AXINGTON INC.

(Company Registration No.: LL12218)

(A Company incorporated under the Labuan Companies Act 1990, Malaysia)

UPDATE ON USE OF NET PROCEEDS FROM (I) INITIAL PUBLIC OFFERING IN NOVEMBER 2015, (II) PLACEMENT EXERCISE CONDUCTED IN AUGUST 2020 AND (III) COMPLIANCE PLACEMENT EXERCISE CONDUCTED IN AUGUST 2020

The Board of Directors (the "**Board**") of Axington Inc. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to section F, paragraph 12 of the Company's half year results announcement dated 12 August 2022 in relation to the status of the proceeds from:

i) 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;

ii) the placement exercise conducted in August 2020 ("**Placement**"); and

iii) the compliance placement exercise conducted in August 2020 ("**Compliance Placement**")

(collectively, the "**Net Proceeds**").

Further to the above, the Company had also announced that the Net Proceeds would be utilised to facilitate the distribution to shareholders after obtaining the approval of shareholders at the extraordinary general meeting held on 27 May 2022, to among others, reduce the share capital by S$11.9 million and to distribute a dividend of S$14.1 million (collectively, the "**Proposed Distribution**").

Accordingly, the Board wishes to provide an update on the use of the Net Proceeds as follows:

<u>IPO</u>

Use of IPO net proceeds	Amount allocated in the offer document (S$'000)	Amount allocated (S$'000)	Balance as at 12 August 2022 (S$'000)	Amount Re-allocated (S$'000)	Balance as at the date of this announcement (S$'000)
Expand our business operations in Malaysia and the ASEAN region and enhance	6,000	4,000	2,157	0	-

our range of professional services					
Enhance our Group's office and support infrastructure	500	500	382	0	-
Working capital	1,080	3,080	-	-	-
Listing expenses	1,300	1,300	-	-	-
Proposed Distribution[(1)]	-	-	-	2,539	0
Total IPO Net Proceeds	**8,880**	**8,880**	**2,539**	**2,539**	0

Note:
[(1)] Proposed Distribution relates to the S$26.0 million cash distribution which has been approved by the Company's shareholders during the extraordinary general meeting held on 27 May 2022. Please refer to the Company's announcement dated 3 June 2022 for further details.

Placement

Use of Placement net proceeds	**Amount allocated (S$'000)**	**Balance as at 12 August 2022 (S$'000)**	**Amount Re-allocated (S$'000)**	**Balance as at the date of this announcement (S$'000)**
Business investments and acquisition	3,582	3,582	0	-
General working capital	2,388	2,388	0	-
(Less) Unpaid shares	-	(750)[(3)]	(750)	-
Proposed Distribution[(1)]	-	-	5,220	0
Total Placement Net Proceeds	5,970[(2)]	5,220[(2)]	5,220	0

Note:
[(1)] Proposed Distribution relates to the S$26.0 million cash distribution which has been approved by the Company's shareholders during the extraordinary general meeting held on 27 May 2022. Please refer to the Company's announcement dated 3 June 2022 for further details.

[(2)] Inclusive of approximately S$0.75 million which remains a receivable from one of the placees. Please refer to the Company's announcement dated 16 July 2021 and for further details.

[(3)] The Company had on 23 June 2022 cancelled the unpaid shares owned by one of the placees. Please refer to the Company's announcement dated 10 August 2022.

Compliance Placement

Use of Compliance Placement	**Amount allocated**	**Balance as at 12 August 2022**	**Amount Re-allocated**	**Balance as at the date of this announcement**

net proceeds	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Business investments and acquisition	3	3	0	-
General working capital	2	2	0	-
Proposed Distribution[(1)]	-	-	5	0
Total Compliance Placement Net Proceeds	5	5	5	0

Note:
[(1)] Proposed Distribution relates to the S$26.0 million cash distribution which has been approved by the Company's shareholders during the extraordinary general meeting held on 27 May 2022. Please refer to the Company's announcement dated 3 June 2022 for further details.

As at the date of this announcement, the Company had fully utilised the Net Proceeds after the payment for the Proposed Distribution has been fully made to shareholders on 25 August 2022.

By Order of the Board

Ang Chiang Meng
Executive Director
7 September 2022

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*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.*

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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