pursuant to which the remuneration for the Executive Director comprises a basic salary component and a variable component, based on the completion of certain strategic initiatives. The Executive Director does not receive Directors' fees.

Remuneration Structure of Key Management Personnel

Due to the cash company status of the Company in accordance with Catalyst Rules, save for the Executive Director, there are currently no key management personnel within the Group. The service agreements of the key management personnel (if any) are envisaged to be generally short term contracts which are rolled over periodically depending on the requirements of the Company and comprises primarily of a basic salary component.

c. Disclosure of Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown for the remuneration of the Directors in FY2023 was as follows:

Name	Salary (%)	Bonus (%)	Directors' Fees (%)	Other Benefits (%)	Total (%)
Below or equal to S\$250,000					
Mr. Roberto Dona	–	–	100%	–	100%
Mr. Ang Chiang Meng	100%	–	–	–	100%
Mr. William Teo	–	–	100%	–	100%
Mr. Luke Furler	–	–	100%	–	100%

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2023.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director, the Company is of the view that such disclosure would be prejudicial to its business interest given the commercial sensitivity and confidential nature of remuneration matters.

The Company does not currently have any key management personnel.

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Other than as disclosed, there was no employee of the Group who is a substantial shareholder of the Company or who was an immediate family member of a Director, or the CEO or a substantial shareholder whose remuneration exceeded S\$100,000 in FY2023.

Despite its deviation from Provision 8.1 of the Code, the Company is of the view that it has provided a high level of transparency on remuneration matters, which is in line with the intent of Principle 8 of the Code.

Information on the Company's Performance Share Plan and Employee Share Option Scheme is set out on pages 38 to 40 of this annual report. The Company did not grant any option or award any shares during FY2023.

The remuneration received by the Executive Director takes into consideration his or her individual contribution towards the overall performance of the Group for FY2023. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

3. ACCOUNTABILITY AND AUDIT

a. Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board has oversight of the risk management system in the Group. The practice of risk management is undertaken by management under the purview of the Board. The Group has put in place appropriate risk management processes to evaluate the operating and financial risks of the Group. The management regularly reviews the Group's activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. All significant matters are highlighted and discussed with the Board for the development of appropriate solutions for implementation.

The Board reviews the adequacy and effectiveness of the Group's risk management systems and internal controls framework on an annual basis.

The Board has received assurance from the Executive Director in respect of FY2023 that:

- the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and
- the Company's risk management and internal controls system are adequate and effective.

The Board and the AC have considered the current cash company status of the Company together with the existing internal controls and are of the opinion that the internal controls are adequate and effective to address the risks which comprise mainly financial, operational, compliance risks and information technology controls, and risk management systems which the Company considers relevant and material to its current status and environment based on the following:

- In the absence of a management, assurance has been received from the Executive Director and supporting team that they are responsible for the adequacy and effectiveness of the Group's risk management and internal control systems;
- The Executive Director regularly evaluates, monitors and reports to the AC and the Board on material risks; and
- Discussions were held between the AC and auditors in the absence of the Management to review and address any potential concerns.

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The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

In the absence of key management personnel, the Executive Director meets with the external service providers and the independent directors on a regular basis to discuss administrative, business and strategic matters. During these meetings, potential projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Any significant issues identified from these meetings are brought to the attention of the Board.

Save as disclosed above, based on the review and supervision under the Board, the existing internal controls in place and the assurance received from the Executive Director, the Board, together with the concurrence of the AC, is of the opinion that, for FY2023, the internal controls in place in the Group to address risks relating to financial, operational, compliance, information technology controls and risk management systems are adequate and effective.

b. Audit Committee

Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

The AC currently comprises of three directors, all of which are independent non-executive directors, who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were former partners or directors of the Company’s external audit firm within the last two (2) years and none of the AC members hold any financial interest in the external audit firm.

The AC is guided by the following key terms of reference:

- Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group’s financial performance before submission to the Board for approval;
- Review and report to the Board at least annually the adequacy and effectiveness of the Group’s internal control system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- Review periodically management risk profiles identifying significant risk areas (with particular focus on financial reporting risks and controls);
- Review the assurance from the Executive Director and the Chief Finance Officer (where applicable) on the financial records and financial statements;
- Coordinate with the Executive Director on its oversight of non-financial and financial risk management and internal control matters;
- Arrange for access to and review reports regarding the adequacy and effectiveness of risk management and internal control systems;
- Review the adequacy, effectiveness, independence, scope and results of the external audit and the Group’s internal audit function;
- Make recommendations to the Board on proposals to shareholders on appointment, re-appointment and removal of the EA, and approve the remuneration and terms of engagement of the EA;
- Review the system of internal controls and management of financial risks with EA;

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- Review the co-operation given by management to EA, where applicable;
- Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Review and approve interested person transactions and review procedures thereof;
- Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- Investigate any matters within its terms of reference;
- Review the policy and arrangements by which our employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- Undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and co-operation from the management and full discretion to invite any director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC also meets regularly with the management, the Executive Director and EA to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the EA without the presence of the management and Executive Director, to review any matters that might be raised privately. The AC had met with the EA in the absence of management and Executive Director for FY2023.

Messrs Foo Kon Tan LLP ("FKT") was appointed as EA for FY2023 at the AGM held on 28 April 2023 until the conclusion at the forthcoming AGM. The aggregate amount of fees paid or payable by the Group to the independent auditor for FY2023 amounted to S\$60,000 for audit services (excluding GST). There were no non-audit services rendered in FY2023. The AC has undertaken a review of non-audit services provided by the EA, and they would not, in the AC's opinion, affect the independence of the auditors.

The AC has assessed the performance of FKT, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is of the view that Rule 712 and Rule 715 of the Catalist Rules have been complied with.

No former partner or director of the Company's current auditing firm or auditing corporation is a member of the AC.

The Company's EA has also briefed the AC on the changes in the financial reporting standards that will take effect in the following years. This ensures that the AC is kept abreast with the changes in financial reporting standards which could have a direct impact on the Group's financial statements.

The Company has put in place a whistle-blowing policy, which is overseen by the AC, where the staff of the Company and third parties may, in confidence, raise concerns via letter or email about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The AC will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted. No such whistle-blowing letter or email was received in FY2023.

CORPORATE GOVERNANCE REPORT

For FY2023, the AC did not appoint an internal auditor as the Group had no revenue generating business. The Company has also been designated as a cash company with effect from 6 April 2021. As there are minimal business and internal control risks arising to be dealt with, the AC reviewed the internal control function which primarily relates to the corporate related matters based on the current control policy that is already in place. The internal audit function was carried out by the AC on all the entities under the Group using a risk-based auditing approach covering financial, operational and compliance controls and such internal audit function had unfettered access to all the Company's documents, records, properties and personnel, and has appropriate standing within the Company. The AC is satisfied of the adequacy, independence and effectiveness of Company's internal audit function. Mr. Luke Furler, being the Chairman of the AC since his appointment in September 2021, was in-charge of the internal audit function and has the relevant experience and qualifications to conduct the internal controls review. In terms of accounting and financial management related matters, Mr. Luke Furler is supported by Mr. William Teo who had chaired audit committees of listed companies and was a former audit partner. Please refer to both Mr. Luke Furler and Mr. William Teo's experience and qualifications set out on pages 4 to 5 this annual report.

The AC will continue to review the adequacy and effectiveness of the Group's internal audit function on an annual basis, where applicable.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

a. Shareholders Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company regularly communicates with the shareholders through general meetings and corporate announcements. Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.

The Company tables separate resolution at general meeting of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

The Company does not have a fixed dividend policy. Nonetheless, the Directors will review and recommend any dividend declaration subject to, *inter alia*, the level of Group's cash and retained earnings, Group's actual and projected financial performance in the relevant financial period/year, projected levels of capital expenditure and expansion plans, working capital requirements and general financing condition and restrictions on payment of dividends imposed on the Company by financing arrangement (if any).

The Company's Articles allow for absentia voting.

The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless due to exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

The Company held one shareholder meeting in FY2023, where the entire board was present.

All resolutions are put to vote by way of poll so as to better reflect shareholders' interest and ensure greater transparency. Votes cast for and against each resolution will be tallied and displayed live-on-screen to shareholders immediately at the meeting. The detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meeting.

CORPORATE GOVERNANCE REPORT

All minutes of general meetings, including the questions raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be published via SGXNet as soon as practicable.

b. Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

While the Company does not have in place an investor relations policy, the Company solicits feedback and addresses the concerns of shareholders (including institutional and retail investors) via investor briefing during AGM.

