



## ACCELERATING SUCCESS

2015 | ANNUAL  
REPORT

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Axcelasia Inc. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 27 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This annual report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



## CORPORATE PROFILE

Axcelasia Inc. ("Axcelasia" and together with its subsidiaries, the "Group") is an integrated professional services firm providing tax advisory, business consulting, enterprise management system ("EMS") applications and business support services. Headquartered in Kuala Lumpur, Malaysia, Axcelasia's clients include public listed companies, private companies, multinational corporations and government-linked entities.

As part of its expansion plans in the ASEAN region, Axcelasia has incorporated a subsidiary in Singapore in January 2016 and commenced operations in March 2016.

The Group is led by three Executive Directors, Dr. Veerinderjeet Singh, Dato' Peter Tang and Mr. Ranjit Singh, who, collectively have more than 95 years' experience in the professional services industry.

Axcelasia was incorporated on 21 August 2015 in Labuan, Malaysia under the Labuan Companies Act as a company limited by shares, and was listed on the Singapore Exchange Catalist Board on 27 November 2015.

## CHAIRMAN'S MESSAGE

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The listing is a major catalyst for the Group to raise its profile, regionalise its operations and expand its range of services.



**Dr. Veerinderjeet Singh**  
Executive Chairman

### Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the inaugural annual report of Axcelasia Inc. ("Axcelasia" or the "Group") since its November 2015 public listing on the Catalist of the SGX-ST, which was the most significant highlight in our financial year ended 31 December 2015 ("FY2015").

In the lead-up to our initial public offering ("IPO"), which raised net proceeds of approximately S\$7.58 million, we carried out a restructuring exercise that combined four business segments under Axcelasia, which now offers tax advisory, business consultancy, enterprise management system applications and business support services. The listing is a major catalyst for the Group to raise its profile, regionalise its operations and expand its range of services.

We are working hard to build the Axcelasia brand and are proud to be one of only two Singapore-listed integrated professional services entities with our roots in Malaysia. The major distinction is that Axcelasia has a strong focus on corporate tax advisory and business consultancy services. We are confident that the addition of the other business segments – enterprise management system applications and business support services – will yield positive results for the Group and enhance value for shareholders.

Allow me to now share with you the Group's financial performance in FY2015.

#### *FY2015 Business Review*

The Group's FY2015 net profit grew five-fold to RM7.9 million compared to RM1.6 million the previous year ("FY2014"). Net profit margin rose to 31.1% from 19.2% in FY2014. The improvement was mainly driven by the commencement of revenue contribution from our various non-tax advisory services. Overall revenue more than tripled to RM25.3 million from RM8.3 million a year ago.

Earnings per share for FY2015 amounted to RM10.22 cents while net asset value per share came to RM21.24 cents as at 31 December 2015.

We have a healthy balance sheet with cash and bank balances at RM29.0 million as at 31 December 2015, compared to RM2.9 million at the end of FY2014. The increase was mainly due to Axcelasia's IPO proceeds.

### *Executing Forward Strategy*

Subsequent to the year-end, the management identified three core strategies to sharpen Axcelasia's strategic focus in a Corporate and Business Update in March 2016. These entail geographical expansion in Malaysia and other ASEAN markets, enlarging our portfolio of services to develop new revenue streams, and harnessing economies of scale.

#### *Asset-light strategy for expansion in Malaysia and ASEAN*

We are seeing many more opportunities for growth in the region with companies increasingly seeking business consultancy services and outsourcing more of their business functions. The establishment of the ASEAN Economic Community, which will enable free flow of skilled labour and harmonise financial rules within the region, will also open up opportunities for Axcelasia.

Against this backdrop, the Group will adopt an asset-light strategy to expand into other cities in Malaysia and the ASEAN region where it does not already have a presence. To avoid substantial investment outlays, Axcelasia will expand regionally through strategic alliances and joint ventures by leveraging on its existing clientele and business relationships.

We intend to have a presence in at least three more ASEAN cities within the next 18 months. Our newly opened office in Singapore will serve as a springboard for Axcelasia to set up office in the region.

Accordingly, we expect non-Malaysian revenue to commence contributions from FY2016 as our network of operations across ASEAN increases.

#### *Enlarging portfolio of services*

Having built up a suite of professional services offered under a single platform and management structure, our next step is to expand our offerings to include

other complementary services – such as share registrar and corporate finance advisory services. We will progressively scale up our capacity to extend our offerings to leverage on the demand for such services. This will allow the Group to reach a wider range of clients and cross-sell our services more effectively.

#### *Harnessing economies of scale*

The Group expects to achieve even greater economies of scale as it builds up a presence in the region. Our intention is to centralise various management and operational functions. With our expertise in business consultancy and the employment of technological tools, we expect to significantly streamline the Group's internal and operational efficiencies, which should translate into cost improvements.

With these three strategies, we are confident of achieving more sustainable growth in the years ahead. We believe this will deliver greater value to all shareholders.

#### *Appreciation*

On behalf of the Board, I would like to express my gratitude to all shareholders, business associates and staff for their continued support and commitment to Axcelasia.

I would also like to thank my fellow Executive Directors, Dato' Peter Tang and Ranjit Singh, as well as other Board members, for their wise counsel and collective efforts towards our listing. I look forward to working closely with them in 2016.

**Dr. Veerinderjeet Singh**  
Executive Chairman

# CORE BUSINESS SEGMENTS

## TAX ADVISORY

- Corporate Tax
- Individual Tax
- Transfer Pricing
- GST/Indirect Tax
- International Tax
- Knowledge Management

## BUSINESS CONSULTANCY

- Governance, Risk and Compliance
- Internal Audit and Forensic Accounting
- Transformation and Programme Management
  - IT Consulting
- Business Continuity Management
- HR Consulting

**Axcelasia**  
ACCELERATING SUCCESS

## ENTERPRISE MANAGEMENT SYSTEM (EMS)

- Risk Management
- Compliance
- Internal Audit
- ISMS (Information Security Management System)
- Incident
- Insurance
- Whistle – blowing

## BUSINESS SUPPORT SERVICES

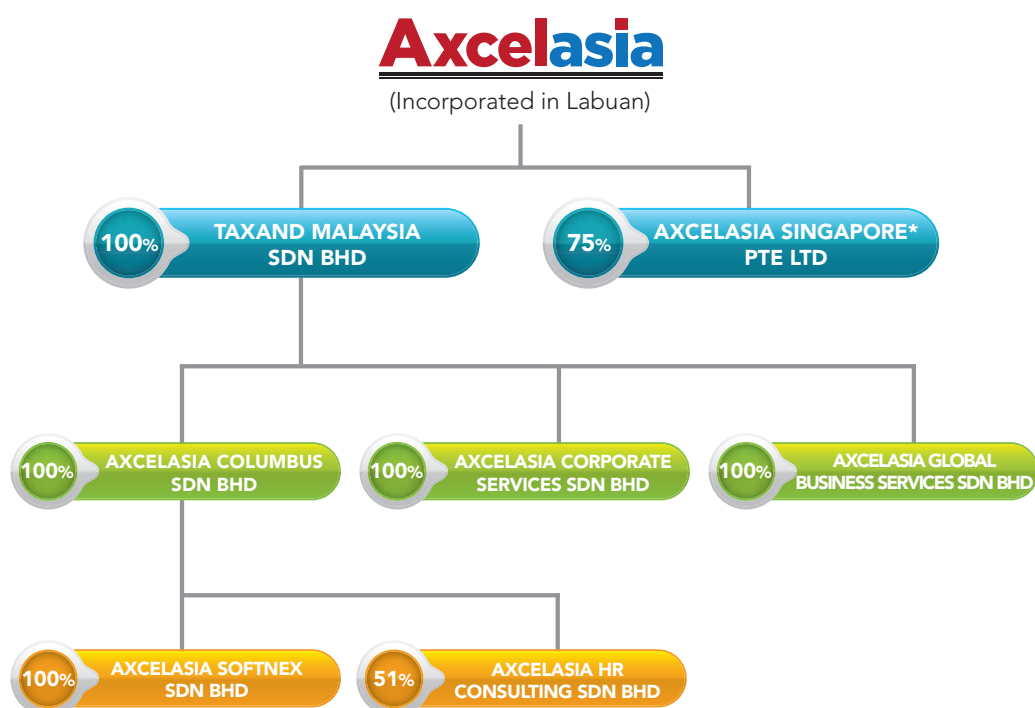
- Accounting
- Outsourcing/Shared Services
- Corporate Secretarial Services
- Corporate Advisory Services
  - Administrative and Office Support Services

# AWARDS AND ACCREDITATIONS

Taxand Malaysia, Axcelasia's fully-owned subsidiary, has received the following awards and accreditations:

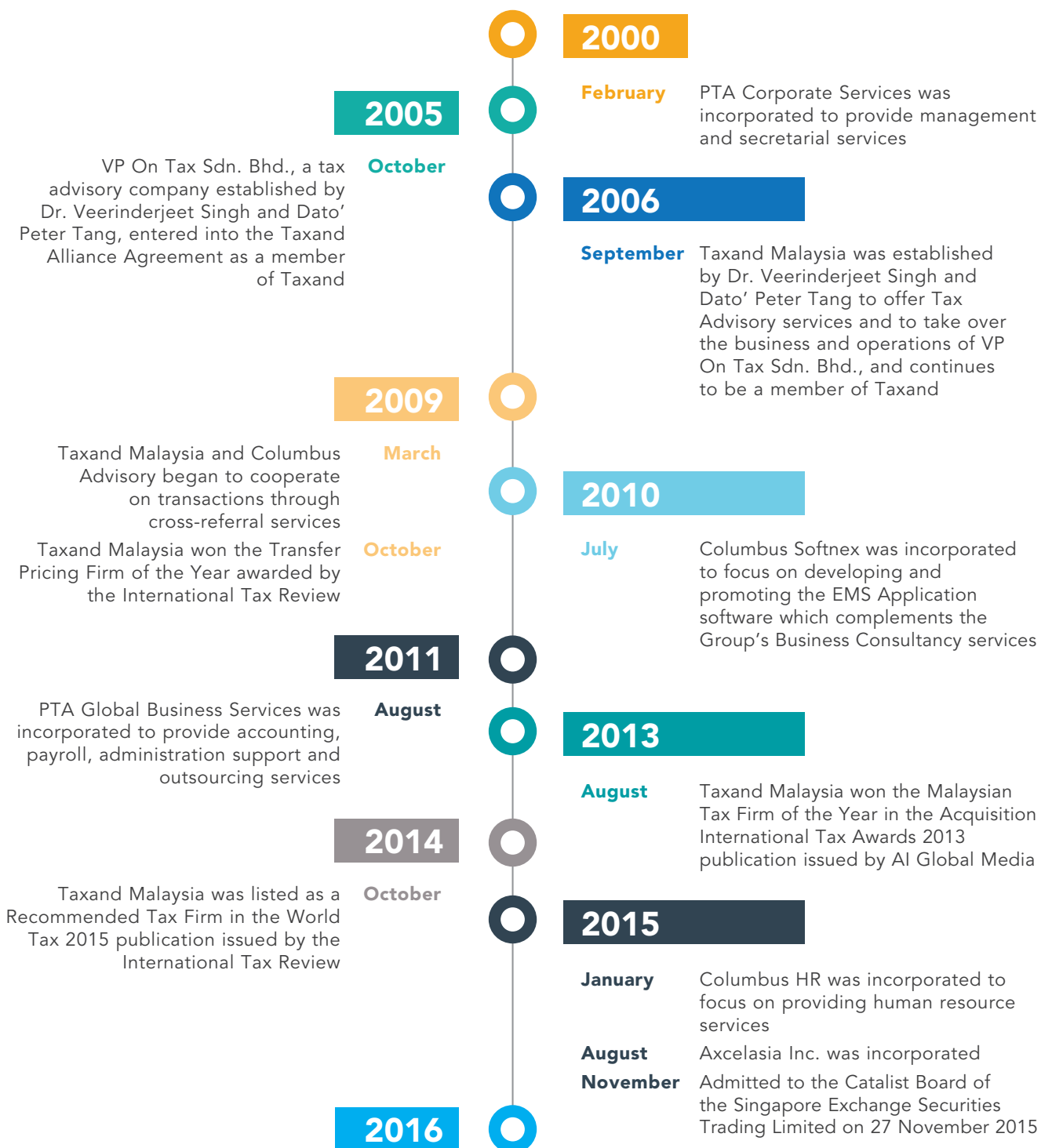
DATE OF ISSUE	NAME OF AWARD OR ACCREDITATION	AWARDING ORGANIZATION
2009	Transfer Pricing Firm	International Tax Review
2010	Asia Transfer Pricing Firm	International Tax Review
2012	Corporate Tax Advisory Firm	Acquisition International Magazine
2012	International Tax Advisory Firm	Corporate International Magazine
2013	Tier 1 Tax Planning Advisory	International Tax Review
2013	Tier 1 Transactional Tax Advisor	International Tax Review
2013	Malaysian Tax Firm	Acquisition International Magazine
2013	International Tax Accountancy Firm	Global Law Experts & Global Accountancy Experts
2014	Corporate Tax Firm of the Year	Acquisition International M&A Awards
2015	Recommended Tax Firm	International Tax Review
2015	Sustained Excellence in Corporate Tax	Acquisition International Magazine
2015	Most Outstanding Tax Advisory Firm	Corporate International Magazine

