

**Axington Inc.**  
(Incorporated in Labuan)  
(Company Registration No. LL12218)

**Unaudited Financial Statement and Dividend Announcement For the Half Year Ended 30 June 2021**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

The presentation of the financial statements of the Group have been changed from Ringgit Malaysia (“RM”) to Singapore Dollar (“SGD” or “S\$”). Please refer to paragraph 5 of this announcement for details. Accordingly, the comparatives have also been restated and presented in SGD.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	Group		Change %
		Half Year Ended		
		30 June 2021 (Unaudited) S\$'000	30 June 2020 (Restated) S\$'000	
Revenue		-	8	(100)
Other income - net		60	182	(67.03)
Depreciation of plant and equipment		-	(11)	(100)
Depreciation of right-of-use assets		-	(12)	(100)
Employee benefits expense	H	(83)	(184)	(54.89)
Short-term rental expense		(21)	(3)	>100
Finance cost		(1)	(2)	(50.00)
Other expenses	1(a)(ii)	(405)	(386)	4.92
<b>Loss before taxation from continuing operations</b>		<b>(450)</b>	<b>(408)</b>	<b>10.29</b>
Taxation		-	-	N.M.
<b>Loss after taxation from continuing operations</b>		<b>(450)</b>	<b>(408)</b>	<b>10.29</b>
<b>Discontinued operations</b>				
Profit from discontinued operations, net of tax		-	18,733	(100)
<b>(Loss)/profit for the period</b>		<b>(450)</b>	<b>18,325</b>	<b>(&gt;100)</b>
<b>Other comprehensive income after tax:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation differences		-	*	N.M.
<b>Total comprehensive (loss)/profit for the period, net of tax of nil</b>		<b>-</b>	<b>*</b>	<b>N.M.</b>
<b>Total comprehensive (loss)/profit for the period</b>		<b>(450)</b>	<b>18,325</b>	<b>(&gt;100)</b>

**(Loss)/profit attributable to:**

Owners of the Company

- Loss from continued operations, net of tax

(448) (408) 9.80

- Profit from discontinued operations, net of tax

- 18,733 (100)

**(448) 18,325 >100**

Non-controlling interests:

- Loss from continued operations, net of tax

(2) \* N.M.

- Profit from discontinued operations, net of tax

- (5) (100)

**(2) (5) (60.00)****(Loss)/profit for the year****(450) 18,320 (>100)****Total comprehensive income attributable to:**

Owners of the Company

(448) 18,330 (&gt;100)

Non-controlling interests

(2) (5) (60.00)

**Total comprehensive income for the year****(450) 18,325 (>100)****Earnings per share attributable to owners of the Company (S\$ cents)**

Basic and diluted

**(0.24) 11.44 N.M.**

From continuing operations

(0.24) (0.25) (4.00)

From discontinued operations

- 11.69 (100)

Discontinued operations

The divestment of Tricor Taxand Sdn. Bhd. ("**Tricor Taxand**") (previously known as Axcelasia Taxand Sdn. Bhd.) was completed on 15 April 2020 for a cash consideration of S\$22.9 million equivalent (RM69.7 million) ("**Divestment**"). The gain on Divestment recognised was S\$18.8 million equivalent (RM57.3 million). Tricor Taxand is classified as "Discontinued Operations" and prior year's comparative figures are restated.

