

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

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR
ENDED 31 DECEMBER 2022**

*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.

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

	Note	Group			
		6 months ended 31 December 2022 (Unaudited) S\$'000	6 months ended 31 December 2021 (Audited) S\$'000	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
Continuing operations					
Other income	A.1	93	41	93	111
Employee benefits expense	8	(162)	(138)	(324)	(221)
Short-term rental expense		-	-	-	(20)
Finance cost		(2)	-	(2)	-
Other expenses	A.1	(289)	(472)	(593)	(849)
Loss before taxation from continuing operations		(360)	(569)	(826)	(979)
Taxation		-	-	(18)	-
Loss after taxation from continuing operations		(360)	(569)	(844)	(979)
Discontinued operations					
Loss from discontinued operations, net of tax		(6)	-	(6)	-
Loss for the period/year		(366)	(569)	(850)	(979)
Other comprehensive income after tax:					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		-	-	10	3
Other comprehensive income for the year, net of tax of nil		-	-	10	3
Total comprehensive loss for the period/year		(366)	(569)	(840)	(976)
Loss attributable to:					
Owners of the Company					
- Loss from continuing operations, net of tax		(375)	(567)	(859)	(976)
- Loss from discontinued operations, net of tax		(6)	-	(6)	-
		(381)	(567)	(865)	(976)

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group			
	6 months ended 31 December 2022 (Unaudited) S\$'000	6 months ended 31 December 2021 (Audited) S\$'000	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
Note				
Non-controlling interests:				
- Loss from continuing operations, net of tax	15	-	15	(3)
- Loss from discontinued operations, net of tax	-	-	-	-
Loss for the period/year	(366)	(569)	(850)	(979)
Total comprehensive income / (loss) attributable to:				
Owners of the Company	(381)	(567)	(855)	(973)
Non-controlling interests	15	(2)	15	(3)
Total comprehensive income for the period/year	(366)	(569)	(840)	(976)
Loss per share attributable to owners of the Company (S\$ cents)				
Basic and diluted	(0.25)	(0.29)	(0.45)	(0.52)
- Continuing operations	(0.25)	(0.29)	(0.45)	(0.52)
- Discontinued operations	-	-	N.M.	-

* - less than S\$1,000

N.M. – Not meaningful

Discontinued operations

On 30 December 2022, Audex Governance Sdn. Bhd. ("**Audex**"), a wholly owned subsidiary of the Company, was struck off from the Registrar of Companies under Section 550 of the Malaysia Companies Act 2016 ("**Strike-Off**"). No gain or loss was recognized following the strike-off as Audex did not have any assets nor liabilities as at the date of the Strike-Off.

Audex is classified as "Discontinued Operations" and prior year's comparative figures are restated.

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

	Group			
	6 months ended 31 December 2022 (Unaudited) S\$'000	6 months ended 31 December 2021 (Audited) S\$'000	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
Loss for the financial period is stated after charging/(crediting) the following:				
Continuing operations				
Other income				
Bad debts recovered	-	(41)	-	(88)
Interest income	-	-	-	(23)
Reversal of accruals and other payable	(93)	-	(93)	-
Other Expenses				
Allowance for doubtful debts	23	-	23	25
Advertising and promotion	-	-	-	31
Annual general meeting	-	61	16	85
Audit fee	(5)	49	80	130
Bad debts written off	28	-	28	-
Entertainment	-	-	1	-
Loss on lease termination	-	-	-	15
Postage, courier, and dispatch	*	-	1	-
Printing stationery	*	-	*	-
Achieva Acquisition (defined herein) expenses	93	-	93	-
Service tax	1	-	1	-
Storage	*	1	2	-
Subscription fee	1	-	1	-
Tax fee	-	26	-	-
Training	-	4	1	-
Travelling	-	-	1	-
Upkeep of office and office equipment	-	1	-	-
Unrealised foreign exchange loss	(1)	-	7	4
Realised foreign exchange loss	11	4	11	-
Professional fees (sponsorship, bookkeeping, legal, secretarial, and other professional fee)	138	326	327	559
* - less than S\$1,000				

