

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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

The contact person for the Sponsor is Ms. Bao Qing, 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

Table of Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B. Condensed interim statements of financial position	5
C. Condensed interim statements of changes in equity	6
D. Condensed interim consolidated statement of cash flows.....	7
E. Notes to the condensed interim consolidated financial statements.....	8
F. Other information required pursuant to Appendix 7C of the Catalist Rules	12

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

	Note	Group		Change %
		6 months ended 30 June 2023 (Unaudited) S\$'000	6 months ended 30 June 2022 (Unaudited) S\$'000	
Other income	A.1	6	*	N.M.
Employee benefits expense	7	(162)	(162)	-
Other expenses	A.1	(849)	(304)	179
Loss before taxation		(1,005)	(466)	116
Taxation		*	(18)	N.M.
Loss for the period		(1,006)	(484)	108
Other comprehensive income				
Currency translation differences		1	-	N.M.
Total comprehensive loss for the period		(1,005)	(484)	108
Loss attributable to:				
Owners of the Company		(1,002)	(483)	107
Non-controlling interests:		(4)	(1)	N.M.
Loss for the period		(1,006)	(484)	108
Total comprehensive loss attributable to:				
Owners of the Company		(1,001)	(483)	107
Non-controlling interests		(4)	(1)	N.M.
Total comprehensive loss for the year		(1,005)	(484)	108
Loss per share attributable to owners of the Company (S\$ cents)				
Basic and diluted	8	(0.54)	(0.25)	

* - less than S\$1,000

N.M.- Not meaningful

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

	Group		
	6 months ended 30 June 2023 (Unaudited) S\$'000	6 months ended 30 June 2022 (Unaudited) S\$'000	Change %
Other income			
Reversal of payables previously written off	6	-	N.M.
Other expenses			
Unrealised foreign exchange loss, net	-	8	(100)
Audit fee	35	85	(59)
Achieva Acquisition (defined herein) expenses	709	-	N.M.
Annual general meeting	(19)	16	(219)
Bank Charges	5	1	N.M.
General expenses	3	-	N.M.
Printing stationery	-	*	N.M.
Postage, courier, and dispatch	*	-	N.M.
Storage	-	1	N.M.
Subscription fee	-	*	N.M.
Taxes	-	2	N.M.
Training	-	1	N.M.
Traveling	*	1	N.M.
Professional fees (sponsorship, bookkeeping, legal, secretarial and other professional fee)	116	189	(39)

* - less than S\$1,000

N.M. - Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31		31	
		30 June 2023 (Unaudited) S\$'000	December 2022 (Audited) S\$'000	30 June 2023 (Unaudited) S\$'000	December 2022 (Audited) S\$'000
ASSETS					
Non-current assets					
		-	-	-	-
Current assets					
Prepayments		*	1	*	1
Cash in banks	5	515	1,155	515	1,147
Restricted deposit	5	620	620	620	620
		1,135	1,776	1,135	1,768
Total assets		1,135	1,776	1,135	1,768
EQUITIES AND LIABILITIES					
Capital and reserves					
Share capital	10	2,431	2,431	2,431	2,431
Treasury shares	10	(1)	(1)	(1)	(1)
Reserves		(1,825)	(824)	(1,831)	(837)
Equity attributable to owners of the Company		605	1,606	599	1,593
Non-controlling interest		(9)	(5)	-	-
Total equity		596	1,601	599	1,593
Non-current liabilities					
		-	-	-	-
Current liabilities					
Other payables and accruals	6	539	175	536	175
Total liabilities		539	175	536	175
Total equity and liabilities		1,135	1,776	1,135	1,768

* - less than S\$1,000

C. Condensed interim statement of changes in equity

Group

	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)								
Balance as at 1 January 2023	2,431	(1)	-	3	(827)	1,606	(5)	1,601
Loss for the period	-	-	-	-	(1,002)	(1,002)	(4)	(1,006)
Other comprehensive income for the period								
Currency translation differences	-	-	-	1	-	1	-	1
Balance as at 30 June 2023	2,431	(1)	-	4	(1,829)	605	(9)	596

