

AXINGTON INC.

(Formerly known as Axcelasia Inc.)

(Company Registration No.: LL12218)

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

APPLICATION FOR AN EXTENSION OF TIME TO COMPLY WITH RULE 705(1), 707(1), 707(2) AND 711A OF THE CATALIST RULES (“CATALIST RULES”) – RECEIPT OF NO OBJECTION LETTER FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

The Board of Directors (the “**Board**”) of Axington Inc (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 2 February 2021 in relation to the Company’s application to the SGX-ST for an extension of time to comply with the requirements of Rule 705(1), 707(1), 707(2) and 711A of the Catalist Rules (the “**Announcement**”).

Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the Announcement.

The SGX-ST had on 16 February 2021 informed the Company that it has no objection to the Company’s application for (a) one (1) month extension of time to issue its FY2020 Results Announcement by 31 March 2021, (b) 2.5 months extension of time to hold its FY2020 AGM by 22 July 2021, and (c) 2.5 months extension of time to issue its FY2020 Sustainability Report by 30 June 2021 (collectively, the “**Waivers**”), subject to the following:

- (i) the Company announcing the Waivers granted, the reasons for seeking the Waivers, the conditions as required under Catalist Listing Rule 106 and if the Waivers conditions have been satisfied. If the Waivers conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (ii) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company; and
- (iii) the Company convening the FY2020 AGM by 22 July 2021,

(collectively, the “**Waiver Conditions**”).

The Waivers will not be effective if any of the Waiver Conditions have not been fulfilled.

Basis for the Extension of Time

The Company had on 2 February 2021 announced the reasons for seeking the Waivers as reiterated below:

- (i) In respect of the release of the FY2020 Results Announcement

Additional time is required by the Company to release the FY2020 Results Announcement in view of the following events:

- (a) The Company had, in July 2020, underwent a change of its board members and management following the close of the mandatory unconditional cash offer by Dorr Global Healthcare International Pte. Ltd. on the shares of the Company (the “**Offer**”).

In August 2020, the Company announced the resignations of a majority of its board members, including the sole executive director, Ms. Marjory Loh (the “**Resignations**”).

During the same period, the new management of the Company had also resigned. As a result, the Company was, at that material time, left with only two (2) independent directors, Mr. Low Junrui and Mr. Roberto Dona on its Board.

On 20 November 2020, Mr. Teo Choon Kow @ William and Mr. Ang Chiang Meng were appointed as independent directors of the Company, and on the same day, Mr. Low Junrui resigned from the Board to facilitate board renewal and to focus on primary work commitments.

In view that the Board and the relevant board committees, including the Audit Committee, Remuneration Committee and Nominating Committee were only reconstituted on 20 November 2020, the Extension of Time is required to provide the current Directors with sufficient time to familiarise themselves with and gain control over the affairs, operations and/or financials of the Group, and thereafter be in a better position to review and approve the release of the FY2020 Results Announcement.

- (b) Following the Offer and the major changes in board compositions in July 2020 and August 2020, the finance personnel of the Group had resigned. Given (i) the lapse of the sale and purchase agreement in respect of the acquisition of Vesta Apex Trading Sdn. Bhd., (ii) the limited business operations at the Company's sole operating subsidiary, Axington Singapore Pte. Ltd., and (iii) the lack of clarity from the Company's controlling shareholders on the strategic business direction of the Company, the Board (at the relevant material time) is of the view that there is currently no necessity to engage a Chief Financial Officer or Financial Controller, and had taken steps to engage the services of an external accounting firm, Algebra Pte Ltd ("**Accounting Firm**"), in October 2020 to assist in the book-keeping matters of the Group in the interim. The Company had also in end November 2020 engaged a part-time finance manager to assist the Directors and the Accounting Firm in the review and preparation of the Group's past and future accounts.

As handovers were previously conducted between the previous managements of the Company following the completion of the Offer, the current Directors (which comprises only independent directors), the finance manager and the Accounting Firm do not have any prior knowledge of the affairs, operations and/or financials of the Group, and would accordingly require more time to liaise with the previous managements of the Company and the current auditors of the Company, Nexia TS Public Accounting Corporation ("**Nexia**") to retrieve, understand and prepare the accounting records of the Group. In addition, the current Directors would also need time to liaise with the bank to secure control of the Group's bank accounts and retrieve the bank statements of the Group, which is necessary for the preparation of the Group's accounts for FY2020.

In this regard, additional time is required by the Company to prepare the FY2020 Results.

- (ii) In respect of the issuance of the FY2020 Annual Report, and the holding of the FY2020 AGM

The Company, had on 10 November 2020, announced that Nexia, the current auditors of the Company, had on 26 August 2020, given notice to the Company of their intention to resign as auditors of the Company, and had reaffirmed their intention to resign on 28 October 2020, in light of the professional clearance request from an initial proposed audit firm and the recent developments of the Company.

In relation to the resignation of Nexia, the Company had on 5 January 2021, announced its intention to change its auditors to Messrs. Foo Kon Tan LLP ("**FKT**"). FKT had on the same day given its consent to act as auditors of the Company, subject to its appointment being approved by the shareholders of the Company at an extraordinary general meeting ("**EGM**"). The relevant circular and the notice of the EGM for the proposed appointment of FKT was released on SGXNet on 28 January 2021, with the EGM scheduled on 19 February 2021.

Following the appointment of FKT as auditors of the Company at the EGM, the Company understands from FKT that, being new auditors, FKT will require approximately two (2) months from the finalisation of the Group's management accounts (i.e. approximately two (2) months from 31 March 2021) to complete the audit for FY2020.

Accordingly, the extension will give the Directors more time to review and complete the work required for the Auditors' Report and FY2020 Annual Report together with the Company's new auditors, FKT.

(iii) In respect of the issuance of the FY2020 Sustainability Report

Consequent to the events described in paragraphs (i) and (ii) above, as sustainability reporting involves the reporting of the Group's material environment, social and governance (ESG) factors, the Company is of the view that the FY2020 Sustainability Report will not be meaningfully completed without discussions on the governance of the Group which will be set out in greater detail in the Corporate Governance section of the FY2020 Annual Report. Accordingly, the Company seeks the SGX-ST's approval for additional time for the Company to issue the FY2020 Sustainability Report by 30 June 2021, together with the FY2020 Annual Report.

In this respect, the Company confirms that:

- (a) the Company has fulfilled the Waiver Conditions (i) and (ii) set out above;
- (b) the Company will convene the FY2020 AGM by 22 July 2021; and
- (c) the Company is not in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

Pursuant to the Labuan Companies Act 1990, the Company has until 30 June 2021 to hold its AGM for FY2020. The Company will be submitting an application to the Labuan Financial Services Authority for an extension of time to hold its FY2020 AGM by 22 July 2021 and will make an announcement on the outcome of the application in due course.

By Order of the Board

Roberto Dona
Non-Executive Chairman and Independent Director
17 February 2021

*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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