B. Condensed Interim statements of financial position

	Note	Group		Company	
		31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
ASSETS					
Current assets					
Cash and bank deposits	5	1,155	2,002	1,147	1,995
Restricted deposit	5	620	26,620	620	26,620
Trade and other receivables	6	-	32	-	-
Prepayment	10	1	42	1	42
Total current assets		1,776	28,696	1,768	28,657
Total assets		1,776	28,696	1,768	28,657
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	14	2,431	15,093	2,431	15,093
Treasury shares	14	(1)	(1)	(1)	(1)
Reserve		14	(746)	-	(750)
Retained earnings		(840)	14,123	(837)	14,140
Equity attributable to owners of the Company		1,605	28,469	1,593	28,482
Non-controlling interests		(5)	(20)	-	-
Total equity		1,600	28,449	1,593	28,482
Current liabilities					
Other payables and accruals	7	176	247	175	175
Total current liabilities		176	247	175	175
Total liabilities		176	247	175	175
Total equity and liabilities		1,776	28,696	1,768	28,657

* - less than S\$1,000

C. Condensed interim statement of changes in equity

Group

	Share capital	Treasury shares	Capital/Merger reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Unaudited								
Balance at 1 January 2022	15,093	(1)	(750)	4	14,123	28,469	(20)	28,449
Loss for the year	-	-	-	-	(865)	(865)	15	(850)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- Currency translation differences	-	-	-	10	-	10	-	10
Total comprehensive loss for the year	-	-	-	10	(865)	(855)	15	(840)
Contributions by and distributions to owners								
Dividends	-	-	-	-	(14,097)	(14,097)	-	(14,097)
Share reduction	(11,912)	-	-	-	-	(11,912)	-	(11,912)
Cancellation of shares (Note 14)	(750)	-	750	-	-	-	-	-
Transactions with owners in their capacity as owners	(12,662)	-	750	-	(14,097)	(26,009)	-	(26,009)
Balance at 31 December 2022	2,431	(1)	-	14	(839)	1,605	(5)	1,600
Audited								
Balance at 1 January 2021, as previously stated	15,532	(1)	-	(467)	15,128	30,192	(17)	30,175
Effect of prior year adjustments	(439)	-	-	468	(29)	-	-	-
Balance at 1 January 2021	15,093	(1)	-	1	15,099	30,192	(17)	30,175
Loss for the year	-	-	-	-	(976)	(976)	(3)	(979)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	3	-	3	-	3
Total comprehensive loss for the year	-	-	-	3	(976)	(973)	(3)	(976)
Contributions by and distributions to owners								
Cancellation of shares (Note 14)	-	-	(750)	-	-	(750)	-	(750)
Transactions with owners in their capacity as owners	-	-	(750)	-	-	(750)	-	(750)
Balance at 31 December 2021	15,093	(1)	(750)	4	14,123	28,469	(20)	28,449

* - less than S\$1,000

C. Condensed interim statement of changes in equity (cont'd)

Company

	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Unaudited								
Balance at 1 January 2022	15,093	(1)	(750)	-	14,140	28,482	-	28,482
Loss for the year	-	-	-	-	(880)	(880)	-	(880)
Total comprehensive loss for the year	-	-	-	-	(880)	(880)	-	(880)
Contributions by and distributions to owners								
Dividends	-	-	-	-	(14,097)	(14,097)	-	(14,097)
Cancellation of shares (Note 14)	(750)	-	750	-	-	-	-	-
Share reduction	(11,912)	-	-	-	-	(11,912)	-	(11,912)
Transactions with owners in their capacity as owners	(12,662)	-	750	-	(14,097)	(26,009)	-	(26,009)
Balance at 31 December 2022	2,431	(1)	-	-	(837)	1,593	-	1,593
Audited								
Balance at 1 January 2021	15,532	(1)	-	(467)	14,679	29,743	-	29,743
Effect of prior year adjustments	(439)	-	-	467	(29)	-	-	-
Balance at 1 January 2021, as restated	15,093	(1)	-	-	14,650	29,743	-	29,743
Loss for the year	-	-	-	-	(510)	(510)	-	(510)
Total comprehensive loss for the year	-	-	(750)	-	(510)	(1,260)	-	(1,260)
Contributions by and distributions to owners								
Cancellation of shares (Note 14)	-	-	(750)	-	-	(750)	-	(750)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Balance at 31 December 2021	15,093	(1)	(750)	-	14,140	28,482	-	28,482

