Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Axcelasia Inc.

Stock code: 42U

Meeting details:
Date: 17 April 2020
Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Company Description

The Company, together with its subsidiaries, provides integrated professional services mainly in Malaysia to government-linked entities, private and public listed companies, and multinational corporations. Its four key business segments are tax advisory, business consultancy, enterprise management system application and business support.
(Source: https://www.sgx.com/securities/equities/42U)

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Q1. On 11 February 2020, the company announced the proposed divestment of the entire paid-up share capital of its subsidiary corporation, Axcelasia Taxand Sdn. Bhd.. Shareholders approved the proposed divestment on 12 March 2020. The entities to be divested represent the group's core business in Malaysia, being the provision of integrated professional services including tax advisory, business consultancy, technology tools and advisory, and business support services.

The net profit attributed to the sale companies compared to the group's net profit was 250%. In FY2019, the group generated no revenue from its overseas markets of Singapore, Vietnam and Laos (page 129 of the annual report).

(i) **Does the board consider it prudent to proceed with the divestment of its core operations (which is a major transaction) before a new strategic direction for the group is crystallised?**

(ii) **For the benefit of new and long-standing shareholders, would the board clearly identify the value drivers for the group and to update shareholders on the business model?**

Q2. When the group acquired Audex Governance Sdn Bhd in 2017, it was stated that the acquisition would enable the group "to complement the services for corporate governance advisory services provided by Axcelasia Columbus Sdn Bhd" and that there are opportunities to cross-sell to the enlarged customer base.

(i) **How would Audex Governance be affected following the sale of the group's core business in Malaysia?**

Q3. On 29 November 2019, the company announced that it has appointed UOB Kay Hian Private Limited ("UOBKH") to act as its new continuing sponsor, in place of PrimePartners Corporate Finance Pte. Ltd.. The change in continuing sponsor would take effect from 1 December 2019.

Pursuant to Rule 228(5) of Section B (Rules of Catalist) of the SGX-ST Listing Manual, the outgoing sponsor had confirmed that, based on the available information, it is not aware of any non-compliance with the Rules of Catalist by the company that has not been brought to the attention of the incoming sponsor.

It is observed that the new Registered Professional would be Mr Lance Tan. Mr Lance Tan was the Registered Professional for the company when it was first listed in 2015.

Would the board elaborate further on the reasons for the change of the continuing sponsor?

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^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)