# GROUP STRUCTURE



\* Incorporated on 21 January 2016

# CORPORATE MILESTONES

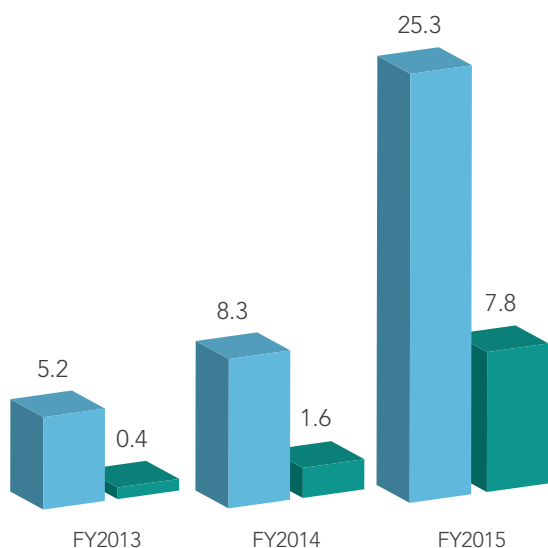


Names of Axcelasia's subsidiaries were changed to reflect the new corporate identity of the Group

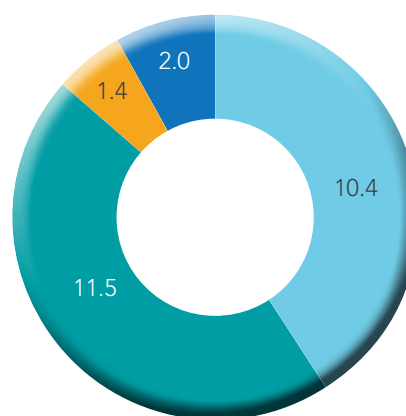
Axcelasia Singapore Pte Ltd was established to carry on the business of tax advisory, business consultancy, internal audit, risk management advisory and business support services in Singapore



# FINANCIAL HIGHLIGHTS



Revenue Breakdown by Business Segment (RM million)



Revenue (RM million)

Profit After Tax (RM million)

Tax Advisory

Business Consultancy

EMS Application

Business Support

	FY2014	FY2015
<b>Income Statement (RM million)</b>		
Revenue	8.3	25.3
Profit Before Tax	2.1	9.8
Profit After Tax	1.6	7.8
<b>Balance Sheet (RM million)</b>		
	31 December 2014	31 December 2015
Total Assets	5.3	36.7
Total Liabilities	2.4	2.6
Total Shareholders' Equity	2.9	34.0
<b>Key Financial Ratios (RM cents)</b>		
Earnings Per Share	10.22 for FY2015	
Net Asset Value Per Share	21.24 as at 31 December 2015	

# FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW



## FINANCIAL HIGHLIGHTS

For FY2015, revenue tripled to RM25.3 million from RM8.3 million in FY2014, driven by contributions from new subsidiaries that offer non-tax advisory services, as the Group expanded its service offerings to attract a wider range of clients.

Other income increased to RM0.9 million in FY2015 from RM18,000 in FY2014, mainly due to foreign-exchange gains, disposal of motor vehicles, increase in interest income from fixed deposits, and a government research grant received by Axcelasia Softnex Sdn Bhd for the commercialisation of its EMS Application Software under the Cradle Investment Programme (CIP) 500.

Income tax expense increased to RM2.0 million in FY2015 from RM0.5 million in FY2014. The effective income tax rate declined to 20.0% in FY2015 from 23.8% in FY2014, primarily due to the pioneer tax status enjoyed by two Multimedia Super Corridor (MSC) status companies in the Group.

Profit before income tax increased by RM7.7 million to RM9.8 million in FY2015 from RM2.1 million in FY2014, due to higher revenue in FY2015.

As a result of the above, the Group's profit after tax rose to RM7.8 million in FY2015 from RM1.6 million in FY2014.



## BALANCE SHEET

Current assets increased to RM35.6 million as at 31 December 2015 from RM5.2 million as at 31 December 2014, mainly due to an increase in cash and bank balances, which amounted to RM29.0 million. The increase was mainly due to the IPO proceeds, which were placed as fixed deposits with the Bank of East Asia in Singapore and Public Bank Berhad in Malaysia. In line with the rise in revenue, trade and other receivables increased by RM4.3 million to RM6.6 million as at 31 December 2015.

Non-current assets increased to RM1.1 million as at 31 December 2015 from RM0.2 million as at 31 December 2014, boosted by higher property, plant and equipment, as well as development cost in progress in relation to its EMS Application Software.

## CASH FLOW

Cash generated from operating activities before change in working capital increased to RM9.7 million in FY2015 from RM2.1 million in FY2014. Net cash from operating activities increased to RM5.1 million from RM1.9 million in FY2014.

Net cash used in investing activities came to RM0.6 million, compared to RM54,000 in previous year, mainly due to acquisition of subsidiaries, purchase of office and equipment, and development cost in progress.

Net cash generated from financing activities of RM21.6 million comprised mainly proceeds from the issuance of ordinary shares, which offset share issue expenses and dividends paid to equity holders prior to the listing.

As a result of the above, cash and bank balances increased to RM29.0 million in FY2015 from RM2.9 million in FY2014.

## BOARD OF DIRECTORS

### DR. VEERINDERJEET SINGH

Executive Chairman



Dr. Veerinderjeet Singh was appointed to the Board as Executive Chairman on 21 August 2015. He has over 35 years of experience in corporate tax advisory and regulatory reform.

Dr. Singh was previously the Managing Director of Taxand Malaysia since January 2007, and was re-designated as Chairman on January 2012. Between July 2003 and December 2006, he was the Managing Director of VS on Tax Sdn Bhd; an Executive Director and Partner at Ernst & Young Tax Consultants Sdn Bhd between July 2002 to June 2003; and Executive Director and Partner at Arthur Andersen between December 1996 and June 2002.

Between June 1988 and December 1996, Dr. Singh was a lecturer and subsequently an associate professor at the University of Malaya, where he taught and researched on tax. He was also an Assistant Manager at Price Waterhouse Tax Services Sdn Bhd between May 1985 and 1988; an Assessment Officer at the Inland Revenue Department of Malaysia from May 1980 to April 1985; a Tax Assistant at Peat Marwick Mitchell between February to April 1980; and a Financial Analyst at the Malaysian Industrial Development Authority between August 1979 and January 1980.

Dr. Singh is currently an Independent Director on the boards of IBFD Asia Sdn Bhd and Bank of Nova Scotia Berhad. He is also an approved tax agent under Section 153(3) of the Malaysia Income Tax Act.

Dr. Singh is currently a Council Member and Executive Committee Member of the Malaysian Institute of Certified Public Accountants (MICPA). He was appointed to the Council of the Malaysia Institute of Accountants (MIA) from May 2004 to April 2007, and subsequently for another two-year term commencing May 2014. He is currently also the Chairman of the Taxation Committee of the MIA and a member of the Disciplinary Appeals Board of the MIA. He was the President of the Chartered Tax Institute of Malaysia between June 2007 and June 2010.

On the international front, Dr. Singh is a board member of Taxand and a member of Certified Practising Accountants (CPA) Australia. He has been a member of the Board of Trustees of the Amsterdam-headquartered International Bureau of Fiscal Documentation since May 2009; a Trustee of the Malaysian Tax Research Foundation since December 2010; and a member of the Tax Commission of the Paris-headquartered International Chamber of Commerce since February 2012. He has published articles and papers in various accounting, tax and law publications; and has spoken extensively on Malaysian and international tax matters at local and overseas conferences.

Dr. Singh holds a Bachelor of Accounting (First Class Honours) from the University of Malaya, and a Doctor of Philosophy from University Putra Malaysia.

### DATO' PETER TANG

Finance Director and Executive Director



Dato' Peter Tang was appointed to the Board as Finance Director and Executive Director on 21 August 2015. He has over 35 years of experience in auditing, tax compliance and tax advisory services both in the UK and Malaysia. He has been the Executive Director of Taxand Malaysia since September 2006, and the Managing Partner of audit firm Peter Tang & Associates since January 1992. Between August 1989 and December 1990, Dato' Tang was the Group Financial Controller of Baxter Healthcare SA, and previously a Senior Manager at Price Waterhouse between March 1983 to July 1989. He has also been a member of the Audit Committee of the Council of University Tunku Abdul Rahman since September 2011.

Dato' Tang obtained a Master of Business Administration from the UK in 1981. He has been a Member of the Chartered Institute of Taxation, UK since 1980, and an Associate of the Association of Chartered Certified Accountants, UK since December 1987 and was admitted as a Fellow in December 1992. Dato' Tang has also been a Chartered Accountant of the MIA since June 1988, a Chartered Tax Practitioner of the Chartered Tax Institute of Malaysia since July 1992, and was made a Fellow in October 1997.

He has also been a member of the MICPA since June 2006, and a Fellow of CPA Australia since January 2008. He is an approved tax agent under Section 153(3) of the Malaysia Income Tax Act, an approved GST agent under Section 170 of the Malaysia GST Act, and an approved company auditor under Section 8(2) of the Malaysia Companies Act.



### MR. RANJIT SINGH

Executive Director

Mr. Ranjit Singh was appointed to the Board as Executive Director on 21 August 2015. He has 28 years of experience in internal and external audit, enterprise risk management, governance, transformation and forensic accounting.

Prior to his present role, he was the Managing Director of Axcelasia Columbus from April 2006. Mr. Singh held various positions within KPMG Malaysia between June 1987 to December 2005 where he joined as an Audit Junior, and was subsequently promoted to Manager and finally Partner. He was also seconded to KPMG Chicago as an Audit Senior and Supervisor between October 1993 and March 1995.

He has been a Chartered Member of the Institute of Internal Auditors ("IIA") Malaysia since 2004 and was the President of the IIA Malaysia for the term between 2013 and 2014. He is currently a member of the Board of Governors of IIA Malaysia. Mr. Singh is a member of the Global IIA's Professional Issue Committee, and was appointed the Secretary and subsequently Vice President of Asian Confederation of the Institute of Internal Auditors for the term between 2014 & 2015 and 2015 & 2016 respectively.

Mr. Singh obtained a Master of Business Administration from Heriot-Watt University, Edinburgh, UK. He was made a Member and Certified Public Accountant of the MICPA in February 1992. In February 1993, he was named a Registered Accountant for the MIA, and thereafter a Public and Chartered Accountant in September 2000. He has been a Certified Practising Accountant at CPA Australia since June 2008, and a Member of the Malaysian Association of Risk and Insurance Managers since October 2009.

Mr. Singh is also a Chartered Accountant of the MIA. He has been an Associate Member of the Association of Certified Fraud Examiners since January 1997. He was awarded a Certified Internal Auditor (United States) in December 2013 and a Certification in Risk Management Assurance (United States) in April 2012.

He has led international industry engagements and spoken at the 2011 and 2013 IIA International Conferences, among others.



### MR. TAN SEE YIN

Lead Independent Director

Mr. Tan See Yin was appointed to the Board as Lead Independent Director on 21 October 2015. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees.

Mr. Tan commenced his professional career as a management consultant with two of the largest Management Consulting firms in Malaysia, starting in 1979, for a total of 11 years; seven years with SGV-Kassim Chan Sdn Bhd. and four years with PriceWaterhouse Associates Sdn Bhd. Thereafter, he moved to the corporate sector during which he held numerous senior executive positions within the UEM Group Bhd. (Renong Bhd.) group of companies for 20 years between April 1990 and September 2010.

Upon joining UEM Group, he was based in the Group's headquarters as part of the corporate team to help the Group's companies restructure and plan for their expansion, from 1990 to 1993. In 1994, he was tasked to set up a new business for the Group in the healthcare sector. He was the Group Managing Director of Pharmaniaga Bhd (and its precursor company, Remedi Pharmaceuticals (M) Sdn Bhd) from January 1994 to March 2003. Pharmaniaga Bhd was listed on the Bursa Malaysia in 1998. In April 2003, he was transferred to Time dotCom Bhd as the Group Managing Director, another listed company within UEM Group, where he stayed until his transfer back to corporate headquarters in 2005 to helm a new division.

Prior to his retirement in October 2010, his last posting was Senior Director of Group Strategy and Business Development, where he and his team were responsible for working with the Group's companies to develop the overall corporate and business strategies for the entire Group, as well as coordinate and assist the Group with the development and implementation of strategies to take the group companies international, as part of their expansion strategies worldwide. During this period, he represented UEM Group on the boards of its companies in Malaysia, India, New Zealand and the ASEAN countries.

Mr. Tan was appointed as a Non-Executive and Non-Independent Director – and served as a member of the Audit Committee, Risk Committee and Development Committee – of the board of Tomypak Holdings Berhad, a public company listed on Bursa Malaysia, since November 2014. He was subsequently redesignated as Executive Director on 4th February 2016.

Mr. Tan holds a Bachelor of Accounting (Honours) from the University of Malaya and is a Registered Accountant of the Malaysian Institute of Accountants.

# BOARD OF DIRECTORS

## DATIN ISHARIDAH BINTI ISHAK

Independent Director



Datin Isharidah Binti Ishak was appointed to the Board as an Independent Director on 21 October 2015. She has been a consultant at legal firm M/s Isharidah, Ho, Chong & Menon since June 2006, where she had also served as partner since 1988. An advocate and solicitor, she advises on corporate matters.

Between January 1987 and August 1988, Datin Isharidah was a legal assistant at M/s Kassim Tadin, Wai & Co. Before that, she was chambering at and subsequently worked as a legal assistant at M/s Syed Alwi, Ng & Teoh between August 1985 and December 1986. She is presently a director of Countertrade (M) Sdn Bhd (Dormant) and Sera Permai Sdn Bhd (Dormant), and is a barrister of the Honourable Society of Lincolns' Inn.