The investor briefing during AGM was coordinated internally by the Executive Director and management of the Company. In addition, the Independent Directors will meet with investors as and when requested.

The Company's Annual General Meetings and Extraordinary General Meetings if necessary are the principal communication channels with its shareholders and for shareholders' participation. The Company updates shareholders through the SGXNET announcements and its annual report.

c. Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. Shareholders can also contact the Company via the Company's email address (axington@outlook.com).

5. OTHER DISCLOSURE

a. Dealing in Securities

The Company has adopted a policy which prohibits dealings in the securities of the Company by the Directors and employees of the Group while in possession of price-sensitive information. Under this policy, the Company, the Directors and employees of the Group are not permitted to deal with the securities of the Company during the period commencing one month before the announcement of the Company's half-year and full year results, and ending on the date of the announcement.

In addition, the Directors and employees are also discouraged from dealing in the Company's securities on short-term considerations and are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The Board is kept informed when a Director trades in the Company's securities.

b. Disclosure of Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the Group CEO or each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

c. Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All interested person transactions are subject to review by the AC to ensure compliance with established procedures.

No general mandate has been obtained from Shareholders in respect of interested person transactions for FY2023.

There were no interested person transactions for FY2023.

d. Non-sponsorship fees

The Company had on 2 September 2022 announced the proposed acquisition of Achieva Technology Sdn. Bhd, which constitute a "reverse takeover" transaction ("RTO"). RHT Capital Pte. Ltd. ("RHT Capital") is the Financial Adviser of the Company in respect of the RTO. Non-sponsorship fees of S\$240,000 were being paid/payable to RHT Capital Pte. Ltd. in FY2023.

e. Use of proceeds

Use of IPO net proceeds

As at the date of this report, the status on the use of the IPO net proceeds is as follows:

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

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.

CORPORATE GOVERNANCE REPORT

Use of placement net proceeds

As at the date of this report, the placement net proceeds has been fully utilized as follows:

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Business investments and acquisition	3,582	–	3,582
General working capital	2,388	–	2,388
Unpaid shares ⁽¹⁾	(750)	–	(750)
Sub-total	5,220	–	5,220
Cash Distribution	–	(5,220)	(5,220)
Total placement net proceeds	5,220	(5,220)	–

Note:

(1) approximately S\$0.75 million relates to a receivable from one of the Placement subscribers. Please refer to the Company's announcement dated 16 July 2021 for further details.

Use of compliance placement net proceeds

As at the date of this report, the compliance placement net proceeds has been fully utilized as follows:

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Business investments and acquisition	3	–	3
General working capital	2	–	2
Subtotal	5	–	5
Cash Distribution	–	(5)	(5)
Total placement net proceeds	5	(5)	–

As at the date of this report, the Company had fully utilised the net proceeds after the payment for the Cash Distribution has been fully made to shareholders on 25 August 2022.

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.

f. **Sustainability Reporting**

As announced by the Company on 16 February 2024, in view that the Company has no revenue generating business and operations, and is currently a cash company, a sustainability report for FY2023 would not be relevant and meaningful, and accordingly the Company will not be issuing the sustainability report for FY2023.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

We submit this annual report to the members together with the audited consolidated financial statements of Axington Inc. (the "Company") and its subsidiary (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2023.

In our opinion,

- (a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Roberto Dona (Non-Executive Chairman and Independent Director)
Ang Chiang Meng (Executive Director)
Teo Choon Kow @ William Teo (Independent Non-Executive Director)
Luke Anthony Furler (Independent Non-Executive Director)

Arrangements to acquire shares, debentures or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures or options of the Company or any other corporate body, other than as disclosed in this statement.

Directors' interest in shares, debentures or options

None of the directors who held office at the end of the financial year was interested in shares, debentures or options of the Company or its related corporations.

Share options

In conjunction with the Company's listing on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Group adopted the Axcelasia Employee Share Option Scheme (the "ESOS") which was approved by the Company's shareholders at the Extraordinary General Meeting ("EGM") held on 21 October 2015. The ESOS is administered by a committee comprising members of the Nomination Committee and the Remuneration Committee (the "Administration Committee"). The ESOS provides for the grant of share options to employees and directors ("ESOS participants").

The selection of the ESOS participants and number of shares which are subject of each option to be granted to an ESOS participant in accordance with the ESOS shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the ESOS, the number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of all options granted under the ESOS (including the Axcelasia Performance Share Plan and any other share option scheme of the Company) shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

Share options (cont'd)

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options granted with exercise price set at a discount to market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant in the Group and the parent company, the bankruptcy of the participant, the death of the participant, a take-over of the Company, and the winding-up of the Company.

There have been no options granted to the employees and directors from the commencement of the ESOS up to the end of the financial year.

No options have been granted to controlling shareholders of the Company and their associates under the ESOS from the commencement of the ESOS up to the end of the financial year.

None of the ESOS participants received 5% or more of the total number of options available under the ESOS.

There were no options being exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

There were no unissued shares under option in the Company or its subsidiary at the end of the financial year.

Performance share plan

In conjunction with the Company's listing on the Catalist of the SGX-ST, the Group adopted the Axcelasia Performance Share Plan (the "PSP") which was approved by its shareholders at the EGM held on 21 October 2015. The PSP is administered by the Administration Committee. The PSP provides for the grant of incentive share awards to employees and directors.

The selection of the PSP participants and number of shares which are subject of each award to be granted to a PSP participant in accordance with the PSP shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, inter alia, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and issuable in respect of (a) all awards granted under the PSP; and (b) all options granted under any share option, shares incentive, performance share or restricted plans of the Company and for the time being in force, shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

The PSP allows for the participation by full-time employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Controlling shareholders of the Company and their associates will not be eligible to participate in the PSP.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

Performance share plan (cont'd)

Notwithstanding that a PSP participant may have met his performance targets, no awards shall be vested:

- (i) When a PSP participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the PSP participant is employed ceases to be a company in the Group;
- (ii) When a PSP participant, being a Non-executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;
- (iii) Upon the bankruptcy of the PSP participant;
- (iv) Upon ill health, injury or death of a PSP participant;
- (v) When a PSP participant committing any breach of any of the terms of his award;
- (vi) Upon misconduct on the part of a PSP participant as determined by the Administration Committee in its discretion;
- (vii) When a general offer being made of all or any part of the shares;
- (viii) When a scheme of arrangement or compromise between the Company and the shareholders being sanctioned by the Court;
- (ix) When an order for the compulsory winding-up of the Company being made;
- (x) When a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or
- (xi) Upon any other event unless approved by the Administration Committee.

There have been no awards granted pursuant to the PSP from the commencement of the PSP up to the end of the financial year.

Audit Committee

The Audit Committee at the date of this statement comprises the following members:

Luke Anthony Furler (Chairman)
Teo Choon Kow @ William Teo
Roberto Dona

The Audit Committee's terms of reference are as follows:

- (i) Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board of Directors for approval;
- (ii) Review and report to the Board of Directors at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (iii) Review periodically risk management profiles identifying significant risk areas (with particular focus on financial reporting risk and controls);
- (iv) Review the assurance from the Executive Director on the financial records and financial statements;

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

Audit Committee (cont'd)

- (v) Coordinate with the Executive Director on its oversight of non-financial and financial risk management and internal control matters;
- (vi) Arrange for access to and review reports regarding the adequacy and effectiveness of risk management and internal control systems;
- (vii) Review the adequacy, effectiveness, independence, scope and results of the external audit;
- (viii) Make recommendations to the Board of Directors on the proposals to the shareholders on appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;
- (ix) Review the system of internal controls and management of financial risks with the external auditor;
- (x) Review the cooperation given by management to the external auditor, where applicable;
- (xi) Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual - Section B: Rules of Catalist ("Catalist Rules") of the SGX-ST, including such amendments made thereto from time to time;
- (xii) Review and approve interested person transactions and review procedures thereof;
- (xiii) Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (xiv) Investigate any matters within its terms of reference;
- (xv) Review the policy and arrangements by which the Group's employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- (xvi) Undertake such other functions and duties as may be required by statute or the Catalist Rules of the SGX-ST, and by such amendments made thereto from time to time.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor. There were no non-audit services rendered for the financial year ended 31 December 2023.