N.M. – Not meaningful

\* - less than S\$1,000

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

Profit for the financial period is stated after charging/(crediting) the following:	Half Year Ended		Change %
	30 June 2021 (Unaudited) S\$'000	30 June 2020 (Restated) S\$'000	
<b>Continuing Operations</b>			
<b>Other income - net</b>			
Fixed deposits interest income	-	(183)	(100)
Bank deposits interest income	(22)	(1)	>100
Reversal in allowance for doubtful debts	(88)	-	N.M.
Realised foreign exchange loss, net	-	4	(100)
Unrealised foreign exchange loss/(gain), net	50	(2)	N.M.
Depreciation of plant and equipment	*	(11)	(100)
Depreciation of right-of-use assets	-	(12)	(100)
<b>Short-term rental expense</b>			
Rental of office and car park	20	3	>100
Upkeep of office and office equipment	1	*	N.M.
Website maintenance	*	*	N.M.
<b>Other expenses</b>			
Direct cost	-	37	(100)
Travelling	*	4	N.M.
Training	8	-	N.M.
Insurance	-	3	(100)
Accommodation	-	1	(100)
Audit fee	63	2	>100
Admin fee	10	4	>100
Annual dinner	-	9	(100)
Advertising and promotion	31	7	>100
Annual general meeting	24	1	>100
Allowance for doubtful debts	-	18	(100)
Medical expenses	-	1	(100)
Postage, courier, and dispatch	1	1	N.M.
Petrol, toll and parking	-	1	(100)
Printing stationery	-	17	(100)
Share registrar	-	5	(100)
Subscription fee	-	11	(100)
Storage	1	1	N.M.
Staff welfare	-	1	(100)
Service tax	-	4	(100)
Telephone, fax and internet	-	2	(100)
Tax fee	-	30	(100)
Team building	-	6	(100)
Professional fees (sponsorship, bookkeeping, legal, secretarial and other professional fee)	267	220	21.82

**Discontinued Operations*****Other income - net***

Fixed deposits interest income	-	(21)	(100)
Realised foreign exchange loss, net	-	1	(100)
Unrealised foreign exchange (gain), net	-	(1)	(100)
Plant and equipment written off	-	-	N.M.
Sundry income	-	(8)	(100)

Depreciation of plant and equipment	-	79	(100)
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***Short-term rental expense***

Rental of office and car park	-	2	(100)
Upkeep of office and office equipment	-	5	(100)

***Other expenses***

Travelling	-	12	(100)
Insurance	-	32	(100)
Seminar and training	-	5	(100)

N.M. – Not meaningful

\* - less than S\$1,000

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Notes	Group		Company	
	30 June 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000	30 June 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
	-	-	-	-
Plant and equipment	-	-	-	-
Right-of-use assets	-	24	-	24
	-	<b>24</b>	-	<b>24</b>
<b>Current assets</b>				
Trade and other receivables	F 1,107	1,114	1,082	1,084
Current tax recoverable	*	*	-	-
Cash and cash equivalents	E 29,441	30,085	29,420	30,072
	<b>30,548</b>	<b>31,200</b>	<b>30,502</b>	<b>31,156</b>
<b>Total assets</b>	<b>30,548</b>	<b>31,224</b>	<b>30,502</b>	<b>31,180</b>
<b>EQUITIES AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	15,532	15,532	15,532	15,532
Treasury shares	(1)	(1)	(1)	(1)
Reserves	72	(409)	-	-
Retained profits	14,139	14,983	14,236	14,626
<b>Equity attributable to owners of the Company</b>	<b>29,743</b>	<b>30,124</b>	<b>29,767</b>	<b>30,157</b>
Non-controlling interest	(20)	(19)	-	-
<b>Total equity</b>	<b>29,722</b>	<b>30,105</b>	<b>29,767</b>	<b>30,157</b>
<b>Non-current liabilities</b>				
Lease liabilities	-	-	-	-
<b>Current liabilities</b>				
Other payables and accruals	G 826	1,083	735	987
Lease liabilities	-	36	-	36
Current tax payable	-	-	-	-
Bank overdraft	-	*	-	*
	<b>826</b>	<b>1,119</b>	<b>735</b>	<b>1,022</b>
<b>Total liabilities</b>	<b>826</b>	<b>1,119</b>	<b>735</b>	<b>1,022</b>
<b>Total equity and liabilities</b>	<b>30,548</b>	<b>31,224</b>	<b>30,502</b>	<b>31,180</b>

\* - less than S\$1,000

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>As at 30 June 2021 (Unaudited)</b>		<b>As at 31 December 2020 (Restated)</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	*

**Amount repayable after one year**

<b>As at 30 June 2021 (Unaudited)</b>		<b>As at 31 December 2020 (Restated)</b>	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

**Details of any collateral**

There are no secured borrowings as at 30 June 2021 and 31 December 2020.