* - less than S\$1,000

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
Cash flows from operating activities		
Loss before taxation		
- Continuing operations	(826)	(979)
- Discontinued operations	(6)	-
Loss before taxation	(832)	(979)
Adjustment for:		
Bad debts written off	28	-
Allowance for doubtful debts	23	-
Interest income	-	(23)
Loss on lease termination	-	15
Other write-off	86	-
Translation difference	11	-
Operating (loss)/profit before working capital changes	(684)	(987)
Changes in trade and other receivables	22	334
Changes in prepayment	-	(41)
Changes in other payables and accruals	(157)	(829)
Taxation	(18)	-
Net cash used in operating activities	(837)	(1,523)
Cash flows from investing activities		
Interest received	-	23
Placement of restricted deposit in escrow account	-	(26,620)
Net cash used investing activities	-	(26,597)
Cash flows from financing activities		
Dividends paid	(14,097)	-
Share reduction	(11,912)	-
Withdrawal from Escrow account	26,000	-
Repayment of lease liabilities	-	(27)
Net cash used in financing activities	(9)	(27)
Net decrease in cash and cash equivalents	(846)	(28,147)
Cash and cash equivalents at beginning of financial year	2,002	30,154
Exchange differences on translation on cash and cash equivalents	(1)	(5)
Cash and cash equivalents at end of financial year	1,155	2,002

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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

2. Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim consolidated financial statements are presented in Singapore Dollars (“**SGD**” or “**S\$**”) which is the Company’s functional currency that has been adopted for the financial year ended 31 December 2022.

2.1 New and amended standards

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

2.2 Use of judgment and estimates

In preparing the condensed interim consolidated 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 Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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

The Board of Directors (“**BOD**”) is of the opinion that there are no critical judgements made in applying the Group’s accounting policies that have the most significant effect on the amounts recognised in the financial statements and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Seasonal operations

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

4. Segment and revenue information

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

5. Cash and cash equivalents

The Group’s cash and cash equivalents comprise the following:

	Group		Company	
	31 December 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000	31 December 2022 (Unaudited) S\$’000	31 December 2021 (Audited) S\$’000
Cash and bank deposits	1,155	2,002	1,147	1,995
Restricted deposit ¹	620	26,620	620	26,620
	1,775	28,622	1,767	28,615

Note:

(1) Restricted deposit relates to cash of S\$0.62 million (FY2021: S\$26.62 million) placed in the escrow account opened with a bank in Singapore acting as escrow agent in compliance with Rule 1017(1)(a) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

6. **Trade and other receivables**

	Group		Company	
	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
Amount due from subsidiaries (non-trade)	-	-	-	70
Less: Allowance for impairment losses	-	-	-	(70)
	-	-	-	-
Deposits	-	28	-	-
Other receivables	-	4	-	-
	-	32	-	-

7. **Other payables and accruals**

	Group		Company	
	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
Accrued expenses	153	209	152	155
Amount due to related parties	-	-	-	11
Other payables	23	38	23	9
	176	247	175	175

8. **Employee benefits expense**

Group	6 months ended 31 December 2022 (Unaudited) S\$'000	6 months ended 31 December 2021 (Audited) S\$'000	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
	Directors' fees	72	33	144
Other than key management personnel:				
- Salaries and other related costs	90	105	180	105
	162	138	324	221

9. **Significant related party transactions**

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

Group	6 months ended 31 December 2022 (Unaudited) S\$'000	6 months ended 31 December 2021 (Audited) S\$'000	12 months ended 31 December 2022 (Unaudited) S\$'000	12 months ended 31 December 2021 (Audited) S\$'000
	Consultancy fees paid to current and former directors	-	16	-

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

10. **Prepayment**

Group	Company		Group	
	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
Prepayment for professional services	1	42	1	42

11. **Loss per share**

Loss per share ("LPS")	Group Year ended	
	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Net Loss (SGD) attributable to owners of the Company for the period from		
- Continuing operations	(844,068)	(449,860)
- Discontinued operations	(6,247)	-
Weighted average number of ordinary shares in issue ⁽¹⁾	188,754,821	186,496,368
Basic and diluted LPS (SGD cents per share) from		
- Continuing operations	(0.45)	(0.24)
- Discontinued operations	N.M.	-

N.M. – Not meaningful

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 31 December 2022 and 31 December 2021.