The Audit Committee has full access to and has the cooperation of the Executive Director and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditor has unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditor.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2023

Independent auditor

The retiring auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, will not be seeking re-appointment at the forthcoming Annual General Meeting. Moore Stephens LLP has expressed its willingness to accept appointment as auditor.

On behalf of the Directors

ANG CHIANG MENG

LUKE ANTHONY FURLER

Dated: 4 April 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Axington Inc. (the “Company”) and its subsidiary (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements. The Group incurred net loss and net operating cash outflows of S\$1,428,000 and S\$984,000, respectively, for the financial year ended 31 December 2023. As at 31 December 2023, the Group and the Company only had net current assets and net assets of S\$172,000 and S\$175,000, respectively.

As disclosed in Note 2(a) to the financial statements, the Group does not have any revenue generating business after the disposal of Tricor Taxand Sdn. Bhd. and its subsidiaries, and the Company had, on 1 April 2021, notified the Singapore Exchange Securities Trading Limited (“SGX-ST”) of its cash company status. Pursuant to Rule 1017(2) of the Listing Manual - Section B: Rules of Catalist of the SGX-ST, the SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum six-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six-month extension period.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s and the Company’s ability to continue as going concern. The appropriateness of the use of the going concern assumption in the financial statements is dependent on the factors disclosed in Note 2(a), including the fulfilment or waiver of the conditions precedent to the sale and purchase agreement and completion of the proposed acquisition of the entire shareholding interest in Achieva Technology Sdn. Bhd. and 49% shareholding interest in Achieva Digital (Thailand) Company Limited by the long-stop date.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our report.

INDEPENDENT AUDITOR'S REPORT

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheong Wenjie.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

4 April 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	The Group		The Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
ASSETS					
Non-Current Assets					
Subsidiaries	3	-	-	-	-
Current Assets					
Other receivables	4	40	-	40	-
Prepayments		-	1	-	1
Cash in banks	5	163	1,155	163	1,147
Restricted deposit	5	620	620	620	620
		823	1,776	823	1,768
Assets of disposal group classified as held for sale	6	-	-	-	-
		823	1,776	823	1,768
Total assets		823	1,776	823	1,768
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	7	2,431	2,431	2,431	2,431
Treasury shares	7	(1)	(1)	(1)	(1)
Reserves	8	(2,257)	(824)	(2,255)	(837)
Equity attributable to owners of the Company		173	1,606	175	1,593
Non-controlling interests		(1)	(5)	-	-
Total equity		172	1,601	175	1,593
Current Liabilities					
Other payables and accruals	9	648	175	648	175
Liabilities directly associated with disposal group classified as held for sale	6	3	-	-	-
Total liabilities		651	175	648	175
Total equity and liabilities		823	1,776	823	1,768

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
Continuing operations			
Other income	10	16	5
Employee benefits expense	11	(324)	(324)
Other expenses	12	(1,112)	(555)
Loss before taxation from continuing operations		(1,420)	(874)
Taxation	13	-	-
Loss after taxation from continuing operations		(1,420)	(874)
Discontinued operations			
(Loss)/Profit from discontinued operations, net of tax	6	(8)	37
Loss for the year		(1,428)	(837)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences on consolidation of foreign operations		1	(1)
Foreign currency translation differences reclassified to profit or loss on disposal of a subsidiary		(2)	-
Other comprehensive income/(loss) for the year, net of tax of nil		(1)	(1)
Total comprehensive loss for the year		(1,429)	(838)
(Loss)/Profit attributable to:			
Owners of the Company			
- from continuing operations		(1,420)	(874)
- from discontinued operations		(12)	21
		(1,432)	(853)
Non-controlling interests			
- from discontinued operations		4	16
Loss for the year		(1,428)	(837)
Total comprehensive (loss)/profit attributable to:			
Owners of the Company		(1,433)	(854)
Non-controlling interests		4	16
Total comprehensive loss for the year		(1,429)	(838)
(Loss)/Earnings per share attributable to owners of the Company (Singapore cent)			
Basic and diluted			
- from continuing and discontinued operations	14	(0.77)	(0.46)
- from continuing operations	14	(0.76)	(0.47)
- from discontinued operations	14	(0.01)	0.01

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Reserve of disposal group classified as held for sale S\$'000	Accumulated profits/(losses) S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2022	15,093	(1)	(750)	4	-	14,123	28,469	(20)	28,449
(Loss)/Profit for the year	-	-	-	-	-	(853)	(853)	16	(837)
Other comprehensive loss for the year	-	-	-	(1)	-	-	(1)	-	(1)
- Foreign currency translation differences	-	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive (loss)/income for the year	-	-	-	(1)	-	(853)	(854)	16	(838)
Contributions by and distributions to owners									
Cancellation of shares (Note 7)	(750)	-	750	-	-	-	-	-	-
Capital reduction of the Company (Note 7)	(11,912)	-	-	-	-	-	(11,912)	-	(11,912)
Capital reduction of a subsidiary (Note 3)	-	-	-	-	-	-	-	(1)	(1)
Dividends paid (Note 21)	-	-	-	-	-	(14,097)	(14,097)	-	(14,097)
Transactions with owners in their capacity as owners									
Balance at 31 December 2022	(12,662)	(1)	750	-	-	(14,097)	(26,009)	(1)	(26,010)
Balance at 31 December 2023	2,431	(1)	-	3	-	(827)	1,606	(5)	1,601
Balance at 1 January 2023	2,431	(1)	-	3	-	(827)	1,606	(5)	1,601
(Loss)/Profit for the year	-	-	-	-	-	(1,432)	(1,432)	4	(1,428)
Other comprehensive income for the year	-	-	-	1	-	-	1	-	1
- Foreign currency translation differences	-	-	-	1	-	-	1	-	1
- Foreign currency translation differences reclassified to profit or loss on disposal of a subsidiary	-	-	-	(2)	-	-	(2)	-	(2)
Total comprehensive income/(loss) for the year	-	-	-	(1)	-	(1,432)	(1,433)	4	(1,429)
Cumulative income recognised in other comprehensive income relating to disposal group classified as held for sale	-	-	-	(2)	2	-	-	-	-
Balance at 31 December 2023	2,431	(1)	-	-	2	(2,259)	173	(1)	172

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
Cash Flows from Operating Activities			
(Loss)/Profit before taxation			
- continuing operations		(1,420)	(874)
- discontinued operations	6	(8)	55
Loss before taxation		(1,428)	(819)
Adjustments for:			
Gain on disposal of a subsidiary	10	(4)	-
Reversal of accrued expenses	10	(10)	(90)
Operating loss before working capital changes		(1,442)	(909)
Changes in other receivables		(40)	32
Changes in prepayments		1	41
Changes in other payables and accruals		497	27
Cash used in operations		(984)	(809)
Income tax paid		-	(18)
Net cash used in operating activities		(984)	(827)
Cash Flows from Investing Activities			
Cash disposed of on disposal of a subsidiary, net of proceeds from disposal	A	(8)	-
Withdrawal of restricted deposit in escrow account		-	26,000
Net cash (used in)/generated from investing activities		(8)	26,000
Cash Flows from Financing Activities			
Cash distributed to shareholders arising from capital reduction of the Company	7	-	(11,912)
Cash distributed to a non-controlling interest arising from capital reduction of a subsidiary	3	-	(1)
Dividends paid	21	-	(14,097)
Net cash used in financing activities		-	(26,010)
Net decrease in cash and cash equivalents		(992)	(837)
Cash and cash equivalents at beginning of the year		1,155	2,002
Exchange differences on translation of cash and cash equivalents		-	(10)
Cash and cash equivalents at end of the year	5	163	1,155

Note A

On 1 June 2023, the Company disposed of its entire shareholding in Axington Lao Co., Ltd. ("Axington Lao"). The effects of the disposal on the cash flows of the Group were as follows:

	2023 S\$'000
Cash and bank balances	8
Other payables and accruals	(10)
Net liabilities of Axington Lao disposed of	(2)
Foreign currency translation reserve	(2)
Gain on disposal of a subsidiary (Note 10)	4
Total consideration, to be satisfied in cash	-*
Less: Cash and bank balances disposed of	(8)
Net cash inflow arising from disposal	(8)

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

1 General information

The financial statements of Axington Inc. (the “Company”) and its subsidiary (the “Group”) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors’ Statement.

The Company is incorporated in the Federal Territory of Labuan under the Labuan Companies Act 1990.

The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office is located at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia.

The principal activity of the Company is that of an investment holding company. The principal activity of the subsidiary is disclosed in Note 3 to the financial statements.

