



**Securities Investors Association (Singapore)**

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UEN No: S99SS0111B

GST Reg No: M90367530Y

**Issuer:** Axcelasia Inc.

**Security:** Axcelasia Inc.

**Meeting details:**

Date: 22 April 2019

Time: 11.30 a.m.

Venue: Conference Room Shibuya, RNN Conference Centre, 137 Cecil Street, HengDa Building, #04-01, Singapore 069537

**Company Description**

Axcelasia Inc., an investment holding company, provides integrated professional services to public listed companies, private companies, multinational corporations, and government-linked entities in Malaysia and internationally. The company conducts its operations through Tax Advisory, Business Consultancy, Enterprise Management System Application, and Business Support segments. The Tax Advisory segment offers corporate and individual tax, transfer pricing, GST and indirect tax, international tax, tax compliance, and training and knowledge management services. The Business Consultancy segment provides governance, risk, and compliance services; and internal audit and forensic accounting, transformation and program management, information technology consulting, business continuity management, financial management, and human resource consulting services. The Enterprise Management System Application segment offers enterprises risk management, compliance monitoring, internal audit, whistleblowing, and incident and insurance management modules; and information security management systems. The Business Support segment provides accounting and payroll, outsourcing/sharing, corporate secretarial, corporate advisory, administrative and office support, corporate finance, and financial reporting services. The company also offers management consultancy and recruitment services. Axcelasia Inc. was incorporated in 2015 and is headquartered in Kuala Lumpur, Malaysia.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=42U](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=42U))

1. On 2 April 2019, the company announced a “clarification” on the share buy-back conducted on 1 April 2019.

A share buy-back of 9,700 shares was conducted as authorised by the CEO and Group Executive Director at \$0.088 per share on 1 April 2019. The company announced the share buy-back on 2 April 2019 at 19:35:46.

The share buy-back and the (late) announcement of the buy-back resulted in two breaches of the Catalist Rules, which relates to:

- (a) share purchase at a price exceeding the maximum price permitted; and
- (b) the timeliness of the announcement of the share buy-back

- (i) **Can the company help shareholders understand if the directors and the key executives of the group are familiar with their respective roles and responsibilities as directors/key executives of a listed company in Singapore?**
- (ii) **Specifically, did the directors (both executive and non-executive) receive training on the roles and responsibilities of a director of a listed issuer?**
- (iii) **Would the purchase of the shares outside the terms of the share purchase mandate also mean that it was in contravention of s 76B of the Companies Act (Cap 50)?**
- (iv) **Lastly, as a professional services firm providing business consultancy services (including internal audit) and business support services (including corporate secretarial, corporate advisory and administration & office support services), what assurance can the board give to its stakeholders (including customers and shareholders) that the group possesses the expertise to provide clients with the right advice and flawless support?**
- (v) **What was the role of the sponsor in the share buy-back (including the announcement of the buy-back)?**

2. Would the board/management provide shareholders with better clarity on the following strategic and financial matters? Specifically:

- (i) **Technology:** In the Chairman’s message, it was disclosed that the group would continue to build capacity in the areas of business continuity management, corporate finance and information technology. **Has the board evaluated the risks and opportunities technology, such as artificial intelligence, cybersecurity and digitalisation, brings to the group’s businesses?**
- (ii) **Acquisitions:** The group is also actively exploring acquisition opportunities. **How is the deal sourcing being carried out? Would management elaborate further on the lessons gleaned from the earlier acquisitions?**

- (iii) **Vietnam: Has the group evaluated the situation in Vietnam and are there any updates to the group's plans?** Vietnam is a high growth market in the region and has benefitted from the trade tension between USA & China. The group did not recognise any revenue from Vietnam in FY2018.
- (iv) **Geographical expansion:** One of the group's strategies is to grow its business in Malaysia and in the ASEAN region. However, in FY2018, revenue generated from outside Malaysia was just 0.7%. **Has the board further refined its market entry strategies to penetrate new markets more effectively?**

3. The attendance of directors at board and board meetings is shown in the table below:

	<b>Board</b>	<b>AC</b>	<b>NC</b>	<b>RC</b>
Number of Meetings Held	3	3	1	1
<b>Name of Director</b>	<b>Number of Meetings Attended</b>			
Dr. Veerinderjeet Singh a/l Tejwant Singh	3	3*	1*	1*
Dato' Tang Swee Guan	2	2*	1*	1*
Mr. Ranjit Singh a/l Taram Singh	3	3*	1*	1*
Mr. Tan See Yin	3	3	1	1
Datin Isharidah Binti Ishak	3	3	1	1
Ms. Lee Pih Peng	3	3	1	1

\* By invitation

(Source: Company annual report)

- (i) **Can the board help shareholders understand if it is the usual practice for non-board committee members (i.e. the executive directors, non-independent non-executive director) to attend the board committee meetings?**
- (ii) **Were there specific agenda items or reasons to invite the executive directors/non-independent non-executive director to all the board committee meetings?**
- (iii) **What is the dynamics of the board committee meetings when the board committee members may be reviewing and discussing matters that are related to or affect the executive directors?** Such board committee meetings would have included agenda items on performance assessment and remuneration of the executive directors, on adequacy of internal controls and on the audit/financial reporting of the group.



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**(iv) Do the invited directors also actively participate in the discussions during the board committee meetings as if they were full-fledged board committee members?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Axcelasia%20Inc.&cid=6483,4462>

The company's response could be found here:

[https://sias.org.sg/media/qareport/Axcelasia%20-%20AGM%20Minutes%209%20April%202018\\_final.pdf](https://sias.org.sg/media/qareport/Axcelasia%20-%20AGM%20Minutes%209%20April%202018_final.pdf)