12. **Net asset value**

Net asset value (“NAV”)	Group		Company	
	31 December 2022 (Unaudited)	31 December 2021 (Audited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
NAV (SGD)	1,599,884	28,449,461	1,592,886	28,481,997
Number of ordinary shares in issue (excluding treasury shares)	186,710,300	190,460,300	186,710,300	190,460,300
NAV per ordinary share (SGD cents)	0.86	14.94	0.85	14.95

13. **Borrowings**

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

14. **Ordinary shares**

	Number of issued shares (excluding treasury shares)	Share capital (S\$)
Paid-up share capital as at 1 January 2022	190,460,300 ⁽¹⁾	15,092,296 ⁽²⁾
(less) Share cancellation	(3,750,000) ⁽³⁾	(750,000)
Share reduction	-	(11,912,117) ⁽⁴⁾
Total share capital as at 31 December 2022	186,710,300	2,430,179

Notes:

- (1) The total number of issued shares of 190,460,300 includes the 3,750,000 shares issued to Kerrigan Medical Supplies Pte. Ltd. (“**Kerrigan**”) in relation to the Company’s placement announced on 29 July 2020 (the “**Placement**”) for which the consideration of approximately S\$0.75 million for the issuance of such number of shares remains outstanding from Kerrigan. Please refer to the Company’s announcement dated 16 July 2021 for further details.
- (2) The total issued share capital of S\$15.09 million includes the outstanding amount of S\$0.75 million due from Kerrigan in relation to the Placement. Please refer to the Company’s announcement dated 16 July 2021 for further details.
- (3) Further to the Company’s extraordinary general meeting held on 27 May 2022 (the “**EGM**”), the cancellation of the 3,750,000 ordinary shares held by Kerrigan Medical Supplies Pte. Ltd was effected on 23 June 2022 and accordingly, the net amount of S\$750,000 was deducted against the share capital. Please refer to the Company’s circular dated 5 May 2022, announcements dated 27 May 2022, 3 June 2022 and 10 August 2022 for further details.
- (4) In connection with the Cash Distribution (defined herein) approved by the shareholders during the Company’s EGM, the Company has reduced its share capital by S\$11.91 million on 25 August 2022. Please refer to the Company’s circular dated 5 May 2022, announcements dated 27 May 2022, 3 June 2022 and 10 August 2022 for further details.

Treasury Shares

There were 9,700 treasury shares representing 0.005% of the Company's 186,710,300 ordinary shares (excluding treasury shares) as at 31 December 2022.

Subsidiary Holdings and Convertible Instruments

The Company did not have any subsidiary holdings or convertible instruments as at 31 December 2022 and 31 December 2021.

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

	As at 31 December 2022 (Unaudited)	As at 31 December 2021 (Audited)
Total number of issued shares (excluding treasury shares)	186,710,300	190,460,300

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

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

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

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

15. Subsequent events

On 1 February 2023, Axington Singapore Pte. Ltd. submitted its strike-off application to the Accounting and Corporate Regulatory Authority (ACRA) under Section 344A of the Singapore Companies Act 1967. The striking-off process is expected to take approximately 3 months to complete.

There are no known subsequent events which have led to adjustments to this set of 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 the Company and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 December 2022 and certain explanatory notes have not been audited or reviewed.

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

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

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

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

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

Impact on the outstanding matters have been disclosed in the Company's announcement dated 5 May 2022. Save as disclosed in the announcement, the Board is of the view that the impact of all outstanding audit issues on financial statements have been adequately disclosed.

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

The accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2021.

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

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of Financial Reporting Standards ("**INT FRS**") that are mandatory for the accounting periods beginning on or after 1 January 2022. 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 Group for the financial year ("FY") ended 31 December 2022 as compared to FY2021

REVIEW OF GROUP PERFORMANCE

Effect of Cash Company Status

Following the divestment of Tricor Taxand Sdn. Bhd. (previously known as Axcelasia Taxand Sdn. Bhd.) on 15 April 2020 and the Strike-Off, the Group currently consists primarily of the Company and three subsidiaries namely Axington Singapore Pte. Ltd., Axington Lao Co., Ltd and Axcelasia Vietnam Co., Ltd.

As the Group does not currently have any revenue generating business, the Company had, on 1 April 2021, notified the SGX-ST (via the Company's sponsor) of its cash company status pursuant to of the Catalist Rules.

The cash company status is not expected to have any material impact on the Company and the Group for the current period.

Effect of Cash Distribution

In connection with the shareholders circular dated 5 May 2022, the Company had on 27 May 2022 obtained its shareholders approval to withdraw S\$26.00 million from its escrow account to facilitate the cash distribution of S\$0.1393 per each ordinary share ("**Share**") to its shareholders comprising of:

- (i) returning of \$0.0638 in cash per Share of the Company via share capital reduction; and
- (ii) declaration of a final single tier tax exempt dividend of S\$0.0755 per Share for the year ended 31 December 2021.

collectively, the "**Cash Distribution**".

