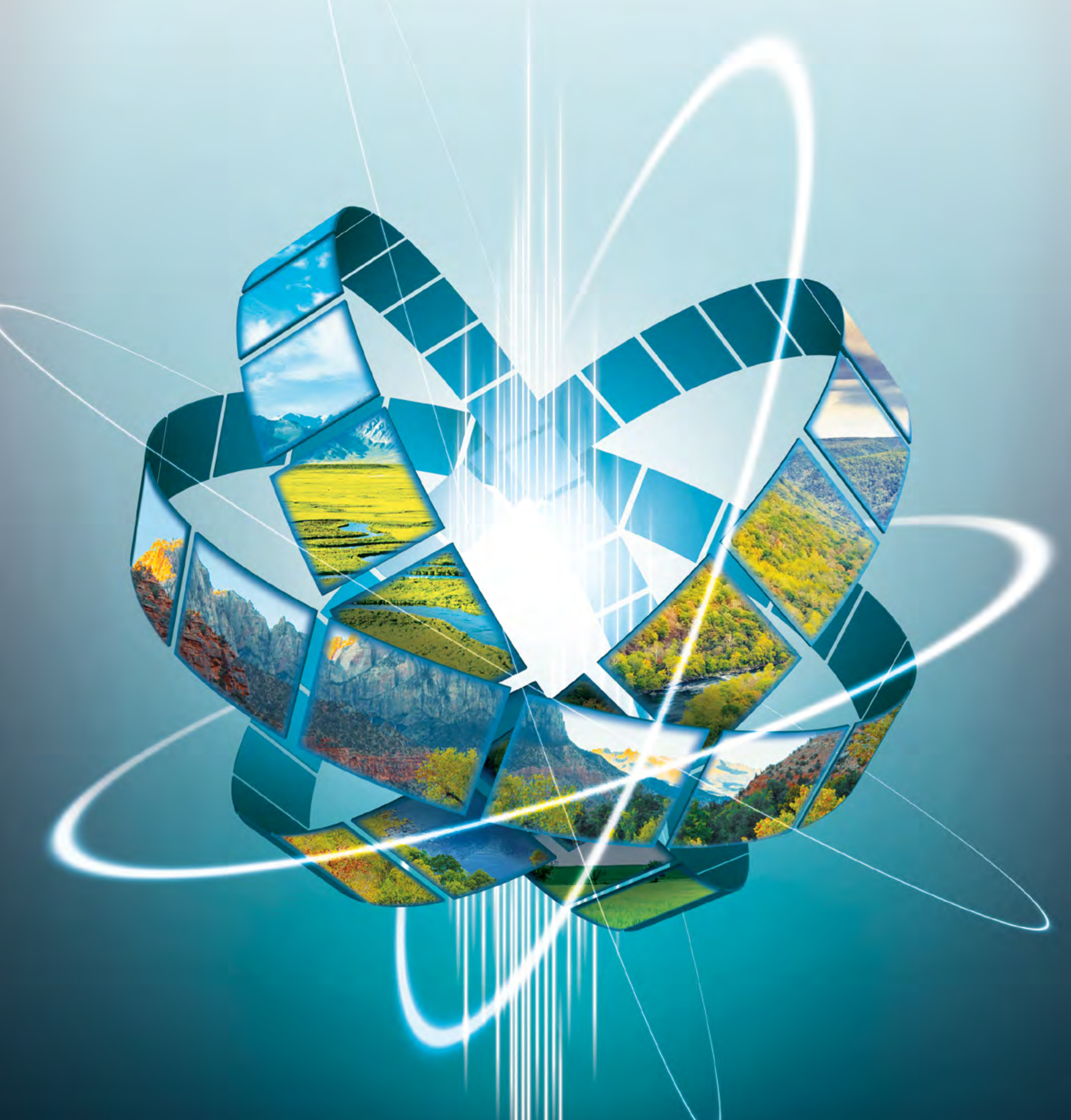
AXINGTON INC.

PURSUING SMART GROWTH

ANNUAL REPORT 2021



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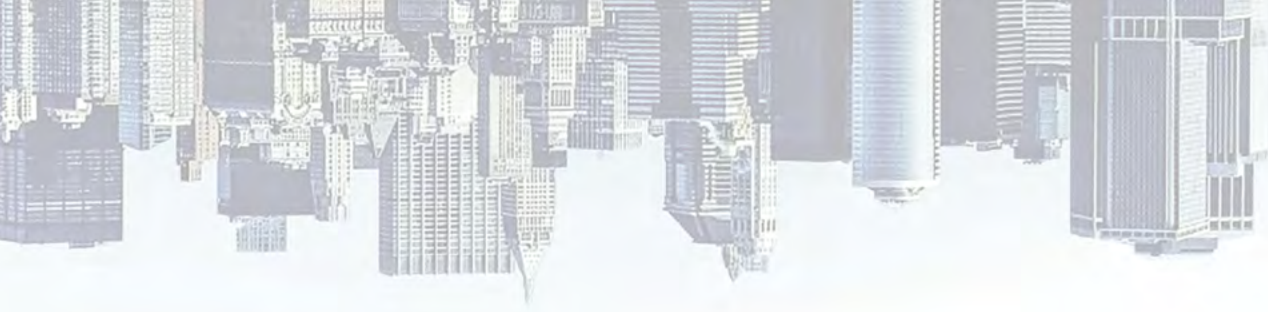
This annual report has been prepared by Axington Inc. (the "Company") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

MOVING FORWARD WITH THE RIGHT OPPORTUNITIES



Our relationship with our stakeholders has been built on trust and this was made possible due to the professionalism and teamwork from Axington.

Axington has always been committed to generate long term value to its shareholders by focusing on strategic and high growth business opportunities.

In the last couple years, we have stayed innovative and have focused on relationships that mattered to us.

The Group is well-equipped with the right resources to grow and tap into the right opportunities.

In 2020, Axington successfully divested its integrated professional services business.

Following the successful sale of the above, the Group has been constantly looking for opportunities to venture into other high growth business and industries in order to maximise shareholders' returns.

We want to drive and be part of change and we recognise that identifying innovative, sustainable and responsible investment and business solutions are an important part of driving that mission.

OPTIMISM PREVAILS AMID CHALLENGES

Despite having a bumpy year in **FY**2021, we managed to overcome various challenges that came in both internal and external forms.

Axington has managed to overcome these challenges with strong support from its resilient leadership that has always operated with our stakeholders' interest at heart and its stakeholders.

Much needed changes were introduced to stabilise the company and ensure that Axington is well placed to seek out its next stage of growth.

CHAIRMAN'S MESSAGE

"THE ROAD TO SUCCESS IS ALWAYS UNDER CONSTRUCTION"

– LILY TOMLIN

The Group faced multifaceted challenges in addressing legacy issues as well as its overall operating environment. Despite the difficult situation, the company has remained resilient and committed to moving forward in the right direction with the appropriate resources.

Currently in our transitional period as a cash company, we have addressed most of the legacy issues and continue to engage with our stakeholders as well as potential investors to explore and evaluate appropriate business strategies and new business opportunities with good growth prospects that will meet with the requirements of a new listing so that we will be able to exit our cash company status and resume operating activities as a listed entity.

Committed to the highest standards of excellence, with the mission to deliver value to our stakeholders, we therefore are very careful in our strategy planning as well as pursuit for an acquisition target for our new business. We are taking extra care in evaluating and handpicking the best fit for the Group that will bring us forward as we step into the next stage of growth.

Maximising and protecting stakeholders' interests and values remain the cornerstone in our overall strategy. The Board will persevere with our efforts to ensure that sustainable and responsible business practices as well as strong corporate governance are enforced and practised at all times.

It is with the faith, support and encouragement of all our stakeholders that we have been able to overcome the challenges we faced. We would also like to thank our shareholders for their patience and support during this time. As COVID-19 vaccination programmes continue to roll out and with global borders gradually reopening, the Group will work hard to find our grounding and seek out an appropriate acquisition opportunity which will deliver value to all our stakeholders that have stood by us. As we steer ourselves to pursuing smart growth, let us look towards the future with optimism and hope.

DIFFICULT ROADS OFTEN LEAD TO BEAUTIFUL DESTINATIONS – ZIG ZIGLAR

Roberto Dona
Non-Executive Chairman and Independent Director

BOARD OF DIRECTORS

ROBERTO DONA

Non-Executive Chairman and Independent Director

Mr Roberto was appointed as the Independent Director on 14 July 2020, and was subsequently redesignated as the Non-Executive Chairman and Independent Director on 20 November 2020. Mr Roberto was re-elected on 22 July 2021. He is also the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee.

He is currently a Professor and Associate Dean of Professional Engagement at the Xi'an Jiaotong Liverpool University, and a strategic advisor at Pelliconi Suzhou. Mr Roberto was Adjunct Professor at MIP Politecnico di Milano School of Management between 2015 to 2019, and a Faculty Member, Professor and Director of Executive Master in Business Administration Programme and Academic Director of Double Degree Programme at Bocconi University between 1990 to 2013. As an academician with experience in strategy, Mr Roberto brings with him years of experience from the academic and strategic sector. His experience has been crucial in the company's decision-making process in maneuvering the business landscape.

Mr Roberto also serves as a Board Member of Shanghai Chapter European Chamber of Commerce in China.

He has obtained an MBA from the SDA Bocconi School of Management and a Laurea in Scienze dell'Informazione (postgraduate in Computer Science) from the University of Milan.

BOARD OF DIRECTORS

ANG CHIANG MENG
Executive Director

Mr Ang was appointed as an Independent Director on 20 November 2020 and was subsequently redesignated as the Executive Director on 4 June 2021. Mr Ang was re-elected on 22 July 2021. He is also a member of the Nominating Committee.

His key mission in Axington is to work with key stakeholders to develop and implement the company's business strategy and create value for the shareholders.

Mr Ang is currently the managing partner of Argile Partners Pte. Ltd., which is a regional management consultancy and turnaround firm and an executive director of R&O Corporate Services Pte. Ltd., which is a corporate and accounting services firm. He is also an independent director of Singapore Kitchen Equipment Limited.

He was previously a director at an international restructuring and insolvency firm from June 2015 to April 2019 and a corporate banker at an international bank from July 2010 to May 2015. Mr Ang comes with years of global experience in banking, strategic management, corporate finance, consultancy and turnarounds.

Mr Ang holds a Bachelor of Science (Real Estate) from the National University of Singapore.

TEO CHOON KOW @WILLIAM TEO

Independent Director

Mr Teo was appointed as an Independent Director on 20 November 2020. Mr Teo was re-elected on 22 July 2021. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

He is currently a consultant providing corporate advisory work and an independent director of Wee Hur Holdings Ltd, PSL Holdings Ltd, Datapulse Technology Ltd and Kitchen Culture Holdings Ltd.

From 1997 to 2004, he was the vice-president of Walden International Investment Group where he was responsible for its investment function. From 1989 to 1997, he was a senior manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work.

He is a chartered accountant and life member of Institute of Singapore Chartered Accountants, and he holds a Master in Management from Asian Institute of Management, Philippines.

BOARD OF DIRECTORS

LUKE ANTHONY FURLER
Independent Director

Mr Furler was appointed as an Independent Director on 1 September 2021 and was subsequently appointed as Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr Furler is currently the Managing Director and Head of APAC for Quantuma, a global advisory business serving the needs of mid-market and corporate companies, as well as their stakeholders. Mr Furler regularly advises clients on business transactions, resolving business disputes, mitigating risk and managing operational as well as financial challenges. Mr Furler's experience in corporate restructuring and compliance has been crucial in the company's navigation of various complex issues.

Mr Furler is also a Director and Board Member of the Turnaround Management Association (South East Asia Chapter). He holds a Bachelor of Science (Psychology) from University of Western Australia and a Masters in Accounting from Curtin University of Technology. He is a Chartered Accountant of Singapore (ISCA), Australia & New Zealand (ICAANZ) and England & Wales (ICAEW). He is also a Certified Practicing Accountant (CPA) in Hong Kong (HKICPA).

CORPORATE PROFILE

Axington has always operated with professional integrity and committed to create and deliver value to our partners and stakeholders.

WHO WE ARE

We serve by identifying innovative, sustainable, and responsible solutions that aim to elevate the quality of the communities around us.

Axington has always operated with professional integrity and committed to providing good value to our partners and stakeholders as we continue to invest and grow in a focused manner.

WHAT WE DO

Axington is committed to opportunities both locally and globally, with an aspiration to deliver value no matter where we are and who we work with.

We also make sure that we carry out practices in accordance with the practices based on practical, commercial and appropriate standards.

Our key strengths are what set us apart from others and enables us to create sustainable value for all our stakeholders.

We rely on internal competencies and understanding of the market to seek out and pursue high growth opportunities which allow us to create sustainable value for all our stakeholders.

GROUP STRUCTURE

& INTEGRITY COMMITMENT

AXINGTON INC.
(No. LL12218)
Incorporated in Labuan

- Axington Singapore Pte. Ltd. **90%**
- Axington Lao Co., Ltd. **100%**
- Axington Vietnam Co., Ltd. **70%**
- Audex Governance Sdn. Bhd. **100%**

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

LL12218

REGISTERED OFFICE

Lot A020, Level 1, Podium Level
Financial Park, Jalan Merdeka
87000 Federal Territory of Labuan, Malaysia
Tel no. +6087-427745 | Fax: +6087-428845
Axington@outlook.com

DIRECTORS

Roberto Dona
Non-Executive Chairman and Independent Director (Appointed on 14 July 2020)

Ang Chiang Meng
Executive Director
(Appointed as Independent Director on 20 November 2020 and re-designated as Executive Director on 4 June 2021)

Luke Anthony Furler
Independent Director
(Appointed on 1 September 2021)

Teo Choon Kow @ William Teo
Independent Director
(Appointed on 20 November 2020)

AUDIT COMMITTEE

Luke Anthony Furler
Chairman

Teo Choon Kow @ William Teo

Roberto Dona

NOMINATING COMMITTEE

Roberto Dona
Chairman

Teo Choon Kow @ William Teo

Ang Chiang Meng

REMUNERATION COMMITTEE

Teo Choon Kow @ William Teo
Chairman

Roberto Dona

Luke Anthony Furler

SECRETARIES

Hans Corporate Services Ltd
Tan Ching Ching
Chen Chuanjian, Jason
(Appointed on 30 June 2021)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

CONTINUING SPONSOR

Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

BANKERS

DBS Bank Ltd
Public Bank Berhad

AUDITOR

Foo Kon Tan LLP
Public Accountants and Chartered Accountants

24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Partner-in-charge:
Cheong Wenjie
(Appointed from the financial year ended 31 December 2021)

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FINANCIAL HIGHLIGHTS

	1 January 2020 (Restated)	FY2020 (Restated) / 31 December 2020 (Restated)	FY2021 / 31 December 2021
INCOME STATEMENT (S$ million)			
Revenue From Continuing Operations		n.m	**–**
Loss After Tax from Continuing Operations		(2.89)	**(0.98)**
Profit From Discontinued Operations, Net Of Tax		18.65	**–**
Profit/(Loss) For The Year		15.76	**(0.98)**
BALANCE SHEET (S$ million)	**1 January 2020 (Restated)**	**31 December 2020 (Restated)**	**31 December 2021**
Total Assets	12.88	31.29	**28.70**
Total Liabilities	1.86	1.12	**0.25**
Total Equity	11.02	30.17	**28.45**
KEY FINANCIAL RATIOS (S$ cents)			
Earnings/(Loss) Per Share (Basic)*		9.27	**(0.52)**
Earnings/(Loss) Per Share (Diluted)*		9.07	**(0.52)**
Net Asset Value Per Share		S$0.16 as at 31 December 2020	**S$0.15 as at 31 December 2021**

* Refer to Note 21 to the financial statements

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

FINANCIAL HIGHLIGHTS

The Group recorded S$nil revenue for the financial year ended 31 December ("**FY**") 2021 as it does not have any revenue generating business. Further, the Company has been designated as a cash company in April 2021.

Other income decreased by S$0.11 million from S$0.22 million in FY2020 to S$0.11 million in FY2021 as 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), representing approximately 90.0% of the total cash and short-dated securities of the Company, in an escrow account as part of the requirements for a cash company pursuant to Rule 1017(1) of the SGX-ST Catalist Rules ("**Escrow Placement**"). Accordingly, the Escrow Placement does not generate interest income.

Total expenses decreased by S$2.03 million to S$1.09 million in FY2021 from S$3.12 million in FY2020 mainly due to the recognition of lower (i) other expenses of S$1.88 million in FY2021 comprising among others, administrative expenses, consultancy fees, legal and professional fees, (ii) employee benefits expense of S$0.07 million, and (iii) depreciation recognised on plant and equipment and right-of-use assets of an aggregate amount of S$0.08 million as assets are fully impaired and/or written off.

As a result of the above, the Group recorded a net loss attributable to shareholders of S$0.98 million in FY2021 compared to net profit attributable to shareholders of S$15.78 million in FY2020. The net profit attributable to shareholders in FY2020 was largely due to the sale of the entire paid-up share capital of its subsidiary corporation, Tricor Taxand Sdn. Bhd. (previously known a Axcelasia Taxand Sdn. Bhd.) (the "**Divestment**"). Had the gain from the Divestment being excluded, the Group would have recorded a net loss attributable to shareholders of S$2.87 million in FY2020.

BALANCE SHEET

Current assets decreased to S$28.70 million as at 31 December 2021 from S$31.27 million as at 31 December 2020, mainly attributable to the decrease in (i) cash and cash equivalent of S$1.53 million to fund expenses of the Group and (ii) trade and other receivables of S$0.75 million which are in relation to the unpaid placement shares of which the Company is in the process of cancelling such unpaid placement shares.

Non-current assets decreased to S$nil as at 31 December 2021 from S$24,000 as at 31 December 2020, due to write-off and/or impairment of the Group's property plant and equipment and right-of-use asset.

Current liabilities decreased to S$0.25 million as at 31 December 2021 from S$1.12 million as at 31 December 2020, largely due to the decrease in other payables and accruals and lease liabilities. There were no trade payables for FY2021.