\* - less than S\$1,000

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows**

	Half Year Ended	
	30 June 2021 (Unaudited) S\$'000	30 June 2020 (Restated) S\$'000
<b>Cash flows from operating activities</b>		
Net loss from continuing operations	(450)	(408)
Net profit from discontinued operations	-	18,733
<b>(Loss)/ Profit before taxation</b>	<b>(450)</b>	<b>18,325</b>
Adjustment for:		
Depreciation of plant and equipment	-	11
Depreciation of right-of-use assets	-	12
Interest income	(22)	(184)
Gain on divestment of a subsidiary corporation	-	(18,794)
Right-of-use assets impairment	(12)	-
Unrealised foreign exchange loss/(gain)	50	(2)
Finance expense	1	2
<b>Operating cash flows before working capital changes</b>	<b>(433)</b>	<b>(631)</b>
<b>Changes in working capital</b>		
Changes in trade and other receivables	22	459
Changes in other payables and accruals	(257)	2
Changes in other current liabilities	1	-
<b>Cash used in operations</b>	<b>(234)</b>	<b>(461)</b>
Income tax paid	-	*
<b>Net cash used in operating activities</b>	<b>(667)</b>	<b>(169)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	-	*
Interest received	22	184
Disposal of subsidiaries, net of cash disposed of	-	21,867
<b>Net cash generated from investing activities</b>	<b>22</b>	<b>22,051</b>
<b>Cash flows from financing activities</b>		
Fixed deposit pledged	-	4
Dividends paid	-	(3,687)
Repayment of lease liabilities	-	(13)
Interest paid	-	(1)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(3,698)</b>

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>30 June 2020</b> <b>(Restated)</b> <b>S\$'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(644)	18,184
Cash and cash equivalents at beginning of financial period	30,085	7,766
Exchange differences on translation on cash and cash equivalents	-	(193)
<b>Cash and cash equivalents at end of financial period</b>	<b>29,441</b>	<b>25,757</b>

\* - less than S\$1,000



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Statement of Changes in Equity  
Group**

**(Unaudited)**

	Share capital S\$'000	Treasury shares S\$'000	Merger reserve S\$'000	Other reserve S\$'000	Retained profits S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 January 2021	15,532	(1)	-	17	14,587	(18)	30,118
Total comprehensive profit for the year	-	-	-	-	(448)	(2)	(450)
Currency translation	-	-	-	55	-	-	55
<b>Balance as at 30 June 2021</b>	<b>15,532</b>	<b>(1)</b>	<b>-</b>	<b>72</b>	<b>14,139</b>	<b>(20)</b>	<b>29,722</b>

**(Restated)**

Balance as at 1 January 2020	9,527	(1)	(876)	16	2,665	23	11,354
Total comprehensive profit for the year	-	-	-	*	18,330	(5)	18,325
Currency translation	-	-	-	(639)	-	-	(639)
Divestment of subsidiary corporation	-	-	876	*	*	(18)	858
Dividend paid	-	-	-	-	(3,687)	-	(3,687)
<b>Balance as at 30 June 2020</b>	<b>9,527</b>	<b>(1)</b>	<b>-</b>	<b>(623)</b>	<b>17,308</b>	<b>-</b>	<b>26,211</b>

\* - less than S\$1,000

**Statement of Changes in Equity  
Company**

**(Unaudited)**

	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
Balance as at 1 January 2021	15,532	(1)	14,679	30,210
Total comprehensive profit for the year	-	-	(443)	(443)
<b>Balance as at 30 June 2021</b>	<b>15,532</b>	<b>(1)</b>	<b>14,236</b>	<b>29,767</b>

**(Restated)**

Balance as at 1 January 2020	15,532	(1)	(1,376)	14,155
Total comprehensive profit for the year	-	-	20,321	20,321
Currency translation	-	-	(632)	(632)
Dividend paid			3,687	3,687
<b>Balance as at 30 June 2020</b>	<b>15,532</b>	<b>(1)</b>	<b>14,626</b>	<b>30,157</b>

## **Notes to the unaudited condensed interim consolidated financial statement**

### **A. 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 unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 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.