The controlling shareholder of the Company is Dorr Global Healthcare International Pte. Ltd.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency. All financial information is presented in Singapore dollar and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

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 significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Significant judgement in applying accounting policies

Going concern

The Group incurred net loss and net operating cash outflows of S\$1,428,000 (2022: S\$837,000) and S\$984,000 (2022: S\$827,000), respectively, for the financial year ended 31 December 2023. As at 31 December 2023, the Group had net current assets and net assets of S\$172,000 (2022: S\$1,601,000), mainly comprising cash and bank deposits of S\$783,000 (2022: S\$1,775,000), while the Company had net current assets and net assets of S\$175,000 (2022: S\$1,593,000), comprising cash and bank deposits of S\$783,000 (2022: S\$1,767,000). The Group and the Company continue to tighten controls over expenses and reduce expenses.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(a) Basis of preparation (cont'd)

Significant judgement in applying accounting policies (cont'd)

Going concern (cont'd)

The Group does not have any revenue generating business after the disposal of Tricor Taxand Sdn. Bhd. and its subsidiaries, and the Company had, on 1 April 2021, notified the SGX-ST of its cash company status. Pursuant to Rule 1017(2) of the Listing Manual - Section B: Rules of Catalist ("Catalist Rules") of the SGX-ST, the SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum six-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six-month extension period. On 29 March 2022, the SGX-ST informed the Company that it has no objection to the Company's application to extend the deadline to 30 September 2022 to meet the requirements for a new listing. On 1 December 2022, the SGX Exchange Regulation Pte. Ltd. informed the Company that it has no objection to the Company's application on a second extension of the deadline to 30 September 2023 to meet the requirements for a new listing.

On 2 September 2022, the Company had entered into a conditional sale and purchase agreement with Serial I-Tech (Far East) Pte. Ltd., pursuant to which the Company will acquire from the vendor the entire issued and paid-up share capital of Achieva Technology Sdn. Bhd. ("ATSB"). The target group is in the business of distribution of information technology, computer peripherals, parts, software and related products in Malaysia and Thailand. The purchase consideration shall be the lower of a sum of S\$27,000,000 or the valuation ascribed to the sale shares pursuant to an independent valuation to be commissioned, and shall be fully satisfied on completion by the issuance and allotment to the vendor of new ordinary shares in the capital of the Company, based on the issue price at an ascribed valuation of S\$5,500,000 for the Company.

On 3 April 2023, the Company entered into an amendment letter to amend certain terms and conditions of the sale and purchase agreement, which include the vendor transferring the shares in Achieva Digital (Thailand) Company Limited. ("ADTCL") to the Company, and the final amounts of the purchaser ascribed value and the purchase consideration being S\$5,500,000 and S\$27,000,000, respectively. On 17 November 2023, the Company entered into a second amendment letter to extend the long-stop date of the sale and purchase agreement to 31 March 2024.

At the Extraordinary General Meeting of the Company held on 22 January 2024, the Company's shareholders approved the proposed acquisition of the entire shareholding interest in ATSB and 49% shareholding interest in ADTCL. Correspondingly, the shareholders of Serial System Ltd, the holding company of ATSB, approved the proposed disposal of the entire shareholding interest in ATSB and 49% shareholding interest in ADTCL at the Extraordinary General Meeting held on 27 March 2024.

The completion of the acquisition is subject to the fulfilment or waiver of the conditions precedent to the sale and purchase agreement by 31 March 2024 and shall take place on the date falling seven business days after the date of the fulfilment or waiver of the conditions precedent. The conditions precedent include the completion of the issuance and allotment of up to 22,500,000 placement shares at no less than the minimum placement price of S\$0.20 per placement share (i.e. for at least S\$4,500,000) to satisfy the minimum distribution and shareholding spread requirements of 15% of the enlarged share capital of the Company to be held by 200 public shareholders. On 31 March 2024, the Company entered into a third amendment letter to extend the long-stop date of the sale and purchase agreement to 30 June 2024. The directors expect all conditions precedent to the sale and purchase agreement to be fulfilled or waived, where applicable, and the acquisition to be completed by 30 June 2024.

Subject to the fulfilment or waiver of the conditions precedent to the sale and purchase agreement and completion of the proposed acquisition of the entire shareholding interest in Achieva Technology Sdn. Bhd. and 49% shareholding interest in Achieva Digital (Thailand) Company Limited by the long-stop date, the directors believe that the Group and the Company have sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for 12 months from the end of the reporting period, and are of the view that the going concern assumption is appropriate for the preparation of the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of reported asset amounts or the amounts and classification of liabilities that would be required, where applicable, if the going concern basis is found to be inappropriate.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(b) Adoption of new or amended SFRS(I)s effective in 2023

On 1 January 2023, the Group adopted the following new or amended SFRS(I)s that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

Reference	Description
SFRS(I) 17	Insurance Contracts
Amendments to SFRS(I) 17	Insurance Contracts
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to SFRS(I) 17	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information
Amendments to SFRS(I) 1-12	International Tax Reform – Pillar Two Model Rules

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the Group's accounting policies or have any significant impact on these financial statements.

2(c) New or amended SFRS(I)s not yet adopted

The following are the new or amended SFRS(I)s issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I)s in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025

Management does not anticipate that the adoption of the above new or amended SFRS(I)s in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests even if that results in the non-controlling interests having a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if, and only if, the Group has all of the following:

- (i) power over the investee;
- (ii) exposure, or rights or variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s).

Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the instruments. Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost comprise other receivables and cash and bank deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Financial assets (cont'd)

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset expires. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instrument financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their businesses and financial conditions.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Financial liabilities (cont'd)

Initial recognition and measurement (cont'd)

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise other payables and accruals.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL, such as interest-bearing borrowings, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude restricted deposit.

Disposal group held for sale and discontinued operations

Disposal group is classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell if its carrying amount is recovered principally through a sales transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss. Any cumulative income or expense recognised directly in equity relating to the disposal group classified as held for sale is presented separately as other reserve in the consolidated statement of changes in equity.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- (i) represents a separate major line of business or geographical area of operations;
- (ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. When shares are cancelled, the cost of the shares are deducted against the share capital account.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Treasury shares

When the Company purchases its own ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury shares account, and the realised gain or loss on sale, net of any directly attributable incremental transaction costs and related income tax, is recognised in a separate reserve of the Company.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities provided they intend to settle current tax liabilities and assets on a net basis or the assets will be realised and the liabilities will be settled simultaneously.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee share option scheme

The Company has an employee share option scheme for the granting of non-transferable options.

The Group issues equity-settled share options to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant.

Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to the share capital account when new ordinary shares are issued.

Performance share plan

Equity-settled share-based payments are measured at fair value at the date of grant. The share-based payment expense is amortised and recognised in profit or loss on a straight-line basis over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to profit or loss, with a corresponding adjustment to equity over the remaining vesting period.

Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Related parties (cont'd)

- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors are considered key management personnel.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there is an indication that the impairment loss previously recognised for an asset may no longer exist or may have decreased, and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2(d) Summary of material accounting policies (cont'd)

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency, as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised as other comprehensive income in the foreign currency translation reserve in equity.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results were reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information was available. Disclosures on operating segments are shown in Note 17 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

3 Subsidiaries

The Company	2023 S\$'000	2022 S\$'000
<u>Unquoted equity investments, at cost</u>		
At 1 January	896	1,149
Capital reduction	-	(8)
Disposal of a subsidiary	(177)	-
Reclassified to asset held for sale (Note 6)	(289)	-
Write-off	(430)	(245)
At 31 December	<u>-</u>	<u>896</u>
<u>Allowance for impairment losses</u>		
At 1 January	896	1,149
Capital reduction	-	(8)
Disposal of a subsidiary	(177)	-
Reclassified to asset held for sale (Note 6)	(289)	-
Allowance utilised	(430)	(245)
At 31 December	<u>-</u>	<u>896</u>
<u>Carrying amount</u>		
At 1 January	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>-</u>

During the financial year ended 31 December 2022, the Company's subsidiary, Axington Singapore Pte. Ltd., had conducted a capital reduction exercise, pursuant to which S\$9,000 was returned to the shareholders of the subsidiary, comprising S\$8,000 and S\$1,000 to the Company and the non-controlling interest, respectively.

On 30 December 2022, the Company's wholly-owned subsidiary, Audex Governance Sdn. Bhd., was struck off. The investment had been fully impaired and accordingly, the cost of investment of S\$245,000 was written off against the allowance for impairment loss.