CASH FLOW

Net cash used in operating activities in FY2021 was approximately S$1.52 million, which comprised mainly cash used in operating activities before working capital changes of approximately S$0.99 million and adjusted for net working capital outflow of approximately S$0.54 million. Working capital changes were mainly due to decrease in trade and other receivables and decrease in other payables and accruals of approximately S$0.33 million and S$0.83 million respectively.

Net cash used in investing activities in FY2021 was mainly due to the placement of restricted deposits of approximately S$26.62 million in relation to the Escrow Placement.

Net cash used in financing activities mainly relates to the repayment of leases liabilities of S$27,000.

As a result, cash and cash equivalents decreased to S$2.00 million in FY2021. Notwithstanding that, the cash balance remaining in the Group remains at an aggregate of S$28.62 million in FY2021 which is inclusive of the encumbered cash relating to the Escrow Placement.

CORPORATE GOVERNANCE REPORT

DISCLOSURE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors of Axington Inc. (the "Company") and its subsidiaries (the "Group") are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December ("FY") 2021, with specific reference made to the principles of the Code of Corporate Governance 2018 (the "Code").

For FY2021, the Company has complied with the principles of the Code and provisions as set out in the Code and the practice guidance, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the provisions of the Code.

1. BOARD MATTERS

a. The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is entrusted to lead, oversee and act in the best interests of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. In addition to its statutory duties, the Board's principal functions are to:

- provide entrepreneurial and strategic leadership including setting strategic objectives;
- develop, decide and approve strategic plans and key business initiatives including major investments and funding requirements;
- ensure necessary financial and human resources are in place for the Group to implement strategic plans and key business initiatives to meet its strategic objectives;
- monitor, review and ensure management performance;
- identify and work with key stakeholder groups to ensure alignment of interest and recognise that their perceptions affect the Company's reputation;
- establish and maintain prudent and effective internal controls and risk management system to protect shareholders and the Company's interests;
- set the Group's values and standards (including ethical standards) and ensure that obligations to shareholders are understood and duly met;
- consider sustainability issues as part of its strategic formulation; and
- ensure compliance with the Code, Company's Constitution, listing rules, accounting standards and other relevant statutes and regulations.

Conflict of Interest: Every Director is required to declare any conflict of interest in any discussions, transactions or proposed transactions with the Company as soon as practicable after all relevant facts have come to his or her knowledge. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. Annually, each Director is required to submit details of his or her associates for the purpose of monitoring interested person transactions.

Induction, training and development: All newly appointed Directors will undergo an orientation programme where the newly appointed Directors would be briefed by the Board on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a Director of a listed company. In addition, the orientation programme will allow the newly appointed Directors to get acquainted with the management which aims to facilitate interaction and ensure that all Directors have independent access to management.

The Company will arrange the SGX-ST's prescribed training for newly appointed Directors with no prior experience as a director of a listed company on the SGX-ST.

The current Board comprises Mr. Roberto Dona, Mr. Teo Choon Kow @ William Teo ("Mr. William Teo"), Mr. Ang Chiang Meng and Mr. Luke Anthony Furler ("Mr. Luke Furler"). Mr. Luke Furler was appointed on 1 September 2021 following the re-designation of Mr. Ang Chiang Meng as the Executive Director on 4 June 2021. Mr. Luke Furler does not have prior experience as a director of a company listed on the SGX-ST and subsequent to his appointment, had attended the requisite mandatory courses conducted by Singapore Institute of Directors ("SID"). Further, as disclosed in the annual report for FY2020, Mr. Roberto Dona and Mr. Ang Chiang Meng, as first-time directors had also completed the requisite mandatory courses conducted by SID in FY2021. Please refer to the table below for the courses completed by the directors.

Modules	Date of Completion		
	Mr. Roberto Dona	Mr. Ang Chiang Meng	Mr. Luke Furler
LED 1 – Listed Entity Director Essentials	1 and 2 March 2021	1 March 2021	5 October 2021
LED 2 – Board Dynamics	3 March 2021	3 March 2021	7 October 2021
LED 3 – Board Performance	20 May 2021	4 March 2021	8 October 2021
LED 4 – Stakeholder Engagement	21 May 2021	5 March 2021	12 October 2021
LED 6 – Board Risk Committee Essentials	–	–	14 October 2021
LED 5 – Audit Committee Essentials	13 October 2021	11 March 2021	16 March 2022
LED 7 – Nominating Committee Essentials	16 March 2021	16 March 2021	19 October 2021
LED 8 – Remuneration Committee Essentials	17 March 2021	17 March 2021	22 October 2021

To ensure Directors are able to fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continuous professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as SID. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs will be borne by the Company.

The Company Secretary also briefs the Directors on key regulatory changes, while the External Auditors ("EA") briefs the Directors on key amendments on the accounting standards.

Delegation of Authority to Board Committees: The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), and the Nominating Committee (the "NC") collectively, (the "Board Committees"). The composition of the Board Committees as at date of this report is set out below:

Designation	AC	NC	RC
Chairman	Mr. Luke Furler	Mr. Roberto Dona	Mr. William Teo
Member	Mr. Roberto Dona	Mr. William Teo	Mr. Roberto Dona
Member	Mr. William Teo	Mr. Ang Chiang Meng	Mr. Luke Furler

Mr. Ang Chiang Meng was appointed as an Independent Director and Chairman of the AC and a member of the NC and RC on 20 November 2020 and was re-designated as the Executive Director on 4 June 2021. Accordingly, he has also stepped down as Chairman of the AC and a member of the RC on 4 June 2021. Following the re-designation, the Company had on 1 September 2021 appointed Mr. Luke Furler as an additional independent director onto the Board and is in compliance with, amongst others, the relevant Catalist Rules and the Code.

The Company held its Board meetings on 30 March 2021, 23 June 2021, 12 August 2021, 24 August 2021. The AC meetings were held on 30 March 2021, 13 April 2021 and 12 August 2021. The NC meetings were held on 30 March 2021 and 24 August 2021 and the RC meeting was held on 30 March 2021.

The Board meets at least 3 times a year, and as and when circumstances require. The details of the Board and Board Committees meetings held during FY2021 and the attendance of each Board member are shown below:

	Board	**AC**	**NC**	**RC**
Number of Meetings Held	4	3	2	1
Name of Director	**Number of Meetings Attended**			
Mr. Roberto Dona	4	3	2	1
Mr. William Teo	4	3	2	1
Mr. Ang Chiang Meng (1)	4	3*	2	1
Mr. Luke Furler(2)	–	–	–	–

* By invitation

(1) Mr. Ang Chiang Meng was re-designated as the Executive Director on 4 June 2021.

(2) Mr. Luke Furler was appointed on 1 September 2021.

Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Company and the Group. The Company's Articles of Association (the "Articles") allow for meetings to be held through telephone and/or video-conference.

Matters Requiring Board Approval: The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, investments and divestments, material contracts, fund raising, material corporate policies, interested party transactions, material regulatory and compliance matters and release of periodic financials.

Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by key management personnel to Directors are set out in the table below:

Information	**Frequency**
Updates to Group's operations and key business initiatives	Quarterly
Reports on on-going or planned corporate actions	As and when applicable
Internal audit report	As and when available
Business plans	As and when available
Shareholding statistics	As and when requested

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management. AC Chairman is regularly briefed on the financials of the Group.

All Directors have separate and independent access to the Company Secretary. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, are as follows:

- Ensuring that Board procedures are observed and that the Company's Memorandum of Association and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Labuan Companies Act and the Catalist Rules, are complied with;
- Assist the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long term shareholders value;
- Assist the Chairman to ensure good information flows within the Board and its Board Committees and key management personnel;
- Facilitating orientation and assisting with professional development as required;
- Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
- Attend and prepare minutes for all Board meetings;
- As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
- Assist the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committees meetings.

Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required.

b. **Board Composition and Guidance**

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the end of FY2021 and as at the date of this report, the Board comprises four members, as follows:

Mr. Roberto Dona	Non-Executive Chairman and Independent Director
Mr. William Teo	Independent Director
Mr. Luke Furler	Independent Director
Mr. Ang Chiang Meng	Executive Director

Mr. Ang Chiang Meng was appointed as an Independent Director on 20 November 2020 and has been re-designated as the Executive Director with effect from 4 June 2021. Following such re-designation, the Company had on 1 September 2021 appointed Mr. Luke Furler as an additional independent director onto the Board to fill the vacancy in the respective Board Committees and is in compliance with, amongst others, the relevant Catalist Rules and the Code.

The Board comprises four Directors of which three (75%) are Independent Directors and the Company is compliance with the Code.

The Board has an Independent Non-Executive Chairman, Mr. Roberto Dona, who is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Director or management has failed to resolve, or is inappropriate. More than half of the Board is made up of Independent Directors, including independence from the substantial shareholders of the Company, and the Board views that it is capable of exercising independent and objective judgment on corporate affairs of the Group. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its stakeholders. No individual or small group of individuals dominates the Board's decision making.

The Board considers the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. The NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors had also confirmed their independence in accordance with the Code.

The Independent Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel including the Executive Director to discuss concerns or matters such as the effectiveness of management. The Chairman of the meeting provides feedback to the Board and/or Executive Director as appropriate.

For FY2021, the Independent Directors had met in the absence of key management personnel as required.

The Board's policy in identifying Director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience relevant and useful for the Group, regardless of gender. The Board is of the view that the current Board size of four members, is appropriate taking into account the nature and scope of the Group's operations.

The current Board composition provides an appropriate balance and diversity of skills, experience and knowledge. Details of the Directors' academic and professional qualifications and other appointments are set out on pages 7 to 10 of this annual report.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

c. **Chairman and Chief Executive Officer**

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and Executive Director are clearly separated to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making.

Externally, the Chairman is the face of the Board, and should ensure effective communication with shareholders and other stakeholders. Within the Company, the Chairman schedules and chairs Board meetings and ensures that Independent Directors are able to speak freely and contribute effectively. He also ensures proper information flow between the Board and the Management. He also takes a leading role in the Company's efforts to achieve and maintain a high standard of corporate governance.

The Chairman and the Executive Director are not related to each other.

The Executive Director is responsible for overseeing the strategic positioning of the Group and manages the day-to-day operations of the Group. He also oversees the execution of the business and corporate strategy decisions made by the Board. In light of the Company's status as a cash company, the Company did not have a Chief Executive Officer in FY2021.

d. **Board Membership**

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

As at the end of FY2021 and the date of this report, the NC comprises at least three directors, the majority of whom, including the NC Chairman are independent.

The NC is guided by its key terms of reference as follows:

- To establish criteria for appointment of new Directors to the Board;
- To review and recommend the re-appointment of Directors having regard to the Director's contribution and performance;
- To determine on an annual basis whether a Director is independent;
- To develop a process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- To review and recommend to the Board the succession plans for the Chairman, Executive Directors and Key Management personnel; and
- To review and recommend to the Board the training and professional development programmes for the Board.

The composition of the Board is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively has the necessary core competencies for effective operation and informed decision making. The NC considers appropriate mix of diversity of skills, experience, gender and knowledge with competencies in areas such as accounting and finance, legal, business and management, industry knowledge, strategic planning, operation and customer relationship. These competencies enable management to learn and benefit from external and expert perspectives of the Directors pertinent to the direction and growth of the Group. The NC also ensures that new directors are aware of their duties and obligations.

The independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, considering the need for progressive outlook of the Company. There are no Independent Directors who have served beyond nine years since the date of their first appointment. The NC had also reviewed and confirmed the independence of the Independent Directors in accordance with the Code.

The Board has set the maximum number of listed company's board representations as five. Having assessed the capacity of the Directors based on factors disclosed below, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge in relation to Board matters, hence, ultimately benefitting the Company.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principal commitments held.

The NC reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have adequately discharged their duties as Directors for FY2021.

A list of the other listed company directorships and principal commitments of each of the Directors (if any) for FY2021 is set out on pages 7 to 10 of this annual report.

The process for selection, appointment and re-appointment of Directors to the Board including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates are as follows:

Process for the Selection and Appointment of New Directors

Determination of selection criteria	The NC, in consultation with the Board, will consider the following factors when reviewing a candidate for Board appointment: • the skills, experience, expertise and personal trait that will best complement Board effectiveness; • the existing composition of the Board, aimed at providing the Board the benefits of diversity among its Directors; and • the capacity of the candidate to dedicate the necessary time and commitment to the role. This involves consideration of other commitments such as other board or executive appointments, integrity, potential conflicts of interest, and independence.
Search for suitable candidates	• The NC will furnish to all Directors, comprehensive background information in relation to a candidate; and • The NC would consider external search organisations for identification of potential Director candidates, if deemed necessary.
Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability. The Board is also advised by the Sponsor on appointment of directors as required under Catalist Rule 226(2)(d).
Appointment of Director	• The NC would recommend the selected candidate to the Board for consideration and approval; and • All Board appointments should be formalised by letter in the standard format as approved by the Board from time to time.

Process for the Re-electing Incumbent Directors

Assessment of Director	• The NC would assess the performance of the Director in accordance with the performance criteria set by the Board; and • The NC would also consider the current needs of the Board.
Re-appointment of Director	• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles, at least one-third of the Board is to retire from office by rotation and be subject to re-election at the AGM. Additional Directors appointed by the Board after the AGM but during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Directors who are to be nominated for re-election are as follows:

Name of Director	Designation	Date of Initial Appointment	Date of Last Re-Election
Mr. Luke Furler	Independent Director	1 September 2021	N.A
Mr. Ang Chiang Meng	Executive Director	20 November 2020	22 July 2021

DECLARATION WITH REGARD TO RE-APPOINTMENT OF DIRECTOR

(This form is based on Appendix 7F and is to be completed when a candidate is proposed to be appointed for the first time or re-elected to the board at a general meeting)

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
Date of Initial Appointment	20 November 2020	1 September 2021
Date of last re-appointment (if applicable)	22 July 2021	N.A.
Age	37	41
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Ang Chiang Meng ("Mr. Ang") as Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Ang's qualifications, expertise, past experiences and overall contribution.	The re-election of Mr. Luke Furler as Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Luke Furler's qualifications, expertise, past experiences and overall contribution.
Whether appointment is executive, and if so, the area of responsibility	Executive To develop and implement the Group's business strategy and manage the day-to-day operations of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director Member of the NC	Independent Non-Executive Director, Chairman of AC and a member of the RC.

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
Professional qualifications	Bachelor of Science (Real Estate), National University of Singapore.	Master of Accounting, Curtin University of Technology Bachelor of Science (Psychology), University of Western Australia Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants (ISCA) Chartered Accountant, Chartered Accountants Australia and New Zealand (CAANZ) Certified Public Accountant, Hong Kong Institute of Certified Public Accountants (HKICPA) Chartered Accountant, Institute of Chartered Accountants of England and Wales Certified Public Accountant, American Institute of Certified Public Accountants Licensed Insolvency Practitioner, Ministry of Law, Singapore Associate Mediator, Singapore Mediation Centre Accredited Mediator, Singapore International Mediation Institute

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
Working experience and occupation(s) during the past 10 years	May 2019 to Present: Managing Partner, Argile Partners Pte. Ltd. June 2015 – April 2019: Director, Borrelli Walsh Pte. Limited July 2010 – May 2015: AVP, DBS Bank	January 2022 to present: Managing Director, Head of Asia Quantuma (Singapore) Pte Ltd January 2019 to December 2021: Managing Director AJCapital Advisory Pte Limited October 2016 – December 2018: Partner KordaMentha Pte. Ltd. March 2015 – October 2016: Director Ernst and Young Solutions Pte. Ltd. October 2013 – March 2015: Director Borrelli Walsh Pte. Limited May 2012 – October 2013: Manger – Senior Manager McGrathNicol Services Pty Ltd April 2011 - May 2012: Senior Analyst – Manager PPB Advisory
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
Other Principal Commitments* Including Directorships		
** The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*		
Past (for the last 5 years)	Samudra Energy International Pte. Ltd. Opus Offshore Pte. Ltd. Opus Tiger 1 Pte. Ltd. Opus Tiger 2 Pte. Ltd. Opus Tiger 3 Pte. Ltd. Opus Tiger 4 Pte. Ltd. Opus Offshore Ventures Pte. Ltd. Opus Mercur Pte. Ltd. Opus Venus Pte. Ltd. Songa Opus Offshore Drilling Pte. Ltd. South Sumatra Energy Ventures Pte. Ltd. Opus Offshore Drilling India Pte. Ltd. Opus Offshore Drilling M.E. Pte. Ltd. Light Box Treasury Pte. Ltd. Samudra Energy Limited SMS Development Limited SMS Offshore Overseas Limited Evason Bay Corporation Privilege Missions Inc. Yuehai Trade Resources Development Co., Ltd Taixin Imports and Exports Trading Development Co., Ltd. Lava Marketing Holding Pte. Ltd. Agritrade Resources Limited	Zuji Travel Pte Ltd Base Athletica Pte Ltd

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
Present	Hundred Thoughts Pte. Ltd. Argile Asia Partners Pte. Ltd. Argile Partners Pte. Ltd. PT Argile Asia Partners Argile Partners Sdn. Bhd. Shanghai Nizhi Guanli Zixun Co., Ltd. Eagle Landing Pte. Ltd. Red & Orange Company Pte. Ltd. R&O Corporate Services Pte. Ltd. SEA Special Situations Pte. Ltd. Brewin Mesa Pte. Ltd. Axington Inc. Axington Singapore Pte. Ltd. CFLD Investment XVI Pte. Ltd. CFLD Investment XVII Pte. Ltd. PT CFLD Karawang New Industry City Development Audex Governance Sdn Bhd Singapore Kitchen Equipment Limited Success Elegant Trading Limited R&O Human Capital Pte. Ltd.	AJCapital Advisory Pte Limited Turnaround Management Association Singapore and South East Asia Limited Allford Associates Pte Ltd Marin Haus Pte Limited MeltedMozza Pte Ltd DSG Manufacturing Sdn Bhd DSG Projects Malaysia Sdn Bhd DS Projects Malaysia Sdn Bhd SGV Wines Group Ltd Vignobles Holdings Ltd
Information required pursuant to Catalist Rule 704(6) If the answer to any question is “yes”, full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Name of person		MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes As part of his role as a restructuring professional with Borrelli Walsh Pte. Limited ("Borrelli"), Mr. Ang was appointed as a director of Opus Offshore Pte. Ltd., Opus Offshore Drilling M.E. Pte. Ltd., Opus Offshore Drilling India Pte. Ltd., Opus Offshore Ventures Pte. Ltd., Opus Venus Pte. Ltd., Opus Mercur Pte. Ltd., and Songa Opus Offshore Drilling Pte. Ltd. (collectively known as the "Opus Entities") in February 2017 to drive the restructuring of the Opus group of companies. Mr. Ang resigned as a director of the Opus Entities following his resignation from Borrelli in April 2019. Subsequent to Mr. Ang's resignation, the restructuring of the Opus group of companies did not materialise given the state of the oil and gas industry, and the Opus Entities were subsequently either dissolved via compulsory winding up (insolvency) or creditors' voluntary winding up, or in liquidation via creditors' voluntary winding up. As part of his role as a restructuring professional with Argile Partners Pte. Ltd., Mr Ang was appointed as a director of Agritrade Resources Limited ("ARL"), which was placed under soft-touch provisional liquidation for restructuring purposes by the Bermuda courts in June 2020, in August 2021 to drive the restructuring of the ARL group of companies. The restructuring of the ARL group of companies did not materialise and ARL was placed under full provisional liquidation by the Bermuda courts in January 2022.	Yes Mr. Furler was a director of Zuji Travel Pte. Ltd., which was dissolved by way of creditors' voluntary winding up. Mr. Furler was appointed director of the distressed company for the purposes of placing the company into voluntary liquidation as the other directors were either not contactable or were not able to undertake such appointment. This role is consistent with his primary occupation in advising distressed corporations and acting as an insolvency practitioner.
(c)	Whether there is any unsatisfied judgment against him?	No	No

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Mr. Ang was appointed as an independent non-executive director of Singapore Kitchen Equipment Limited ("SKEL") on 5 August 2021. SKEL had on 11 April 2022, announced that the Accounting and Corporate Regulatory Authority ("ACRA") had on 30 March 2022, informed SKEL that ACRA was conducting an investigation into possible breaches of Section 402(1) of the Companies Act 1967 (the "Act"), and requested the Company provide to ACRA a copy of a report in relation to an ongoing independent review by Rajah & Tann Singapore on potential irregularities ("Irregularities") relating to certain accounting records of SKEL's wholly-owned subsidiary (the "Report"). Section 402(1) of the Act relates to the intentional making of false statements or reports by an officer of a corporation to, among others, a director or auditor of that corporation. Such Irregularities relates to periods prior to Mr. Ang's appointment to the board of SKEL, and to the best of his knowledge, he is not the subject of ACRA's investigations.	No

Name of person	MR. ANG CHIANG MENG	MR. LUKE ANTHONY FURLER
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only - N.A.		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable as this relates to reappointment of Director.	