### **B. Basis of preparation**

The unaudited condensed interim financial statements for the half year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited 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 2020.

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 B1 below.

The unaudited condensed interim financial statements are presented in SGD which is the Company’s functional currency that has been adopted for the financial year ended 31 December 2021. Please refer to paragraph 5 of this announcement for further details.

### **B1. New and amended standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021.

Save as disclosed in paragraph 5, the adoption of these amendments did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current financial period. Please refer to paragraph 5 for more details.

### **B2. Use of judgment and estimates**

In preparing the unaudited 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 2020.

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 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.

**C. Seasonal operations**

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

**D. Segment and revenue information**

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

**E. Cash and cash equivalents**

	Group		Company	
	30 June 2021 (Unaudited) S\$’000	31 December 2020 (Restated) S\$’000	30 June 2021 (Unaudited) S\$’000	31 December 2020 (Restated) S\$’000
Cash in banks	29,441	30,085	29,420	30,072
Cash on hand	-	-	-	-
	<b>29,441</b>	<b>30,085</b>	<b>29,240</b>	<b>30,072</b>

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

	30 June 2021 (Unaudited) S\$’000	31 December 2020 (Restated) S\$’000
Cash and cash equivalents	29,441	30,085
Less: Bank overdraft	-	*
	<b>29,441</b>	<b>30,085</b>

**F. Trade and other receivables**

	Group		Company	
	30 June 2021 (Unaudited) S\$’000	31 December 2020 (Restated) S\$’000	30 June 2021 (Unaudited) S\$’000	31 December 2020 (Restated) S\$’000

Trade receivables from third parties	1,077	1,535	1,075	1,533
Less: Allowance for impairment losses	(2)	(460)	-	(458)
	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>
Amount due from subsidiaries (non-trade)	-	-	50	45
Less: Allowance for impairment losses	-	-	(44)	(45)
	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>
Amount due from a non-controlling interest	32	31	1	1
Deposits	-	-	-	-
Interest receivable	-	-	-	-
Other receivable	-	-	-	-
	<b>1,107</b>	<b>1,114</b>	<b>1,082</b>	<b>1,084</b>

G.

**Other payables and accruals**

	Group		Company	
	30 June 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000	30 June 2021 (Unaudited) S\$'000	31 December 2020 (Restated) S\$'000
Accrued expenses	280	608	225	551
Amounts due to directors of subsidiaries	135	52	135	52
Other payables	411	423	375	384
	<b>826</b>	<b>1,083</b>	<b>735</b>	<b>987</b>

H. **Employee benefits expense**

	30 June 2021 (Unaudited) S\$'000	30 June 2020 (Restated) S\$'000
<b>Group</b>		
Directors:		
Directors' fees	83	51
Other than key management personnel:		
- Salaries and other related costs	-	113
- Contributions to defined contribution plans	-	20
	<b>83</b>	<b>184</b>

**I. Significant related party transactions**

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

<b>Group</b>	<b>30 June 2021 (Unaudited) S\$'000</b>	<b>30 June 2020 (Restated) S\$'000</b>
Consultancy fees paid to current and former directors	120	-

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.

**J. Subsequent events**

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

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Shares Capital – Ordinary Shares**

	<b>Number of issued shares</b>	<b>Share capital (S\$)</b>
Paid-up share capital	190,135,300	14,475,308
Unpaid share capital*	5,375,000	1,075,000
<b>Total share capital as at 30 June 2021 and 31 December 2020</b>	<b>190,460,300<sup>1</sup></b>	<b>15,532,308<sup>2</sup></b>

Notes:

- (1) The total number of issued shares of 190,460,300 includes the 5,375,000 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\$1.08 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\$15.53 million includes the outstanding amount of S\$1.08 million due from Kerrigan in relation to the Placement. Please refer to the Company's announcement dated 16 July 2021 for further details.

