

RESPONSE TO SGX QUERIES

The board of directors (“**Board**”) of Axington Inc. (“**Company**”) wishes to inform shareholders that it had received queries (the “**Queries**”) from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 September 2020 regarding the Company’s announcement dated 29 July 2020 and 6 September 2020 (collectively, the “**Announcements**”). *Unless otherwise defined herein, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.*

The Board wishes to respond to the Queries as follows:

SGX Query:

It was mentioned in the Issuer’s announcement on 29 July 2020, titled “**PROPOSED PLACEMENT & RIGHTS ISSUANCE, CHANGE OF NAME TO NETX INC. & CORE BUSINESS & ACQUISITION**”, that the Issuer intended to change the “*core business of the Company to the provision of medical and consumer wellness services, as well as making investments in medical technology, robotics and artificial intelligence (AI) technology application in the medical and consumer wellness space (“Proposed Change of Core Business”)*”.

It was then mentioned in the Issuer’s announcement on 6 September 2020, titled “**UPDATE ANNOUNCEMENT ON THE RIGHTS ISSUE**”, that “*On 31 August 2020, the Company subsequently announced it had requested for a voluntary suspension of the Shares, pending the release of an announcement(s) in relation to strategic changes to be made in the business direction of the Company*”.

- 1) **Please provide an update on the strategic changes to be made in the business direction of the Company.**

Following the announcement made on 31 August 2020, the Board understands that the Controlling Shareholders continue to explore strategic possibilities with respect to the Company. Pending further developments, the Board will continue to assess all possibilities in the best interests of the Company and will continue to engage the Controlling Shareholders of the Company to obtain clarity on the strategic changes to be made in the business direction of the Company. As such, the Company’s shares will continue to remain suspended pending the release of the SC Announcement.

- 2) **Please provide an update on the current business and operations of the Group, including the current state of affairs, in relation to the executive decision-making function and management, of the Company. Please elaborate on whether there are plans to bring onboard any executive directors and any future plans in relation to the matter as well.**

Following the completion on 15 April 2020 of the divestment of its entire equity interest in its subsidiary, Axcelasia Taxand Sdn Bhd and its subsidiaries (the “**Sale Group**”), the Group has ceased its business operations which is in the provision of integrated professional services including tax advisory, business consultancy, technology tools and advisory and business support services in Malaysia. Presently, the Group currently has four subsidiaries, namely, Axington Lao Co. Ltd (formerly known as Axcelasia Lao Co., Ltd.) (“**Axington Lao**”), Audex Governance Sdn. Bhd. (“**Audex Governance**”), Axington Singapore Pte. Ltd. (formerly known as Axcelasia Singapore Pte. Ltd.) (“**Axington Singapore**”) and Axcelasia Vietnam Co., Ltd. (“**Axcelasia Vietnam**”). Axington Singapore remains the sole operating subsidiary of the Company, which is engaged in the provision of integrated professional services, including tax advisory, business consultancy, technology tools and advisory and business support services. Axington Lao, Audex

Governance and Axcelasia Vietnam are currently dormant. Following the divestment of the Sale Group, the Company is in the process of striking off Axington Lao, Audex Governance and Axcelasia Vietnam.

Following the resignation of the previous directors, the Board is currently comprised of only Independent Directors. The Board is in the midst of identifying suitable candidates to be appointed as executive personnel to oversee the day-to-day operations and implementation of any strategic changes to be made in the business direction of the Company and the Group. The Company is in the process of reviewing the expertise and experience of the candidates and will make an announcement to update Shareholders in due course.

Further, the Board is aware that the Board Committees, namely the Audit Committee, the Remuneration Committee and the Nominating Committee do not comply with the Code of Corporate Governance 2018 and the Catalyst Rules. In particular, the Audit Committee does not comply with Rule (704)(7) of the Catalyst Rules, where the Audit Committee of the Company should consist of a minimum number of three members. Accordingly, The Board will endeavour to fill the vacancies, according to the requirements of the Code of Corporate Governance 2018 and the Catalyst Rules as soon as practicably possible.

3) Please provide an update on the safeguards put in place to ensure that the utilization and/or deployment of the Group's assets (including the Company's cash and cash equivalent) are in the best interest of the Group, in consideration of the possible strategic changes to the business direction of the Company."

Based on the unaudited financial statements and dividend announcement for the half year ended 30 June 2020 made by the Company on 25 July 2020, the Group had cash and cash equivalents of approximately RM79.12 million, representing 97.41% of the total assets of the Group as at 30 June 2020.

The Board recognises the importance of maintaining a system of internal control processes to safeguard Shareholders' interest and the Group's business and assets. The Company has taken steps to have company documents handed over from the former executive team. The Company has also been in contact with the bank where the Company's cash balances are held, and has begun the process of making changes to the authorised signatories of the Company's bank accounts.

BY ORDER OF THE BOARD

Mr. Roberto Dona
Independent Director

10 September 2020

*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 Catalyst.*

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.