

FINDINGS OF THE INDEPENDENT REVIEW RELATING TO THE UNPAID PROCEEDS UNDER THE PLACEMENT

1. Introduction

- 1.1 The Board of Directors (the "**Board**") of Axington Inc. (the "**Company**") refers to:-
- 1.1.1 the Company's announcement dated 16 July 2021 which set out the Company's responses to certain queries received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Announcement**");
 - 1.1.2 the Notice of Extraordinary General Meeting released by the Company on 5 May 2022; and
 - 1.1.3 the Company's Extraordinary General Meeting held on 27 May 2022, under which shareholders of the Company ("**Shareholders**") had approved, amongst others, the cancellation of 3,750,000 ordinary shares held by Kerrigan Medical Supplies Pte. Ltd. ("**Kerrigan**" and such cancellation, the "**Proposed Cancellation**"), which were issued to Kerrigan under the Company's placement announced on 28 July 2020 (the "**Placement**").
- 1.2 The Proposed Cancellation relates to shares that were issued to Kerrigan under the Placement. To date, the Company has only received S\$325,000 out of the S\$1,075,000 due to it from Kerrigan under the Placement, notwithstanding that the Company had announced the completion of the Placement on 18 August 2020 (the "**Completion Announcement**"). The Company has since treated the 3,750,000 shares as unpaid and is in the process of effecting a cancellation of such shares.
- 1.3 The Company had also disclosed in the Announcement that it would investigate further into the circumstances leading to the non-payment by Kerrigan of the subscription monies under the Placement.

2. Appointment of Independent Reviewer

- 2.1 Since the Announcement, the Board has appointed TSMP Law Corporation (the "**Independent Reviewer**") to (i) conduct an independent review of the nature and circumstances of the non-receipt of the proceeds payable by Kerrigan under the Placement and the Company's release of the completion announcement via SGXNET on 18 August 2020, notwithstanding the non-receipt; and (ii) to identify any breaches in rules, laws and regulations by the Company and its directors (the "**Independent Review**").
- 2.2 The Company wishes to inform Shareholders that the Independent Reviewer has completed the Independent Review and an Independent Review report (the "**Report**") has been submitted to the SGX-ST.

2.3 An executive summary of the Report has been annexed together with this announcement. Please refer to the executive summary for a summary of the Independent Reviewer's findings.

3. Steps taken by the Company

3.1 Since the completion of the Independent Review and the issuance of the Report:-

3.1.1 the Board has considered the advice of the Independent Reviewer and based on such advice, is of the view that commencing civil proceedings against Ms Marjory Loh, Mr Terence Loh, Mr Nelson Loh or Mr Wong Soon Yuh would not be meaningful or in the best interests of its minority shareholders as the Company did not suffer material financial loss as a result of the release of the Completion Announcement via SGXNET;

3.1.2 the Company has engaged with the Accounting and Corporate Regulatory Authority of Singapore in relation to the potential statutory breaches highlighted by the Independent Reviewer and will update shareholders if there are any material developments; and

3.1.3 since the re-constitution of the Board in November 2020, the Board has established a system of internal controls that is adequate taking into account the present business needs of the Company, in order to safeguard the interests of the Company and its Shareholders. This includes obtaining the unanimous approval of the Board for any payments made and/or announcements released by the Company. The Board continues to assess the Company's risk management and internal control systems on an ongoing basis and will ensure the adequacy of such systems in the event there is any change in the business of the Company.

By Order of the Board

Ang Chiang Meng
Executive Director
27 June 2022

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

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

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