The Company is exploring legal options to recover the outstanding placement proceeds from the shareholder for the placement shares subscribed in August 2020.

**Treasury Shares**

There were 9,700 treasury shares representing 0.005% of the Company’s 190,460,300 ordinary shares (excluding treasury shares) as at 30 June 2021 and 30 June 2020.

**Subsidiary Holdings and Convertible Instruments**

The Company did not have any subsidiary holdings or convertible instruments as at 30 June 2021 and 30 June 2020.

**1(d)(iii) To show the 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 2021	As at 31 December 2020
Total number of issued shares (excluding treasury shares)	190,460,300	190,460,300

**1(d)(iv) 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.

**1(d)(v) 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.

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

The (i) unaudited condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021, (ii) unaudited condensed consolidated profit or loss and other comprehensive income for the six-month period then ended, (iii) unaudited condensed consolidated statement of changes in equity for the six-month period then ended, (iv) unaudited condensed consolidated statement of cash flows for the six-month period then ended and (v) certain explanatory notes have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company’s auditors.

**3A. 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**

The Company is currently working to resolve the audit matters highlighted under the Company's Independent Auditors' Report dated 7 July 2021 ("**Independent Auditors Report**").

The Company also, had on 16 July 2021, released an announcement setting out, among others, the next steps to be undertaken by the Company to resolve the outstanding audit matters (i) to (v) as set out as the section entitled "Basis for Disclaimer of Opinion" of the Independent Auditors' Report.

Two other outstanding audit matters (audit matters (vi) and (vii) of the Independent Auditors' Report) mainly relate to the Company's inability to provide sufficient audit evidence to satisfy its auditors for the financial year ended 31 December 2020 in respect of (aa) the gain on disposal of subsidiaries and discontinued operations and (bb) opening balances and comparative information. These audit matters cannot be immediately resolved by the Company due to:

- i. as disclosed under the Company's announcement dated 16 July 2021, the historical books and records provided by the previous managements to the BOD were incomplete; and
- ii. absence of information sharing agreement between the previous auditors and the current auditors.

With regards to the audit matter on functional currency, the Company has changed its functional and presentation currency for the financial year ending 31 December 2021. Please refer to paragraph 5 below for more details.

Notwithstanding the above, the Company will continue to engage and consult its auditors to determine the best approach in preparing the financial statements. Further announcements will be made by the Company from time to time to update shareholders on any material developments in due course.

**(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 16 July 2021. 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.

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

Save as disclosed in note B1 above and paragraph 5 below, 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 2020.

**5. 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 2021. 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.

The Company has decided to change its functional and presentation currency from RM to SGD (the “**Change in Presentation Currency**”). The Change in Presentation Currency has been adopted for the financial period ended 30 June 2021, and for the financial year ending 31 December 2021 as the Company is of the opinion that SGD is a better presentation currency than the RM, given the following:

- a) the Divestment of Tricor Taxand, which are transactions mainly denominated in RM, has been completed in April 2020;
- b) cash and cash equivalents of the Group are mainly denominated in SGD;
- c) the liabilities and expenses incurred by the Group are mostly denominated in SGD; and
- d) the shares of the Company, albeit currently being suspended for trading, are listed on the SGX-ST.

In accordance with Financial Reporting Standards 21 - *The Effects of Changes in Foreign Exchange Rates*, the results and financial position of entities within the Group whose functional currency are not denominated in SGD have been translated from its functional currency (RM) into the presentation currency (SGD), where their assets and liabilities are translated at the closing rate, and income and expenses are translated at the exchange rates at the dates of the transactions (or at the average rate for the period when it is a reasonable approximation). The comparatives have been restated and presented in SGD using similar method.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares in issue; and**
- (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings per share (“EPS”)	Group	
	Half year Ended	
	30 June 2021 (Unaudited)	30 June 2020 (Restated)
Net Profit/(Loss) (SGD) attributable to owners of the Company for the period from		
- Continuing operations	(448,096)	(407,870)
- Discontinued operations	-	18,732,651
Weighted average number of ordinary shares in issue	186,495,368	160,310,300
Basic EPS/(LPS) (SGD cents per share) from		
- Continuing operations	(0.24)	(0.25)
- Discontinued operations	-	11.69
Fully diluted EPS (SGD cents per share) <sup>(1)</sup>		
- Continuing operations	(0.24)	(0.25)
- Discontinued operations	-	11.69