(Unaudited)

Balance as at 1 January 2022	15,093	(1)	(750)	4	14,123	28,469	(20)	28,449
Loss for the period	-	-	-	-	(484)	(484)	(1)	(485)
Other comprehensive income for the period								
Currency translation differences	-	-	-	(12)	-	(12)	(4)	(16)
Share cancellation	(750)	-	750	-	-	-	-	-
Balance as at 30 June 2022	14,343	(1)	-	(8)	13,639	27,973	(25)	27,948

Company

	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(Unaudited)								
Balance as at 1 January 2023	2,431	(1)	-	-	(837)	1,593	-	1,593
Loss for the period	-	-	-	-	(994)	(994)	-	(994)
Other comprehensive income for the period								
Balance as at 30 June 2023	2,431	(1)	-	-	(1,831)	599	-	599

(Unaudited)

Balance as at 1 January 2022	15,093	(1)	(750)	-	14,140	28,482	-	28,482
Loss for the period	-	-	-	-	(454)	(454)	-	(454)
Other comprehensive income for the period								
Currency translation differences	-	-	-	-	-	-	-	-
Share cancellation	(750)	-	750	-	-	-	-	-
Balance as at 30 June 2022	14,343	(1)	-	-	13,686	28,028	-	28,028

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2022 S\$'000
Cash flows from operating activities		
Loss before taxation	(1,006)	(466)
Adjustment for:		
Unrealised foreign exchange gain	1	(17)
Operating cash flows before working capital changes	(1,005)	(483)
Changes in working capital		
Changes in trade and other receivables	*	38
Changes in other payables and accruals	364	(24)
Cash used in operations	364	14
Income tax paid	*	(18)
Net cash used in operating activities	(641)	(487)
Net cash used from financing activities	-	-
Net cash used from investing activities	-	-
Net decrease in cash and cash equivalents	(641)	(487)
Cash and cash equivalents at beginning of financial period	1,775	2,002
Exchange differences on translation on cash and cash equivalents	1	-
Cash and cash equivalents at end of financial period	1,135	1,515

* - less than S\$1,000

E. Notes to the unaudited condensed interim consolidated financial statement

1. Corporate information

Axington Inc. (the “**Company**”) is incorporated in the Federal Territory of Labuan under the Labuan Companies Act 1990 and is listed on the Catalist board of the SGX-ST.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of an investment holding company. The subsidiaries of the Company are currently dormant.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

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

2.1 Use of judgment and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Company is a cash company with effect from 1 April 2021, and there are no critical judgements in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

The Board of Directors (“**BOD**”) is of the opinion that there are no critical judgements made in applying the Group’s accounting policies that have the most significant effect on the amounts

recognised in the financial statements and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

The Company is a cash company with effect from 1 April 2021 and accordingly, the Group is not affected by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

In view that the Company is a cash company with effect from 1 April 2021 and the Group does not currently have any revenue generating business, no segmental or revenue information is presented.

5. Cash and cash equivalents

	Group		Company	
	30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
Cash in banks	515	1,155	515	1,147
Restricted deposit ⁽¹⁾	620	620	620	620
	1,135	1,775	1,135	1,767

Note:

- (1) Restricted deposit relates to cash of 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 SGX-ST Listing Manual Section B: Rules of Catalyst. 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 the shareholders and pro-rata distributions to shareholders.