On 14 April 2023, the Company entered into a share sale and purchase agreement with a third party to dispose of the Company's entire shareholdings in Axington Lao Co., Ltd. ("Axington Lao") and Axington Vietnam Limited ("Axington Vietnam") for an aggregate consideration of S\$1. Axington Lao was disposed of on 1 June 2023. As at 31 December 2023, the disposal of Axington Vietnam was not yet completed and accordingly, the investment in Axington Vietnam was reclassified to asset held for sale (Note 6).

On 8 May 2023, the Company's wholly-owned subsidiary, Axington Singapore Pte. Ltd., was struck off. The investment had been fully impaired and accordingly, the cost of investment of S\$430,000 was written off against the allowance for impairment loss.

Impairment of investments in subsidiaries

In view of the operating losses and cash outflows incurred by the subsidiaries and the absence of any revenue generating business, the Company has assessed that there are indications of impairment of the Company's investments in the subsidiaries. Accordingly, they are tested for impairment.

The recoverable amount of the investments in subsidiaries has been determined to be nil as the subsidiaries are dormant or inactive, and do not engage in any revenue generating activities. Hence, they are not expected to generate any cash flows to recover their carrying amount. In addition, the subsidiaries have net liabilities or minimal net assets.

As there are no indications that the impairment losses recognised in prior years no longer exist, the impairment losses are not reversed.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

3 Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held	
			2023	2022
			%	%
<u>Held by the Company</u>				
Axington Singapore Pte. Ltd. ⁽¹⁾	Provision of management consultancy services (currently dormant)	Singapore	-	90
Axington Lao Co., Ltd. ^{(2) (4)}	Provision of management consultancy services (currently dormant)	Laos	-	100
Axington Vietnam Limited ^{(2) (3)}	Provision of management consultancy services (currently dormant)	Vietnam	-	70

⁽¹⁾ Struck off on 8 May 2023

⁽²⁾ Audited by other auditors. These subsidiaries are dormant and are not deemed to be significant subsidiaries of the Company.

⁽³⁾ Reclassified to asset held for sale (Note 6) as at 31 December 2023

⁽⁴⁾ Disposed of on 1 June 2023

Non-controlling interests

The following summarises the financial information of each of the Company's subsidiaries with material non-controlling interests, namely 10% in Axington Singapore Pte. Ltd. and 30% in Axington Vietnam Limited. No dividend was declared during the financial years ended 31 December 2023 and 31 December 2022. The information is before intra-group eliminations.

Axington Singapore Pte. Ltd.

Summarised statement of financial position

	2022 S\$'000
Current assets	-
Current liabilities	-
Net assets	-
Equity attributable to owners of the Company	-
Equity attributable to non-controlling interest	-
Total equity	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

3 Subsidiaries (cont'd)

Non-controlling interests (cont'd)

Axington Singapore Pte. Ltd. (cont'd)

Summarised statement of profit or loss and other comprehensive income

	2023 S\$'000	2022 S\$'000
Other income	-	5
Expenses	-	(2)
Profit for the year	-	3
Profit and total comprehensive income attributable to:		
- owners of the Company	-	3
- non-controlling interest	-	*
Profit and total comprehensive income for the year	-	3

* Less than S\$1,000

Axington Vietnam Limited

Summarised statement of financial position

	2023 S\$'000	2022 S\$'000
Current liabilities	(3)	(17)
Net liabilities	(3)	(17)
Equity attributable to owners of the Company	(2)	(12)
Equity attributable to non-controlling interest	(1)	(5)
Total equity	(3)	(17)

Summarised statement of profit or loss and other comprehensive income

	2023 S\$'000	2022 S\$'000
Other income	15	85
Expenses	(2)	(30)
Profit for the year	13	55
Profit attributable to owners of the Company	9	39
Profit attributable to non-controlling interest	4	16
Profit for the year	13	55
Total comprehensive income attributable to owners of the Company	10	39
Total comprehensive income attributable to non-controlling interest	4	16
Total comprehensive income for the year	14	55

There are no cash flows from the subsidiaries for the financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4 Other receivables

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Amounts due from subsidiaries (non-trade)	-	-	-	80
Less: Allowance for impairment losses	-	-	-	(80)
	-	-	-	-
Other receivables	40	-	40	-
	40	-	40	-

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

The movement in allowance for impairment of other receivables, comprising non-trade amounts due from subsidiaries, is as follows:

The Company	2023 S\$'000	2022 S\$'000
At 1 January	80	70
Allowance made	-	33
Allowance utilised	(80)	(23)
At 31 December	-	80

Other receivables relate to an amount to be reimbursed to the Company pertaining to transaction expenses incurred by the Company in accordance with the sale and purchase agreement in respect of the proposed acquisition of the entire shareholding interest in ATSB and 49% shareholding interest in ADTCL (Note 2(a)).

Other receivables are denominated in Singapore dollar.

5 Cash and bank deposits

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Cash in banks	163	1,155	163	1,147
Restricted deposit	620	620	620	620
	783	1,775	783	1,767

Restricted deposit relates to cash of S\$620,000 (2022: S\$620,000) placed in the escrow account opened with a bank in Singapore acting as escrow agent in compliance with Rule 1017(1)(a) of the Catalist Rules of the SGX-ST. The amount cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

5 Cash and bank deposits (cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2023 S\$'000	2022 S\$'000
Cash and bank deposits	783	1,775
Less:		
Restricted deposit	(620)	(620)
	163	1,155

Cash and bank deposits are denominated in the following currencies:

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Singapore dollar	783	1,767	783	1,767
United States dollar	-	8	-	-
	783	1,775	783	1,767

6 Disposal group classified as held for sale and discontinued operations

On 14 April 2023, the Company entered into a share sale and purchase agreement with a third party to dispose of the Company's entire shareholdings in Axington Lao Co., Ltd. ("Axington Lao") and Axington Vietnam Limited ("Axington Vietnam") for an aggregate consideration of S\$1. The businesses of Axington Lao and Axington Vietnam represented the entirety of the Group's businesses in Laos and Vietnam, respectively. Axington Lao was disposed of on 1 June 2023. As at 31 December 2023, the disposal of Axington Vietnam was not yet completed. Accordingly, the assets and liabilities relating to Axington Vietnam were reclassified to disposal group held for sale, while the results of Axington Lao and Axington Vietnam were presented separately on the consolidated statement of profit or loss and other comprehensive income as discontinued operations for the financial year ended 31 December 2023.

Axington Lao and Axington Vietnam were not presented as discontinued operations for the financial year ended 31 December 2022 or classified as held for sale as at 31 December 2022, and the comparative consolidated statement of profit or loss and other comprehensive income had been re-presented to show the discontinued operations separately from continuing operations.

The liabilities directly associated with the disposal group classified as held for sale are as follows:

The Group	2023 S\$'000
Other payables and accruals	3

The disposal group did not hold any assets and had net liabilities as at 31 December 2023. Accordingly, there is no impairment loss arising from the measurement of the disposal group at the lower of its carrying amount and fair value less costs to sell.

Cumulative income recognised in other comprehensive income relating to disposal group classified as held for sale is as follows:

The Group	2023 S\$'000
Foreign currency translation reserve	2

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

6 Disposal group classified as held for sale and discontinued operations (cont'd)

The Company's non-current asset classified as held for sale is as follows:

The Company	2023 S\$'000
Unquoted equity investment, at cost (Note 3)	289
Allowance for impairment loss (Note 3)	(289)
Carrying amount	<u>-</u>

The results of the discontinued operations are as follows:

The Group	2023 S\$'000	2022 S\$'000
Other income (Note 10)	-	85
Other expenses	(12)	(30)
(Loss)/Profit before taxation from discontinued operations	(12)	55
Gain on disposal of a subsidiary	4	-
(Loss)/Profit before taxation attributable to discontinued operations	(8)	55
Taxation (Note 13)	-	(18)
(Loss)/Profit from discontinued operations, net of tax	<u>(8)</u>	<u>37</u>

There is no impact of the discontinued operations on the cash flows of the Group. Earnings per share from discontinued operations is disclosed in the consolidated statement of profit or loss and other comprehensive income and Note 14 to the financial statements.