The key information of the Directors, including their appointment and last re-appointment dates and current and past directorships held in the past 3 years, academic and professional qualifications and other principal commitments, are set out on pages 25 to 33 of this annual report.

e. **Board Performance**

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board's performance is linked to the overall performance of the Group. The following table sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board and its Board Committees as a whole, and for assessing the contribution by each Director to the effectiveness of the Board. The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board.

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	Size and composition Access to information Board processes Inputs to strategic planning Board accountability Risk management Succession planning	Commitment of time Knowledge and abilities Teamwork Independence (if applicable) Overall effectiveness Engagement with Management
Quantitative	None	Attendance at Board and Board Committees meetings

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, and thereafter propose amendments if any, to the Board for approval.

The review of the performance of the Board and the Board Committees is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

For FY2021, the review process was as follows:

- All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board, the Board Committees and the individual Directors based on performance criteria;
- The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and
- The NC discussed the report and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance and/or his re-election as a Director. No external facilitator was used in the evaluation process as the Company has a robust internal process to evaluate Directors.

The Board and the Board Committees had on a whole met its performance objectives for FY2021.

2. REMUNERATION MATTERS

a. **Procedures for Developing Remuneration Policies**

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established a Remuneration Committee ("RC"). As at the end of FY2021 and the date of this report, the RC comprises three (3) directors, all of which are independent non-executive directors.

The RC is guided by key terms of reference as follows:

- Review and recommend to the Board the remuneration framework for each Director and key management personnel of the Company;
- Review and recommend to the Board the individual remuneration structure and policy for the Executive Directors and key management personnel, taking due account of short term and long term incentives, termination terms and whether there is an appropriate balance between fixed and incentive pay that is aligned with the objectives of the Company and commensurate with the level of executive responsibilities;
- Review and recommend to the Board an appropriate performance framework; supporting the setting of performance target parameters for the remuneration of the Executive Directors and key management personnel; and monitor their performance against such targets and recommending resultant annual remuneration levels; and
- Review and make recommendations to the Board for the remuneration report for inclusion in the annual report.

No remuneration consultants were engaged by the Company in FY2021 and no “claw-back” provisions are provided for in the service agreements of Executive Director and key management personnel. The Board is of the view that as the Group pays performance bonus based on the actual results of the Group (and on forward-looking results) as well as actual performance of its Executive Directors and key management personnel, “claw-back” provisions in the service agreements may not be relevant or appropriate.

The Company’s remuneration policy covers all aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives, awards, retirement and termination terms, to ensure that they are fair, is one that is structured as to align their interests with those of the Company and its shareholders. The policy also seeks to pursue the long-term growth and success of the Company and its business plan.

The Company has entered into separate service agreements with the Executive Directors and key management personnel. No Directors is involved in deciding his or her own remuneration.

b. **Level and Mix of Remuneration**

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Company considers the compensation and benefits conditions within the same industry and in comparable companies, as well as the Group’s relative performance and the performance of individual Directors and key management personnel. The remuneration has been formulated to attract, retain and motivate executives to successfully manage the Company.

The remuneration for non-executive directors considers the performance of the Group and is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities.

Remuneration Structure of the Executive Director

The service agreement for the Executive Director is valid for six (6) months and will be automatically extended for another six (6) months, pursuant to which the remuneration for the Executive Director comprises a basic salary component and a variable component, based on the completion of certain strategic initiatives. The Executive Director does not receive Director’s fees.

Remuneration Structure of Key Management Personnel

Due to the cash company status of the Company, save for the Executive Director, there are currently no key management personnel within the Group. The service agreements of the key management personnel (if any) are envisaged to be generally short term contracts which are rolled over periodically depending on the requirements of the Company and comprises primarily of a basic salary component.

c. **Disclosure of Remuneration**

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The breakdown for the remuneration of the Directors in FY2021 was as follows:

Name	Salary (%)	Bonus (%)	Directors' Fees (%)	Other Benefits (%)	Total (%)
Below or equal to S$250,000					
Mr. Roberto Dona	–	–	100%	–	100%
Mr. Ang Chiang Meng[(1)]	87%	–	13%	–	100%
Mr. William Teo	–	–	100%	–	100%
Mr. Luke Furler[(2)]	–	–	0%	–	0%

Notes:

(1) Mr. Ang Chiang Meng was appointed as an Independent Director and Chairman of the AC and a member of the NC and RC on 20 November 2020. He was re-designated as the Executive Director and stepped down as the Chairman of the AC and a member of the RC on 4 June 2021. With effect from his re-designation, Mr. Ang did not receive any further Director fees.

(2) Mr. Luke Furler was appointed as an Independent Director on 1 September 2021.

Save for Mr. Ang Chiang Meng, the Company does not have any key management personnel, including a CEO and his remuneration has been disclosed in the table above.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2021.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director, the Company is of the view that such disclosure would be prejudicial to its business interest given the commercial sensitivity and confidential nature of remuneration matters.

There was no employee of the Group who is a substantial shareholder of the Company or who was an immediate family member of a Director, or the CEO or a substantial shareholder whose remuneration exceeded S$100,000 in FY2021.

Despite its deviation from Provision 8.1 of the Code, the Company is of the view that it has provided a high level of transparency on remuneration matters, which is in line with the intent of Principle 8 of the Code.

Information on the Company's Performance Share Plan and Employee Share Option Scheme is set out on pages 44 to 46 of this annual report. The Company did not grant any option or award any shares during FY2021.

The remuneration received by the Executive Director takes into consideration his individual contribution towards the overall performance of the Group for FY2021. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

3. ACCOUNTABILITY AND AUDIT

a. Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

The Board has oversight of the risk management system in the Group. The practice of risk management is undertaken by management under the purview of the Board. The Group has put in place appropriate risk management processes to evaluate the operating and financial risks of the Group. The management regularly reviews the Group's activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. All significant matters are highlighted and discussed with the Board for the development of appropriate solutions for implementation.

The Board reviews the adequacy and effectiveness of the Group's risk management systems and internal controls framework on an annual basis.

Given that the Company does not have a chief financial officer and a CEO as at the date of this report, the Board has received assurance from the Executive Director in respect of FY2021 that:

- the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and

- the Company's risk management and internal controls system are adequate and effective.

The Board has also relied on the independent auditors' report as set out in this annual report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances.

The Board and the AC have considered the current cash company status of the Company together with the existing internal controls and are of the opinion that the internal controls are adequate and effective to address the risks which comprise mainly financial, operational, compliance risks which the Company considers relevant and material to its current status and environment based on the following:

- In the absence of a management, assurance has been received from the Executive Director and supporting team that they are responsible for the adequacy and effectiveness of the Group's risk management and internal control systems;

- The Executive Director regularly evaluates, monitors and reports to the AC and the Board on material risks; and

- Discussions were held between the AC and auditors in the absence of the Management to review and address any potential concerns.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Following the resignation of the previous Board and the departure of key management personnel in FY2020, the current Board was unable to obtain the complete records, documentations, and policies in relation to the Group.

However, based on the limited records obtained and the review conducted by the AC, the key material weakness identified by the AC was the lack of dual signatories for payments from the Company's bank accounts. Payments made to third party entities were authorised and approved by a single bank account signatory. The current Board, among others, had updated the bank accounts operating mandate to require a joint authorisation for all payments to be made from the Company's bank accounts and have also implemented an authorisation threshold to mitigate such weakness.

In addition to the above and in the absence of key management personnel, the Executive Director meets with the external service providers and the independent directors on a regular basis to discuss administrative, business and strategic matters. During these meetings, potential projects and operational risks are identified and discussed, along with proposed mitigating measures to address these risks to ensure residual risks are mitigated to an acceptable level. Any significant issues identified from these meetings are brought to the attention of the Board.

Save as disclosed above, based on the review and supervision under the Board, the existing internal controls in place and the assurance received from the Executive Director, the Board, together with the concurrence of the AC, is of the opinion that, for FY2021, the internal controls in place in the Group to address risks relating to financial, operational, compliance, information technology controls and risk management systems are adequate and effective.

b. **Audit Committee**

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at the end of FY2021 and the date of this report, the AC comprises three directors, all of which are independent non-executive directors, who do not have any management and business relationships with the Company or with any substantial shareholder of the Company. None of the AC members were former partners or directors of the Company's current external audit firm within the last two years and none of the AC members hold any financial interest in the external audit firm.

The AC is guided by the following key terms of reference:

- Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board for approval;

- Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal control system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

- Review periodically management risk profiles identifying significant risk areas (with particular focus on financial reporting risks and controls);

- Review the assurance from the Executive Director and the CFO (where applicable) on the financial records and financial statements;

- Coordinate with the Executive Director on its oversight of non-financial and financial risk management and internal control matters;

- Arrange for access to and review reports regarding the adequacy and effectiveness of risk management and internal control systems;

- Review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;

- Make recommendations to the Board on proposals to shareholders on appointment, re-appointment and removal of the EA, and approve the remuneration and terms of engagement of the EA;

- Review the system of internal controls and management of financial risks with EA;

- Review the co-operation given by management to EA, where applicable;

- Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;

- Review and approve interested person transactions and review procedures thereof;

- Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

- Investigate any matters within its terms of reference;

- Review the policy and arrangements by which our employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

- Undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and co-operation from the management and full discretion to invite any director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC also meets regularly with the management, the Executive Director and EA to keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Group's financial statements. At least once a year and as and when required, the AC meets with the EA without the presence of the management and Executive Director, to review any matters that might be raised privately. The AC had met with the EA in the absence of management and Executive Director for FY2021.

Messrs Foo Kon Tan LLP ("FKT") was appointed as EA for FY2021 at the AGM held on 22 July 2021 until the conclusion at the forthcoming AGM. The aggregate amount of fees paid or payable by the Group to the independent auditor for FY2021 amounted to S$130,000 for audit services. There were no non-audit services rendered in FY2021. The AC has reviewed and confirmed the independence and objectivity of the EA.

The AC has assessed the performance of FKT, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the AC is of the view that Rule 712 and Rule 715 of the Catalist Rules have been complied with and has recommended to the Board the nomination of FKT for re-appointment as the independent auditor for the Company's audit obligation for FY2022, at the forthcoming AGM.

The Company's EA has also briefed the AC on the changes in the financial reporting standards that will take effect in the following years. This ensures that the AC is kept abreast with the changes in financial reporting standards which could have a direct impact on the Group's financial statements.

The Company has put in place a whistle-blowing policy, which is overseen and monitored by the AC, where the staff of the Company and third parties may, in confidence, raise concerns via letter to the chairman of the AC or email to axingtonwhistleblow@outlook.com about possible improprieties in matters of financial reporting or other matters, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The AC will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. The Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment and anonymous disclosures will be accepted. No such whistle-blowing letter or email was received in FY2021.

For FY2021, the AC did not appoint an internal auditor as (a) the Group had minimal business following the completion of the disposal of Tricor Taxand Sdn. Bhd. (formerly known as Axcelasia Taxand Sdn. Bhd.) and its subsidiaries in April 2020, and (b) the Group does not currently have any revenue generating business and the Company has been designated a cash company with effect from 1 April 2021. As there are minimal business and internal control risks arising to be dealt with, the AC reviewed the internal control function which primarily relates to the corporate related matters based on the current control policy that is already in place. The internal audit function was carried out by the AC on all the entities under the Group using a risk-based auditing approach covering financial, operational and compliance controls and such internal audit function had unfettered access to all the Company's documents, records, properties and personnel, and has appropriate standing within the Company. The AC is satisfied of the adequacy, independence and effectiveness of Company's internal audit function. Mr. Luke Furler, being the Chairman of the Audit Committee since his appointment in September 2021, was in charge of the internal audit function and has the relevant experience and qualifications to conduct the internal controls review. In terms of accounting and financial management related matters, Mr. Luke Furler is supported by Mr. William Teo who had chaired audit committees of listed companies and was a former audit partner. Please refer to both Mr. Luke Furler and Mr. William Teo's experience and qualifications set out on pages 9 to 10 of this annual report.

The AC will continue to review the adequacy and effectiveness of the Group's internal audit function on an annual basis, where applicable.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

a. Shareholders Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company regularly communicates with shareholders through general meetings and corporate announcements. Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.

The Company tables separate resolution at general meeting of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

The Company does not have a fixed dividend policy. Nonetheless, the Directors will review and recommend any dividend declaration subject to, *inter alia,* the level of the Group's cash and retained earnings, Group's actual and projected financial performance in the relevant financial period/year, projected levels of capital expenditure and expansion plans, working capital requirements and general financing condition and restrictions on payment of dividends imposed on the Company by financing arrangement (if any).

The Company's Articles allow for absentia voting.

The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless due to exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

The Company held two shareholder meetings in FY2021, where the entire board, save for Mr. Luke Furler who was appointed only on 1 September 2021, was present.

All resolutions are put to vote by way of poll so as to better reflect shareholders' interest and ensure greater transparency. Votes cast for and against each resolution will be tallied and displayed live-on-screen to shareholders immediately at the meeting. The detailed results including the total number and percentage of votes cast for and against each resolution will be announced via SGXNet after the conclusion of the general meeting.

All minutes of general meetings, including the questions raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be published via SGXNet as soon as practicable.

b. **Engagement with Shareholders**

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

While the Company does not have in place an investor relations policy, the Company solicits feedback and addresses the concerns of shareholders (including institutional and retail investors) via investor briefing during AGM.

The investor briefing during AGM was coordinated internally by the Executive Director and management of the Company. In addition, the Independent Directors will meet with investors as and when requested.

In view of the alternative arrangements for general meetings held during the COVID-19 pandemic period, the Company has provided and set out the relevant instructions in its Notice of AGM for shareholders to submit their questions, relating to the resolutions to be tabled for approval at the AGM, prior to the AGM.

The Company updates shareholders through the SGXNET announcements and its annual report.

c. **Engagement with Stakeholders**

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. In light of the Company's status as a cash company, the Company does not maintain a corporate website and general information regarding the Company, such as annual reports, financial results and corporate updates are available on the SGXNET. Further, shareholders may also reach out to the Company via the Company's email address (axington@outlook.com).

5. OTHER DISCLOSURES

a. **Dealing in Securities**

The Company has adopted a policy which prohibits dealings in the securities of the Company by the Directors and employees of the Group while in possession of price-sensitive information. Under this policy, the Company, the Directors and employees of the Group are not permitted to deal with the securities of the Company during the period commencing one month before the announcement of the Company's half-year and full year results, and ending on the date of the announcement.

In addition, the Directors and employees are also discouraged from dealing in the Company's securities on short-term considerations and are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. The Board is kept informed when a Director trades in the Company's securities.

b. Disclosure of Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the CEO or each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

c. Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All interested person transactions are subject to review by the AC to ensure compliance with established procedures.

No general mandate has been obtained from Shareholders in respect of interested person transactions for FY2021.

There were no interested person transactions for FY2021.

d. Non-sponsorship fees

For FY2021, the Company paid non-sponsor fees of S$37,500 to its sponsor, Novus Corporate Finance Pte. Ltd.

e. Use of proceeds

IPO net proceeds

The Company refers to the net proceeds amounting to S$7.58 million (excluding listing expenses of approximately S$1.3 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 annual report, the status on the use of the IPO net proceeds is as follows:

Use of IPO net proceeds	Amount allocated in the offer document (S$'000)	Amount allocated (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Expand the business operations in Malaysia and the ASEAN region and enhance the range of professional services	6,000	4,000	(1,843)	2,157
Enhance the Group's office and support infrastructure	500	500	(118)	382
Working capital	1,080	3,080[(1)]	(3,080)[(2)]	–
Listing expenses	1,300	1,300	(1,300)	–
Total	8,880	8,880	(6,341)	2,539

Notes:

(1) The Company had in February 2017, reallocated approximately S$2 million that was initially allocated to expand business operations in Malaysia/ASEAN region and enhance range of professional services, to fund the working capital requirements of the Company for operating expenses.