## MS. LEE PIH PENG

Independent Director



Ms. Lee Pih Peng was appointed to the Board as Independent Director on 21 October 2015. She has more than 20 years of corporate law experience, and has been a Director of LPP Law Corporation since 2014. Between 2005 and 2014, she was a Partner at Lee & Lee; between 1999 and 2004, she was a Partner at Harry Elias Partnership. She joined Drew & Napier in 1991 and left as a Partner in 1998.

Ms. Lee was appointed an advocate and solicitor of the Supreme Court of Singapore in March 1991, a solicitor of the Supreme Court of England and Wales in September 1996, and a member of the New York State Bar Association in August 2002.

Ms. Lee holds a Bachelor of Laws from the National University of Singapore, as well as an MBA from the University of Hull, UK.



# CORPORATE INFORMATION

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## **BOARD OF DIRECTORS**

Dr. Veerinderjeet Singh  
a/l Tejwant Singh  
(Executive Chairman)

Dato' Tang Swee Guan ("Dato' Peter Tang")  
(Finance Director & Executive Director)

Ranjit Singh a/l Taram Singh  
(Executive Director)

Tan See Yin  
(Lead Independent Director)

Lee Pih Peng  
(Independent Director)

Datin Isharidah Binti Ishak  
(Independent Director)

## **AUDIT COMMITTEE**

Tan See Yin (Chairman)  
Lee Pih Peng  
Isharidah Binti Ishak

## **NOMINATING COMMITTEE**

Datin Isharidah Binti Ishak (Chairperson)  
Tan See Yin  
Lee Pih Peng

## **REMUNERATION COMMITTEE**

Lee Pih Peng (Chairperson)  
Tan See Yin  
Datin Isharidah Binti Ishak

## **COMPANY SECRETARY**

Hans Corporate Services Ltd

## **REGISTERED OFFICE**

Lot A020, Level 1, Podium Level  
Financial Park, Jalan Merdeka  
87000 Labuan F.T., Malaysia

## **SINGAPORE SHARE REGISTRAR AND SHARE TRANSFER OFFICE**

Tricor Barbinder Share Registration Services  
(A division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road  
#02-00  
Singapore 068898

## **SPONSOR**

PrimePartners Corporate Finance Pte. Ltd.  
16 Collyer Quay  
#10-00 Income at Raffles  
Singapore 049318

## **AUDITORS**

Nexia TS Accounting Corporation  
100 Beach Road  
#30-00 Shaw Tower  
Singapore 189702

Partner in Charge: Loh Ji Kin  
(A member of the Institute of  
Singapore Chartered Accountants)  
(Appointed since financial year ended  
31 December 2015)

## **PRINCIPAL BANKER**

The Bank of East Asia, Limited  
60 Robinson Road  
BEA Building  
Singapore 068892

Public Bank Berhad  
Jalan Raja Chulan Branch  
Ground Floor, Wisma Lim Foo Yong  
86 Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia

## **CORPORATE COMMUNICATION**

Axcelasia Inc.  
Dr. Veerinderjeet Singh  
Email: vs@axcelasia.com  
Ranjit Singh  
Email: rs@axcelasia.com  
Suite 13A.05, Level 13A  
Wisma Goldhill  
67, Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: +603 2032 2799  
Fax: +603 2032 3799

## **INVESTOR RELATIONS**

WeR1 Consultants Pte Ltd  
3 Phillip Street #12-01  
Royal Group Building  
Singapore 048693  
Tel: +65 6737 4844  
Fax: +65 6737 4944

# CORPORATE GOVERNANCE

## DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Axcelasia Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places 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 2015 (“**FY2015**”), with specific reference made to the principles of the Code of Corporate Governance 2012 (the “**Code**”) and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”).

Guideline	Code and/or Guide Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code?  If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.  Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2015.



# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																								
<b>BOARD MATTERS</b>																										
<b>The Board's Conduct of Affairs</b>																										
1.1	What is the role of the Board?	<p>The Board has six (6) members and comprises the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;"><i><b>Table 1.1 – Composition of the Board</b></i></th> </tr> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: left;">Designation</th> <th style="text-align: left;">Date appointed</th> </tr> </thead> <tbody> <tr> <td>Dr. Veerinderjeet Singh a/l Tejwant Singh</td> <td>Executive Chairman</td> <td>21 August 2015</td> </tr> <tr> <td>Dato' Tang Swee Guan</td> <td>Finance Director and Executive Director</td> <td>21 August 2015</td> </tr> <tr> <td>Mr. Ranjit Singh a/l Taram Singh</td> <td>Executive Director</td> <td>21 August 2015</td> </tr> <tr> <td>Mr. Tan See Yin</td> <td>Lead Independent Director</td> <td>21 October 2015</td> </tr> <tr> <td>Ms. Lee Pih Peng</td> <td>Independent Director</td> <td>21 October 2015</td> </tr> <tr> <td>Datin Isharidah Binti Ishak</td> <td>Independent Director</td> <td>21 October 2015</td> </tr> </tbody> </table> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are:</p> <ul style="list-style-type: none"> <li>• To chart broad policies and strategies of the Company;</li> <li>• To approve annual budgets and financial plans;</li> <li>• To review and approve any corporate merger, acquisitions and disposals (divestments);</li> <li>• To approve material borrowings and fund raising exercises;</li> <li>• To review performance and succession planning of the key management personnel;</li> <li>• To review and approve the risk management framework of the Company;</li> <li>• To review the business continuity plan of the Company; and</li> <li>• To monitor and manage potential conflicts of interest between the key management personnel, the Board and the shareholders.</li> </ul>	<i><b>Table 1.1 – Composition of the Board</b></i>			Name of Director	Designation	Date appointed	Dr. Veerinderjeet Singh a/l Tejwant Singh	Executive Chairman	21 August 2015	Dato' Tang Swee Guan	Finance Director and Executive Director	21 August 2015	Mr. Ranjit Singh a/l Taram Singh	Executive Director	21 August 2015	Mr. Tan See Yin	Lead Independent Director	21 October 2015	Ms. Lee Pih Peng	Independent Director	21 October 2015	Datin Isharidah Binti Ishak	Independent Director	21 October 2015
<i><b>Table 1.1 – Composition of the Board</b></i>																										
Name of Director	Designation	Date appointed																								
Dr. Veerinderjeet Singh a/l Tejwant Singh	Executive Chairman	21 August 2015																								
Dato' Tang Swee Guan	Finance Director and Executive Director	21 August 2015																								
Mr. Ranjit Singh a/l Taram Singh	Executive Director	21 August 2015																								
Mr. Tan See Yin	Lead Independent Director	21 October 2015																								
Ms. Lee Pih Peng	Independent Director	21 October 2015																								
Datin Isharidah Binti Ishak	Independent Director	21 October 2015																								

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																													
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	<p>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 compositions of the Board Committees are as follows:</p> <table border="1"> <caption><b>Table 1.3 – Composition of the Board Committees</b></caption> <thead> <tr> <th></th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Tan See Yin</td> <td>Datin Isharidah Binti Ishak</td> <td>Lee Pih Peng</td> </tr> <tr> <td>Member</td> <td>Datin Isharidah Binti Ishak</td> <td>Lee Pih Peng</td> <td>Tan See Yin</td> </tr> <tr> <td>Member</td> <td>Lee Pih Peng</td> <td>Tan See Yin</td> <td>Datin Isharidah Binti Ishak</td> </tr> </tbody> </table>		AC	NC	RC	Chairman	Tan See Yin	Datin Isharidah Binti Ishak	Lee Pih Peng	Member	Datin Isharidah Binti Ishak	Lee Pih Peng	Tan See Yin	Member	Lee Pih Peng	Tan See Yin	Datin Isharidah Binti Ishak																													
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1.4	Have the Board and Board Committees met in the last financial year?	<p>The Company was admitted to the Catalist of the SGX-ST on 27 November 2015 ("IPO"). The Company held its first Board and Board Committee meetings on 10 December 2015.</p> <p>The Board meets on a quarterly basis, and as and when circumstances require. Subsequent to the IPO, the details of the Board and Board Committee meetings held during FY2015 and the attendance of each Board member are shown below.</p> <table border="1"> <caption><b>Table 1.4 – Board and Board Committee Meetings in FY2015</b></caption> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <th>Name of Director</th> <th colspan="4">Number of Meetings Attended</th> </tr> <tr> <td>Dr. Veerinderjeet Singh a/l Tejwant Singh</td> <td>1</td> <td>1*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Dato' Tang Swee Guan</td> <td>1</td> <td>1*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr. Ranjit Singh a/l Taram Singh</td> <td>1</td> <td>1*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr. Tan See Yin</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Datin Isharidah Binti Ishak</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Ms. Lee Pih Peng</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>* By invitation</p> <p>The Company's Articles of Association (the "Articles") allow for meetings to be held through telephone and/or video-conference.</p>		Board	AC	NC	RC	Number of Meetings Held	1	1	1	1	Name of Director	Number of Meetings Attended				Dr. Veerinderjeet Singh a/l Tejwant Singh	1	1*	1*	1*	Dato' Tang Swee Guan	1	1*	1*	1*	Mr. Ranjit Singh a/l Taram Singh	1	1*	1*	1*	Mr. Tan See Yin	1	1	1	1	Datin Isharidah Binti Ishak	1	1	1	1	Ms. Lee Pih Peng	1	1	1	1
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# CORPORATE GOVERNANCE

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1.5	What are the types of material transactions which require approval from the Board?	<p>Matters that require the Board's approval include, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Business plans;</li> <li>• Material acquisitions, divestments and equity ventures;</li> <li>• Dividend policy;</li> <li>• Financial results announcements, annual report and audited financial statements;</li> <li>• Discretionary authority limits ("<b>DAL</b>");</li> <li>• Key policies (Whistleblowing policy, Business Continuity Management policy, Investment policy and Information Technology Policy);</li> <li>• Enterprise Risk management framework; and</li> <li>• Material capital expenditures, acquisitions and disposals.</li> </ul>
1.6	(a) Are new Directors given formal training? If not, please explain why.	<p>All newly appointed Directors attended an orientation programme on 7 January 2016 where the Directors were briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the individual line of business of the Group. The Directors were given the opportunity to meet with key management personnel to understand the business operations of the Group.</p> <p>All newly appointed Directors were also given the opportunity to visit the Group's main operational facilities during the first Board meeting on 10 December 2015.</p>
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	<p>Briefings, updates and trainings for the Directors in FY2015 included:</p> <ul style="list-style-type: none"> <li>• In conjunction with the IPO exercise, a briefing was organised for all Directors on 26 November 2015 by Baker &amp; McKenzie, Wong &amp; Leow on the roles and responsibilities of a director of a public listed company in Singapore;</li> <li>• The external auditors ("<b>EA</b>") had briefed the AC on changes or amendments to accounting standards; and</li> <li>• At the date of this report, all Directors have attended the "Listed Company Director Essentials: Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know" course conducted by the Singapore Institute of Directors.</li> </ul>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>Board Composition and Guidance</b>		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Guideline 2.1 of the Code is met as the Independent Directors make up 50% of the Board.  In view that the Chairman of the Board (the " <b>Chairman</b> ") is also the chief executive officer (" <b>CEO</b> "), and is not an independent director, Guideline 2.2 of the Code is met as the Independent Directors made up 50% of the Board. Mr. Tan See Yin has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders at the Company's general meetings.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	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 at the NC meeting on 10 December 2015.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.  (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	There is no Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																				
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	There are no Independent Directors who have served beyond nine years since the date of their first appointment.																																				
2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p>	<p>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.</p> <p>The current Board composition provides a diversity of skills, experience, gender and knowledge to the Company as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Table 2.6 – Balance and Diversity of the Board</b></th> </tr> <tr> <th style="width: 70%;"></th> <th style="text-align: center;">Number of Directors</th> <th style="text-align: center;">Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Core Competencies</b></td> </tr> <tr> <td>– Accounting or finance</td> <td style="text-align: center;">5</td> <td style="text-align: center;">83%</td> </tr> <tr> <td>– Business management</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>– Legal or corporate governance</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>– Relevant industry knowledge or experience</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>– Strategic planning experience</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>– Customer based experience or knowledge</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td colspan="3"><b>Gender</b></td> </tr> <tr> <td>– Male</td> <td style="text-align: center;">4</td> <td style="text-align: center;">67%</td> </tr> <tr> <td>– Female</td> <td style="text-align: center;">2</td> <td style="text-align: center;">33%</td> </tr> </tbody> </table>	<b>Table 2.6 – Balance and Diversity of the Board</b>				Number of Directors	Proportion of Board	<b>Core Competencies</b>			– Accounting or finance	5	83%	– Business management	6	100%	– Legal or corporate governance	6	100%	– Relevant industry knowledge or experience	6	100%	– Strategic planning experience	6	100%	– Customer based experience or knowledge	6	100%	<b>Gender</b>			– Male	4	67%	– Female	2	33%
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	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul> <p>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.</p>
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	<p>The Non-Executive Directors had not met in the absence of key management personnel in FY2015 as the Company was listed on the Catalist of SGX-ST in November 2015. Nevertheless, the Non-Executive Directors had met in the absence of key management on 23 February 2016 subsequent to its IPO.</p>
<b>Chairman and Chief Executive Officer</b>		
3.1	Are the duties between Chairman and CEO segregated?	<p>Dr. Veerinderjeet Singh, the Executive Chairman also assumes the roles of the CEO. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there would be no need to separate the two roles after taking into considerations the following:</p> <ul style="list-style-type: none"> <li>• Size and capabilities of the Board;</li> <li>• Size and operations of the Group;</li> <li>• Safeguards currently in place (such as the requirement for the Board's approval for material transactions which exceed certain thresholds in accordance with the approved DAL document to ensure that decision-making by the Board is collective) and</li> <li>• strong independent element on the Board with 50% of the Board members are Independent Directors.</li> </ul> <p>As CEO, Dr. Veerinderjeet Singh is responsible for overseeing the strategic positioning of the Group. In addition to managing the day-to-day business operations of the Group, he is to ensure that each member of the Board and the Management works well together with integrity and competency.</p>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		As Chairman, he 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 plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management at AGMs and other shareholders' meetings. He also takes a leading role in the Company's efforts to achieve and maintain a high standard of corporate governance.
3.4	Have the Independent Directors met in the absence of other Directors?	The Independent Directors had not met in the absence of other Directors in FY2015 as the Company was listed on the Catalist of SGX-ST in November 2015. Nevertheless, the Independent Directors had met on 23 February 2016 in the absence of other Directors subsequent to its IPO.
<b>Board Membership</b>		
4.1	What are the duties of the NC?	<p>The NC is guided by its key terms of reference as follows:</p> <ul style="list-style-type: none"> <li>(a) To establish criteria for appointment of new Director to the Board;</li> <li>(b) To review and recommend the re-appointment of Directors having regard to the Director's contribution and performance;</li> <li>(c) To determine on an annual basis whether a Director is independent;</li> <li>(d) To develop a process for evaluation of the performance of the Board, its Board Committees and Directors;</li> <li>(e) To review and recommend to the Board the succession plans for the Chairman and the Executive Directors; and</li> <li>(f) To review and recommend to the Board the training and professional development programmes for the Board.</li> </ul>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	<p>The Board has set the maximum number of listed company board representations as 5.</p> <p>Having assessed the capacity of the Directors based on factors disclosed in Section 4.4(c) 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.</p>
	(b) If a maximum has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	<p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> <li>• Expected and/or competing time commitments of Directors;</li> <li>• Geographical location of Directors;</li> <li>• Size and composition of the Board; and</li> <li>• Nature and scope of the Group's operations and size.</li> </ul>
	(d) Have the Directors adequately discharged their duties?	As the Company was listed on the Catalist of the SGX-ST in November 2015, there was no determination yet on whether the Directors had adequately discharged their duties in FY2015. The NC will review the time spent and attention given by each of the Directors to the Company's affairs, and determine whether the Directors have discharged their duties adequately for the financial year ending 31 December 2016 ("FY2016").
4.5	Are there alternate Directors?	The Company does not have any alternate directors.



# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation									
4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<p>As the Company was listed on the Catalist of the SGX-ST in November 2015, there was no appointment of any new directors of the Company since its IPO.</p> <table border="1" data-bbox="659 752 1434 1800"> <thead> <tr> <th colspan="3" data-bbox="659 752 1434 837"><b>Table 4.6(a) – Process for the Selection and Appointment of New Directors</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="659 848 711 1541">1.</td> <td data-bbox="711 848 954 1541">Determination of selection criteria</td> <td data-bbox="954 848 1434 1541"> <p>The NC, in consultation with the Board, will consider the following factors when reviewing a candidate for Board appointment:</p> <ul style="list-style-type: none"> <li>• the skills, experience, expertise and personal trait that will best complement Board effectiveness;</li> <li>• the existing composition of the Board, aimed at providing the Board the benefits of diversity among its Directors; and</li> <li>• the capacity of the candidate to dedicate the necessary time and commitment to the role. This involves a consideration of other commitments such as other board or executive appointments, integrity, potential conflicts of interest, and independence.</li> </ul> </td> </tr> <tr> <td data-bbox="659 1552 711 1800">2.</td> <td data-bbox="711 1552 954 1800">Search for suitable candidates</td> <td data-bbox="954 1552 1434 1800"> <ul style="list-style-type: none"> <li>• The NC will furnish to all Directors a comprehensive background information in relation to a candidate.</li> <li>• The NC would consider external search organisations for identification of potential Director candidates, if deemed necessary.</li> </ul> </td> </tr> </tbody> </table>	<b>Table 4.6(a) – Process for the Selection and Appointment of New Directors</b>			1.	Determination of selection criteria	<p>The NC, in consultation with the Board, will consider the following factors when reviewing a candidate for Board appointment:</p> <ul style="list-style-type: none"> <li>• the skills, experience, expertise and personal trait that will best complement Board effectiveness;</li> <li>• the existing composition of the Board, aimed at providing the Board the benefits of diversity among its Directors; and</li> <li>• the capacity of the candidate to dedicate the necessary time and commitment to the role. This involves a consideration of other commitments such as other board or executive appointments, integrity, potential conflicts of interest, and independence.</li> </ul>	2.	Search for suitable candidates	<ul style="list-style-type: none"> <li>• The NC will furnish to all Directors a comprehensive background information in relation to a candidate.</li> <li>• The NC would consider external search organisations for identification of potential Director candidates, if deemed necessary.</li> </ul>
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# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																								
		<p>The Directors who are retiring at the forthcoming AGM pursuant to the respective Articles and are to be nominated for re-election are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;"><i>Table 4.6(c) – Directors to be Retired Pursuant to the Articles</i></th> </tr> <tr> <th style="text-align: left;">Name of Director</th> <th style="text-align: left;">Designation</th> <th style="text-align: center;">Articles</th> </tr> </thead> <tbody> <tr> <td>Dr. Veerinderjeet Singh a/l Tejwant Singh</td> <td>Executive Chairman</td> <td style="text-align: center;">97</td> </tr> <tr> <td>Dato' Tang Swee Guan</td> <td>Finance Director and Executive Director</td> <td style="text-align: center;">–</td> </tr> <tr> <td>Ranjit Singh a/l Taram Singh</td> <td>Executive Director</td> <td style="text-align: center;">–</td> </tr> <tr> <td>Tan See Yin</td> <td>Lead Independent Director</td> <td style="text-align: center;">101</td> </tr> <tr> <td>Datin Isharidah Binti Ishak</td> <td>Independent Director</td> <td style="text-align: center;">101</td> </tr> <tr> <td>Lee Pih Peng</td> <td>Independent Director</td> <td style="text-align: center;">101</td> </tr> </tbody> </table> <p>Mr Tan See Yin will, upon re-election as a Director, remain as the Chairman of the AC and a member of the NC and RC. Datin Isharidah Binti Ishak will, upon re-election as a Director, remain as the Chairman of the NC and a member of the AC and RC. Ms Lee Pih Peng will, upon re-election as a Director, remain as the Chairman of the RC and a member of the AC and NC. The Board considers Mr Tan See Yin, Datin Isharidah Binti Ishak and Ms Lee Pih Peng to be independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "<b>Catalist Rules</b>").</p>	<i>Table 4.6(c) – Directors to be Retired Pursuant to the Articles</i>			Name of Director	Designation	Articles	Dr. Veerinderjeet Singh a/l Tejwant Singh	Executive Chairman	97	Dato' Tang Swee Guan	Finance Director and Executive Director	–	Ranjit Singh a/l Taram Singh	Executive Director	–	Tan See Yin	Lead Independent Director	101	Datin Isharidah Binti Ishak	Independent Director	101	Lee Pih Peng	Independent Director	101
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4.7	Please provide Directors' key information.	The key information of the Directors, including their appointment dates and directorships held in the past 3 years, academic and professional qualifications and other principal commitments, are set out on pages 10 to 12 of this annual report.																								
<b>Board Performance</b>																										
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	<p>As the Company was listed on the Catalist of the SGX-ST in November 2015, the NC has yet to set the performance criteria to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board in FY2015. The NC will draw up such performance criteria in FY2016.</p> <p>No external facilitator was engaged by the Company in FY2015.</p>																								

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	As the Company was listed on the Catalist of the SGX-ST in November 2015, there was no determination of the performance for the Board in FY2015.
	(b) Has the Board met its performance objectives?	As the Company was listed on the Catalist of the SGX-ST in November 2015, there was no determination of the performance for the Board in FY2015. The NC will review the performance of the Board and key management personnel based on its performance criteria in FY2016.

## Access to Information

6.1 10.3	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	<p><b>Table 6 – Types of Information Provided by Key Management Personnel to Independent Directors</b></p> <table border="1"> <thead> <tr> <th></th> <th>Information</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary).</td> <td>Quarterly</td> </tr> <tr> <td>2.</td> <td>Updates to the Group's operations and the markets in which the Group operates in.</td> <td>Quarterly</td> </tr> <tr> <td>3.</td> <td>Reports on on-going or planned corporate actions</td> <td>As and when applicable</td> </tr> <tr> <td>4.</td> <td>Enterprise risk management report and internal audit report</td> <td>As and when available</td> </tr> <tr> <td>5.</td> <td>Research report(s)</td> <td>As and when available</td> </tr> <tr> <td>6.</td> <td>Shareholding statistics</td> <td>As and when requested</td> </tr> </tbody> </table> <p>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.</p>		Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary).	Quarterly	2.	Updates to the Group's operations and the markets in which the Group operates in.	Quarterly	3.	Reports on on-going or planned corporate actions	As and when applicable	4.	Enterprise risk management report and internal audit report	As and when available	5.	Research report(s)	As and when available	6.	Shareholding statistics	As and when requested
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# CORPORATE **GOVERNANCE**

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3	What is the role of the Company Secretary?	<p>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:</p> <ul style="list-style-type: none"> <li>• 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 (Chapter 289) of Singapore, the Labuan Companies Act and the Catalist Rules, are complied with;</li> <li>• Assist the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;</li> <li>• Assist the Chairman to ensure good information flows within the Board and its Board committees and key management personnel;</li> <li>• Facilitating orientation and assisting with professional development as required;</li> <li>• Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;</li> <li>• Attend and prepare minutes for all Board meetings;</li> <li>• 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</li> <li>• 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 Committee meetings.</li> </ul>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>REMUNERATION MATTERS</b>		
<b>Developing Remuneration Policies</b>		
7.1	What is the role of the RC?	<p>The RC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> <li>(a) Review and recommend to the Board the remuneration framework for each Director and key management personnel of the Company;</li> <li>(b) 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 and whether there is an appropriate balance between fixed and incentive pay that is aligned with the objectives of the Company and is commensurate with the level of executive responsibilities;</li> <li>(c) 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</li> <li>(d) Review and make recommendations to the Board for the remuneration report for inclusion in the annual report.</li> </ul>
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2015.
<b>Disclosure on Remuneration</b>		
9	What is the Company's remuneration policy?	<p>The Company's remuneration policy is one that seeks to recruit, attract, retain and motivate high performing individuals and 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.</p> <p>The Company has entered into separate service agreements with the Executive Directors and key management personnel. For details, please refer to the Company's offer document dated 18 November 2015.</p>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																																						
9.1 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors in FY2015 was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="6" style="text-align: left;"><b>Table 9.2 – Directors' Remuneration</b></th> </tr> <tr> <th style="text-align: left;">Name</th> <th style="text-align: center;">Salary (%)</th> <th style="text-align: center;">Bonus (%)</th> <th style="text-align: center;">Directors' Fees* (%)</th> <th style="text-align: center;">Benefits-in-kind (%)</th> <th style="text-align: center;">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>Below S\$250,000</b></td> </tr> <tr> <td>Dr. Veerinderjeet Singh</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Dato' Tang Swee Guan</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Ranjit Singh</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Tan See Yin</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Datin Ishadirah Binti Ishak</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Lee Pih Peng</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0</td> <td style="text-align: center;">100</td> </tr> </tbody> </table> <p>* The directors' fees are subject to the approval of the shareholders at the forthcoming AGM.</p> <p>There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2015.</p> <p>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 highly competitive environment.</p>	<b>Table 9.2 – Directors' Remuneration</b>						Name	Salary (%)	Bonus (%)	Directors' Fees* (%)	Benefits-in-kind (%)	Total (%)	<b>Below S\$250,000</b>						Dr. Veerinderjeet Singh	100	0	0	0	100	Dato' Tang Swee Guan	100	0	0	0	100	Ranjit Singh	100	0	0	0	100	Tan See Yin	0	0	100	0	100	Datin Ishadirah Binti Ishak	0	0	100	0	100	Lee Pih Peng	0	0	100	0	100
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# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																													
9.3	<p>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) in FY2015 was as follows:</p> <table border="1"> <thead> <tr> <th colspan="5"><b>Table 9.3 – Remuneration of Key Management Personnel</b></th> </tr> <tr> <th><b>Name</b></th> <th><b>Salary (%)</b></th> <th><b>Bonus (%)</b></th> <th><b>Benefits-in-kind (%)</b></th> <th><b>Total (%)</b></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Below S\$250,000</b></td> </tr> <tr> <td>Derek Lee Siew Weng</td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> <tr> <td>Kenny Harris Wong</td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> <tr> <td>Renuka Bhupalan</td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> <tr> <td>Datin Chai Seow Lin<sup>1</sup></td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> <tr> <td>Sylvia Anita Rockey</td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> <tr> <td>Cheah Mei Hua</td> <td>100</td> <td>0</td> <td>0</td> <td>100</td> </tr> </tbody> </table> <p><sup>1</sup> Spouse of Dato' Tang Swee Guan, Finance Director and Executive Director.</p> <p>The total remuneration paid to the top six (6) key management personnel in FY2015 was S\$520,000.</p>	<b>Table 9.3 – Remuneration of Key Management Personnel</b>					<b>Name</b>	<b>Salary (%)</b>	<b>Bonus (%)</b>	<b>Benefits-in-kind (%)</b>	<b>Total (%)</b>	<b>Below S\$250,000</b>					Derek Lee Siew Weng	100	0	0	100	Kenny Harris Wong	100	0	0	100	Renuka Bhupalan	100	0	0	100	Datin Chai Seow Lin <sup>1</sup>	100	0	0	100	Sylvia Anita Rockey	100	0	0	100	Cheah Mei Hua	100	0	0	100
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9.4	<p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>Datin Chai Seow Lin is the spouse of Dato' Peter Tang Swee Guan, the Finance Director and Executive Director. The remuneration of Datin Chai in FY2015 was in band of S\$50,000 to S\$100,000.</p> <p>Other than as disclosed, there was no employee of the Group who was an immediate family member of a Director whose remuneration exceeded S\$50,000 in FY2015.</p>																																													



# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation												
9.5	Please provide details of the employee share scheme(s).	Information on the Company's Performance Share Plan and Employee Share Option Scheme is set out on pages 41 to 44 of this Annual Report.												
9.6	<p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p> <p>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</p>	<p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual contribution towards the overall performance of the Group for FY2015. 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.</p> <p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Table 9.6(b)</b></th> </tr> <tr> <th style="text-align: left;">Performance Conditions</th> <th style="text-align: left;">Short-term Incentives</th> <th style="text-align: left;">Long-term Incentives</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"><b>Qualitative</b></td> <td style="vertical-align: top;">           1. Leadership            2. People development            3. Commitment            4. Marketing effort            5. Implementation of better practices         </td> <td style="vertical-align: top;">No performance conditions had been set for Executive Directors and key management personnel's long term incentives as the Company was listed on the Catalist of the SGX-ST in November 2015.</td> </tr> <tr> <td style="vertical-align: top;"><b>Quantitative</b></td> <td style="vertical-align: top;">           1. Revenue growth            2. Client based growth         </td> <td></td> </tr> </tbody> </table>	<b>Table 9.6(b)</b>			Performance Conditions	Short-term Incentives	Long-term Incentives	<b>Qualitative</b>	1. Leadership 2. People development 3. Commitment 4. Marketing effort 5. Implementation of better practices	No performance conditions had been set for Executive Directors and key management personnel's long term incentives as the Company was listed on the Catalist of the SGX-ST in November 2015.	<b>Quantitative</b>	1. Revenue growth 2. Client based growth	
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<b>Quantitative</b>	1. Revenue growth 2. Client based growth													
	(c) Were all of these performance conditions met? If not, what were the reasons?	As the Company was listed on the Catalist of the SGX-ST in November 2015, there was no determination of the performance for the Board and key management personnel. The RC will review the performance of the Board and key management personnel based on its performance conditions in FY2016.												

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>ACCOUNTABILITY AND AUDIT</b>		
<b>Risk Management and Internal Controls</b>		
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	<p>The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2015.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> <li>1. Assurance has been received from the Executive Chairman and Finance Director (refer to Section 11.3(b) below);</li> <li>2. Finance and accounting policies and DAL were established and approved by the Board;</li> <li>3. Availability of key policies on finance &amp; accounting (including DAL), investment, information technology and business continuity management;</li> <li>4. Internal controls established and maintained by the Group, work performed by the internal auditors ("IA") (prior to IPO) and EA, and reviews performed by the key management personnel and the Board as disclosed in the Company's offer document dated 18 November 2015. For FY2016, the Company has outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn Bhd, which will report audit findings and recommendations directly to the AC;</li> <li>5. Key management personnel regularly evaluates, monitors and reports to the Executive Directors and AC (via periodic management meeting at individual business unit level) on material risks;</li> <li>6. An enterprise risk management framework was established to identify, manage and mitigate significant risks; and</li> <li>7. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels.</li> </ol> <p>The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.</p>
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the Executive Chairman and Finance Director in respect of FY2015.

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>Audit Committee</b>		
12.1 12.4	What is the role of the AC?	<p>The AC is guided by the following key terms of reference:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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);</li> <li>• review periodically management risk profiles identifying significant risk areas (with particular focus on financial reporting risks and controls);</li> <li>• coordinate with the Risk Management Committee ("RMC") on its oversight of non-financial and financial risk management and internal control matters. Arrange for access to and review RMC reports regarding the adequacy and effectiveness of risk management and internal control systems;</li> <li>• review the effectiveness and adequacy of the Group's internal audit function;</li> <li>• review the scope and results of the external audit, and the independence and objectivity of the external auditors;</li> <li>• make recommendations to the Board on proposals to shareholders on appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;</li> <li>• review the system of internal controls and management of financial risks with internal and external auditors;</li> <li>• review the co-operation given by management to external auditors and internal auditors, where applicable;</li> <li>• review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;</li> <li>• review and approve interested person transactions and review procedures thereof;</li> <li>• review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;</li> <li>• investigate any matters within its terms of reference;</li> <li>• review the policy and arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and</li> <li>• undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.</li> </ul>

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation															
12.5	Has the AC met with the auditors in the absence of key management personnel?	The AC had not met with the EA in the absence of key management personnel in FY2015 as the Company was listed on the Catalist of the SGX-ST in November 2015. Nevertheless, the AC had met with the EA in the absence of key management on 23 February 2016 subsequent to its IPO.															
12.6	Has the AC reviewed the independence of the EA?	The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.															
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1"> <thead> <tr> <th colspan="3"><b>Table 12.6(a) – Fees Paid/Payable to the EA for FY2015</b></th> </tr> <tr> <th></th> <th><b>S\$</b></th> <th><b>% of total</b></th> </tr> </thead> <tbody> <tr> <td><b>Audit fees</b></td> <td>51,000</td> <td>25%</td> </tr> <tr> <td><b>Non-audit fees</b> – IPO</td> <td>150,000</td> <td>75%</td> </tr> <tr> <td><b>Total</b></td> <td><b>201,000</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	<b>Table 12.6(a) – Fees Paid/Payable to the EA for FY2015</b>				<b>S\$</b>	<b>% of total</b>	<b>Audit fees</b>	51,000	25%	<b>Non-audit fees</b> – IPO	150,000	75%	<b>Total</b>	<b>201,000</b>	<b>100%</b>
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	<b>S\$</b>	<b>% of total</b>															
<b>Audit fees</b>	51,000	25%															
<b>Non-audit fees</b> – IPO	150,000	75%															
<b>Total</b>	<b>201,000</b>	<b>100%</b>															
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	The non-audit services rendered during FY2015 were substantial due to the IPO exercise whereby the EA rendered services as the reporting accountant.															
12.7	Does the Company have a whistle blowing policy?	Yes. The Company's staff may, in confidence, raise concerns about possible improprieties on matters of financial reporting or other matters by submitting a whistle blowing report to the Lead Independent Director, Mr. Tan See Yin at his personal email address and mobile contact number which is set out in the whistle blowing policy document (that has been issued to all employees of the Group).															
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	In FY2015, all members of AC received regular updates on changes and amendments to accounting standards to enable the members of AC to keep abreast of such changes, and issues which have a direct impact on financial statements.															

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>Internal Audit</b>		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	<p>The Company has outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn Bhd in February 2016. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</p> <p>In FY2015, Puan Noor Lilah Wati Abdul Majid was engaged as the internal auditor in conjunction with the IPO.</p>
<b>SHAREHOLDER RIGHTS AND RESPONSIBILITIES</b>		
<b>Communication with Shareholders</b>		
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	<p>The Company solicits feedback from and addresses the concerns of shareholders via the following:</p> <ul style="list-style-type: none"> <li>• a dedicated external investor relations team whose contact details can be found in the corporate website of the Group;</li> <li>• investor/analyst briefings; and</li> <li>• investor roadshows.</li> </ul> <p>The Company held 2 investor briefings in FY2015 to meet with its institutional and retail investors in conjunction with its IPO.</p>
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The investors briefings were coordinated by a dedicated external investor relations team.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at " <a href="http://www.axcelasia.com">www.axcelasia.com</a> ".

# CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
15.5	Does the Company have a dividend policy?	<p>The Company does not have a fixed dividend policy. Nonetheless, the Directors will review and recommend any dividend declaration subject to, <i>inter alia</i>, the level of 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).</p> <p>As disclosed in the Company's offer document dated 18 November 2015, the Company intends to recommend and distribute dividends of not less than 50.0% of our profit after tax for FY2016 and financial year ending 31 December 2017 to reward shareholders of the Company for participating in the Group's growth.</p>
	Is the Company paying dividends for the financial year? If not, please explain why.	<p>The Board has not proposed a dividend for FY2015 as the Company was listed on the Catalist of the SGX-ST in November 2015, and the key management personnel are of the view that the cash can be better used to invest in new business opportunities to grow the Group at this juncture.</p>
<b>CONDUCT OF SHAREHOLDER MEETINGS</b>		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	<p>The Company's Articles allow for abstentia voting.</p> <p>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.</p> <p>All resolutions are put to vote by way of poll, and their detailed results will be announced via SGXNet after the conclusion of the general meeting.</p>

# CORPORATE **GOVERNANCE**

<b>COMPLIANCE WITH APPLICABLE CATALIST RULES</b>		
<b>Catalist Rule</b>	<b>Rule Description</b>	<b>Company's Compliance or Explanation</b>
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance Rules 712 and 715 of the Catalist Rules.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Director or controlling shareholder, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	<p>The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational, compliance and information technology risks in FY2015 based on the following:</p> <ul style="list-style-type: none"> <li>• Internal controls and the risk management system established by the Company;</li> <li>• Availability of key policies on finance &amp; accounting (including DAL), investment, information technology and business continuity management;</li> <li>• Work performed by the IA and EA in conjunction with its recent IPO;</li> <li>• Assurance from the Executive Chairman and Finance Director; and</li> <li>• On-going review by the Board Committees and key management personnel.</li> </ul>

# CORPORATE GOVERNANCE

<b>COMPLIANCE WITH APPLICABLE CATALIST RULES</b>		
<b>Catalist Rule</b>	<b>Rule Description</b>	<b>Company's Compliance or Explanation</b>
1204(17)	Interested Persons Transaction ("IPT")	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>Pursuant to a lease agreement dated 1 August 2015, Axcelasia Columbus Sdn Bhd (formerly known as Columbus Advisory Sdn Bhd) shall pay to Rainmaker Consulting Sdn Bhd (a company in which Executive Director, Mr Ranjit Singh has a 75% interest) for the purpose of the rental of the office premises for a period of three years from 15 August 2015 to 14 August 2018, on a fixed rental of RM22,648 per month. The Directors are of the view that the rental and other terms and conditions of the lease agreed between Axcelasia Columbus Sdn Bhd and Rainmaker Consulting Sdn Bhd are on an arm's length basis, based on normal commercial terms and market rates and are not prejudicial to the interests of the Group and/or its minority shareholders.</p> <p>The Company does not have a general mandate for IPTs. There were no IPTs with value more than S\$100,000 transacted subsequent to the admission of our Company on the Catalist of the SGX-ST.</p>
1204(19)	Dealing in Securities	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</p>
1204(21)	Non-sponsor fees	<p>In FY2015, the Company paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd. non-sponsor fees of S\$610,800 for acting as the issue manager, sponsor and placement agent pursuant to the Company's IPO.</p>



# CORPORATE GOVERNANCE

<b>COMPLIANCE WITH APPLICABLE CATALIST RULES</b>																											
<b>Catalist Rule</b>	<b>Rule Description</b>	<b>Company's Compliance or Explanation</b>																									
1204(22)	Use of IPO Proceeds	<p>The net proceeds raised from the IPO, after deducting the cash expenses in relation to the IPO of approximately S\$1.3 million was approximately S\$7.58 million.</p> <p>The following table sets out the breakdown of the use of proceeds from the IPO as at 29 February 2016.</p> <table border="1"> <thead> <tr> <th><b>Purpose</b></th> <th><b>Amount allocated (\$'000)</b></th> <th><b>Amount utilised as at 29 February 2016 (\$'000)</b></th> <th><b>Balance (\$'000)</b></th> </tr> </thead> <tbody> <tr> <td>Expand our business operations in Malaysia and the ASEAN region and enhance our range of professional services</td> <td>6,000</td> <td>375</td> <td>5,625</td> </tr> <tr> <td>Enhance our Group's office and support infrastructure</td> <td>500</td> <td>–</td> <td>500</td> </tr> <tr> <td>Working Capital</td> <td>1,080</td> <td>–</td> <td>1,080</td> </tr> <tr> <td>Listing expenses to be borne by the Company</td> <td>1,300</td> <td>1,300</td> <td>–</td> </tr> <tr> <td><b>Total</b></td> <td><b>8,880</b></td> <td><b>1,675</b></td> <td><b>7,205</b></td> </tr> </tbody> </table>		<b>Purpose</b>	<b>Amount allocated (\$'000)</b>	<b>Amount utilised as at 29 February 2016 (\$'000)</b>	<b>Balance (\$'000)</b>	Expand our business operations in Malaysia and the ASEAN region and enhance our range of professional services	6,000	375	5,625	Enhance our Group's office and support infrastructure	500	–	500	Working Capital	1,080	–	1,080	Listing expenses to be borne by the Company	1,300	1,300	–	<b>Total</b>	<b>8,880</b>	<b>1,675</b>	<b>7,205</b>
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# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 49 to 93 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Dr. Veerinderjeet Singh A/L Tejwant Singh (appointed on 21 August 2015)

Dato' Tang Swee Guan (appointed on 21 August 2015)

Ranjit Singh A/L Taram Singh (appointed on 21 August 2015)

Tan See Yin (appointed on 21 October 2015)

Datin Isharidah Binti Ishak (appointed on 21 October 2015)

Lee Pih Peng (appointed on 21 October 2015)

## Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which the directors are deemed to have an interest	
	As at 31.12.2015	At date of incorporation	As at 31.12.2015	At date of incorporation
Axcelasia Inc.				
– immediate and ultimate holding corporation (No. of ordinary shares)				
Dr. Veerinderjeet Singh A/L Tejwant Singh	23,367,500	1	80,000	–
Dato' Tang Swee Guan	32,223,500	1	3,444,000	–
Ranjit Singh A/L Taram Singh	36,518,660	1	–	–

Dr Veerinderjeet Singh A/L Tejwant Singh, Dato' Tang Swee Guan and Ranjit Singh A/L Taram Singh are deemed to have interest in the shares of all the Company's subsidiaries at the end of the financial year.