6. Other payables and accruals

	Group		Company	
	30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
Accrued expenses	93	151	91	151
Other payables	446	24	445	24
	539	175	536	175

7. Employee benefits expense

	Six months ended 30 June 2023 (Unaudited) S\$'000	Six months ended 30 June 2022 (Unaudited) S\$'000
Group		
Directors:		
Directors' fees	72	72
Other than key management personnel:		
- Salaries and other related costs	90	90
	162	162

8. Loss per share ("LPS")

Loss per share	Group	
	6 months ended	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Net Loss (SGD) attributable to owners of the Company for the period	(1,001,613)	(482,872)
Weighted average number of ordinary shares in issue	186,710,300	190,314,467
Basic LPS (SGD cents per share)	(0.54)	(0.25)
Fully diluted LPS (SGD cents per share) ⁽¹⁾	(0.54)	(0.25)

Note:

(1) The basic and fully diluted weighted number of shares were the same as there were no potential dilutive ordinary shares in issue as at 30 June 2023 and 30 June 2022.

9. Net asset value ("NAV")

Net asset value	Group		Company	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2023 (Unaudited)	31 December 2022 (Audited)
NAV (SGD)	1,033,039	1,600,899	1,035,781	1,592,886
Number of ordinary shares in issue (excluding treasury shares)	186,710,300	186,710,300	186,710,300	186,710,300
NAV per ordinary share (SGD cents)	0.55	0.86	0.55	0.85

10. Share capital

Group and Company	Number of issued shares (including treasury shares)	Share capital (\$)
Total share capital as at 1 January and 30 June 2023	186,720,000	2,431,018

Treasury Shares

There were 9,700 treasury shares representing approximately 0.005% of the Company's 186,710,300 ordinary shares (excluding treasury shares) as at 30 June 2023.

Subsidiary Holdings and Convertible Instruments

The Company did not have any subsidiary holdings or convertible instruments as at 30 June 2023.

10.1 Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2023	As at 31 December 2022
Total number of issued shares (excluding treasury shares)	186,710,300	186,710,300

10.2 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any sales, transfers, cancellation and/or use of treasury shares during, and at the end of the financial period reported on.

10.3 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during, and as at the end of the financial period reported on.

11. **Subsequent events**

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

F. Other information required pursuant to appendix 7C of the Catalist Rules

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

The condensed consolidated statement of financial position of Axington Inc. and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. **Where the latest financial statement are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) Updates on the efforts taken to resolve each outstanding audit issue, and

(b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

The accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2022.

4. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of Financial Reporting Standards ("**INT FRS**") that are mandatory for the accounting periods beginning on or after 1 January 2023. Save as disclosed below, the adoption of these new and revised SFRS(I) and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

5. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:**

a. any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b. any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review for the performance of the Group for the half year ended 30 June 2023 ("**1H2023**") as compared to the half year ended 30 June 2022 ("**1H2022**").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

There was no revenue recorded in both 1H2023 and 1H2022, whilst other income increased by approximately S\$6k mainly due to reversal of payables previously written off.

Employee benefits expense recorded in 1H2023 and 1H2022 remain constant at S\$0.16 million.

Other expenses increased by approximately S\$0.55 million from S\$0.30 million in 1H2022 to S\$0.85 million in 1H2023 mainly due to an increase in (i) reverse takeover expenses of approximately S\$0.71 million, which was partially offset against the ongoing effort to decrease expenses of (i) professional fees of approximately S\$0.07 million, (ii) audit fees of approximately S\$0.05 million, and (iii) annual general meeting expenses of approximately S\$0.04 million.

As a result of the above, the loss after taxation attributable to owners of the Company is approximately S\$1.01 million in 1H2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets

There were no non-current assets recorded as at 1H2023.

Current assets

Cash and cash equivalents decreased by approximately S\$0.64 million mainly due to payment for (i) reverse takeover related expenses amounting to approximately S\$0.27 million, (ii) professional fees amounting to approximately S\$0.18 million, (iii) employee benefit expenses amounting to approximately S\$0.16 million, (iv) audit fee amounting to approximately S\$0.03 million incurred in 1H2023.

Liabilities

Other payables and accruals increased by approximately S\$0.36 million from S\$0.18 million as at 31 December 2022 to S\$0.54 million in 1H2023 relates mainly to the expenses accrued for Achieva Acquisition.