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

The above utilisations 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

The Company refers to the net proceeds amounting to S$5.97 million (excluding expenses of approximately S$0.03 million) raised from the placement exercise conducted in August 2020 ("Placement").

Use of placement net proceeds	Amount allocated (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Business investments and acquisition	3,582	–	3,582
General working capital	2,388	–	2,388
Total Placement Net Proceeds	5,970[(1)]	–	5,970[(1)]

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

Note:

(1) Inclusive of approximately S$0.75 million which remains 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

The Company refers to the net proceeds amounting to S$5,000 (excluding expenses of approximately S$25,000) raised from the compliance placement exercise conducted in August 2020 ("Compliance Placement").

Use of compliance placement net proceeds	Amount allocated (S$'000)	Amount utilised (S$'000)	Balance (S$'000)
Business investments and acquisition	3	–	3
General working capital	2	–	2
Total Compliance Placement Net Proceeds	5	–	5

As at the date of this annual report, 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 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.

f. Sustainability Reporting

As announced by the Company on 10 March 2022, in view that the Company has no revenue generating business and operations, and is currently a cash company, a sustainability report for FY2021 would not be relevant and meaningful, and accordingly the Company will not be issuing a sustainability report for FY2021.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2021

We submit this annual report to the members together with the audited consolidated financial statements of Axington Inc. (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2021.

In the opinion of the directors:

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Roberto Dona (Non-Executive Chairman and Independent Director)
Ang Chiang Meng (Executive Director)
Teo Choon Kow @ William Teo (Independent Director)
Luke Anthony Furler (Independent Director) (Appointed on 1 September 2021)

Arrangements to acquire shares, debentures or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures or options of the Company or any other corporate body, other than as disclosed in this statement.

Directors' interest in shares, debentures or options

None of the directors who held office at the end of the financial year or as at 21 January 2022 was interested in shares, debentures or options of the Company or its related corporations.

Share options

In conjunction with the Company's listing on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Group adopted the Axcelasia Employee Share Option Scheme ("ESOS") which was approved by its shareholders at an Extraordinary General Meeting ("EGM") held on 21 October 2015. The ESOS is administered by a committee comprising of members of the Nominating Committee and the Remuneration Committee (the "Administration Committee"). The ESOS provides for the grant of share options to employees and directors ("ESOS participants").

The selection of the ESOS participants and number of shares which are subject of each option to be granted to an ESOS participant in accordance with the ESOS shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the ESOS, the number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of all options granted under the ESOS (including the Axcelasia Performance Share Plan and any other share option scheme of the Company) shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

Share options (cont'd)

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options granted with exercise price set at a discount to market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant in the Group and the parent company, the bankruptcy of the participant, the death of the participant, a take-over of the Company, and the winding-up of the Company.

There were no options granted to the employees and directors from the commencement of the ESOS up to the end of the financial year.

No options have been granted to controlling shareholders of the Company and their associates under the ESOS from the commencement of the ESOS up to the end of the financial year.

None of the ESOS participants received 5% or more of the total number of options available under the ESOS.

There were no options being exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries at the end of the financial year.

Performance Share Plan

In conjunction with the Company's listing on the Catalist of SGX-ST, the Group adopted the Axcelasia Performance Share Plan ("PSP") which was approved by its shareholders at the EGM held on 21 October 2015. The PSP is administered by the Administration Committee. The PSP provides for the grant of incentive share awards to employees and directors.

The selection of the PSP participants and number of shares which are subject of each award to be granted to a PSP participant in accordance with the PSP shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and issuable in respect of (a) all awards granted under the PSP; and (b) all options granted under any share option, shares incentive, performance share or restricted plans of the Company and for the time being in force, shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

The PSP allows for the participation by full-time employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Controlling shareholders of the Company and their associates will not be eligible to participate in the PSP.

Performance Share Plan (cont'd)

Notwithstanding that a PSP participant may have met his performance targets, no awards shall be vested:

(i) When a PSP participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the PSP participant is employed ceases to be a company in the Group;

(ii) When a PSP participant, being a Non-executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;

(iii) Upon the bankruptcy of the PSP participant;

(iv) Upon ill health, injury or death of a PSP participant;

(v) When a PSP participant committing any breach of any of the terms of his award;

(vi) Upon misconduct on the part of a PSP participant as determined by the Administration Committee in its discretion;

(vii) When a general offer being made of all or any part of the shares;

(viii) When a scheme of arrangement or compromise between the Company and the shareholders being sanctioned by the Court;

(ix) When an order for the compulsory winding-up of the Company being made;

(x) When a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or

(xi) Upon any other event unless approved by the Administration Committee.

There were no awards granted pursuant to the PSP from the commencement of the PSP up to the end of the financial year.

Audit Committee

The Audit Committee at the date of this statement comprises the following members:

Luke Anthony Furler (Chairman)
Teo Choon Kow @ William Teo
Roberto Dona

The Audit Committee's terms of reference are as follows:

(i) Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board for approval;

(ii) Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

(iii) Review periodically risk management profiles identifying significant risk areas (with particular focus on financial reporting risk and controls);

(iv) Review the assurance from the Executive Director on the financial records and financial statements;

Audit Committee (cont'd)

(v) Coordinate with the Executive Director on its oversight of non-financial and financial risk management and internal control matters;

(vi) Arrange for access to and review reports regarding the adequacy and effectiveness of risk management and internal control systems;

(vii) Review the adequacy, effectiveness, independence, scope and results of the external audit;

(viii) Make recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;

(ix) Review the system of internal controls and management of financial risks with the external auditor;

(x) Review the cooperation given by management to the external auditor, where applicable;

(xi) Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual of the SGX-ST, including such amendments made thereto from time to time;

(xii) Review and approve interested person transactions and review procedures thereof;

(xiii) Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

(xiv) Investigate any matters within its terms of reference;

(xv) Review the policy and arrangements by which the Group's employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(xvi) Undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time.

There were no non-audit services rendered in FY2021. The Audit Committee has reviewed and confirmed the independence and objectivity of the external auditor.

The Audit Committee has full access to and has the cooperation of the Executive Director and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditor has unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 December 2021

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

ANG CHIANG MENG

LUKE ANTHONY FURLER

5 May 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Axington Inc. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(a) Opening balances and comparative information

We had issued a disclaimer of opinion on the financial statements for the year ended 31 December 2020 on 7 July 2021, in respect of the matters described below. Our opinion on the current year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

(i) Other receivables and payables

Included in Note 7 to the financial statements were other receivables as at 31 December 2020 relating to an outstanding balance of S$1,075,000 arising from the issuance of placement shares by the Company on 17 August 2020, and included in Note 13 to the financial statements were other payables as at 31 December 2020 comprising a total amount of S$325,000 received from a company on 19 August 2020.

During the year ended 31 December 2021, the net amount of S$750,000 was transferred by the Company to capital reserve, pending the completion of cancellation of 3,750,000 placement shares which were issued at S$0.20 per share.

We were unable to obtain sufficient appropriate audit evidence to ascertain the recoverability of the outstanding balance of other receivables as at 31 December 2020 and whether any impairment loss should be recognised, and the validity of the placement shares issued. In respect of other payables as at 31 December 2020, we were unable to obtain sufficient appropriate audit evidence to ascertain the purpose and rationale of the two receipts and whether the company is a related party of the Group.

Accordingly, we are unable to determine whether the opening balances as at 1 January 2021 are fairly stated. Due to the carry-forward effects on the financial performance and cash flows for the year ended 31 December 2021 and the closing balances of assets and liabilities of the Group and the Company as at 31 December 2021, we are unable to determine whether any adjustments might have been necessary in respect of the financial statements for the year ended 31 December 2021.

Basis for Disclaimer of Opinion (Cont'd)

(a) Opening balances and comparative information (cont'd)

(ii) Cash in banks

Included in cash and bank deposits as at 31 December 2020 were bank balances of S$14,000 held by two subsidiaries of the Company, for which we were unable to obtain confirmations from the respective banks. Consequently, we were unable to satisfy ourselves as to the appropriateness of the carrying amounts of these bank balances, any assets held as security, guarantees, commitments and contingencies, and the completeness of bank accounts and any loans or other banking facilities held by these subsidiaries as at 31 December 2020.

Accordingly, we are unable to determine whether the opening balances as at 1 January 2021 are fairly stated. Due to the carry-forward effects on the financial performance and cash flows for the year ended 31 December 2021 and the closing balances of assets and liabilities of the Group and the Company as at 31 December 2021, we are unable to determine whether any adjustments might have been necessary in respect of the financial statements for the year ended 31 December 2021.

(iii) Impairment losses on plant and equipment

Included in impairment losses on plant and equipment in profit or loss for the year ended 31 December 2020 was an amount of S$329,000 relating to medical equipment (Note 3). We were unable to ascertain the existence of certain medical equipment with costs amounting to S$250,000. Notwithstanding that all the medical equipment had been fully impaired by the Company as at 31 December 2020, we were unable to obtain sufficient appropriate audit evidence to ascertain the veracity of the underlying transactions and the subsequent impairment losses recognised by the Company. Consequently, we were unable to satisfy ourselves in respect of the appropriateness of the classification and carrying amounts of plant and equipment at 31 December 2020 and impairment losses on plant and equipment for the year ended 31 December 2020.

There is no impact of the above on the financial statements for the year ended 31 December 2021 as the medical equipment had been fully impaired as at 31 December 2020.

(iv) Other expenses

Included in other expenses for the year ended 31 December 2020 was an amount of S$150,000 written off and recognised in profit or loss (Note 18), relating to the remaining balance of a payment made to a vendor. As the Company had assessed that the amount was not likely to be recoverable, it was written off. Notwithstanding this, we were unable to obtain sufficient appropriate audit evidence to ascertain the veracity of the transaction and the subsequent write-off recognised by the Company. Consequently, we were unable to satisfy ourselves in respect of the appropriateness of other expenses for the year ended 31 December 2020.

There is no impact of the above on the financial statements for the year ended 31 December 2021 as the amount had been written off as at 31 December 2020.

(v) Gain on disposal of subsidiaries and discontinued operations

As disclosed in Note 20 to the financial statements, the gain from discontinued operations of S$18,646,000 for the year ended 31 December 2020 comprised loss attributable to the disposal group from 1 January 2020 to 15 April 2020 of S$61,000 and gain on disposal of subsidiaries of S$18,707,000. We were unable to obtain the underlying accounting records and supporting documents of the significant components making up the profit or loss items of the disposal group from 1 January 2020 to 15 April 2020 and the assets and liabilities of the disposal group as at 15 April 2020. Consequently, we were unable to obtain sufficient appropriate audit evidence in respect of the loss attributable to the disposal group of S$61,000 and gain on disposal of subsidiaries of S$18,707,000, and the presentation and disclosures of discontinued operations in the financial statements for the year ended 31 December 2020.

There is no impact of the above on the financial statements for the year ended 31 December 2021 as the disposal had been completed as at 31 December 2020.

Basis for Disclaimer of Opinion (Cont'd)

(a) Opening balances and comparative information (cont'd)

(vi) Functional currency

Following the divestment of all the Group's operating subsidiaries in Malaysia during the year ended 31 December 2020, the Group does not have any revenue generating business, and the Company had, on 1 April 2021, notified the Singapore Exchange Securities Trading Limited ("SGX-ST") of its cash company status.

After the disposal of the subsidiaries, the cash and bank deposits of the Company, which predominantly make up its total assets, are primarily denominated in Singapore dollar ("SGD"). The liabilities of the Company and expenses incurred by the Company are also mostly denominated in SGD. Nonetheless, the accounting records were maintained by the Company in Malaysia ringgit ("MYR"), and all transactions and balances were recorded by the Company in MYR. The Company was unable to provide further evidence to substantiate MYR as the functional currency.

Under SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*, functional currency is the currency of the primary economic environment in which an entity operates, which is normally the one in which it primarily generates and expends cash. In addition, functional currency reflects the underlying transactions, events and conditions that are relevant to the entity, and if there is a change in those underlying transactions, events and conditions, the entity shall apply the translation procedures applicable to the new functional currency prospectively.

In view of the factors described above, we were unable to satisfy ourselves as to the appropriateness of MYR as the functional currency and presentation currency, and the recording of transactions and presentation of financial statements in MYR, and to determine if there were any further adjustments or disclosures required in respect of the financial statements for the year ended 31 December 2020.

As disclosed in Note 2(d) to the financial statements, the Company has performed re-translation to account for the change in functional currency and presentation currency from MYR to SGD with effect from 15 April 2020 in accordance with SFRS(I) 1-21.

(b) Independent review

During the year ended 31 December 2021, the Company appointed an independent reviewer to conduct an independent review of the nature and circumstances relating to the unpaid placement shares and the Company's announcement dated 18 August 2020 relating to the completion of placement notwithstanding the unpaid placement shares, and to identify any breaches in rules, laws and regulations by the Company and its directors.

The independent review has yet to conclude. Based on the information available to us, we are unable to determine whether any adjustments might have been necessary in respect of the financial statements for the year ended 31 December 2021.

Other Matter

The Group does not currently have any revenue generating business, and the Company had, on 1 April 2021 notified the SGX-ST of its cash company status. Pursuant to Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum six-month extension to the twelve-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six-month extension period. On 29 March 2022, the Company obtained approval from SGX-ST to extend the deadline to 30 September 2022 to meet the requirements for a new listing.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Labuan Companies Act 1990 ("Labuan Companies Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Labuan Companies Act to be kept by the Company have been properly kept in accordance with the provisions of the Labuan Companies Act.

The engagement partner on the audit resulting in this independent auditor's report is Cheong Wenjie.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

5 May 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	The Group 31 December 2021 S$'000	The Group 31 December 2020 S$'000 (Restated)	The Group 1 January 2020 S$'000 (Restated)	The Company 31 December 2021 S$'000	The Company 31 December 2020 S$'000 (Restated)	The Company 1 January 2020 S$'000 (Restated)
ASSETS							
Non-Current Assets							
Plant and equipment	3	**–**	–	254	**–**	–	25
Right-of-use assets	4	**–**	24	348	**–**	24	47
Goodwill	5	**–**	–	702	**–**	–	–
Subsidiaries	6	**–**	–	–	**–**	–	2,974
		–	24	1,304	**–**	24	3,046
Current Assets							
Trade and other receivables	7	**32**	1,115	3,337	**–**	1,086	3,851
Contract assets	8	**–**	–	268	**–**	–	–
Prepayments		**42**	–	102	**42**	–	16
Cash and bank deposits	9	**2,002**	30,154	7,866	**1,995**	30,131	3,752
Restricted deposit	9	**26,620**	–	–	**26,620**	–	–
		28,696	31,269	11,573	**28,657**	31,217	7,619
Total assets		**28,696**	31,293	12,877	**28,657**	31,241	10,665
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	10	**15,093**	15,093	9,527	**15,093**	15,093	9,527
Treasury shares	10	**(1)**	(1)	(1)	**(1)**	(1)	(1)
Reserves	11	**13,377**	15,100	1,471	**13,390**	15,125	988
Equity attributable to owners of the Company		**28,469**	30,192	10,997	**28,482**	30,217	10,514
Non-controlling interests		**(20)**	(17)	21	**–**	–	–
Total equity		**28,449**	30,175	11,018	**28,482**	30,217	10,514
Non-Current Liabilities							
Lease liabilities	12	**–**	–	185	**–**	–	25
Current Liabilities							
Contract liabilities	8	**–**	–	26	**–**	–	–
Lease liabilities	12	**–**	36	182	**–**	36	24
Bank overdraft		**–**	*	–	**–**	*	–
Other payables and accruals	13	**247**	1,082	1,223	**175**	988	102
Current tax payable		**–**	–	243	**–**	–	–
		247	1,118	1,674	**175**	1,024	126
Total liabilities		**247**	1,118	1,859	**175**	1,024	151
Total equity and liabilities		**28,696**	31,293	12,877	**28,657**	31,241	10,665

* Less than S$1,000

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2021

	Note	2021 S$'000	2020 S$'000 (Restated)
Continuing operations			
Revenue	14	–	8
Other income	15	**111**	218
Depreciation of plant and equipment	3	–	(55)
Depreciation of right-of-use assets	4	–	(24)
Employee benefits expense	16	**(221)**	(293)
Short-term lease expense		**(20)**	(18)
Finance cost	17	–	(1)
Other expenses	18	**(849)**	(2,724)
Loss before taxation from continuing operations		**(979)**	(2,889)
Taxation	19	–	–
Loss after taxation from continuing operations		**(979)**	(2,889)
Discontinued operations			
Profit from discontinued operations, net of tax	20	–	18,646
(Loss)/Profit for the year		**(979)**	15,757
Other comprehensive income after tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**3**	(35)
Other comprehensive income/(loss) for the year, net of tax of nil		**3**	(35)
Total comprehensive (loss)/income for the year		**(976)**	15,722
(Loss)/Profit attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(976)**	(2,869)
- Profit from discontinued operations, net of tax		–	18,646
		(976)	15,777
Non-controlling interests			
- Loss from continuing operations, net of tax		**(3)**	(20)
(Loss)/Profit for the year		**(979)**	15,757
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(973)**	15,743
Non-controlling interests		**(3)**	(21)
Total comprehensive (loss)/income for the year		**(976)**	15,722
(Loss)/Earnings per share attributable to owners of the Company (Singapore cents)			
Basic			
- From continuing and discontinued operations	21	**(0.52)**	9.27
- From continuing operations	21	**(0.52)**	(1.69)
- From discontinued operations	21	–	10.96
Diluted			
- From continuing and discontinued operations	21	**(0.52)**	9.07
- From continuing operations	21	**(0.52)**	(1.65)
- From discontinued operations	21	–	10.72