7 Share capital and treasury shares

Share capital

The Group and the Company	2023 Number of ordinary shares	2022 Number of ordinary shares	2023 S\$'000	2022 S\$'000
<u>Issued and fully paid, with no par value</u>				
At 1 January	186,720,000	190,470,000	2,431	15,093
Cancellation of shares	-	(3,750,000)	-	(750)
Capital reduction	-	-	-	(11,912)
At 31 December	<u>186,720,000</u>	<u>186,720,000</u>	<u>2,431</u>	<u>2,431</u>

Share capital

The holders of ordinary shares (except for treasury shares held by the Company) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share without restriction at shareholders' meetings. All shares rank equally with regards to the Company's residual assets.

On 27 May 2022, the Company convened an extraordinary general meeting and obtained the approval of shareholders for the proposed cancellation of 3,750,000 unpaid placement shares. Accordingly, the amount of S\$750,000, being 3,750,000 placement shares at S\$0.20 per placement share, was deducted against the share capital account upon the completion of cancellation of the shares on 23 June 2022.

At the extraordinary general meeting held on 27 May 2022, the Company's shareholders also approved the proposed reduction of the Company's share capital. Accordingly, the Company returned S\$0.0638 in cash per ordinary share, amounting to a total cash distribution of S\$11,912,000, to its shareholders on 25 August 2022. The capital reduction did not result in a reduction of the number of ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

7 Share capital and treasury shares (cont'd)

Treasury shares

The Group and the Company	2023 Number of ordinary shares	2022 9,700	2023 S\$'000	2022 S\$'000
At 1 January and 31 December	9,700	9,700	1	1

Treasury shares relate to the issued ordinary shares of the Company that are re-purchased and held by the Company.

8 Reserves

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Foreign currency translation reserve	-	3	-	-
Reserve of disposal group classified as held for sale	2	-	-	-
Accumulated losses	(2,259)	(827)	(2,255)	(837)
	(2,257)	(824)	(2,255)	(837)

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

Reserve of disposal group classified as held for sale

The reserve relates to the cumulative income or expense recognised in other comprehensive income relating to the disposal group classified as held for sale.

9 Other payables and accruals

	The Group		The Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Accrued expenses	241	151	241	151
Other payables	407	24	407	24
	648	175	648	175

Other payables mainly relate to outstanding professional fees.

Other payables and accruals are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

10 Other income

The Group	Continuing operations		Discontinued operations (Note 6)		Total	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Recovery of deposits	6	-	-	-	6	-
Reversal of accrued expenses	10	5	-	85	10	90
	16	5	-	85	16	90

11 Employee benefits expense

The Group	2023 S\$'000	2022 S\$'000
Continuing operations		
Directors' fees	144	144
Directors' remuneration other than fees: - salaries and other related costs	180	180
Total key management personnel compensation	324	324

12 Other expenses

Other expenses comprise the following items:

The Group	2023 S\$'000	2022 S\$'000
Annual general meeting expenses	-	16
Audit fee	60	60
Bookkeeping fees	-	6
Consultancy fees	32	75
Foreign exchange loss, net	2	18
Legal and professional fees	8	80
Listing fees	48	20
Reverse takeover expenses	855	93
Secretarial and filing fees	24	62
Sponsorship fees	66	70

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13 Taxation

The Group	2023 S\$'000	2022 S\$'000
Current taxation		
- changes in estimates in respect of prior years	-	(18)
Taxation		
- continuing operations	-	-
- discontinued operations	-	(18)
	-	(18)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rate of income tax on loss before taxation as a result of the following:

The Group	2023 S\$'000	2022 S\$'000
(Loss)/Profit before taxation		
- continuing operations	(1,420)	(874)
- discontinued operations	(8)	55
	(1,428)	(819)
Tax at statutory rates applicable to different jurisdictions	(2)	12
Tax effect on non-deductible expenses	2	6
Tax effect on non-taxable income	-	(18)
Changes in estimates of current taxation in respect of prior years	-	(18)
	-	(18)

Singapore

The corporate income tax rate applicable to Axington Singapore Pte. Ltd. is 17% (2022: 17%) for the financial year ended 31 December 2023. The subsidiary was struck off on 8 May 2023 (Note 3).

Malaysia

The Company is incorporated in the Federal Territory of Labuan, Malaysia and carries out a Labuan non-trading activity. Accordingly, it is not subject to tax in accordance with the Labuan Business Activity Tax Act 1990.

The corporate income tax rate applicable to Audex Governance Sdn. Bhd. is 24% for the financial year ended 31 December 2022. The subsidiary was struck off on 30 December 2022 (Note 3).

Laos

The corporate income tax rate applicable to Axington Lao Co., Ltd. is 20% (2022: 20%) for the financial year ended 31 December 2023. The subsidiary was disposed of on 1 June 2023 (Note 3).

Vietnam

The corporate income tax rate applicable to Axington Vietnam Limited is 20% (2022: 20%) for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

14 (Loss)/Earnings per share

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of the Company of S\$1,432,000 (2022: S\$853,000) and a weighted average number of ordinary shares outstanding (excluding treasury shares) of 186,710,300 (2022: 186,710,300).

(Loss)/Profit attributable to ordinary shareholders (basic and diluted)

The Group	Continuing operations S\$'000	Discontinued operations S\$'000	Total S\$'000
2023			
Loss for the year attributable to ordinary shareholders	(1,420)	(12)	(1,432)
2022			
(Loss)/Profit for the year attributable to ordinary shareholders	(874)	21	(853)

15 Equity-settled share-based payment transactions

The Axcelasia Employee Share Option Scheme

In conjunction with the Company's listing on the Catalist of the SGX-ST, the Group adopted the Axcelasia Employee Share Option Scheme (the "ESOS") which was approved by the Company's shareholders at the Extraordinary General Meeting ("EGM") held on 21 October 2015. The ESOS is administered by a committee comprising of members of the Nomination Committee and the Remuneration Committee (the "Administration Committee"). The ESOS provides for the grant of share options to employees and directors ("ESOS participants").

The selection of the ESOS participants and number of shares which are subject of each option to be granted to an ESOS participant in accordance with the ESOS shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, inter alia, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the ESOS, the number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of all options granted under the ESOS (including the Axcelasia Performance Share Plan and any other share option scheme of the Company) shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options granted with exercise price set at a discount to market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant in the Group and the parent company, the bankruptcy of the participant, the death of the participant, a take-over of the Company, and the winding-up of the Company.

There have been no options granted to the employees and directors from the commencement of the ESOS up to the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

15 Equity-settled share-based payment transactions (cont'd)

The Axcelasia Employee Share Option Scheme (cont'd)

No options have been granted to controlling shareholders of the Company and their associates under the ESOS from the commencement of the ESOS up to the end of the financial year.

None of the ESOS participants received 5% or more of the total number of options available under the ESOS.

There were no options being exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

There were no unissued shares under option in the Company or its subsidiary at the end of the financial year.

The Axcelasia Performance Share Plan

In conjunction with the Company's listing on the Catalist of the SGX-ST, the Group adopted the Axcelasia Performance Share Plan (the "PSP") which was approved by its shareholders at the EGM held on 21 October 2015. The PSP is administered by the Administration Committee. The PSP provides for the grant of incentive share awards to employees and directors.

The selection of the PSP participants and number of shares which are subject of each award to be granted to a PSP participant in accordance with the PSP shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, inter alia, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and issuable in respect of (a) all awards granted under the PSP; and (b) all options granted under any share option, shares incentive, performance share or restricted plans of the Company and for the time being in force, shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

The PSP allows for the participation by full-time employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Controlling shareholders of the Company and their associates will not be eligible to participate in the PSP.

Notwithstanding that a PSP participant may have met his performance targets, no awards shall be vested:

- (i) When a PSP participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the PSP participant is employed ceases to be a company in the Group;
- (ii) When a PSP participant, being a Non-executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;
- (iii) Upon the bankruptcy of the PSP participant;
- (iv) Upon ill health, injury or death of a PSP participant;
- (v) When a PSP participant committing any breach of any of the terms of his award;
- (vi) Upon misconduct on the part of a PSP participant as determined by the Administration Committee in its discretion;
- (vii) When a general offer being made of all or any part of the shares;

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

15 Equity-settled share-based payment transactions (cont'd)

The Axcelasia Performance Share Plan (cont'd)

- (viii) When a scheme of arrangement or compromise between the Company and the shareholders being sanctioned by the Court;
- (ix) When an order for the compulsory winding-up of the Company being made;
- (x) When a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or
- (xi) Upon any other event unless approved by the Administration Committee.

There have been no awards granted pursuant to the PSP from the commencement of the PSP up to the end of the financial year.