In accordance with the continuing listing requirements of Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interest as at 21 January 2016 in the shares of the Company have not changed from those disclosed as at 31 December 2015.

## Share options/share awards

### THE AXCELASIA EMPLOYEE SHARE OPTION SCHEME

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 ("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.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## Share options/share awards (continued)

### THE AXCELASIA EMPLOYEE SHARE OPTION SCHEME (continued)

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) 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.

The Company does not have any parent company.

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.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## Share options/share awards (continued)

### THE AXCELASIA 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 ("Awards") to employees and Directors ("PSP participants").

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 from time to time.

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 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;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## Share options/share awards (continued)

### THE AXCELASIA PERFORMANCE SHARE PLAN (continued)

- (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 approved by the Administration Committee.

There was no share Awards granted pursuant to the PSP from the commencement of the PSP up to the financial year ended 31 December 2015.

### Audit committee

The Audit Committee comprises the following members, who are all non-executive directors and independent directors:

Tan See Yin (Chairman)  
Datin Isharidah Binti Ishak  
Lee Pih Peng

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

- a. 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 our Group and any announcements relating to our Group's financial performance before submission to our Board for approval;
- b. Review and report to our Board at least annually the adequacy and effectiveness of our 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);
- c. Review periodically management risk profiles identifying significant risk area (with particular focus on financial reporting risk and controls);
- d. Coordinate with the Risk Management Committee ("RMC") on its oversight of non-financial and financial risk management and internal control matters. Arrange for access to and review RMC reports regarding the adequacy and effectiveness of risk management and internal control systems;
- e. Review the effectiveness and adequacy of our Group's internal audit function;
- f. Review the scope and results of the external audit, and the independence and objectivity of the independent auditor;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## **Audit committee (continued)**

- g. Make recommendations to our Board on the proposals to the shareholders on the appointment, re-appointment and removal of the independent auditor, and approve the remuneration and terms of engagement of the independent auditor;
- h. Review the system of internal controls and management of financial risks with our internal and independent auditor;
- i. Review the co-operation given by our management to our independent auditor and our internal auditors, where applicable;
- j. Review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;
- k. Review and approve interested person transactions and review procedures thereof;
- l. Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- m. Investigate any matters within its terms of reference;
- n. Review the policy and arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
- o. Undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the independent auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the independent auditors.

The Audit Committee has full access to and has the co-operation of the management 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 independent auditor have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of Nexia TS Public Accounting Corporation, for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

# DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## **Independent auditor**

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....  
Dato' Tang Swee Guan  
Director

.....  
Ranjit Singh A/L Taram Singh  
Director

21 March 2016



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXCELASIA INC.

## Report on the Financial Statements

We have audited the accompanying financial statements of Axcelasia Inc. (the "Company") and its subsidiaries (the "Group") as set out on pages 49 to 93, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards, 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF AXCELASIA INC.

## *Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

***Nexia TS Public Accounting Corporation***  
***Public Accountants and Chartered Accountants***

Director-in-charge: Loh Ji Kin  
(Appointed since financial year ended 31 December 2015)

**Singapore**

**21 March 2016**

# CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
Revenue	4	25,299,790	8,301,642
Other income – net	5	875,718	17,925
Expenses			
– Depreciation of property, plant and equipment	12	(253,723)	(56,712)
– Employee compensation	6	(9,326,709)	(5,212,135)
– Referral fees and research charges		(136,934)	(143,128)
– Rental and maintenance		(702,002)	(339,345)
– Subcontractors’ fee		(3,744,816)	–
– Other expenses	7	(2,205,088)	(479,275)
Total expenses		<u>(16,369,272)</u>	<u>(6,230,595)</u>
Profit before income tax		9,806,236	2,088,972
Income tax expense	8	<u>(1,964,979)</u>	<u>(497,735)</u>
<b>Total comprehensive income, representing net profit</b>		<b><u>7,841,257</u></b>	<b><u>1,591,237</u></b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		7,866,462	1,591,237
Non-controlling interests		<u>(25,205)</u>	<u>–</u>
		<b><u>7,841,257</u></b>	<b><u>1,591,237</u></b>
<b>Earnings per share for profit attributable to equity holders of the Company (cents per share)</b>			
Basic and diluted	9	<u>10.22</u>	<u>636.49</u>

*The accompanying notes form an integral part of these financial statements.*

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM	2014 RM	Company 2015 RM
<b>ASSETS</b>				
<b>Current assets</b>				
Trade and other receivables	10	6,602,878	2,304,416	2,032,939
Cash and bank balances	11	28,982,149	2,870,421	23,269,346
		<b>35,585,027</b>	5,174,837	<b>25,302,285</b>
<b>Non-current assets</b>				
Property, plant and equipment	12	795,576	150,426	–
Investments in subsidiaries	13	–	–	4,831,320
Development cost in progress	14	305,655	–	–
		<b>1,101,231</b>	150,426	<b>4,831,320</b>
<b>Total assets</b>		<b>36,686,258</b>	5,325,263	<b>30,133,605</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	15	2,019,841	1,990,420	211,960
Current tax liabilities		588,336	378,484	–
		<b>2,608,177</b>	2,368,904	<b>211,960</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	16	19,840	14,500	–
<b>Total liabilities</b>		<b>2,628,017</b>	2,383,404	–
<b>NET ASSETS</b>		<b>34,058,241</b>	2,941,859	<b>29,921,645</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	17	27,817,984	250,000	27,817,984
Merger reserve		(2,691,859)	–	–
Retained profits		8,908,321	2,691,859	2,103,661
		<b>34,034,446</b>	2,941,859	<b>29,921,645</b>
<b>Non-controlling interests</b>		<b>23,795</b>	–	–
<b>TOTAL EQUITY</b>		<b>34,058,241</b>	2,941,859	<b>29,921,645</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Attributable to the equity holders of the Company			Non- controlling interests RM	Total equity RM
		Share capital RM	Merger reserve RM	Retained profits <sup>(1)</sup> RM		
<b>Balance at 1 January 2015</b>		250,000	–	2,691,859	–	2,941,859
Shares swap pursuant to restructuring exercise		(250,000)	(2,691,859)	–	–	(2,941,859)
Issue of new shares as at incorporation date	17	8	–	–	–	8
Issue of new shares pursuant to restructuring exercise	1.2	2,941,854	–	–	–	2,941,854
Issue of new shares as consideration paid for acquisition of subsidiaries	17	1,889,458	–	–	49,000	1,938,458
Issue of new shares pursuant to the placement	17	26,543,468	–	–	–	26,543,468
Issue of new shares	17	1,365,255	–	–	–	1,365,255
Share issuance expense	17	(4,922,059)	–	–	–	(4,922,059)
Dividend relating to 2014 paid	18	–	–	(1,650,000)	–	(1,650,000)
Total comprehensive income for the year		–	–	7,866,462	(25,205)	7,841,257
<b>Balance at 31 December 2015</b>		<b>27,817,984</b>	<b>(2,691,859)</b>	<b>8,908,321</b>	<b>23,795</b>	<b>34,058,241</b>
<b>Balance at 1 January 2014</b>		250,000	–	1,500,622	–	1,750,622
Dividend relating to 2014 paid	18	–	–	(400,000)	–	(400,000)
Total comprehensive income for the year		–	–	1,591,237	–	1,591,237
<b>Balance at 31 December 2014</b>		<b>250,000</b>	<b>–</b>	<b>2,691,859</b>	<b>–</b>	<b>2,941,859</b>

(1) Retained profits net of merger reserve of the Group are distributable.

*The accompanying notes form an integral part of these financial statements.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 RM	2014 RM
<b>Cash flows from operating activities</b>			
Net profit		7,841,257	1,591,237
Adjustments for:			
– Income tax expense	8	1,964,979	497,735
– Depreciation of property, plant and equipment	12	253,723	56,712
– Government grant	5	(227,411)	–
– Interest income	5	(61,580)	(2,589)
– Investment in associated company written off	7	5,540	–
– Property, plant and equipment written off	7	–	486
– Gain on disposal of property, plant and equipment	5	(74,333)	–
		<u>9,702,175</u>	<u>2,143,581</u>
Change in working capital:			
– Trade and other receivables		(1,573,115)	(717,797)
– Trade and other payables		(1,287,399)	622,423
Cash provided by operations		6,841,661	2,048,207
Interest received		61,580	2,589
Income tax paid		(1,772,869)	(143,813)
<b>Net cash provided by operating activities</b>		<u>5,130,372</u>	<u>1,906,983</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	23	138,578	–
Additions to property, plant and equipment	12	(405,477)	(53,649)
Development cost in progress	14	(305,655)	–
<b>Net cash used in investing activities</b>		<u>(572,554)</u>	<u>(53,649)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		27,908,731	–
Proceeds from issuance of ordinary shares to non-controlling interests		49,000	–
Share issuance expense		(4,922,059)	–
Government grant received		168,238	–
Dividends paid	18	(1,650,000)	(400,000)
<b>Net cash provided by/(used in) financing activities</b>		<u>21,553,910</u>	<u>(400,000)</u>
<b>Net increase in cash and bank balances</b>		<u>26,111,728</u>	<u>1,453,334</u>
<b>Cash and bank balances</b>			
Beginning of financial year		<u>2,870,421</u>	<u>1,417,087</u>
<b>End of financial year</b>	11	<u>28,982,149</u>	<u>2,870,421</u>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

## 1 CORPORATE INFORMATION

### 1.1 The Company

The Company is incorporated in Labuan on 21 August 2015 as a company limited by shares, under the name of "Axcelasia Inc.", to act as the holding corporation of the Group. At incorporation, the Company's issued and paid-up share capital was SGD3.00 comprising of 3 ordinary shares of SGD1.00 each. The Company was incorporated for the purpose of acquiring the existing companies of the Group pursuant to the Group Restructuring Exercise (Note 1.2).

The Company was listed on Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 November 2015.

The address of its registered office is at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 Federal Territory of Labuan. The principal place of business is located at 13A.05, Level 13A, Wisma Goldhill, 67 Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13.

On 15 January 2016, the Company have announced the change of names of the following subsidiaries:

<u>Name of subsidiaries prior to announcement</u>	<u>New names of subsidiaries</u>
Columbus Advisory Sdn. Bhd.	Axcelasia Columbus Sdn. Bhd.
PTA Global Business Services Sdn. Bhd.	Axcelasia Global Business Services Sdn. Bhd.
PTA Corporate Services Sdn. Bhd.	Axcelasia Corporate Services Sdn. Bhd.
Columbus HR Consulting Sdn. Bhd.	Axcelasia HR Consulting Sdn. Bhd.
Columbus Softnex Sdn. Bhd.	Axcelasia Softnex Sdn. Bhd.

### 1.2 Restructuring exercise

The Group was formed through the following exercise (the "Restructuring Exercise") which involved acquisitions and rationalisation of the corporate and shareholding structure for the purposes of the initial public offering of the Company on Catalist. Pursuant to the Restructuring Exercise, the Company became the holding corporation of the Group. The Restructuring Exercise involved the following steps:

#### (a) *Incorporation of the Company*

The Company was incorporated on 21 August 2015 under the Labuan Companies Act as a public company. The Company is an investment holding company of the Group. At the time of incorporation, the Company had issued and paid-up share capital of SGD3.00 comprising 3 ordinary shares of SGD1.00 each held by Dr. Veerinderjeet Singh, Dato' Tang Swee Guan and Mr. Ranjit Singh, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 1 CORPORATE INFORMATION (continued)

### 1.2 Restructuring exercise (continued)

#### (b) Acquisition of Taxand Malaysia Sdn. Bhd. ("Taxand Malaysia")

During the year, the Company entered into a sale and purchase agreement ("Taxand Malaysia SPA") with:

- (i) Dr. Veerinderjeet Singh to acquire 50.0% of the issued share capital of Taxand Malaysia for a consideration of RM1,470,927; and
- (ii) Dato' Tang Swee Guan to acquire 50.0% of the issued share capital of Taxand Malaysia for a consideration of RM1,470,927;

based on the Net Tangible Assets ("NTA") of Taxand Malaysia as at 1 January 2015. The consideration was satisfied by the allotment and issue of 222,499 Shares and 222,499 Shares in the Company to Dr. Veerinderjeet Singh and Dato' Tang Swee Guan, respectively.

Dr. Veerinderjeet Singh and Dato' Tang Swee Guan hold 100% equity interest in Taxand Malaysia and they are regarded as the controlling parties of Taxand Malaysia and also of the Company.

#### (c) Acquisition of Axcelasia Corporate Services Sdn. Bhd. ("Axcelasia Corporate Services")

During the year, Taxand Malaysia entered into a sale and purchase agreement (Axcelasia Corporate Services SPA") with:

- (i) Dato' Tang Swee Guan to acquire 80.0% of the issued share capital of Axcelasia Corporate Services for a consideration of RM115,598; and
- (ii) Datin Chai Seow Lin to acquire 20.0% of the issued share capital of Axcelasia Corporate Services for a consideration of RM28,899;

based on the NTA of Axcelasia Corporate Services as at 1 January 2015. The consideration was satisfied by the allotment and issue of 6,118 Taxand Shares and 1,529 Taxand Shares to Dato' Tang Swee Guan and Datin Chai Seow Lin, respectively.