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2021

	Share capital S$'000	Treasury shares S$'000	Capital reserve 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
Balance at 1 January 2020	9,527	(1)	–	(1,017)	(550)	3,038	10,997	21	11,018
Profit/(Loss) for the year	–	–	–	–	–	15,777	15,777	(20)	15,757
Other comprehensive loss for the year									
- Currency translation differences	–	–	–	–	(34)	–	(34)	(1)	(35)
Total comprehensive (loss)/income for the year	–	–	–	–	(34)	15,777	15,743	(21)	15,722
Effect of change in functional currency	(439)	–	–	–	468	(29)	–	–	–
Contributions by and distributions to owners									
Disposal of subsidiaries	–	–	–	1,017	117	–	1,134	(17)	1,117
Dividends (Note 22)	–	–	–	–	–	(3,687)	(3,687)	–	(3,687)
Issuance of shares (Note 10)	6,030	–	–	–	–	–	6,030	–	6,030
Share issuance costs	(25)	–	–	–	–	–	(25)	–	(25)
Transactions with owners in their capacity as owners	6,005	–	–	1,017	117	(3,687)	3,452	(17)	3,435
Balance at 31 December 2020	15,093	(1)	–	–	1	15,099	30,192	(17)	30,175
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, as restated	**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 income/(loss) for the year	**–**	**–**	**–**	**–**	**3**	**(976)**	**(973)**	**(3)**	**(976)**
Contributions by and distributions to owners									
Cancellation of shares (Note 10)	**–**	**–**	**(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**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2021

	Note	2021 S$'000	2020 S$'000 (Restated)
Cash Flows from Operating Activities			
(Loss)/Profit before taxation			
- Continuing operations		**(979)**	(2,889)
- Discontinued operations	20	**–**	18,646
(Loss)/Profit before taxation		**(979)**	15,757
Adjustments for:			
Bad debts written off	18	**–**	504
Depreciation of plant and equipment	3	**–**	55
Depreciation of right-of-use assets	4	**–**	24
Gain on disposal of subsidiaries	20	**–**	(18,707)
Impairment on plant and equipment made	3	**–**	334
Interest expense	17	**–**	1
Interest income	15	**(23)**	(217)
Loss on lease termination	18	**15**	–
Other write-off	18	**–**	150
Plant and equipment written off	3	**–**	10
Operating loss before working capital changes		**(987)**	(2,089)
Changes in trade and other receivables		**334**	399
Changes in prepayments		**(41)**	17
Changes in other payables and accruals		**(829)**	920
Net cash used in operating activities		**(1,523)**	(753)
Cash Flows from Investing Activities			
Disposal of subsidiaries, net of cash disposed of	A	**–**	21,950
Interest received		**23**	217
Placement of restricted deposit in escrow account	9	**(26,620)**	–
Purchase of plant and equipment		**–**	(353)
Net cash (used in)/generated from investing activities		**(26,597)**	21,814
Cash Flows from Financing Activities			
Dividends paid	22	**–**	(3,687)
Fixed deposit pledged		**–**	4
Interest paid		**–**	(1)
Proceeds from issuance of shares	10	**–**	4,955
Share issuance expenses	10	**–**	(25)
Repayment of lease liabilities		**(27)**	(16)
Net cash (used in)/generated from financing activities		**(27)**	1,230
Net (decrease)/increase in cash and cash equivalents		**(28,147)**	22,291
Cash and cash equivalents at beginning of year		**30,154**	7,862
Exchange differences on translation of cash and cash equivalents		**(5)**	1
Cash and cash equivalents at end of year	9	**2,002**	30,154

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2021

Note A

Disposal of subsidiaries

On 15 April 2020, the Company completed the divestment of the entire issued and paid-up share capital of its subsidiary, Tricor Taxand Sdn. Bhd. for a total consideration of RM69,700,000 (S$22,910,000). The effects of the disposal on the cash flows of the Group were as follows:

	2020 S$'000
Plant and equipment	207
Right-of-use assets	299
Trade and other receivables	2,745
Contract assets	266
Prepayments	85
Cash and bank balances	504
Lease liabilities	(315)
Other payables and accruals	(1,017)
Contract liabilities	(26)
Current tax payable	(241)
Net assets of subsidiaries	2,507
Goodwill derecognised	696
Merger reserve derecognised	1,017
Non-controlling interests	(17)
Gain on disposal of subsidiaries (Note 20)	18,707
Total consideration, to be satisfied in cash	22,910
Less: Cash and bank balances disposed of	(504)
Less: Deferred proceeds written off	(456)
Net cash inflow arising from disposal	21,950

Note B

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	At 1 January S$'000	Cash flows S$'000	Disposal of subsidiaries S$'000	Lease termination S$'000	Interest expense S$'000	At 31 December S$'000
2021							
Liabilities							
Lease liabilities	12	**36**	**(27)**	**–**	**(9)**	**–**	**–**
2020							
Liabilities							
Lease liabilities	12	367	(17)	(315)	–	1	36

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of Axington Inc. (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated in the Federal Territory of Labuan under the Labuan Companies Act 1990.

The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office is located at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The controlling shareholder of the Company is Dorr Global Healthcare International Pte. Ltd.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar ("SGD" or "S$") which is the Company's functional currency with effect from 16 April 2020. All financial information is presented in SGD and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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 significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Significant judgements in applying accounting policies

Going concern

The Group incurred net loss from continuing operations and net operating cash outflows of S$979,000 (2020: S$2,889,000) and S$1,523,000 (2020: S$753,000), respectively, for the financial year ended 31 December 2021. Nonetheless, the Group had net current assets and net assets of S$28,449,000 (2020: S$30,151,000) and S$28,449,000 (2020: S$30,175,000), respectively, comprising cash and bank deposits of S$28,622,000 (2020: S$30,154,000) as at 31 December 2021. In addition, the Company had net current assets and net assets of S$28,482,000 (2020: S$30,193,000) and S$28,482,000 (2020: S$30,217,000), respectively, comprising cash and bank deposits of S$28,615,000 (2020: S$30,131,000) as at 31 December 2021.

2(a) Basis of preparation (cont'd)

Significant judgements in applying accounting policies (cont'd)

Going concern (cont'd)

Based on the above, the directors believe that the Group and the Company have sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for 12 months from the end of the reporting period.

The Group does not have any revenue generating business after the disposal of Tricor Taxand Sdn. Bhd. and its subsidiaries, and the Company had, on 1 April 2021, notified the SGX-ST of its cash company status. Pursuant to Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove the Company from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The Company may apply to the SGX-ST for a maximum six-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the six-month extension period. On 29 March 2022, the Company obtained approval from the SGX-ST to extend the deadline to 30 September 2022 to meet the requirements for a new listing.

Determination of functional currencies

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate.

Accounting for unpaid placement shares

Significant judgement is applied in determining the accounting treatment relating to the unpaid placement shares. As disclosed in Note 7, Note 11 and Note 13 to the financial statements, the outstanding balance of S$1,075,000 arising from the issuance of placement shares is offset with the sum of S$325,000 received from a company, and the net amount of S$750,000, being 3,750,000 placement shares at S$0.20 per placement share, is accounted for as a capital transaction with equity holders and recognised directly in equity. Accordingly, it is transferred to capital reserve, and will be deducted against the share capital account upon the completion of cancellation of the 3,750,000 unpaid placement shares.

Significant assumptions used and accounting estimates in applying accounting policies

Allowance for expected credit losses ("ECLs") of other receivables

The Group and the Company apply the 3-stage general approach to determine ECLs for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future. The information relating to ECLs on the Group's and the Company's other receivables is disclosed in Note 27.1. As at 31 December 2020, if the loss rates increase by 10% from management's estimates, the Group's allowance for impairment of other receivables will increase by S$112,000.

2(b) Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group adopted the following SFRS(I) that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

Reference	Description
Amendment to SFRS(I) 16	Covid-19-Related Rent Concessions
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform - Phase 2

The adoption of these new and amended SFRS(I) did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

2(c) New standards and interpretations not yet adopted

The following are the new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I) and SFRS(I) INT in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendment to SFRS(I) 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to SFRS(I) 17	Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Annual Improvements to SFRS(I)s 2018 - 2020		
- Amendments to SFRS(I) 1-41	Taxation in Fair Value Measurements	1 January 2022
- Amendments to SFRS(I) 1	Subsidiary as a First-time Adopter	1 January 2022
- Amendments to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
- Amendments to Illustrative Examples accompanying SFRS(I) 16	Lease Incentives	1 January 2022

Management does not anticipate that the adoption of the above SFRS(I) in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests even if that results in the non-controlling interests having a deficit balance.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if, and only if, the Group has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Computers	5 years
Furniture and fittings	5 years
Office equipment	5 years
Renovations	5 to 10 years
Medical equipment	15 years

2(d) Summary of significant accounting policies (cont'd)

Plant and equipment (cont'd)

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is recognised in profit or loss from the month that the plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the subsidiary or the relevant cash generating unit.

Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

2(d) Summary of significant accounting policies (cont'd)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the instruments. Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Financial assets at amortised cost (debt instruments) (cont'd)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost comprise trade and other receivables and cash and bank deposits.

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Impairment of financial assets

The Group assesses on a forward-looking basis the ECLs associated with its debt instrument financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, loss allowance is measured at an amount equal to 12-month ECLs. The 12-month ECLs are estimated by reference to the track record of the counterparties and their business and financial conditions.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2(d) Summary of significant accounting policies (cont'd)

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise lease liabilities and other payables and accruals.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL, such as interest-bearing borrowings, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Group performs under the contract.

Cash and cash equivalents

Cash and cash equivalents comprise bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude restricted deposit and fixed deposit pledged.

Discontinued operations

A discontinued operation is a component of an entity that has been disposed of and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2(d) Summary of significant accounting policies (cont'd)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When the Company purchases its own ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury shares account, and the realised gain or loss on sale, net of any directly attributable incremental transaction costs and related income tax, is recognised in a separate reserve of the Company.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Leases

<u>The Group as a lessee</u>

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (including extension option) unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

2(d) Summary of significant accounting policies (cont'd)

Leases (cont'd)

The Group as a lessee (cont'd)

Lease liability (cont'd)

The lease liabilities are presented as a separate line item in the statements of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and any accumulated impairment loss.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold properties	2 to 3 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

2(d) Summary of significant accounting policies (cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee Share Option Scheme

The Group's Employee Share Option Scheme and Performance Share Plan are accounted for as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based payment expense is amortised and recognised in profit or loss on a straight-line basis over the vesting period. At the end of each reporting period, the Group revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to profit or loss, with a corresponding adjustment to equity over the remaining vesting period.

2(d) Summary of significant accounting policies (cont'd)

Employee benefits (cont'd)

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

b) An entity is related to the Group and the Company if any of the following conditions applies:

   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) both entities are joint ventures of the same third party.

   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

   (vi) the entity is controlled or jointly controlled by a person identified in (a).

   (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors are considered key management personnel.

2(d) Summary of significant accounting policies (cont'd)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue from contracts with customers

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

2(d) Summary of significant accounting policies (cont'd)

Revenue from contracts with customers (cont'd)

Rendering of services

The provision of management consultancy services, corporate and personal income taxes, corporate secretarial, accounting, payroll and administrative support outsourcing services is recognised when the Group satisfies a performance obligation by transferring control of a promised service to the customer. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue billed in advance of the rendering of services is recognised as "Contract liabilities" in the consolidated statement of financial position.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in SGD, which is the functional currency of the Company with effect from 16 April 2020.

Change in functional currency

Up to 15 April 2020, the functional currency of the Company was Malaysia ringgit ("MYR") because MYR was the currency that mainly influences the business and operating environment of the Group's and the Company's business, as pricing decisions were made by management with the impact of MYR in mind.

Following the completion of divestment of all the Group's operating subsidiaries in Malaysia on 15 April 2020, the Group does not have any revenue generating business, and the Company had, on 1 April 2021, notified the SGX-ST of its cash company status.

After the disposal of the subsidiaries, the cash and bank deposits of the Company, which predominantly make up its total assets, are primarily denominated in SGD. The liabilities of the Company and expenses incurred by the Company are also mostly denominated in SGD. However, the accounting records were still maintained by the Company in MYR, transactions and balances were recorded by the Company in MYR, and the financial statements for the year ended 31 December 2020 were presented in MYR.

Under SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*, functional currency is the currency of the primary economic environment in which an entity operates, which is normally the one in which it primarily generates and expends cash. In addition, functional currency reflects the underlying transactions, events and conditions that are relevant to the entity, and if there is a change in those underlying transactions, events and conditions, the entity shall apply the translation procedures applicable to the new functional currency prospectively.

In view of the above, the functional currency of the Company is changed from MYR to SGD with effect from 16 April 2020, following a review of the Group's and the Company's business and operating environment.

The effect of the change in functional currency from MYR to SGD arising from the change in the underlying transactions, events and conditions of the Company is accounted for prospectively from 16 April 2020. Accordingly, all items are translated into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost.

2(d) Summary of significant accounting policies (cont'd)

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Equity items are translated at the historical exchange rates;

(iii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and

(iv) All resulting currency translation differences are recognised as other comprehensive income in the currency translation reserve in equity.

Translation to presentation currency

Up to 15 April 2020, the functional currency of the Company was MYR, which was different from the functional currency of the Company with effect from 16 April 2020, SGD. For the purpose of presentation of corresponding figures in the financial statements and determination of opening balances as at 16 April 2020, the results and financial position up to and as at 15 April 2020 are translated from MYR into the new presentation currency, SGD, based on the above.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results were reviewed regularly by the Group's former Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information was available. Additional disclosures on each of these segments are shown in Note 26 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that were reported to the former CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire plant and equipment.

2(d) Summary of significant accounting policies (cont'd)

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3 Plant and equipment

The Group	Computers S$'000	Furniture and fittings S$'000	Office equipment S$'000	Renovations S$'000	Medical equipment S$'000	Total S$'000
Cost						
At 1 January 2020	705	170	61	170	–	1,106
Additions	1	–	–	–	352	353
Write-offs	(9)	–	(1)	(35)	–	(45)
Disposal of subsidiaries	(632)	(150)	(57)	(93)	–	(932)
Exchange difference on translation	(3)	(5)	(1)	(1)	1	(9)
At 31 December 2020	62	15	2	41	353	473
Write-offs	(62)	(15)	(2)	(41)	(353)	(473)
At 31 December 2021	–	–	–	–	–	–
Accumulated depreciation and impairment losses						
At 1 January 2020	553	150	51	98	–	852
Depreciation						
- Continuing operations	15	1	1	15	23	55
Write-offs	(7)	–	(1)	(27)	–	(35)
Impairment losses	2	2	1	–	329	334
Disposal of subsidiaries	(498)	(134)	(49)	(44)	–	(725)
Exchange difference on translation	(3)	(4)	(1)	(1)	1	(8)
At 31 December 2020	62	15	2	41	353	473
Write-offs	(62)	(15)	(2)	(41)	(353)	(473)
At 31 December 2021	–	–	–	–	–	–
Carrying amount						
At 31 December 2021	–	–	–	–	–	–
At 31 December 2020	–	–	–	–	–	–
At 1 January 2020	152	20	10	72	–	254

3 Plant and equipment (cont'd)

The Company	Computers S$'000	Furniture and fittings S$'000	Office equipment S$'000	Renovations S$'000	Medical equipment S$'000	Total S$'000
Cost						
At 1 January 2020	62	16	2	42	–	122
Additions	1	–	–	–	352	353
Exchange difference on translation	(1)	(1)	–	(1)	1	(2)
At 31 December 2020	62	15	2	41	353	473
Write-offs	(62)	(15)	(2)	(41)	(353)	(473)
At 31 December 2021	–	–	–	–	–	–
Accumulated depreciation and impairment losses						
At 1 January 2020	49	13	1	34	–	97
Depreciation	12	1	–	8	23	44
Impairment losses	2	2	1	–	329	334
Exchange difference on translation	(1)	(1)	–	(1)	1	(2)
At 31 December 2020	62	15	2	41	353	473
Write-offs	(62)	(15)	(2)	(41)	(353)	(473)
At 31 December 2021	–	–	–	–	–	–
Carrying amount						
At 31 December 2021	–	–	–	–	–	–
At 31 December 2020	–	–	–	–	–	–
At 1 January 2020	13	3	1	8	–	25

Impairment of plant and equipment

In view of the operating losses and cash outflows incurred by the Group and the Company for the financial year ended 31 December 2020 and the absence of any revenue generating business, the Group and the Company have assessed that there are indications of impairment of the plant and equipment. Accordingly, they are tested for impairment.

As at 31 December 2020, the recoverable amount of the plant and equipment has been determined to be nil as the plant and equipment are not expected to generate any cash flows to recover their carrying amount. In addition, all the plant and equipment could not be located and physically sighted, except for one medical equipment. Accordingly, the Group and the Company recognised impairment losses on plant and equipment amounting to S$334,000 for the financial year ended 31 December 2020. Plant and equipment were fully written off during the financial year ended 31 December 2021.

4 Right-of-use assets

The Group	Leasehold properties S$'000
Cost	
At 1 January 2020	519
Disposal of subsidiaries	(446)
Exchange difference on translation	(2)
At 31 December 2020	71
Lease termination	(71)
At 31 December 2021	–
Accumulated depreciation	
At 1 January 2020	171
Depreciation	
- Continuing operations	24
Disposal of subsidiaries	(147)
Exchange difference on translation	(1)
At 31 December 2020	47
Lease termination	(47)
At 31 December 2021	–
Carrying amount	
At 31 December 2021	–
At 31 December 2020	24
At 1 January 2020	348
The Company	
Cost	
At 1 January 2020	72
Exchange difference on translation	(1)
At 31 December 2020	71
Lease termination	(71)
At 31 December 2021	–
Accumulated depreciation	
At 1 January 2020	25
Depreciation	24
Exchange difference on translation	(2)
At 31 December 2020	47
Depreciation	(47)
At 31 December 2021	–
Carrying amount	
At 31 December 2021	–
At 31 December 2020	24
At 1 January 2020	47

5 Goodwill

The Group	2021 S$'000	2020 S$'000 (Restated)
Cost and carrying amount		
At 1 January	–	702
Disposal of subsidiaries	–	(696)
Exchange difference on translation	–	(6)
At 31 December	–	–

Goodwill was allocated to the Group's business consultancy cash-generating unit ("CGU"), identified as arising from the acquisition of Audex Governance Sdn. Bhd., which included Axcelasia Columbus Sdn. Bhd. due to integrated operations.