16 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, there were no other significant related party transactions during the financial years ended 31 December 2023 and 31 December 2022.

17 Operating segments

The Group does not have any business activities after the disposal of Tricor Taxand Sdn. Bhd. and its subsidiaries. As such, no segmental information is presented.

Geographical information

The Group does not have any revenues for the financial years ended 31 December 2023 and 31 December 2022 and does not hold any non-current assets as at 31 December 2023 and 31 December 2022. As such, no geographical segment information is presented.

Major customers

The Group does not have any revenues for the financial years ended 31 December 2023 and 31 December 2022. As such, no major customers information is presented.

18 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 18.3) and foreign currency risk (Note 18.4).

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

18 Financial risk management objectives and policies (cont'd)

18.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from other receivables. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group and the Company have other receivables and cash and bank deposits that are subject to the expected credit loss ("ECL") model. While cash and bank deposits are subject to the impairment requirements of SFRS(I) 9, the identified impairment loss is insignificant.

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs. The ECLs on other receivables are estimated by reference to the payment history and track record of the counterparty, its businesses and financial condition where information is available, knowledge of any events or circumstances impeding recovery of the amount, and assessment of the current and future wider economic condition and outlook of the industry in which the counterparty operates. At the end of the reporting period, no loss allowance for the Group's and the Company's other receivables is required.

Amounts due from subsidiaries (non-trade)

At the end of the reporting period, non-trade amounts due from subsidiaries have been fully impaired taken into account the financial position of the subsidiaries and a forward-looking analysis of the financial performance of operations of the subsidiaries. In respect of the non-trade amounts due from subsidiaries which are repayable on demand, management has considered the availability of accessible and highly liquid assets of the subsidiaries for repayment if they are demanded at the end of the reporting period.

Cash and bank deposits

Bank deposits are held with a bank which is regulated. Impairment on cash and bank deposits has been measured on the 12-month ECL basis and reflects the short maturity of the exposure. The Group and the Company consider that their bank deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the loss allowance on cash and bank deposits is negligible.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's and the Company's major classes of financial assets are other receivables and cash and bank deposits. Bank deposits are held with an established financial institution. Further details of credit risks on other receivables are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

18 Financial risk management objectives and policies (cont'd)

18.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's financial liabilities comprise other payables and accruals with contractual undiscounted cash flows approximating the carrying amount mature in less than one year. Nevertheless, the Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient levels of cash and bank deposits to meet their working capital requirements.

18.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company do not have exposure to interest rate risk. All financial assets and liabilities are interest-free.

18.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

As there are no significant transactions that are denominated in a currency other than the functional currency of the respective group entities, the Group is not exposed to any significant foreign currency risk.

18.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Amortised cost S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
2023			
<u>Financial assets</u>			
Other receivables (Note 4)	40	–	40
Cash and bank deposits (Note 5)	783	–	783
	823	–	823
<u>Financial liabilities</u>			
Other payables and accruals (Note 9)	–	648	648
2022			
<u>Financial assets</u>			
Cash and bank deposits (Note 5)	1,775	–	1,775
<u>Financial liabilities</u>			
Other payables and accruals (Note 9)	–	175	175
The Company			
2023			
<u>Financial assets</u>			
Other receivables (Note 4)	40	–	40
Cash and bank deposits (Note 5)	783	–	783
	823	–	823
<u>Financial liabilities</u>			
Other payables and accruals (Note 9)	–	648	648
2022			
<u>Financial assets</u>			
Cash and bank deposits (Note 5)	1,767	–	1,767
<u>Financial liabilities</u>			
Other payables and accruals (Note 9)	–	175	175

Fair values

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising other receivables, cash and bank deposits and other payables and accruals, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

20 Capital management

The Group's and the Company's objectives when managing capital are:

- (a) To safeguard the Group's and the Company's ability to continue as going concern;
- (b) To support the Group's and the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises other payables and accruals, less cash and bank deposits. Total capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Other payables and accruals (Note 9)	648	175	648	175
Total debt	648	175	648	175
Less: Cash and bank deposits (Note 5)	(783)	(1,775)	(783)	(1,767)
Net cash	(135)	(1,600)	(135)	(1,592)
Equity attributable to owners of the Company	173	1,606	175	1,593
Total capital	173	1,606	175	1,593
Total capital and net debt	38	6	40	1
Gearing ratio	N.M.	N.M.	N.M.	N.M.

N.M.: Not meaningful due to net cash position

21 Dividends

	2023	2022
The Group and the Company	S\$'000	S\$'000
Final tax-exempt (one-tier) dividend of S\$0.0755 per share in respect of the financial year ended 31 December 2021	–	14,097

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

22 Events after the reporting period

At the Extraordinary General Meeting of the Company held on 22 January 2024, the Company's shareholders approved the proposed acquisition of the entire shareholding interest in ATSB and 49% shareholding interest in ADTCL. The completion of the acquisition is subject to the fulfilment or waiver of the conditions precedent to the sale and purchase agreement by 31 March 2024 and shall take place on the date falling seven business days after the date of the fulfilment of the conditions precedent.

On 31 March 2024, the Company entered into a third amendment letter to extend the long-stop date of the sale and purchase agreement to 30 June 2024.

The acquisition has not been completed at the date of authorisation of these financial statements.

STATISTICS OF SHAREHOLDING

As at 12 March 2024

SHAREHOLDER INFORMATION

As at 12 March 2024

Issued and fully paid-up capital (including treasury shares)	:	SGD2,431,018
Issued and fully paid-up capital (excluding treasury shares)	:	SGD2,430,179
Class of shares	:	Ordinary
Number of shares issued (including Treasury Shares)	:	186,720,000
Number of shares issued (excluding Treasury Shares)	:	186,710,300
Number/Percentage of Treasury Shares	:	9,700 (0.005%)
Number/Percentage of Subsidiary Holdings	:	Nil
Voting rights (excluding Treasury Shares)	:	One vote for each ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholdings	No. of Shares	% of Shareholdings
1 – 99	0	0.00	0	0.00
100 – 1000	46	43.81	16,300	0.01
1,001 – 10,000	15	14.28	77,100	0.04
10,001 – 1,000,000	37	35.24	7,198,000	3.86
1,000,001 and above	7	6.67	179,418,900	96.09
Grand Total	105	100.00	186,710,300	100.00

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

(as shown in the Register of Members)

	Name of Shareholder	No. of Shares	% of Shareholdings
1.	DBS NOMINEES PTE LTD	149,723,800	80.19
2.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	11,504,900	6.16
3.	TAN SU LING ADELE	6,250,000	3.35
4.	WONG FONG HONG VINCENT	6,250,000	3.35
5.	LOW CHIN YEW	2,500,000	1.34
6.	UOB KAY HIAN PTE LTD	2,179,500	1.17
7.	PHILLIP SECURITIES PTE LTD	1,010,700	0.54
8.	OR KIM PEOW	1,000,000	0.54
9.	TAN CHUU SI (CHEN ZHUXI)	1,000,000	0.54
10.	NG ING-YONG BRIAN (HUANG YINGRONG)	625,000	0.33
11.	TANG THIAN FATT	402,800	0.22
12.	CHAN HEANG KNG CALVIN (ZENG XIANQIN CALVIN)	400,000	0.21
13.	TAN YEE WEAL (CHEN YIHUI)	376,000	0.20
14.	ZHENG YIBO	315,800	0.17
15.	CHER MOY ENG	300,000	0.16
16.	FU YANHUA	281,000	0.15
17.	RAFFLES NOMINEES (PTE) LIMITED	276,300	0.15
18.	CITIBANK NOMINEES SINGAPORE PTE LTD	250,000	0.13
19.	THOMAS CHAN HO LAM	250,000	0.13
20.	UNITED OVERSEAS BANK NOMINEES PTE LTD	238,000	0.13
	Total	185,133,800	99.16

STATISTICS OF SHAREHOLDING

As at 12 March 2024

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Indirect Interest		Total
	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings	%
Dorr Global Healthcare International Pte. Ltd. ("Dorr") ⁽¹⁾	148,335,700	79.45	–	–	79.45
Mr. Terence Loh Ne-Wei ⁽²⁾	–	–	148,335,700	79.45	79.45

Note:

- (1) The Company was, pursuant to a letter dated 2 August 2021, notified by RSM Corporate Advisory Pte. Ltd. that Ms. Oon Su Sun and Mr. Lin Yueh Hung were appointed by DBS Bank Ltd. ("DBS") as joint and several receivers of all the shares owned by Dorr ("Dorr Shares") pursuant to a share charged dated 2 June 2020 entered into between Dorr and DBS. In view of such appointment, the powers to deal with the Dorr Shares are now vested in the Receivers.
- (2) Mr. Terence Loh Ne-Wei is a shareholder of Dorr and accordingly is deemed to be interested in the shares held by Dorr by virtue of Section 4 of the SFA.