The Group is in a positive working capital position of S\$0.60 million as at 1H2023.

CONSOLIDATED STATEMENT OF CASH FLOW

The Group recorded net cash used in operating activities in 1H2023 of approximately S\$0.64 million mainly due to (i) negative operating cash flows before working capital changes of approximately S\$1.01 million, and adjusted for net working capital outflow of approximately S\$0.36 million.

The Company did not use any cash for financing and investing activities in both 1H2023 and 1H2022.

Overall, cash and cash equivalents decreased by approximately S\$0.64 million in 1H2023.

Notwithstanding that, the cash balance remaining in the Group remains at an aggregate of S\$1.14 million in 1H2023 which is inclusive of the encumbered cash relating to the escrow placement of S\$0.62 million.

6. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or a prospect statement has been provided previously.

7. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Pursuant to Catalist Rule 1017(2) and Catalist Rule 1304, the Company had, on 2 September 2022, announced the sale and purchase agreement with a subsidiary of Serial System Ltd for the acquisition of all the share capital of Achieva Technology Sdn. Bhd. (the "**Achieva Acquisition**") and applied to the SGX-ST on 16 September 2022 for a further extension of time of up to 30 September 2023 to complete the Achieva Acquisition (the "**Further Extension of Time**").

On 1 December 2022, the Company received from the SGX-ST the no objection to the Further Extension of Time to complete the Achieva Acquisition, subject to the conditions as set out under the Company's announcement dated 16 September 2022.

The Company had on 15 May 2023, via its financial advisor and Sponsor, RHT Capital Pte. Ltd., submitted the Pre-Admission Notification to SGX-ST for the Achieva Acquisition ("**Submission**"). When the Submission is approved, the Company will convene an extraordinary general meeting for shareholders to deliberate and vote on, amongst other matters, the Achiva Acquisition.

8. Dividend

If a decision regarding dividend has been made: -

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

No dividend has been declared or recommended.

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

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2022.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Refer to 8(b)(ii) above.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

As of the date of this announcement, no dividend has been declared or recommended for as the Company has deemed it more appropriate to retain cash to complete the Achieve Acquisition.

10. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for IPT. There was no IPT of S\$100,000 and above entered into during 1H2023.

11. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

12. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

The Company refers to the following announcements:

- (i) IPO on the Catalist Board of SGX-ST on 27 November 2015 and the Company's announcement dated 23 February 2017 on the reallocation of IPO net proceeds;
- (ii) the placement exercise conducted in August 2020 ("**Placement**"); and
- (iii) the compliance placement exercise conducted in August 2020.

Use of IPO net proceeds

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

	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Expand our business operations in Malaysia and the ASEAN region and enhance our range of professional services	4,000	(1,843)	2,157
Enhance our Group's office and support infrastructure	500	(118)	382
Working capital ⁽¹⁾	3,080	(3,080)	-
Listing expenses to be borne by our 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 operating 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.

Use of Placement net proceeds

	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business investments and acquisition	3,582	-	3,582
General working capital	2,388	-	2,388
Unpaid shares ⁽¹⁾	(750)	-	(750)
Sub-total	5,220	-	5,970
Cash Distribution	-	(5,520)	(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

	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business investments and acquisition	3	-	3
General working capital	2	-	2
Sub-total	5	-	5
Cash Distribution	-	(5)	(5)
Total placement net proceeds	5	(5)	-

As at the date of this announcement, 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 on 18 March 2021, in accordance with the Company's announcement dated 15 March 2021.

13. Negative Assurance Confirmation on Condensed Interim Financial Results Pursuant to Rule 705(5) of the Catalist Rule

On behalf of the BOD, we, the unsigned, hereby confirm, to the best of our knowledge that nothing has come to the attention of the BOD which may render the financial statements for the half year ended 30 June 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ang Chiang Meng
Executive Director

Roberto Dona
Non-Executive Chairman and
Independent Director

Singapore
11 August 2023