The Group tests whether goodwill has been impaired on an annual basis. The recoverable amount of the CGU is determined based on value in use ("VIU") calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Key estimates used for VIU calculations

The Group	1 January 2020
Pre-tax weighted average cost of capital	13.9%
Terminal growth rate	2.0%

As at 1 January 2020, management determined that profit before taxation was to increase by 10% per annum for the next five years at an average of S$105,000. The discount rates used were pre-tax and reflected specific risks relating to the relevant segment.

6 Subsidiaries

The Company	2021 S$'000	2020 S$'000 (Restated)
Unquoted equity investments, at cost		
At beginning of year	**1,149**	3,449
Disposal of subsidiaries	–	(2,293)
Effect of change in functional currency	–	(7)
At end of year	**1,149**	1,149
Allowance for impairment losses		
At beginning of year	**1,149**	475
Allowance made	–	683
Effect of change in functional currency	–	(9)
At end of year	**1,149**	1,149
Carrying amount		
At beginning of year	–	2,974
At end of year	–	–

6 Subsidiaries (cont'd)

Disposal of subsidiaries

On 12 March 2020, pursuant to an extraordinary general meeting, the shareholders of the Company approved the disposal of the entire issued and paid-up share capital of Tricor Taxand Sdn. Bhd. ("TTSB") (formerly known as Axcelasia Taxand Sdn. Bhd.) to Tricor Axcel Limited for a consideration of RM69,700,000 (S$22,910,000). The disposal was completed on 15 April 2020 and TTSB, together with its subsidiaries, ceased to be subsidiaries of the Group.

Impairment of investments in subsidiaries

In view of the operating losses and cash outflows incurred by the subsidiaries for the financial year ended 31 December 2020 and the absence of any revenue generating business, the Company has assessed that there are indications of impairment of the Company's investments in the subsidiaries. Accordingly, they are tested for impairment.

The recoverable amount of the investments in subsidiaries has been determined to be nil as the subsidiaries are dormant or inactive, and do not engage in any revenue generating activities. Hence, they are not expected to generate any cash flows to recover their carrying amount. In addition, the subsidiaries have net liabilities or minimal net assets. Accordingly, the Company recognised impairment losses amounting to S$683,000 for the financial year ended 31 December 2020.

As the indications of impairment still exist (i.e. incurring losses and in net liabilities position), the impairment losses are not reversed for the financial year ended 31 December 2021.

Details of the subsidiaries are:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held		
			31 December 2021	31 December 2020	1 January 2020
			%	%	%
Held by the Company					
Tricor Taxand Sdn. Bhd. [(2)]	Provision of tax compliance, tax advisory services, training and knowledge management services	Malaysia	**–**	–	100
Axington Singapore Pte. Ltd. [(1)]	Provision of management consultancy services (currently dormant)	Singapore	**90**	90	90
Axington Lao Co., Ltd. [(3)]	Provision of management consultancy services (currently dormant)	Laos	**100**	100	100
Axcelasia Vietnam Co., Ltd. [(3)]	Provision of management consultancy services (currently dormant)	Vietnam	**70**	70	70
Audex Governance Sdn. Bhd. [(3)]	Provision of management consultancy services (currently dormant)	Malaysia	**100**	100	100

6 Subsidiaries (cont'd)

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of equity held		
			31 December 2021	31 December 2020	1 January 2020
			%	%	%
Held by Tricor Taxand Sdn. Bhd.					
Axcelasia Corporate Services Sdn. Bhd. (2)	Provision of company secretarial services	Malaysia	–	–	100
Axcelasia Global Business Services Sdn. Bhd. (2)	Provision of accounting, payroll, corporate finance and administration support services	Malaysia	–	–	100
Axcelasia Columbus Sdn. Bhd. (2)	Provision of management consultancy services	Malaysia	–	–	100
Agensi Pekerjaan Axcelasia Talent Sdn. Bhd. (2)	Provision of recruitment and human resource consultancy services	Malaysia	–	–	100
Held by Axcelasia Columbus Sdn. Bhd.					
Axcelasia Softnex Sdn. Bhd. (2)	Licensing of ERM Application software	Malaysia	–	–	100
Axcelasia HR Consulting Sdn. Bhd. (2)	Provision of HR consultancy services	Malaysia	–	–	51

(1) Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.

(2) Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purposes in respect of the financial year ended 31 December 2019.

(3) Audited by other auditors. These subsidiaries are dormant and are not deemed to be significant subsidiaries of the Company.

Non-controlling interests

The following summarises the financial information of each of the Company's subsidiaries with material non-controlling interests, namely 10% in Axington Singapore Pte. Ltd., 30% in Axcelasia Vietnam Co., Ltd. and 49% in Axcelasia HR Consulting Sdn. Bhd. The information is before intra-group eliminations with other entities in the Group.

6 Subsidiaries (cont'd)

Non-controlling interests

Axington Singapore Pte. Ltd.

Summarised statement of financial position

	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Non-current assets	**–**	–	1
Current assets	**11**	14	61
Current liabilities	**(5)**	(5)	(3)
	6	9	59
Equity attributable to owners of the Company	**5**	8	54
Equity attributable to non-controlling interest	**1**	1	5
	6	9	59

Summarised statement of profit or loss and other comprehensive income

	2021 S$'000	2020 S$'000 (Restated)
Revenue	**–**	8
Expenses	**(3)**	(58)
Loss for the year	**(3)**	(50)
Loss and total comprehensive loss attributable to:		
- owners of the Company	**(3)**	(46)
- non-controlling interest	**–**	(4)
	(3)	(50)

Other summarised information

	2021 S$'000	2020 S$'000 (Restated)
Cash flows from:		
- operating activities	**(3)**	(54)
- financing activities	**(11)**	–
	(14)	(54)

6 Subsidiaries (cont'd)

Non-controlling interests

Axcelasia Vietnam Co., Ltd.

Summarised statement of financial position

	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Non-current assets	**–**	–	18
Current assets	**28**	29	72
Current liabilities	**(100)**	(90)	(93)
	(72)	(61)	(3)
Equity attributable to owners of the Company	**(51)**	(43)	(2)
Equity attributable to non-controlling interest	**(21)**	(18)	(1)
	(72)	(61)	(3)

Summarised statement of profit or loss and other comprehensive income

	2021 S$'000	2020 S$'000 (Restated)
Expenses	**(10)**	(52)
Loss for the year	**(10)**	(52)
Loss attributable to owners of the Company	**(7)**	(36)
Loss attributable to non-controlling interest	**(3)**	(16)
Loss for the year	**(10)**	(52)
Total comprehensive loss attributable to owners of the Company	**(8)**	(41)
Total comprehensive loss attributable to non-controlling interest	**(3)**	(17)
Total comprehensive loss for the year	**(11)**	(58)

Other summarised information

	2021 S$'000	2020 S$'000 (Restated)
Cash flows from operating activities	**–**	*

* Less than S$1,000

6 Subsidiaries (cont'd)

Non-controlling interests (cont'd)

Axcelasia HR Consulting Sdn. Bhd.

Summarised statement of financial position

	1 January 2020 S$'000 (Restated)
Non-current assets	–
Current assets	43
Current liabilities	(7)
	36
Equity attributable to owners of the Company	19
Equity attributable to non-controlling interests	17
	36

7 Trade and other receivables

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Trade receivables from third parties	**–**	–	3,065	**–**	–	–
Less: Allowance for impairment losses	**–**	–	(19)	**–**	–	–
	–	–	3,046	**–**	–	–
Amounts due from subsidiaries (non-trade)	**–**	–	–	**70**	45	3,756
Less: Allowance for impairment losses	**–**	–	–	**(70)**	(45)	(44)
	–	–	–	**–**	–	3,712
Amount due from a non-controlling interest	**–**	–	36	**–**	–	–
Deposits	**28**	40	103	**–**	11	9
Interest receivable	**–**	–	47	**–**	–	31
Other receivables	**4**	1,075	105	**–**	1,075	99
	32	1,115	3,337	**–**	1,086	3,851

The Group extended credit period of 30 to 60 days to customers, depending on the length of business relationship, payment history, background and financial strength of the customers. The Group actively reviewed the trade receivable balances and followed up on outstanding debts with the customers.

As at 1 January 2020, trade receivables that were determined to be impaired were related to debtors that were in financial difficulties or had defaulted on payments. These trade receivables were not secured by any collateral or credit enhancements.

7 Trade and other receivables (cont'd)

The movement in allowance for impairment of trade receivables is as follows:

The Group	2021 S$'000	2020 S$'000 (Restated)
At 1 January	–	19
Disposal of subsidiaries	–	(19)
At 31 December	–	–

The credit risk for trade receivables as at 1 January 2020 based on the information provided to key management is as follows:

The Group	Gross trade receivables S$'000 (Restated)
By geographical area	
Malaysia	3,065

The ageing analysis of trade receivables as at 1 January 2020 is as follows:

The Group	Gross trade receivables S$'000 (Restated)	Allowance for impairment losses S$'000 (Restated)
Not past due	765	–
Past due 0 to 30 days	717	–
Past due 31 to 90 days	582	–
Past due over 90 days	1,001	(19)
	3,065	(19)

Based on historical default rates, the Group believed that no further impairment allowance was necessary in respect of trade receivables as they mainly arose from customers that had a good credit record with the Group.

The non-trade amounts due from subsidiaries, which represent advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand.

The movement in allowance for impairment of other receivables, comprising non-trade amounts due from subsidiaries, is as follows:

The Company	2021 S$'000	2020 S$'000 (Restated)
At 1 January	**45**	44
Allowance made	**25**	1
At 31 December	**70**	45

7 Trade and other receivables (cont'd)

As at 31 December 2020, other receivables of the Group and the Company pertained to a balance of S$1,075,000 arising from the issuance of placement shares by the Company on 17 August 2020. The balance, comprising 5,375,000 placement shares at S$0.20 per placement share, was outstanding from a placee, Kerrigan Medical Supplies Pte. Ltd. ("Kerrigan"). As disclosed in Note 13 to the financial statements, S$325,000 was received from a company, Silver Sky Resources Pte. Ltd. ("Silver Sky"). During the financial year ended 31 December 2021, the Company obtained written confirmations from both Kerrigan and Silver Sky that the sum of S$325,000 paid by Silver Sky, which was equivalent to 1,625,000 placement shares at S$0.20 per placement share, was paid on behalf of Kerrigan.

The Company will convene an extraordinary general meeting on 27 May 2022 to seek the approval of shareholders for the proposed cancellation of the 3,750,000 shares held by Kerrigan. Accordingly, the amounts of S$1,075,000 and S$325,000 are offset, and the net amount of S$750,000, being 3,750,000 placement shares at S$0.20 per placement share, is transferred to capital reserve during the financial year ended 31 December 2021, and will be deducted against the share capital account upon the completion of cancellation of the 3,750,000 unpaid placement shares.

Trade and other receivables are denominated in the following currencies:

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Singapore dollar	**–**	1,075	1	**–**	1,075	99
Malaysia ringgit	**4**	11	3,266	**–**	11	3,752
Vietnam dong	**28**	29	70	**–**	–	–
	32	1,115	3,337	**–**	1,086	3,851

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group and the Company.

8 Contract assets and liabilities

The Group	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Contract assets	**–**	–	268
Contract liabilities	**–**	–	26

The contract assets relate to the Group's rights to consideration for work completed but are not billed or are held by customers as retention at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

The contract liabilities relate to the Group's obligations to perform services to customers for which considerations have been collected in advance. Contract liabilities are recognised as revenue when the Group performs under the contracts.

8 Contract assets and liabilities (cont'd)

Significant changes in contract assets and contract liabilities balances during the financial year are as follows:

The Group	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Contract assets			
Contract assets recognised in trade receivables upon invoicing	**–**	–	268
Contract liabilities			
Revenue recognised that was included in contract liabilities at beginning of year	**–**	–	26

9 Cash and bank deposits

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Cash in banks	**2,002**	30,154	1,554	**1,995**	30,131	54
Fixed deposits	**–**	–	6,312	**–**	–	3,698
Cash on hand	**–**	–	–	**–**	–	*
	2,002	30,154	7,866	**1,995**	30,131	3,752
Restricted deposit	**26,620**	–	–	**26,620**	–	–
	28,622	30,154	7,866	**28,615**	30,131	3,752

* Less than S$1,000

Restricted deposit relates to cash of S$26,620,000 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 Catalist Rules. The amount cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by shareholders and pro-rata distributions to shareholders.

As at 1 January 2020, fixed deposit of S$4,000 for the Group was pledged to a bank as security for a banker's guarantee.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Cash and bank deposits	**28,622**	30,154	7,866
Less:			
Restricted deposit	**(26,620)**	–	–
Fixed deposit pledged	**–**	–	(4)
	2,002	30,154	7,862

9 Cash and bank deposits (cont'd)

Cash and bank deposits are denominated in the following currencies:

	The Group			The Company		
	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
		(Restated)	(Restated)		(Restated)	(Restated)
Singapore dollar	**28,275**	29,899	66	**28,275**	29,884	5
Malaysia ringgit	**331**	247	7,792	**331**	247	3,747
United States dollar	**16**	8	8	**9**	–	–
Vietnam dong	**–**	–	*	**–**	–	–
	28,622	30,154	7,866	**28,615**	30,131	3,752

* Less than S$1,000

10 Share capital and treasury shares

Share capital

The Group and the Company	2021 Number of ordinary shares	2020 Number of ordinary shares	2021 S$'000	2020 S$'000 (Restated)
Issued with no par value				
At 1 January	**190,470,000**	160,320,000	**15,093**	9,527
Issuance of shares	**–**	30,150,000	**–**	6,005
Effect of change in functional currency	**–**	–	**–**	(439)
At 31 December	**190,470,000**	190,470,000	**15,093**	15,093

The holders of ordinary shares (except for treasury shares held by the Company) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share without restriction at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

On 17 August 2020, the Company issued 30,150,000 new ordinary shares at S$0.20 per share via a share placement, comprising 30,000,000 placement shares and 150,000 compliance placement shares. The total consideration for the shares was S$6,030,000, of which S$4,955,000 was received. Share issuance expenses amounted to S$25,000.

The outstanding balance of S$1,075,000 as at 31 December 2020 receivable from a placee (Note 7) was offset against the total amount of S$325,000 as at 31 December 2020 received from a company (Note 13), and the net amount of S$750,000, being 3,750,000 placement shares at S$0.20 per placement share, is transferred to capital reserve during the financial year ended 31 December 2021. The Company will convene an extraordinary general meeting on 27 May 2022 to seek the approval of shareholders for the proposed cancellation of the 3,750,000 shares. The net amount of S$750,000 will be deducted against the share capital account upon the completion of cancellation of the 3,750,000 shares.

10 Share capital and treasury shares (cont'd)

Treasury shares

The Group and the Company	2021 Number of ordinary shares	2020	2021 S$'000	2020 S$'000 (Restated)
At 1 January and 31 December	**9,700**	9,700	**1**	1

Treasury shares relate to the issued ordinary shares of the Company that are re-purchased and held by the Company.

11 Reserves

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Foreign currency translation reserve	**4**	1	(550)	**–**	–	(410)
Merger reserve	**–**	–	(1,017)	**–**	–	–
Capital reserve	**(750)**	–	–	**(750)**	–	
Retained earnings	**14,123**	15,099	3,038	**14,140**	15,125	1,398
	13,377	15,100	1,471	**13,390**	15,125	988

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

Merger reserve

Merger reserve represents the consideration paid/transferred over the net assets of the business acquired under common control.

Capital reserve

Capital reserve represents the net amount relating to unpaid placement shares, being 3,750,000 placement shares at S$0.20 per placement share. The Company will convene an extraordinary general meeting on 27 May 2022 to seek the approval of shareholders for the proposed cancellation of the 3,750,000 shares. The amount will be deducted against the share capital account upon the completion of cancellation of the 3,750,000 shares.

12 Lease liabilities

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Undiscounted lease payments due:						
- Year 1	–	39	201	–	39	27
- Year 2	–	–	189	–	–	27
- Year 3	–	–	2	–	–	–
	–	39	392	–	39	54
Less: Unearned interest cost	–	(3)	(25)	–	(3)	(5)
	–	36	367	–	36	49
Represented by:						
- Non-current	–	–	185	–	–	25
- Current	–	36	182	–	36	24
	–	36	367	–	36	49

The lease liabilities relate to the Group's and the Company's office premises, which are secured by the lessors' title to the leased assets.

Interest expense on lease liabilities of S$nil (2020: S$1,000) is recognised in profit or loss for the financial year ended 31 December 2021 under finance cost (Note 17).

Total cash outflows for leases amounted to S$27,000 (2020: S$17,000) for the financial year ended 31 December 2021.

Short-term lease expense not recorded in lease liabilities but recognised in profit or loss is set out below:

The Group	2021 S$'000	2020 S$'000 (Restated)
Short-term leases	**20**	18

Lease liabilities are denominated in Malaysia ringgit.

13 Other payables and accruals

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Accrued expenses	**209**	626	710	**155**	603	83
Amounts due to directors of subsidiaries	**–**	1	1	**–**	–	–
Amount due to a subsidiary (non-trade)	**–**	–	–	**11**	–	–
Other payables	**38**	455	512	**9**	385	19
	247	1,082	1,223	**175**	988	102

As at 31 December 2020, other payables of the Group and the Company comprised S$325,000 which consisted of S$125,000 and S$200,000 received from a company, Silver Sky Resources Pte. Ltd., on 19 August 2020. As disclosed in Note 7 to the financial statements, the total amount of S$325,000 was offset against the balance of S$1,075,000 outstanding from a placee, Kerrigan Medical Supplies Pte. Ltd., and the net amount of S$750,000, being 3,750,000 placement shares at S$0.20 per placement share, is transferred to capital reserve during the financial year ended 31 December 2021, and will be deducted against the share capital account upon the completion of cancellation of the 3,750,000 unpaid placement shares.