Note:-

(1) The basic and fully diluted EPS were the same as there were no potential dilutive ordinary shares in issue as at 30 June 2021 and 30 June 2020.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the;**

**(a) Current financial period reported on; and**

**(b) Immediately preceding financial year**

Net asset value (“NAV”)	Group		Company	
	30 June 2021 (Unaudited)	31 December 2020 (Restated)	30 June 2021 (Unaudited)	31 December 2020 (Restated)
NAV (SGD)	29,721,836	30,104,975	29,767,437	30,157,303
Number of ordinary shares in issue (excluding treasury shares)	190,460,300	190,460,300	190,460,300	190,460,300
NAV per ordinary share (SGD cents)	15.60	15.81	15.63	15.83

**8. 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 2021 (“1H 2021”) as compared to the half year ended 30 June 2020 (“1H 2020”).***

## **REVIEW OF GROUP PERFORMANCE**

### **Effect for the change of Functional Currency**

The presentation of the Group’s financial statements has been changed from RM to SGD based on the rationale explained in paragraph 5 of this announcement. Accordingly, the comparatives have been restated and presented in SGD.

### **Effect of Cash Company Status**

Following the Divestment of Tricor Taxand, the Group currently consists primarily of the Company and four subsidiaries namely Axington Singapore Pte. Ltd., Axington Lao Co., Ltd, Audex Governance Sdn. Bhd. 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 Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist.

Further to the above, the Company, had on 1 July 2021 and 19 July 2021, placed an aggregate of S\$26.62 million (approximately RM82.09 million, converted at an exchange rate of S\$1: RM3.0839 as at 6 April 2021, the date of the Company’s announcement on its cash company status), representing approximately 90.0% of the total cash and short-dated securities of the Company, in the escrow account with DBS Bank Limited (the escrow agent).

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

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Other income, net reduced by approximately S\$0.12 million mainly due to the absence of interest income from fixed deposits of S\$0.18 million and the unrealised foreign exchange loss of S\$0.05 million, and partially offset by the reversal gain in allowance for doubtful debts of S\$0.09 million due to receipt of payment from receivable and the increase in interest income on bank deposits of S\$0.02 million.

No depreciation of plant and equipment and right-of-use of assets were recorded in 1H 2021 as the equipment and lease of the Company were fully impaired in the previous financial year ended 31 December 2020.

Employee benefits expense decreased by approximately S\$0.10 million mainly due to a decrease in staff costs following the Divestment.

Short-term rental expense increased by approximately S\$0.02 million due to additional expense incurred for early termination of lease.

Other expenses increased by approximately S\$0.02 million to S\$0.41 million mainly due to increase in (i) audit fee of approximately S\$0.06 million, (ii) professional fees of approximately S\$0.04 million, (iii) advertising and promotion fee in relation to share placement of approximately S\$0.02 million, (iv) annual general meeting related expenses of approximately S\$0.02 million, and (v) directors' training expenses of approximately S\$0.01 million arising from the appointment of new directors who do not have prior experience as directors of listed companies, offset against the absence of direct cost of S\$0.04 million and tax expense of S\$0.03 million and the decrease in other operational expenses of approximately S\$0.08 million.

As a result of the above and the Divestment, the profit after taxation attributable to owners of the Company of S\$18.33 million in 1H 2020 decreased by approximately S\$18.77 million to a loss attributable to owners of the Company of S\$0.45 million in 1H 2021.

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

### **Current assets**

Trade and other receivables amounting to approximately S\$1.10 million mainly comprise of other receivables from non-related parties. The decrease in trade and other receivables by approximately S\$0.02 million was mainly due to receipt of trade receivables recorded for the 1H 2021.