The Cash Distribution totalled S\$26.01 million has been completed on 25 August 2022. As at the date of this announcement, the Company had an aggregate of S\$0.62 million, in the escrow account with DBS Bank Limited (the escrow agent).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Other income, net reduced by approximately S\$0.05 million mainly due to the absence of interest income from fixed deposits of approximately S\$0.02 million and decrease in bad debts recovery of approximately S\$0.05 million.

Employee benefits expense increased by approximately S\$0.10 million mainly due to increase of (i) directors fee of approximately S\$0.03 million and (ii) salaries and other related costs of approximately S\$0.07 million.

Other expenses decreased by approximately S\$0.28 million mainly due to (i) decrease in professional fees of approximately S\$0.23 million, (ii) advertising and promotion of approximately S\$0.03 million, (iii) annual general meeting related expenses of approximately S\$0.07 million, (iv) loss on lease termination of approximately S\$0.02 million and (v) audit fee of approximately S\$0.05 million. The decrease in other expenses was partially offset by (i) realized foreign exchange of approximately S\$0.02 million and (ii) Achieva Acquisition (defined herein) expenses of approximately S\$0.09 million.

As a result of the above, the loss after taxation attributable to owners of company is approximately S\$0.85 million.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current assets

Prepayment amounting to approximately S\$1k mainly relates to deposits paid for professional services.

Cash and cash equivalents decreased by approximately S\$0.85 million mainly due to payment of expenditures during the financial year.

Non-current assets

There were no non-current assets recorded as at 31 December 2022 as the right-of-use of assets and plant and equipment have been fully impaired following the termination of lease on 31 March 2021 and the impairment of equipment of Company in FY2020 as they were not envisaged to generate future revenue for the Company.

Liabilities

Other payables and accruals total decreased by approximately S\$0.07 million mainly due to decrease in (i) accrued expenses by approximately S\$0.06 million and (ii) other payables by approximately S\$0.01 million.

The Group is in a positive working capital position of S\$1.78 million as at 31 December 2022.

CONSOLIDATED STATEMENT OF CASH FLOW

The Group recorded net cash used in operating activities of approximately S\$0.84 million was mainly due to operating loss before working capital changes of approximately S\$0.68 million, and adjusted for net working capital outflow of approximately S\$0.15 million. The working capital outflow was mainly due to the decrease in other payables and accruals

amounting to approximately S\$0.16 million, increase in trade and other payables of approximately S\$22k and taxation paid of approximately S\$18k.

Net cash used in financing activities of approximately S\$9k was mainly due to withdrawal from the escrow account of approximately S\$26.00 million, offset against the Cash Distribution amounting to approximately S\$26.01 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$0.85 million mainly due to net cash used in operating activities of approximately S\$0.84 million in addition to net cash used in financing activities of approximately S\$0.01 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 made an application 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 ("**Waiver Conditions**").

As at the date of this announcement, the Company is working to satisfy the Waiver Conditions and will provide further updates to shareholders when the Waiver Conditions are satisfied.

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 for the current financial year reported.

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

Not applicable.

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

A final single tier tax exempt dividend of S\$0.0755 per share was declared for the year ended 31 December 2021. Please refer to the Circular and the Company's announcement dated 10 August 2022 for further details.

- (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.**

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

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

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

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

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 FY2022.

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. **Segmented revenue and results for operating segments (of the group in the form presented in the issuer's most recently audited financial statements with comparative information for the immediately preceding year.**

The Company is a cash company with effect from 1 April 2021 and its subsidiaries are dormant entities. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

13. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 12 above.

14. A breakdown of sales:

Not applicable as the Company is a cash company with effect from 1 April 2021 and its subsidiaries are dormant entities. The Group does not have any revenue generating business, as such, a breakdown of sales is not prepared as it is not meaningful.

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

For financial year ended	Annual Dividend (S\$)
- 31 December 2021	14,097
- 31 December 2022	-

16. 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 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	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 shareholders' approvals and intended use of

IPO net proceeds as stated in the Company's offer document dated 18 November 2015 and the announcement dated 23 February 2017 on the reallocation of proceeds from the Company's IPO.

Placement net proceeds

	<u>Amount allocated (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	(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.

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
Subtotal	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 by 18 March 2021, in accordance with the Company's announcement dated 15 March 2021.

17. **Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ang Chiang Meng
Executive Director

Singapore
28 February 2023