Other payables and accruals are denominated in the following currencies:

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Singapore dollar	**168**	991	3	**175**	988	–
Malaysia ringgit	**2**	–	1,084	**–**	–	102
United States dollar	**1**	–	44	**–**	–	–
Vietnam dong	**76**	91	92	**–**	–	–
	247	1,082	1,223	**175**	988	102

14 Revenue

The Group	2021 S$'000	2020 S$'000 (Restated)
Business advisory service	**–**	8
Timing of transfer of service		
- At a point in time	**–**	8

15 Other income

The Group	2021 S$'000	2020 S$'000 (Restated)
Bad debts recovered	**88**	–
Interest income	**23**	217
Miscellaneous income	**–**	1
	111	218

16 Employee benefits expense

The Group	2021 S$'000	2020 S$'000 (Restated)
Directors:		
Directors' fees	**116**	106
Directors' remuneration other than fees:		
- salaries and other related costs	**105**	–
	221	106
Other than key management personnel:		
- salaries and other related costs	**–**	165
- contributions to defined contribution plan	**–**	22
	–	187
	221	293

17 Finance cost

The Group	2021 S$'000	2020 S$'000 (Restated)
Interest expense on lease liabilities	**–**	1

18 Other expenses

Other expenses comprise the following items:

The Group	2021 S$'000	2020 S$'000 (Restated)
Annual general meeting expenses	**85**	15
Audit fee	**130**	130
Bad debts written off	**–**	504
Bookkeeping fees	**54**	4
Consultancy fees	**253**	77
Foreign exchange loss, net	**–**	193
Impairment losses on plant and equipment	**–**	334
Legal and professional fees	**108**	411
Listing fees	**17**	49
Loss on lease termination	**15**	–
Other write-off	**–**	150
Secretarial and filing fee	**63**	52
Sponsorship fee	**64**	182

18 Other expenses (cont'd)

Other write-off relates to the remaining balance of S$150,000 from a payment of S$250,000 made to a vendor for certain medical equipment. As the Company has assessed that the amount is not likely to be recoverable, it is fully written off in profit or loss.

19 Taxation

The Group	2021 S$'000	2020 S$'000 (Restated)
Current taxation		
- continuing operations	**–**	–
- discontinued operations	**–**	–
	–	–

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable rate of income tax on (losses)/profits as a result of the following:

The Group	2021 S$'000	2020 S$'000 (Restated)
(Loss)/Profit before taxation		
- Continuing operations	**(979)**	(2,889)
- Discontinued operations (Note 20)	**–**	18,646
	(979)	15,757
Tax at statutory rates applicable to different jurisdictions	**(33)**	450
Tax effect on non-deductible expenses	**35**	100
Tax effect on non-taxable income	**(3)**	(559)
Deferred tax assets on temporary differences not recognised	**1**	9
	–	–

Singapore

The corporate income tax rate applicable to Axington Singapore Pte. Ltd. is 17% (2020: 17%) for the financial year ended 31 December 2021.

Malaysia

The corporate income tax rate applicable to the Malaysia-incorporated subsidiaries is 24% (2020: 24%) for the financial year ended 31 December 2021. The corporate income tax rate applicable to the Company incorporated in the Federal Territory of Labuan, Malaysia is 3% (2020: 3%) for the financial year ended 31 December 2021.

Laos

The corporate income tax rate applicable to Axington Lao Co., Ltd. is 20% (2020: 20%) for the financial year ended 31 December 2021.

19 Taxation (cont'd)

Vietnam

The corporate income tax rate applicable to Axcelasia Vietnam Co., Ltd. is 20% (2020: 20%) for the financial year ended 31 December 2021.

For the financial year ended 31 December 2020, non-deductible expenses mainly relate to bad debts written off, impairment losses on plant and equipment and other write-off, while non-taxable income mainly relates to gain on disposal of subsidiaries.

At the end of reporting period, the Group has unused tax losses of approximately S$62,000 (2020: S$59,000), which are allowed to be carried forward and used to offset against future taxable profits of the subsidiaries in which the tax losses arose, subject to agreement by the relevant tax authorities and compliance with the applicable tax regulations in the respective countries in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised due to the uncertainty whether future taxable profits will be available against which the Company and its subsidiaries can utilise the benefits. The unused tax losses have no expiry date.

20 Discontinued operations

On 11 February 2020, the Company announced the proposed divestment of its entire issued and paid-up share capital of its wholly-owned subsidiary, Tricor Taxand Sdn. Bhd. ("TTSB") (formerly known as Axcelasia Taxand Sdn. Bhd. On 12 March 2020, pursuant to an extraordinary general meeting, the Company's shareholders approved the disposal of TTSB and its subsidiaries. The results of TTSB and its subsidiaries are presented separately on the statement of profit or loss and other comprehensive income as discontinued operations. The businesses of TTSB and its subsidiaries represent the entirety of the Group's Tax Advisory, Business Consultancy, EMS Application and Business Support operating segments. The disposal was completed on 15 April 2020.

The results of the discontinued operations are as follows:

The Group	**2020 S$'000 (Restated)**
Revenue	1,938
Expenses	(1,999)
Gain on disposal of subsidiaries	18,707
Profit before taxation	18,646
Taxation (Note 19)	–
Profit from discontinued operations, net of tax	18,646

The impact of the discontinued operations on the cash flows of the Group is as follows:

The Group	**2020 S$'000 (Restated)**
Investing cash inflows	21,950
Total cash inflows	21,950

21 Earnings per share

The calculation of basic and diluted earnings per share was based on the (loss)/earnings attributable to ordinary shareholders from continuing operations and discontinued operations and a weighted average number of ordinary shares outstanding, calculated as follows:

Earnings attributable to ordinary shareholders (basic and diluted)

The Group	Continuing operations S$'000	Discontinued operations S$'000	Total S$'000
2021			
Loss for the year attributable to ordinary shareholders	(976)	–	(976)
2020			
(Loss)/Profit for the year attributable to ordinary shareholders	(2,869)	18,646	15,777

Weighted average number of ordinary shares (basic)

	2021	2020
Issued ordinary shares at beginning of year (excluding treasury shares and unpaid shares)	**186,710,300**	160,310,300
Effect of issuance of ordinary shares during the year	**–**	9,809,836
Weighted average number of ordinary shares in issue during the year	**186,710,300**	170,120,136

Weighted average number of ordinary shares (diluted)

	2021	2020
Weighted average number of ordinary shares (basic)	**186,710,300**	170,120,136
Effect of unpaid shares	**–**	3,750,000
Weighted average number of ordinary shares (diluted)	**186,710,300**	173,870,136

As at 31 December 2021, the 3,750,000 unpaid placement shares were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

22 Dividends

The Group and the Company	2021 S$'000	2020 S$'000 (Restated)
Final tax-exempt (one-tier) dividend of S$0.023 per share in respect of financial year ended 31 December 2019	**–**	3,687

23 Equity-settled share-based payment transactions

The Axcelasia Employee Share Option Scheme

In conjunction with the Company's listing on the Catalist of the SGX-ST, the Group adopted the Axcelasia Employee Share Option Scheme ("ESOS") which was approved by its shareholders at an Extraordinary General Meeting held on 21 October 2015. The ESOS is administered by a committee comprising of members of the Nomination Committee and the Remuneration Committee (the "Administration Committee"). The ESOS provides for the grant of share options to employees and directors ("ESOS participants").

The selection of the ESOS participants and number of shares which are subject of each option to be granted to an ESOS participant in accordance with the ESOS shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the ESOS, the number of shares over which the Administration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of all options granted under the ESOS (including the Axcelasia Performance Share Plan and any other share option scheme of the Company) shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options granted with exercise price set at a discount to market price shall only be exercisable, in whole or in part at any time, by an ESOS participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the fifth anniversary of the relevant offer date, or such earlier date as may be determined by the Administration Committee, failing which all unexercised options shall immediately lapse and become null and void and an ESOS participant shall have no claim against the Company.

Options may lapse or be exercised earlier in circumstances which include the termination of the employment of the participant in the Group and the parent company, the bankruptcy of the participant, the death of the participant, a take-over of the Company, and the winding-up of the Company.

There were no options granted to the employees and directors from the commencement of the ESOS up to the end of the financial year.

No options have been granted to controlling shareholders of the Company and their associates under the ESOS from the commencement of the ESOS up to the end of the financial year.

None of the ESOS participants received 5% or more of the total number of options available under the ESOS.

There were no options being exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

23 Equity-settled share-based payment transactions (cont'd)

The Axcelasia Performance Share Plan

The selection of the PSP participants and number of shares which are subject of each award to be granted to a PSP participant in accordance with the PSP shall be determined at the absolute discretion of the Administration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and issuable in respect of (a) all awards granted under the PSP; and (b) all options granted under any share option, shares incentive, performance share or restricted plans of the Company and for the time being in force, shall not exceed 15% of the number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the relevant grant.

The PSP allows for the participation by full-time employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years and above on or before the relevant date of grant of the award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors. Controlling shareholders of the Company and their associates will not be eligible to participate in the PSP.

Notwithstanding that a PSP participant may have met his performance targets, no awards shall be vested:

(i) When a PSP participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the participant is employed ceases to be a company in the Group;

(ii) When a PSP participant, being a Non-executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;

(iii) Upon the bankruptcy of the PSP participant;

(iv) Upon ill health, injury or death of a PSP participant;

(v) When a PSP participant committing any breach of any of the terms of his award;

(vi) Upon misconduct on the part of a PSP participant as determined by the Administration Committee in its discretion;

(vii) When a general offer being made of all or any part of the shares;

(viii) When a scheme of arrangement or compromise between the Company and the shareholders being sanctioned by the Court;

(ix) When an order for the compulsory winding-up of the Company being made;

(x) When a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or

(xi) Upon any other event unless approved by the Administration Committee.

There were no awards granted pursuant to the PSP from the commencement of the PSP up to the end of the financial year.

24 Significant related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between parties are as follows:

The Group	2021 S$'000	2020 S$'000 (Restated)
Consultancy fees paid to directors and a former director of the Company	**101**	56

The directors are 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.

25 Leases

Where the Group and the Company are the lessee,

The Group and the Company lease office premises for operations. The leases typically run for a period of one to three years, with an option to renew the lease after that date. Lease payments are renegotiated every few years to reflect market rentals. There are no externally imposed covenants on the lease arrangements. During the financial year ended 31 December 2021, the Company terminated the lease of its office premise as it was no longer required for the Company's operations. A loss on lease termination of S$15,000 was recognised arising from the lease termination.

Information about leases for which the Group and the Company are the lessee is presented in Note 4 and Note 12 to the financial statements.

Amounts recognised in profit or loss under SFRS(I) 16 are as follows:

The Group	2021 S$'000	2020 S$'000 (Restated)
Interest expense on lease liabilities	–	1

26 Operating segments

Before the divestment of all the Group's operating subsidiaries in Malaysia on 15 April 2020, the Group had five reportable segments that are now discontinued, as described below, which were the Group's strategic business units. The strategic business units offered different products and services, and were managed separately because they required different marketing strategies.

For each strategic business unit, the Group's former CEO, who was the chief operating decision maker, monitored the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. The Group's former CEO reviewed internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) Corporate segment mainly relates to investment holding.

(ii) Tax Advisory segment mainly relates to the provision of corporate and individual tax compliance, training and knowledge management services.

(iii) Business Consultancy segment mainly relates to governance and compliance assessment, internal audit services, business continuity management and financial management.

26 Operating segments (cont'd)

(iv) EMS Application segment mainly relates to selling licensing of the Enterprise Risk Management software.

(v) Business Support segment mainly relates to provision of corporate secretarial services, accounting, payroll and administration support. These are aggregated into the Business Support segment as they have similar target customer base and economic characteristics.

Information regarding the results of each reportable segment is included in the following tables. Performance was measured based on segment profit or loss before taxation, as included in the internal management reports that are reviewed by the Group's former CEO. Segment profit was used to measure performance as the former management believed that such information was the most relevant in evaluating the results of certain segments relative to other entities that operated within these sectors.

The Group	Continuing operations (corporate) S$'000	Discontinued operations S$'000	Total S$'000
2021			
Interest income	**23**	**–**	**23**
Reportable segment loss before taxation	**(979)**	**–**	**(979)**
Reportable segment assets	**28,696**	**–**	**28,696**
Reportable segment liabilities	**247**	**–**	**247**
2020			
Segment revenue	8	1,938	1,946
Interest income	217	–	217
Reportable segment (loss)/profit before taxation	(2,889)	18,646	15,757
Reportable segment assets	31,293	–	31,293
Capital expenditure	353	–	353
Reportable segment liabilities	1,118	–	1,118

Geographical information

The Group's revenue from continuing operations and non-current assets are categorised into the following geographical areas:

The Group	2021 S$'000	2020 S$'000 (Restated)
Revenue		
Malaysia	**–**	8
Non-current assets		
Singapore	**–**	24

Non-current assets comprise right-of-use assets.

Major customers

The Group's revenue for the financial year ended 31 December 2020 was derived from one customer. There were no revenue generating activities for the financial year ended 31 December 2021.

27 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis for interest rate risk (Note 27.3) and foreign currency risk (Note 27.4).

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

The Group and the Company have trade and other receivables, contract assets and cash and bank deposits that are subject to the expected credit loss ("ECL") model. While cash and bank deposits are subject to the impairment requirements of SFRS(I) 9, the identified impairment loss is insignificant.

<u>**Trade receivables and contract assets**</u>

The Group applies the SFRS(I) 9 simplified approach to measuring ECLs which uses a lifetime ECL allowance for trade receivables and contract assets.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group has identified the GDP and the unemployment rate of the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

27 Financial risk management objectives and policies (cont'd)

27.1 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

On that basis, below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

The Group	Current S$'000	Past due 0 to 30 days S$'000	Past due 31 to 90 days S$'000	Past due more than 90 days S$'000	Total S$'000
2019					
Gross carrying amount	765	717	582	1,001	3,065
Expected credit loss rate (%)	–	–	–	1.85	
Loss allowance	–	–	–	(19)	(19)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group.

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month ECLs. The ECLs on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts.

Amounts due from subsidiaries (non-trade)

As at 31 December 2021 and 31 December 2020, non-trade amounts due from subsidiaries have been fully impaired taking into account the finances, business performance, and a forward-looking analysis of the financial performance of the business activities undertaken by the subsidiaries.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's and the Company's major classes of financial assets are cash and bank deposits and trade and other receivables. Cash and bank deposits are held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 7.

27.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

27 Financial risk management objectives and policies (cont'd)

27.2 Liquidity risk (cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

The Group	Carrying amount S$'000	Contractual undiscounted cash flows S$'000	Less than 1 year S$'000	Between 1 and 5 years S$'000
31 December 2021				
Non-derivative financial liabilities				
Other payables and accruals (Note 13)	**247**	**247**	**247**	**–**
31 December 2020				
Non-derivative financial liabilities				
Lease liabilities (Note 12)	36	39	39	–
Other payables and accruals (Note 13)	1,082	1,082	1,082	–
	1,118	1,121	1,121	–
1 January 2020				
Non-derivative financial liabilities				
Lease liabilities (Note 12)	367	392	201	191
Other payables and accruals (Note 13)	1,223	1,223	1,223	–
	1,590	1,615	1,424	191
The Company				
31 December 2021				
Non-derivative financial liabilities				
Other payables and accruals (Note 13)	**175**	**175**	**175**	**–**
31 December 2020				
Non-derivative financial liabilities				
Lease liabilities (Note 12)	36	39	39	–
Other payables and accruals (Note 13)	988	988	988	–
	1,024	1,027	1,027	–
1 January 2020				
Non-derivative financial liabilities				
Lease liabilities (Note 12)	49	54	27	27
Other payables and accruals (Note 13)	102	102	102	–
	151	156	129	27

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank deposits to meet their working capital requirements.

27 Financial risk management objectives and policies (cont'd)

27.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from cash in banks at floating rates. Restricted deposit is non-interest bearing. Fixed deposits bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Fixed rate instruments						
Financial assets						
- fixed deposits	–	–	6,312	–	–	3,698
Financial liabilities						
- lease liabilities	–	(36)	(367)	–	(36)	(49)
	–	(36)	5,945	–	(36)	3,649
Variable rate instruments						
Financial assets						
- cash in banks	**2,002**	30,154	1,554	**1,995**	30,131	54

<u>Fair value sensitivity analysis for fixed rate instruments</u>

The Group and the Company do not account for any fixed rate assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

<u>Cash flow sensitivity analysis for variable rate instruments</u>

At the end of the reporting period, if interest rates had been 100 (2020: 100) basis points higher/lower with all other variables held constant, the Group's and the Company's results net of tax and equity would have been S$20,000 (2020: S$302,000) and S$20,000 (2020: S$301,000) higher/lower, respectively, arising mainly as a result of higher/lower interest income from floating rate cash in banks.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

27 Financial risk management objectives and policies (cont'd)

27.4 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities. The foreign currencies in which these transactions are denominated are mainly MYR and SGD. Consequently, the Group is exposed to movements in foreign currency exchange rates.

The Group's and the Company's exposures in financial instruments (including intra-group balances) to the various foreign currencies (other than the respective functional currencies of group entities) are mainly as follows:

The Group and the Company	MYR S$'000	SGD S$'000
31 December 2021		
Cash and bank deposits	**331**	**–**
Net exposure	**331**	**–**
31 December 2020		
Trade and other receivables	11	–
Cash and bank deposits	247	–
Lease liabilities	(36)	–
Net exposure	222	–
1 January 2020		
Trade and other receivables	–	99
Cash and bank deposits	–	5
Net exposure	–	104

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, on the Group's and the Company's results net of tax and equity.

The Group and the Company		31 December 2021 S$'000	31 December 2020 S$'000	1 January 2020 S$'000
MYR	- strengthened 5% (2020: 5%)	**17**	11	–
	- weakened 5% (2020: 5%)	**(17)**	(11)	–
SGD	- strengthened 5% (2020: 5%)	**–**	–	5
	- weakened 5% (2020: 5%)	**–**	–	(5)

This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect.

27.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

28 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises lease liabilities and other payables and accruals, less cash and bank deposits. Total capital represents equity attributable to owners of the Company.

	The Group			The Company		
	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)	31 December 2021 S$'000	31 December 2020 S$'000 (Restated)	1 January 2020 S$'000 (Restated)
Lease liabilities (Note 12)	**–**	36	367	**–**	36	49
Other payables and accruals (Note 13)	**247**	1,082	1,223	**175**	988	102
Total debt	**247**	1,118	1,590	**175**	1,024	151
Less: Cash and bank deposits (Note 9)	**(28,622)**	(30,154)	(7,866)	**(28,615)**	(30,131)	(3,752)
Net cash	**(28,375)**	(29,036)	(6,276)	**(28,440)**	(29,107)	(3,601)
Equity attributable to owners of the Company	**28,469**	30,192	10,997	**28,482**	30,217	10,514
Total capital	**28,469**	30,192	10,997	**28,482**	30,217	10,514
Total capital and net debt	**94**	1,156	4,721	**42**	1,110	6,913
Gearing ratio	**N.M.**	N.M.	N.M.	**N.M.**	N.M.	N.M.