Cash and cash equivalents decreased by approximately S\$0.64 million is mainly due to payment of expenditures during the financial period.

### **Non-current assets**

There were no non-current assets recorded as at 30 June 2021 as the right-of-use of assets and plant and equipment have been fully impaired following the termination of lease on 31 March 2021, the impairment of equipment of Company in the previous financial year as they were not envisaged to generate future revenue for the Company.

### **Liabilities**

Other payables and accruals decreased by approximately S\$0.26 million to approximately S\$0.83 million mainly due to settlement of accrued expenses.

Following the termination of lease, there were no lease liabilities recorded in 1H 2021.

The Group is in a positive working capital position of S\$29.72 million as at 30 June 2021.

## **CONSOLIDATED STATEMENT OF CASH FLOW**

The Group recorded net cash used in operating activities in 1H 2021 of approximately S\$0.67 million mainly due to (i) operating cash flows before working capital changes of S\$0.43 million, and adjusted for net working capital outflow of approximately S\$0.24 million. The working capital outflow was due to (ii) payment for trade and other payables amounting to S\$0.26 million and offset against lower trade receivables of S\$0.02 million.

Net cash generated from investing activities in 1H 2021 was approximately S\$0.02 million arising from the interest received from bank deposits.

The Company did not use any cash for financing activities in 1H2021.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$0.65 million in 1H 2021 mainly due to net cash used in operating activities of S\$0.67 million offset against net cash generated from investing activities of S\$0.02 million.

**9. 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.

**10. 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.**

The outlook for 2H 2021 remains challenging amidst the global and domestic economic uncertainties resulting from the COVID-19 pandemic.

The Company had, on 7 August 2021, announced that it has not entered into a sale and purchase agreement in connection with the proposed acquisition by the Company of 60% equity interest in Veivo Web Technology Limited from Delta Investment Holding Group Ltd. Accordingly, the non-binding memorandum of understanding has lapsed and ceased to have further effect.

The Company will continue to explore new business opportunities, and synergise and optimise its resources to improve effectiveness and efficiency.

The Company will make further announcements to inform the shareholders of any material updates or developments in due course.

**11. 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 on.

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

Not applicable.

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

No dividend has been declared or recommended for the current financial year reported on.

**(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).**

Not applicable.

**(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.

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

No dividend has been declared or recommended for 1H 2021 as the Company has deemed it more appropriate to retain cash for the Group's future potential business opportunities.

**13. 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 1H 2021.

**14. 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.

**15. 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.**

**Use of IPO net proceeds**

The Company refers to (i) the net proceeds amounting to S\$7.58 million (excluding listing expenses of approximately S\$1.30 million) raised from the initial public offering ("IPO") on the Catalist Board of SGX-ST on 27 November 2015 and the Company's announcement dated 23 February 2017 on the re-allocation 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	4000	(1,843)	(2,157)
Enhance our Group's office and support infrastructure	500	(118)	382
Working capital	3,080	(3,080) <sup>(1)</sup>	-
Listing expenses to be borne by our Company	1,300	(1,300)	-
<b>Total</b>	<b>8,880</b>	<b>(6,341)</b>	<b>2,539</b>

Note:

(1) The amount of working capital was used for payment of salaries and office expenses.

The above utilizations 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.

#### **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
<b>Total placement net proceeds</b>	<b>5,970<sup>(1)</sup></b>	<b>-</b>	<b>5,970<sup>(1)</sup></b>

As at the date of this announcement, the Company has yet to utilise the proceeds from the Placement.

Note:

(1) Inclusive of approximately S\$1.08 million which remains a receivable from one of the Placement subscribers. 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
<b>Total placement net proceeds</b>	<b>5</b>	<b>-</b>	<b>5</b>

As at the date of this announcement, the Company has yet to utilise the proceeds from the compliance placement.

The Company will make periodic announcements as and when the balance of the net proceeds of the IPO, the Placement and the compliance placement are materially disbursed.

No breakdown of Rights Issue net proceeds utilization 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.

**16. Confirmation by the BOD**

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 2021 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  
13 August 2021

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of 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 Mr. Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*