Pursuant to the Restructuring Agreement, Dato' Tang Swee Guan and Datin Chai Seow Lin will direct their abovementioned Taxand Shares to be allotted and issued to the Company, in consideration for the allotment and issue of 16,000 Shares and 4,000 Shares in the Company, respectively. Upon completion of the acquisition, Axcelasia Corporate Services became a wholly-owned subsidiary of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 1 CORPORATE INFORMATION (continued)

### 1.2 Restructuring exercise (continued)

#### (d) **Acquisition of Axcelasia Global Business Services Sdn. Bhd. ("Axcelasia Global Business Services")**

During the year, Taxand Malaysia entered into a sale and purchase agreement ("Axcelasia Global Business Services SPA") with:

- (i) Dato' Tang Swee Guan to acquire 70.0% of the issued share capital of Axcelasia Global Business Services for a consideration of RM207,665; and
- (ii) Datin Chai Seow Lin to acquire 30.0% of the issued share capital of Axcelasia Global Business Services for a consideration of RM88,999;

based on the NTA of Axcelasia Global Business Services as at 1 January 2015. The consideration was satisfied by the allotment and issue of 10,991 Taxand Shares and 4,710 Taxand Shares to Dato' Tang Swee Guan and Datin Chai Seow Lin, respectively.

Pursuant to the Restructuring Agreement, Dato' Tang Swee Guan and Datin Chai Seow Lin will direct their abovementioned Taxand Shares to be allotted and issued to the Company, in consideration for the allotment and issue of 56,000 Shares and 24,000 Shares in the Company, respectively. Upon completion of the acquisition, Axcelasia Global Business Services became a wholly-owned subsidiary of the Company.

#### (e) **Acquisition of Axcelasia Softnex Sdn. Bhd. ("Axcelasia Softnex")**

During the year, Axcelasia Columbus entered into a sale and purchase agreement ("Axcelasia Softnex SPA") with Mr. Kenny Wong to acquire 50.0% of the issued share capital of Axcelasia Softnex for a consideration of RM439,180 based on the NTA of Axcelasia Softnex as at 1 January 2015. The consideration was satisfied by the allotment and issue of 150,000 Axcelasia Columbus Shares, amounting to a 15.0% interest in Axcelasia Columbus, to Mr. Kenny Wong. Upon completion of the acquisition of Axcelasia Columbus, Axcelasia Softnex became a wholly-owned subsidiary of the Company.

#### (f) **Acquisition of Axcelasia HR Consulting Sdn. Bhd. ("Axcelasia HR")**

During the year, Axcelasia Columbus entered into a sale and purchase agreement ("Axcelasia HR SPA") with Ms. Sylvia Anita Rockey to acquire 1.0% of the issued share capital of Axcelasia HR for a cash consideration of RM1,000. Upon completion of the acquisition of Axcelasia Columbus, Axcelasia HR became a wholly-owned subsidiary of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 1 CORPORATE INFORMATION (continued)

### 1.2 Restructuring exercise (continued)

#### (g) Acquisition of Axcelasia Columbus Sdn. Bhd. ("Axcelasia Columbus")

During the year, Taxand Malaysia entered into a sale and purchase agreement ("Axcelasia Columbus SPA") with:

- (i) Mr. Ranjit Singh to acquire 74.0% of the issued share capital of Axcelasia Columbus for a consideration of RM1,013,807; and
- (ii) Mr. Derek Lee to acquire 13.0% of the issued share capital of Axcelasia Columbus for a consideration of RM217,245; and
- (iii) Mr. Kenny Wong to acquire 13.0% of the issued share capital of Axcelasia Columbus for a consideration of RM217,245;

based on the NTA of Axcelasia Columbus as at 1 January 2015, following the acquisition of Axcelasia Softnex and Axcelasia HR. The consideration was satisfied by the allotment and issue of 53,656 Taxand Shares, 11,498 Taxand Shares and 11,498 Taxand Shares to Mr. Ranjit Singh, Mr. Derek Lee and Mr. Kenny Wong, respectively.

Pursuant to the Restructuring Agreement, Mr. Ranjit Singh, Mr. Derek Lee and Mr. Kenny Wong will direct their abovementioned Taxand Shares to be allocated and issued to the Company, in consideration for the allotment and issue of 329,419 Shares, 62,790 Shares and 62,790 Shares in the Company, respectively. Upon completion of the acquisition, Axcelasia Columbus became a wholly-owned subsidiary of the Company.

#### (h) Subdivision of shares

On 28 October 2015, the Company undertook and completed the sub-division of every one Share to 123 Shares. Accordingly, 1,000,000 Shares in the issued and paid-up share capital were sub-divided into 123,000,000 Shares.

Pursuant to the Sale and Purchase Agreements and the Restructuring Agreement, the rights and benefits relating to the relevant shares of Axcelasia Corporate Services, Axcelasia Global Business Services, Axcelasia Columbus, Axcelasia Softnex and Axcelasia HR accrued to Taxand Malaysia from 1 January 2015.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The financial statements are presented in Ringgit Malaysia ("RM") except otherwise indicated.

#### *Interpretations and amendments to published standards effective in 2015*

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year ended 31 December 2015. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the financial year ended 31 December 2015 or prior financial years.

As described in Note 1.2(a), the Company was incorporated on 21 August 2015. Hence, there are no comparative figures for the statement of financial position of the Company.

The consolidated financial statements of the Group for the financial year ended 31 December 2014 have been prepared under the "pooling-of-interest" method as the Restructuring Exercise completed as described in Note 1.2(b) is a legal reorganisation of the Company and Taxand Malaysia under common control.

### 2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Revenue recognition (continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) **Rendering of services**

The provision of management consultancy services, corporate and personal income taxes, corporate secretarial, accounting, payroll and administrative support outsourcing services are recognised as and when the services are rendered.

(b) **Licensing of software**

The licensing of computer software are recognised when the software is delivered.

(c) **Interest income**

Interest income is recognised using the effective interest method.

(d) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

### 2.3 Government grants

Grants from the government are recognised as receivables at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grant receivables are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Group accounting

#### (a) Subsidiaries

##### (i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

##### (ii) Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those entities which are under common control.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Group accounting (continued)

#### (a) Subsidiaries (continued)

##### (ii) Acquisition (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill.

Acquisitions of entities under common control have been accounted for using the pooling-of-interest method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;
- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;
- The consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control;
- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and
- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged subsidiary is taken to merger reserve.

##### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Group accounting (continued)

#### (b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

#### (c) *Associated company*

Associated company is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### (i) *Acquisitions*

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

##### (ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated company post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated company is adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Group accounting (continued)

#### (c) *Associated company (continued)*

##### (ii) *Equity method of accounting (continued)*

Unrealised gains on transactions between the Group and its associated company is eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company is changed where necessary to ensure consistency with the accounting policies adopted by the Group.

##### (iii) *Disposals*

Investment in associated company is derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

### 2.5 Property, plant and equipment

#### (a) *Measurement*

##### (i) *Property, plant and equipment*

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Property, plant and equipment (continued)

#### (b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Office equipment	5 years
Renovation	5-10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the consolidated financial statements.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (d) Disposal

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 within "Other income – net".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Impairment of non-financial assets

#### *Property, plant and equipment*

#### *Investments in subsidiaries and associated company*

#### *Development expenditure*

Property, plant and equipment, investments in subsidiaries and associated company and development expenditure are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

### 2.7 Development expenditure

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of a new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses. Development expenditure in progress is not amortised till completion.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Financial assets

#### (a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

As of 31 December 2015, the Group does not hold any of the financial assets except loans and receivables.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 10), "Cash and bank balances" (Note 11) on the statements of financial position.

#### (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

#### (c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

#### (d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Financial assets (continued)

#### (e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

##### *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

### 2.9 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously.

### 2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

### 2.12 Leases

#### *When the Group is the lessee*

The Group leases office premises under operating leases from non-related parties.

#### *Lessee – Operating lease*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

### 2.13 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 balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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 at the balance sheet date; and

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.13 Income taxes (continued)

- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment property that is measured using the fair value model. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

### 2.14 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

### 2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### (i) *Defined contribution plans*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.15 Employee compensation (continued)

#### (ii) *Share-based compensation*

The Group operates an equity-settled share-based compensation plan for its employees. Employee services received in exchange for the grant of the options/shares are recognised as an expense in profit or loss over the vesting period of the grant, with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instruments granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions; and
- Excluding the impact of any vesting conditions.

Non-market vesting conditions are included in the assumptions on the number of options/shares that are expected to vest. At the end of the reporting period, the Group and the Company revise its estimates of the number of options/shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the fair value is credited to share capital with corresponding debit to reserve previously recognised.

### 2.16 Currency translation

#### (a) *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 are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

#### (b) *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 exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Currency translation (continued)

#### (c) Translation of Group entities' financial statements

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) 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 reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

### 2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

### 2.18 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash at bank and on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

### 2.19 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.

### 2.20 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.21 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

## **3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

### **3.1 Critical accounting estimates and assumptions**

#### ***Impairment of loans and receivables***

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience. At the reporting date, management has assessed that no allowance for impairment is required for the receivables. As at 31 December 2015, there is no write off of trade receivables (2014: RM15,378). The carrying amounts of trade receivables at the end of each financial year are disclosed in Note 10.

If the net present values of estimated cash flows had been higher/lower by 10% from management's estimates for all loans and receivables, the allowance for impairment of the Group for the financial year ended 31 December 2015 would have been lower/higher by RM548,000 (31 December 2014: RM220,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 4 REVENUE

	Group	
	2015	2014
	RM	RM
Services rendered	23,950,983	8,301,642
License of software	1,348,807	–
	<b>25,299,790</b>	<b>8,301,642</b>

## 5 OTHER INCOME – NET

	Group	
	2015	2014
	RM	RM
Interest income	61,580	2,589
Realised foreign exchange gain, net	10,559	3,079
Unrealised foreign exchange gain, net	490,336	8,218
Government grant	227,411	–
Gain on disposal of property, plant and equipment	74,333	–
Sundry income	11,499	4,039
	<b>875,718</b>	<b>17,925</b>

## 6 EMPLOYEE COMPENSATION

	Group	
	2015	2014
	RM	RM
Salaries and bonus	8,013,738	4,678,653
Defined contributions plan	1,004,259	420,754
Other short-term benefits	308,712	112,728
	<b>9,326,709</b>	<b>5,212,135</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 7 OTHER EXPENSES

	Group	
	2015	2014
	RM	RM
Accommodation	50,266	15,754
Accounting fee	51,076	12,000
Advertising and promotion	69,649	33,903
Fees on audit services paid/payable to:		
– Auditor of the Company	154,847	–
– Other auditors	–	3,000
Bad debts written off	–	15,378
Conference expenses	61,658	8,880
Entertainment	47,970	1,449
Insurance and road tax	189,536	22,995
Investment in associated company written off	5,540	–
Petrol, toll and parking	104,893	25,520
Printing and stationery	236,679	54,113
Postage and courier	24,364	11,667
Property, plant and equipment written off	–	486
Search fees	55,057	43,494
Secondment cost	–	30,225
Seminar and training expenses	158,999	41,885
Share of administration expenses	57,739	28,203
Subscription fee	107,560	43,816
Telephone, fax and internet	88,548	15,993
Travelling expenses	525,917	51,923
Others	214,790	18,591
	<b>2,205,088</b>	<b>479,275</b>

## 8 INCOME TAXES

### Income tax expense

	Group	
	2015	2014
	RM	RM
Tax expense attributable to profit is made up of:		
– Current year provision	1,964,979	495,000
– Under-provision in prior year	–	135
	<b>1,964,979</b>	<b>495,135</b>
– Deferred income tax (Note 16)	–	2,600
	<b>1,964,979</b>	<b>497,735</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 8 INCOME TAXES (continued)

### Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Malaysia standard rate of income tax is as follows:

	<b>Group</b>	
	<b>2015</b>	2014
	<b>RM</b>	RM
Profit before tax	<b>9,806,236</b>	2,088,972
Tax calculated at tax rate of 25% (2014: 25%)	<b>2,451,559</b>	522,243
Effects of:		
– Effect of non-taxable income	<b>(38,415)</b>	(2,055)
– Expenses not deductible	<b>12,860</b>	3,062
– Effect of reduction in income tax rate	<b>(55,193)</b>	(25,650)
– Tax incentives	<b>(405,492)</b>	–
– Under provision of income tax from prior year	–	135
– Other	<b>(340)</b>	–
Tax charge	<b>1,964,979</b>	497,735

Tax in respect of small and medium scale companies with paid up capital of RM2,500,000 and below is calculated at the statutory tax rate of 20% on chargeable income up to RM500,000, under paragraph 2A, Schedule 1 of the Income Tax Act, 1967. For chargeable income in excess of RM500,000, the tax rate of 25% (2014: 25%) is applicable.

### **Pioneer Status**

On 21 September 2012, Axcelasia Global Business Services Sdn. Bhd. ("AGBS") was granted Multimedia Super Corridor (MSC) status. The MSC status will entitle AGBS for pioneer status under the Promotion of Investments Act 1986. The AGBS has applied for the commencement of pioneer status and obtained the approval from the Ministry of International Trade and Industry Malaysia. The pioneer status has commenced on 1 March 2014 and will expire on 28 February 2019. As at 31 December 2015, AGBS has tax exempt profits available for distribution of approximately RM300,000 subject to agreement with Inland Revenue Board.

In November 2012, Axcelasia Softnex Sdn. Bhd. received MSC status and is therefore exempted from paying tax for a period of five years commencing from 2 January 2013. Hence, there is no tax charge for the financial year under audit.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 9 EARNINGS PER SHARE

In 2015, the calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company on 76,941,656 weighted average number of ordinary shares outstanding during the financial year ended 31 December 2015.