PERCENTAGE OF SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 12 March 2024, approximately 20.55% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Catalist Rules has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM”) of AXINGTON INC. (the “Company”) will be held at 218 Pandan Loop, L2 Xshowroom, Singapore 128408 on Friday, 19 April 2024 at 10:00 a.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors’ Statement and Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr. William Teo Choon Kow @ William Teo as a Director, who will be retiring pursuant to Article 97 of the Company’s Articles of Association. **[Explanatory Note (i) and (iv)] (Resolution 2)**
3. To re-elect Mr. Luke Anthony Furler as a Director, who will be retiring pursuant to Article 97 of the Company’s Articles of Association. **[Explanatory Note (ii) and (iv)] (Resolution 3)**
4. To approve the payment of Directors’ fees totaling SGD144,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears (2023: SGD144,000) **[Explanatory Note (iii)] (Resolution 4)**
5. To appoint Moore Stephens LLP as Auditors of the Company in place of the retiring Auditors, Foo Kon Tan LLP, to hold office until the conclusion of the next AGM at a fee and on such terms as may be agreed by the Directors with Moore Stephens LLP. **[Explanatory Note (v)] (Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

By Order of the Board

Chen Chuanjian, Jason
Tan Ching Ching
Company Secretaries

Singapore,
4 April 2024

Explanatory Notes:

- Resolution 2** - Mr. William Teo Choon Kow @ William Teo (“**Mr. William Teo**”), if re-elected, will remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. The Board considers Mr. William Teo to be independent pursuant to Rule 704(7) of Catalyst Rules.
- Resolution 3** - Mr. Luke Anthony Furler (“**Mr. Luke Furler**”), if re-elected, will remain as the Chairman of the Audit Committee and a member of the Remuneration Committee. The Board considers Mr. Luke Furler to be independent pursuant to Rule 704(7) of Catalyst Rules.
- Resolution 4** - This Resolution is to facilitate the payment of Directors’ fees during the financial year ending 31 December 2024 (“**FY2024**”) in which the fees are incurred. The aggregate amount of Directors’ fees provided in the resolution is calculated on the assumption that all the present Directors will hold office for the whole of FY2024. Should any Director hold office for only part of FY2024 and not the whole of FY2024, the Directors’ fee payable to him will be appropriately pro-rated.
- Resolution 2 and 3** - Mr. William Teo and Mr. Luke Furler will remain as directors up until the completion of the Proposed Acquisition (as defined in the circular to Shareholders dated 27 December 2023 (“**Circular**”)) (“**Completion**”) which is expected to occur in the course of FY2024, upon which the Company will appoint the Proposed New Directors (as defined in the Circular). Shareholders have approved the appointment of the Proposed New Directors at the Company’s extraordinary general meeting held on 22 January 2024 (“**EGM**”).
- Resolution 5** - Shareholders had previously approved the appointment of Moore Stephens LLP as Auditors of the Company in place of Foo Kon Tan LLP at the EGM with effect from Completion. Given that Completion has yet to occur and is expected to occur within FY2024, the Company is seeking Shareholders approval for the appointment of Moore Stephens LLP as Auditors of the Company with effect from the AGM.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf.
2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
(b) A member of the Company who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act) and who wishes to exercise their votes should approach their respective relevant intermediaries to submit their voting instructions at least 7 working days before the AGM (i.e. **by 10.00 a.m. on 9 April 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf no later than 10.00 a.m. on 17 April 2024.
3. A proxy need not be a Shareholder.
4. The instrument appointing a proxy or proxies must be signed under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. **The instrument appointing a proxy or proxies must be deposited at the office of the Singapore Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower I, Singapore 048619, not less than forty-eight (48) before the time appointed for holding the meeting.** If a member submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.
9. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. Any reference to a time of day is made by reference to Singapore time.

ACCESS TO DOCUMENTS OR INFORMATION RELATING TO THE AGM

All documents and information relating to the business of the AGM are available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

SUBMISSION OF QUESTIONS PRIOR TO AGM

Shareholders who have any questions in relation to any agenda item of this notice, are also encouraged to send their questions to the Company in advance, by 12 April 2024, via email to axington@outlook.com or by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza Tower I, Singapore 048619 ("Questions Deadline"). When submitting questions, Shareholders should provide their details including their full name, NRIC/Passport/Company Registration No., contact number and email address for verification purposes. Questions must be submitted not later than the Questions Deadline so that relevant and substantial queries may be addressed during the AGM proceedings.

The Company will endeavour to upload the Company's responses to all substantial and relevant questions from Shareholders on the SGXNet at the URL <https://www.sgx.com/securities/companyannouncements> and the Company's website at the URL <http://www.axington.com> forty-eight (48) hours prior to the closing date and time for lodgement of the proxy forms, i.e., by 10.00 a.m. on 16 April 2024. The Company will address those substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, which have not already been addressed prior to the AGM, during the AGM proceedings itself and through the publication of the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of AGM.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders or their corporate representative must state his/her full name, identification/ registration number and whether he/she is a Shareholder or a corporate representative of a corporate Shareholder. Any question without the identification details will not be addressed.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

AXINGTON INC.

(Company Registration No.: LL12218)

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

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:-

1. This instrument of proxy is not valid for use by the SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. By submitting an instrument appointing proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in Notice of Annual General Meeting dated 4 April 2024.
3. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy/proxies to vote on his/her/its behalf at the AGM.**

I/We* _____ (name) _____ (NRIC/Passport No./Company Registration No.) of
_____ (address) being a member/members* of

AXINGTON INC. (the "Company"), hereby appoint:

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address and Email Address			

*and/or

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address and Email Address			

or failing him/her*, the Chairman of the AGM ("**Chariman**") as my/our proxy/proxies to attend, speak and vote on my/our* behalf at the AGM to be convened and held at 218 Pandan Loop, L2 Xhowroom, Singapore 128408 on Friday, 19 April 2024 at 10:00 a.m. and at any adjournment thereof in the following manner.

*I/We direct *my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the *proxy/proxies may vote or abstain from voting at his/her discretion. Where the Chairman is appointed as proxy and in the absence of specific directions as to voting is given, the appointment of the Chairman as your proxy will be treated as invalid.

Resolution No.	ORDINARY BUSINESS	For	Against	Abstain
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' Statement and Auditors' Report thereon.			
Resolution 2	To re-elect Mr. William Teo Choon Kow @ William Teo as Director of the Company pursuant to Article 97 of the Company's Articles of Association.			
Resolution 3	To re-elect Mr. Luke Anthony Furler as Director of the Company pursuant to Article 97 of the Company's Articles of Association.			
Resolution 4	To approve payment of Directors' fees of SGD144,000 for the financial year ending 31 December 2024 to be paid quarterly in arrears.			
Resolution 5	To appoint Moore Stephens LLP as Auditors of the Company in place of the retiring Auditors, Foo Kon Tan LLP, to hold office until the conclusion of the next AGM at a fee and on such terms as may be agreed by the Directors with Moore Stephens LLP.			

* Delete where inapplicable

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" for each resolution, please indicate so with a (✓) within the box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" against each resolution in the boxes provided as appropriate. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2024

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature of member(s)
or, Common Seal of Corporate Member

IMPORTANT: PLEASE READ THE NOTES OVERLEAF.



Notes:-

1. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the annual general meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead.
3. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

(b) A member of the Company who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act) and who wishes to exercise their votes should approach their respective relevant intermediaries to submit their voting instructions at least 7 working days before the AGM (**i.e. by 10.00 a.m. on 9 April 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf **no later than 10.00 a.m. on 17 April 2024**.
4. A proxy need not be a Shareholder.
5. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. **The instrument appointing a proxy or proxies must be deposited at the office of the Singapore Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower I, Singapore 048619, not less than forty-eight (48) hours before the time appointed for holding the meeting.** If a member submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.
9. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Any amendments or modifications made in a Proxy Form must be initialled by the person who signs the Proxy Form.

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Any reference to a time of day is made by reference to Singapore time.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2024.

AXINGTON INC.