N.M.: Not meaningful due to net cash position

29 Financial instruments

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Amortised cost S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
31 December 2021			
Financial assets			
Trade and other receivables (Note 7)	**32**	**–**	**32**
Cash and bank deposits (Note 9)	**28,622**	**–**	**28,622**
	28,654	**–**	**28,654**
Financial liabilities			
Other payables and accruals (Note 13)	**–**	**247**	**247**
31 December 2020			
Financial assets			
Trade and other receivables (Note 7)	1,115	–	1,115
Cash and bank deposits (Note 9)	30,154	–	30,154
	31,269	–	31,269
Financial liabilities			
Lease liabilities (Note 12)	–	36	36
Other payables and accruals (Note 13)	–	1,082	1,082
	–	1,118	1,118
1 January 2020			
Financial assets			
Trade and other receivables (Note 7)	3,337	–	3,337
Cash and bank deposits (Note 9)	7,866	–	7,866
	11,203	–	11,203
Financial liabilities			
Lease liabilities (Note 12)	–	367	367
Other payables and accruals (Note 13)	–	1,223	1,223
	–	1,590	1,590

29 Financial instruments (cont'd)

Accounting classifications of financial assets and financial liabilities (cont'd)

The Company	Amortised cost S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
31 December 2021			
Financial assets			
Cash and bank deposits (Note 9)	**28,615**	**–**	**28,615**
Financial liabilities			
Other payables and accruals (Note 13)	**–**	**175**	**175**
31 December 2020			
Financial assets			
Trade and other receivables (Note 7)	1,086	–	1,086
Cash and bank deposits (Note 9)	30,131	–	30,131
	31,217	–	31,217
Financial liabilities			
Lease liabilities (Note 12)	–	36	36
Other payables and accruals (Note 13)	–	988	988
	–	1,024	1,024
1 January 2020			
Financial assets			
Trade and other receivables (Note 7)	3,851	–	3,851
Cash and bank deposits (Note 9)	3,752	–	3,752
	7,603	–	7,603
Financial liabilities			
Lease liabilities (Note 12)	–	49	49
Other payables and accruals (Note 13)	–	102	102
	–	151	151

Fair values

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and bank balances, lease liabilities and other payables and accruals, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

30 Independent review

During the financial year ended 31 December 2021, the Company appointed an independent reviewer to conduct an independent review of the nature and circumstances relating to the unpaid placement shares and the Company's announcement dated 18 August 2020 relating to the completion of placement notwithstanding the unpaid placement shares, and to identify any breaches in rules, laws and regulations by the Company and its directors. The independent review has yet to conclude as at the date of these financial statements.

31 Events after the reporting period

On 29 March 2022, the Company obtained approval from the SGX-ST to extend the deadline to 30 September 2022 to meet the requirements for a new listing.

On 5 May 2022, the Company gave notice to convene an extraordinary general meeting on 27 May 2022, to seek approval of shareholders in relation to the proposed cancellation of 3,7500,000 shares held by Kerrigan Medical Supplies Pte. Ltd., the proposed reduction of share capital by S$11,903,000, and the proposed final dividend of S$0.0755 per share amounting to S$14,097,000 for the financial year ended 31 December 2021.

32 Comparative information

Corresponding figures have been presented in Singapore dollar as a result of the change in functional currency of the Company and presentation currency from Malaysia ringgit to Singapore dollar as disclosed in Note 2(d).

STATISTICS OF SHAREHOLDING

As at 22 April 2022

Issued and fully paid-up capital	:	SGD15,093,135
Class of shares	:	Ordinary
Number of shares issued (including Treasury Shares)	:	190,470,000
Number of shares issued (excluding Treasury Shares)	:	190,460,300
Number/Percentage of Treasury Shares	:	9,700 (0.005%)
Number/Percentage of Subsidiary Holdings	:	Nil
Voting rights (excluding Treasury Shares)	:	One vote for each ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholdings	No. of Shares	% of Shareholdings
1 – 99	0	0	0	0
100 – 1000	45	42.86	16,200	0.01
1,001 – 10,000	15	14.28	77,100	0.04
10,001 – 1,000,000	37	35.24	7,168,000	3.76
1,000,001 and above	8	7.62	183,199,000	96.19
Grand Total	105	100.00	190,460,300	100.00

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

(as shown in the Register of Members)

	Name of Shareholder	No. of Shares	% of Shareholdings
1.	DBS NOMINEES PTE LTD	142,000,630	74.56
2.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	15,254,900	8.01
3.	DORR GLOBAL HEALTHCARE INTERNATIONAL PTE LTD	7,723,170	4.06
4.	TAN SU LING ADELE	6,250,000	3.28
5.	WONG FONG HONG VINCENT	6,250,000	3.28
6.	LOW CHIN YEW	2,500,000	1.31
7.	UOB KAY HIAN PTE LTD	2,179,500	1.14
8.	PHILLIP SECURITIES PTE LTD	1,040,800	0.55
9.	OR KIM PEOW	1,000,000	0.53
10.	TAN CHUU SI (CHEN ZHUXI)	970,000	0.51
11.	NG ING-YONG BRIAN (HUANG YINGRONG)	625,000	0.33
12.	TANG THIAN FATT	402,800	0.21
13.	CHAN HEANG KNG CALVIN (ZENG XIANQIN CALVIN)	400,000	0.21
14.	TAN YEE WEAL (CHEN YIHUI)	376,000	0.20
15.	ZHENG YIBO	315,800	0.17
16.	CHER MOY ENG	300,000	0.16
17.	FU YANHUA	281,000	0.15
18.	RAFFLES NOMINEES (PTE) LIMITED	276,300	0.15
19.	CITIBANK NOMINEES SINGAPORE PTE LTD	250,000	0.13
20.	THOMAS CHAN HO LAM	250,000	0.13
	Total	188,645,900	99.07

STATISTICS OF SHAREHOLDING

As at 22 April 2022

SHAREHOLDER INFORMATION

As at 22 April 2022

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest		Total
Substantial Shareholders	**No. of Shares**	**% of Shareholdings**	**No. of Shares**	**% of Shareholdings**	**%**
Dorr Global Healthcare International Pte. Ltd. ("**Dorr**")[(1)]	148,335,700	77.88	–	–	77.88
Mr. Terence Loh Ne-Wei[(2)]	–	–	148,335,700	77.88	77.88

Notes:

(1) The Company was, pursuant to a letter dated 2 August 2021, notified by RSM Corporate Advisory Pte Ltd that Ms. Oon Su Sun and Mr. Lin Yueh Hung were appointed by DBS Bank Ltd. ("**DBS**") as joint and several receivers of all the shares owned by Dorr ("**Dorr Shares**") Dorr Shares pursuant to a share charged dated 2 June 2020 entered into between Dorr and DBS. In view of such appointment, the powers to deal with the Dorr Shares are now vested in the Receivers.

(2) Mr. Terence Loh Ne-Wei is the sole shareholder of Dorr and accordingly is deemed to be interested in the shares held by Dorr by virtue of Section 4 of the SFA.

PERCENTAGE OF SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 22 April 2022, approximately 22.12% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Catalist Rules has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of AXINGTON INC. (the "**Company**") will be convened and held by electronic means on Friday, 27 May 2022 at 3.00 p.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Ang Chiang Meng as a Director, who will be retiring pursuant to Article 97 of the Company's Articles of Association.
[Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr. Luke Anthony Furler as a Director, who will be retiring pursuant to Article 101 of the Company's Articles of Association.
[Explanatory Note (ii)] **(Resolution 3)**

4. To approve the payment of Directors' fees totaling SGD144,000 for the financial year ending 31 December 2022, to be paid quarterly in arrears (2021: RM500,000)
[Explanatory Note (iii)] **(Resolution 4)**

5. To re-appoint Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

By Order of the Board

Chen Chuanjian, Jason
Tan Ching Ching
Company Secretaries

Singapore,
5 May 2022

Explanatory Notes:

i. **Resolution 2** - Mr. Ang Chiang Meng, if re-elected, will remain as the Executive Director and a member of the Nominating Committee.

ii. **Resolution 3** - Mr. Luke Anthony Furler, if re-elected, will remain as the Chairman of the Audit Committee and a member of the Remuneration Committee. The Board considers Mr. Luke Anthony Furler to be independent pursuant to Rule 704(7) of Catalist Rules.

iii. **Resolution 4** - This Resolution is to facilitate the payment of Directors' fees during the financial year ending 31 December 2022 ("**FY2022**") in which the fees are incurred. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the present Directors will hold office for the whole of FY2022. Should any Director hold office for only part of FY2022 and not the whole of FY2022, the Directors' fees payable to him will be appropriately pro-rated.

NOTICE OF ANNUAL GENERAL MEETING

Important Notice from the Company on COVID-19

As the COVID-19 situation continues to evolve, the Company is closely monitoring the situation, including any precautionary measures which may be required or recommended by government agencies to minimise the risk of community spread of COVID-19. **Members should note that the Company may be required (including at short notice) to make further changes to its AGM arrangements as the situation evolves, and members are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNet.**

The Company apologises for any inconvenience caused and seeks the understanding and cooperation of all members to minimise the risk of community spread of COVID-19. The Company, the Group, the officers and employees shall have no liability whatsoever to members, corporate representatives or any other attendees arising out of or in connection with the Company taking precautionary measures at the Company's discretion in response to the COVID-19 situation.

Notes:-

1. **No despatch of printed copies of the Notice of AGM, Proxy Form and Annual Report**

   Printed copies of the Notice of AGM and the Proxy Form as well as the Annual Report will not be sent to members. Instead, the Notice of AGM, the Proxy Form and Annual Report may be accessed on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

2. **Pre-Registration**

   This AGM is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended or modified from time to time.

   Members and, where applicable their appointed proxy(ies) will be able to:

   (a) observe and/or listen to the AGM proceedings through a 'live' audio-visual webcast ("**Live Webcast**") or "live" audio-only stream via their mobile phones, tablets or computers;

   (b) submit questions to the Chairman of the AGM in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and

   (c) vote "live" via the live voting feature at the AGM for members or their proxy(ies) attending the Live Webcast, or by appointing proxy(ies) to attend, speak and vote on their behalf at the AGM.

   In order to do so, a member must pre-register by 3:00 p.m. on 24 May 2022, at the URL https://globalmeeting.bigbangdesign.co/axington/ for the Company to authenticate his/her/its status as member. Authenticated members will receive email instructions on how to access the Live Webcast and "live" audio-only stream of the proceedings of the AGM by 3:00 p.m. on 26 May 2022.

   Members who do not receive an email by 3:00 p.m. on 26 May 2022, but have registered by the 24 May 2022 deadline, may contact the Company at axington@outlook.com.

3. **Questions**

   As the AGM will be conducted using real-time remote electronic voting and communication, members and, where applicable, appointed proxy(ies), can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

   (a) via the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/axington/;

   (b) via email to axington@outlook.com; or

   (c) by post, to be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.

   All questions submitted in advance of the AGM via any of the above channels must be received by 3:00 p.m. on 13 May 2022. Members and, where applicable, appointed proxy(ies), can also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream. Members and, where applicable, appointed proxy(ies), who wish to ask questions "live" at the AGM must first pre-register at the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/axington/ by 3:00 p.m. on 24 May 2022.

The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to such questions on SGXNet at the URL https://www.sgx.com/securities/company-announcements by 3:00 p.m. on 22 May 2022. The Company will address those substantial and relevant questions which have not already been addressed, as well as those received "live" at the AGM itself, during the AGM through the Live Webcast and "live" audio-only stream of the AGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the AGM on the SGXNet and the Company's website within one month from the date of AGM, and the minutes will include the responses to substantial and relevant questions from members which are addressed during the AGM.

4. **Voting**

Members who wish to exercise their voting rights at the AGM may:

(a) (where such members are individuals) vote "live" via electronic means at the AGM or (where such members are individuals or corporates) appoint proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on their behalf; or

(b) (where such members are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

5. **Submission of Proxy Forms**

The Proxy Form for the AGM is made available with this Notice of AGM on the SGXNet on the same day.

Proxy Forms must be submitted to the Company in the following manner:

(a) by email to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at sg.is.proxy@sg.tricorglobal.com; or

(b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02, Singapore 068898,

in either case, no later than 3:00 p.m. on 25 May 2022.

A member who wishes to submit a Proxy Form appointing a proxy(ies) must first download a copy of the Proxy Form from the SGXNet or the Company's website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Appointed proxy(ies) (other than the Chairman of the AGM) will be prompted via email (within two business days after the Company's receipt of the validly completed and submitted Proxy Forms) to pre-register at the pre-registration website at the URL https://globalmeeting.bigbangdesign.co/axington/ in order to access the Live Webcast or "live" audio-only stream of the AGM proceedings. Members who wish to appoint third party proxies are encouraged to submit their Proxy Forms early, and should request their proxies to pre-register by 3:00 p.m. on 24 May 2022, failing which the appointment shall be invalid.

A proxy need not be a member of the Company.

In view of the current COVID-19 situation and the related safe distancing measures, which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email to the Company so as to reach the Company not less than 48 hours before the time appointed for holding the AGM.

A member of the Company is entitled to appoint not more than two proxies. Where such member's Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

A member of the Company who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act) and who wishes to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries to submit their voting instructions at least 7 working days before the AGM (i.e. by **3:00 p.m on 17 May 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than **3:00 p.m. on 25 May 2022**.

A corporation which is a member of the Company may authorise by resolution of its director or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with its articles of association.

In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy.

In the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or by registering to attend the Live Webcast and/or "live" audio-only stream of the AGM as detailed in this Notice of AGM, a member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

AXINGTON INC.

(Company Registration No.: LL12218)
(A Company incorporated under the Labuan Companies Act 1990, Malaysia)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:-

1. The Annual General Meeting ("**AGM**") will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended or modified from time to time.
2. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members of the Company. The Annual Report, the Notice of AGM and this Proxy Form may be accessed on SGXNet at the URL https://globalmeeting.bigbangdesign.co/axington/.
3. Due to the current COVID-19 situation in Singapore, members of the Company will not be able to attend the AGM in person. Instead, alternative arrangements relating to, among others, attendance at the AGM, submissions of questions in advance of the AGM, and/or voting at the AGM are set out in the Notice of AGM dated 5 May 2022.
4. By submitting a Proxy Form, a member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM dated 5 May 2022.
5. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy/proxies to vote on his/her/its behalf at the AGM.**

I/We* ______________________ (name) ______________________ (NRIC/Passport No./Company Registration No.) of

____ (address) being a member/members* of **AXINGTON INC.** (the "**Company**"), hereby appoint:

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address and Email Address			

*and/or

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address and Email Address			

or failing him/her*, the Chairman of the AGM ("**Chairman**") as my/our proxy/proxies to attend, speak and vote on my/our* behalf at the AGM to be convened and held by way of electronic means on Friday, 27 May 2022 at 3:00 p.m. and at any adjournment thereof in the following manner. *I/We direct *my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the *proxy/proxies may vote or abstain from voting at his/her discretion. Where the Chairman is appointed as proxy and in the absence of specific directions as to voting is given, the appointment of the Chairman as your proxy will be treated as invalid.

Resolution No.	ORDINARY BUSINESS	For	Against	Abstain
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' Statement and Auditors' Report thereon.			
Resolution 2	To re-elect Mr. Ang Chiang Meng as a Director of the Company pursuant to Article 97 of the Company's Articles of Association.			
Resolution 3	To re-elect Mr. Luke Anthony Furler as a Director pursuant to Article 101 of the Company's Articles of Association.			
Resolution 4	To approve payment of Directors' fees of SGD144,000 for the financial year ending 31 December 2022 to be paid quarterly in arrears.			
Resolution 5	To re-appoint Foo Kon Tan LLP as the Company's Auditors and to authorise the Directors of the Company to fix their remuneration.			

* *Delete where inapplicable*

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" for each resolution, please indicate so with a (✓) within the box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" against each resolution in the boxes provided as appropriate. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid**.

Dated this __________ day of __________________ 2022

Total Number of Shares held in:	
CDP Register	
Register of Members	

____

Signature of member(s)
or, Common Seal of Corporate Member

IMPORTANT: PLEASE READ THE NOTES OVERLEAF.

Notes:-

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, the proxy shall be deemed to relate to all the Shares held by you (in both the Depository Register and the Register of Members).

2. Due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. Instead, alternative arrangements have been put in place to allow members of the Company to participate at the AGM by (a) observing and/or listening to the AGM proceedings via Live Webcast or live audio-only stream; (b) submitting questions to the Chairman of the AGM in advance of, or live at, the AGM; and/or (c) voting "live" at the AGM or by the members of the Company themselves or their duly appointed proxies via electronic means or appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to the notes to the Notice of AGM dated 5 May 2022 for further information, including the steps to be taken by members of the Company to participate at the AGM.

3. Proxy Forms must be submitted to the Company in the following manner:

   (a) by email to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at sg.is.proxy@sg.tricorglobal.com; or

   (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #11-02 Singapore 068898,

   in either case, no later than 3:00 p.m. on 25 May 2022.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email to the Company so as to reach the Company not less than 48 hours before the time appointed for holding the AGM.

4. A proxy need not be a member of the Company.

5. A member of the Company is entitled to appoint not more than two proxies. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

6. Members of the Company who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries to submit their voting instructions at least 7 working days before the AGM (i.e. **by 3:00 p.m on 17 May 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf **no later than 3.00 p.m. on 25 May 2022**.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative to attend the AGM, in accordance with its articles of association.

8. Where a Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or officer duly authorised in writing.

9. Where a Proxy Form is signed on behalf of an individual or a corporation, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be submitted to the Company together with the Proxy Form, failing which the Proxy Form may be treated as invalid.

10. Any amendments or modifications made in a Proxy Form must be initialled by the person who signs the Proxy Form.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 May 2022.

AXINGTON INC.

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Tel: (65) 63278398