In 2014, for illustrative purpose, the calculation of the basic earnings per share is based on the net profit attributable to equity holders of the Company on 250,000 ordinary shares, representing the aggregate amount of the paid-up share capital of the Taxand Malaysia Sdn. Bhd. prior to restructuring.

There were no diluted earnings per share for the financial years ended 31 December 2015 and 31 December 2014 as there were no dilutive potential ordinary shares outstanding.

	<b>Group</b>	
	<b>2015</b>	2014
	<b>RM</b>	RM
Basic and diluted (cents per share)	<b>10.22</b>	636.49

## 10 TRADE AND OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>
	<b>2015</b>	2014	<b>2015</b>
	<b>RM</b>	RM	<b>RM</b>
Trade receivables – non-related parties	<b>5,483,843</b>	2,204,096	–
Other receivables – non-related parties	769,304	12,731	–
Deposits	294,208	86,748	–
Prepayments	42,662	841	–
Accrued interest income	12,861	–	10,361
Dividend receivable	–	–	1,950,000
Amount due from subsidiaries	–	–	72,578
	<b>6,602,878</b>	2,304,416	<b>2,032,939</b>

## 11 CASH AND BANK BALANCES

	<b>Group</b>		<b>Company</b>
	<b>2015</b>	2014	<b>2015</b>
	<b>RM</b>	RM	<b>RM</b>
Cash at bank and on hand	<b>20,647,518</b>	1,867,832	<b>15,969,346</b>
Short term bank deposits	8,334,631	1,002,589	7,300,000
	<b>28,982,149</b>	2,870,421	<b>23,269,346</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 12 PROPERTY, PLANT AND EQUIPMENT

	Computers RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
<b>Group</b>						
<b>2015</b>						
<b>Cost</b>						
At 1 January 2015	226,788	109,824	–	28,978	100,410	466,000
Arising from business combination	575,766	32,418	200,000	56,786	14,395	879,365
Reclassification from development cost in progress (Note 14)	257,077	–	–	–	–	257,077
Additions	101,222	254,955	–	48,266	1,034	405,477
Disposals	–	–	(200,000)	–	–	(200,000)
At 31 December 2015	1,160,853	397,197	–	134,030	115,839	1,807,919
<b>Accumulated depreciation</b>						
At 1 January 2015	155,254	80,690	–	18,489	61,142	315,575
Arising from business combination	382,633	22,335	180,000	45,198	2,879	633,045
Depreciation charge	148,810	63,169	10,000	17,008	14,736	253,723
Disposals	–	–	(190,000)	–	–	(190,000)
At 31 December 2015	686,697	166,194	–	80,695	78,757	1,012,343
<b>Net book value</b>						
At 31 December 2015	474,156	231,003	–	53,335	37,082	795,576

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
<b>Group</b>					
<b>2014</b>					
<b>Cost</b>					
At 1 January 2014	183,001	102,661	28,709	100,410	414,781
Additions	43,787	7,163	2,699	–	53,649
Written-off	–	–	(2,430)	–	(2,430)
At 31 December 2014	226,788	109,824	28,978	100,410	466,000
<b>Accumulated depreciation</b>					
At 1 January 2014	125,875	70,437	16,441	48,053	260,806
Depreciation charge	29,379	10,253	3,991	13,089	56,712
Written-off	–	–	(1,944)	–	(1,944)
At 31 December 2014	155,254	80,690	18,488	61,142	315,574
<b>Net book value</b>					
At 31 December 2014	71,534	29,134	10,490	39,268	150,426

## 13 INVESTMENTS IN SUBSIDIARIES

	Company 2015 RM
Equity investments at cost:	
Beginning of financial year/date of incorporation	–
Acquisition during the financial year (Note 1.2)	4,831,320
End of financial year	4,831,320

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 13 INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of Company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	Proportion of ordinary shares held by non-controlling interests
Taxand Malaysia Sdn. Bhd. <sup>(a)</sup>	Provision of tax compliance, tax advisory services, training and knowledge management services	Malaysia	100%	–
Axcelasia Corporate Services Sdn. Bhd. <sup>(a)</sup>	Provision of company secretarial services	Malaysia	100%	–
Axcelasia Global Business Services Sdn. Bhd. <sup>(a)</sup>	Provision of accounting, payroll and administration support services	Malaysia	100%	–
Axcelasia Columbus Sdn. Bhd. <sup>(a)</sup>	Provision of management consultancy services	Malaysia	100%	–
Axcelasia Softnex Sdn. Bhd. <sup>(a)</sup>	Licensing of ERM Application software	Malaysia	100%	–
Axcelasia HR Consulting Sdn. Bhd. <sup>(a)</sup>	Provision of HR consultancy services	Malaysia	51%	49%

(a) Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purposes.

There are no non-controlling interests that are material to the Group. There were no transactions with non-controlling interests for the financial year ended 31 December 2015.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 14 DEVELOPMENT COST IN PROGRESS

	Group	
	2015 RM	2014 RM
EMS Software:		
At beginning of the year	–	–
– Arising from business combination (Note 23)	257,077	–
– Reclassification to property, plant and equipment (Note 12)	(257,077)	–
– Capitalised during the year	305,655	–
At end of the year	<u>305,655</u>	–

## 15 TRADE AND OTHER PAYABLES

	Group		Company
	2015 RM	2014 RM	2015 RM
Accruals	1,038,730	1,990,330	55,144
Other payables – non-related parties	981,111	90	156,816
	<u>2,019,841</u>	1,990,420	<u>211,960</u>

## 16 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group		Company
	2015 RM	2014 RM	2015 RM
<b>Deferred income tax liabilities, representing accelerated tax depreciation</b>			
– to be settled within one year	<u>19,840</u>	14,500	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 16 DEFERRED INCOME TAXES (continued)

Movement in deferred income tax account is as follows:

	Group		Company
	2015	2014	2015
	RM	RM	RM
Beginning of financial year	14,500	11,900	–
Arising from business combination (Note 23)	5,340	–	–
Tax charge to profit or loss (Note 8)	–	2,600	–
End of financial year	<b>19,840</b>	14,500	–

## 17 SHARE CAPITAL

	Group and Company	
	Number of	Issued and
	shares	paid-up
		share capital
		RM
Issued and fully paid share as at incorporation date, 21 August 2015	3	8
Issue of 444,998 new shares pursuant to the share sale agreement pursuant to the Restructuring Exercise (Note 1.2)	444,998	2,941,854
Issue of 554,999 new shares as consideration paid for acquisition of subsidiaries	554,999	1,889,458
	<b>1,000,000</b>	<b>4,831,320</b>
Sub-division of shares	123,000,000	4,831,320
Issue of new shares pursuant to the placement	35,520,000	26,543,468
Issue of new shares	1,800,000	1,365,255
Share issuance expense	–	(4,922,059)
	<b>160,320,000</b>	<b>27,817,984</b>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company was incorporated on 21 August 2015 with issued and paid-up share capital of SGD3.00 comprising of 3 ordinary shares of SGD1.00 each.

On 22 October 2015, the Company issued 444,998 new shares pursuant to the share sale agreement pursuant to the Restructuring Exercise and on 23 October 2015, the Company issued another 554,999 of new ordinary shares as considerations for the acquisition of subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 17 SHARE CAPITAL (continued)

On 28 October 2015, the Company completed the sub-division of every one share to 123 shares. Thus 1,000,000 shares were sub-divided into 123,000,000 shares.

Pursuant to the initial public offering, the Company issued 35,520,000 new ordinary shares for a consideration of RM26,543,468 and 1,800,000 new shares for a consideration of RM1,365,255, net of share expenses of RM4,922,059. All newly issued ordinary shares rank *pari passu* in all respects with the previously issued shares.

As the Company officially took over the Group subsequent to 31 December 2014, the share capital in the statements of financial position as at 31 December 2014 represents the aggregate amount of the paid-up capital of the following subsidiary.

	<b>Number of shares</b>	<b>Issued and paid-up share capital RM</b>
<hr/>		
Fully paid and issued ordinary shares:		
Taxand Malaysia Sdn. Bhd.	250,000	250,000
	<hr/>	<hr/>
	250,000	250,000
	<hr/>	<hr/>

### The Axcelasia Employee Share Option Scheme

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 ("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) on the day preceding the date of the relevant grant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 17 SHARE CAPITAL (continued)

### The Axcelasia Employee Share Option Scheme (continued)

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.

The Company does not have any parent company.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 17 SHARE CAPITAL (continued)

### The Axcelasia 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 ("Awards") to employees and Directors ("PSP participants").

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 from time to time.

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 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;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 17 SHARE CAPITAL (continued)

### The Axcelasia Performance Share Plan (continued)

- (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 approved by the Administration Committee.

There was no share Awards granted pursuant to the PSP from the commencement of the PSP up to the financial year ended 31 December 2015.

## 18 DIVIDENDS

	Group	
	2015	2014
	RM	RM
<i>Ordinary dividends paid during the year</i>		
<u>Taxand Malaysia Sdn. Bhd.:</u>		
Final tax exempt dividend of RM6 (31 December 2014: RM1.6) per share	1,500,000	400,000
<u>Axcelasia Global Business Services Sdn. Bhd.:</u>		
Final tax exempt dividend of RM1.5 (31 December 2014: Nil) per share	150,000	–
	<b>1,650,000</b>	<b>400,000</b>

The dividends have been declared by the subsidiaries of the Company, Taxand Malaysia Sdn. Bhd. and Axcelasia Global Business Services Sdn. Bhd., to its existing shareholders prior to the Restructuring Exercise. The dividend per share is calculated based on the number of ordinary shares of the respective companies in issue as at date of dividend declaration.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 19 COMMITMENTS

### Operating lease commitments – where the Group is a lessee

The Group leases office premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2015	2014
	RM	RM
Not later than one year	337,563	305,280
Between one and five years	460,649	152,640
	<b>798,212</b>	<b>457,920</b>

The Group leases a number of office premises under operating leases. Such leases have fixed terms ranging from 2 to 3 years, with some leases having an option to renew the lease after the expire of the initial fixed term for a further term of 2 to 3 years. The Group expects to meet operating lease commitments using cash generated from operations.

## 20 FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set by the Board of Directors. The finance personnel identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Executive Directors. Regular reports are also submitted to the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 20 FINANCIAL RISK MANAGEMENT (continued)

### Financial risk factors (continued)

The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

#### (a) Market risk

##### (i) Currency risk

Foreign currency risk arose from transactions denominated in currencies other than the functional currency of the subsidiaries within the Group. The Group's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

##### (ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets and liabilities, the Group's income is substantially independent of changes in market interest rates.

#### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are cash and bank balances and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has no significant concentrations of credit risk for each class of its financial assets.

As the Group and the Company does 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 statement of financial position.

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

	Group		Company
	2015	2014	2015
	RM	RM	RM
<u>By types of customers</u>			
Non-related parties	<u>5,483,843</u>	<u>2,204,096</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 20 FINANCIAL RISK MANAGEMENT (continued)

### Financial risk factors (continued)

#### (b) Credit risk (continued)

	Group		Company
	2015	2014	2015
	RM	RM	RM
<u>By geographical areas</u>			
Malaysia	<b>5,483,843</b>	2,204,096	–

#### (i) Financial assets that are neither past due nor impaired

Cash and bank balances that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

#### (ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company
	2015	2014	2015
	RM	RM	RM
Past due < 3 months	<b>4,491,034</b>	1,675,114	–
Past due 3 to 6 months	<b>229,590</b>	286,612	–
Past due over 6 months	<b>763,219</b>	242,370	–
	<b>5,483,843</b>	2,204,096	–

The Group believes that the unimpaired amounts that are past due are still collectible, based on historical payment patterns.

#### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and having an adequate amount of committed credit facilities to enable it to meet its normal operating commitments. The Group's objective is to maintain a balance between continuing of funding and the ability to close out market positions at a short notice. As at balance sheet date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 11.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 20 FINANCIAL RISK MANAGEMENT (continued)

### Financial risk factors (continued)

#### (c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Within 1 year RM
<hr/>	
Group	
<b>At 31 December 2015</b>	
Trade and other payables	2,019,841
<b>At 31 December 2014</b>	
Trade and other payables	1,990,420
Company	
<b>At 31 December 2015</b>	
Trade and other payables	211,960

#### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitor capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables and less cash and bank balances. Total capital is calculated as total equity plus net debt.

	Group		Company
	2015	2014	2015
	RM	RM	RM
Net cash	(26,962,308)	(880,001)	(23,057,386)
Total equity	34,034,446	2,941,859	29,921,645
Total capital	7,072,138	2,061,858	6,864,259
Gearing ratio	N.A. <sup>(1)</sup>	N.A. <sup>(1)</sup>	N.A. <sup>(1)</sup>

(1) The company's cash position exceeds the total of trade and other payables, borrowings and contingent consideration payable. The Group is in a net cash position for the financial year ended 31 December 2015 and financial year ended 31 December 2014.

The Group and Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2015 and 2014.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 20 FINANCIAL RISK MANAGEMENT (continued)

### Financial risk factors (continued)

#### (e) Fair value measurements

The carrying amounts of receivables and payables are assumed to approximate their fair values.

#### (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position, except for the following:

	Group		Company
	2015	2014	2015
	RM	RM	RM
Loans and receivables	35,542,365	5,173,996	23,302,285
Financial liabilities at amortised cost	2,019,841	1,990,420	211,960

## 21 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

#### (a) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2015	2014
	RM	RM
<i>Directors of the Company</i>		
Salaries and bonus	1,004,000	540,000
Defined contributions plan	134,280	81,000
	<b>1,138,280</b>	<b>621,000</b>
<i>Other key management personnel</i>		
Salaries and bonus	1,575,400	–
Defined contributions plan	147,072	–
	<b>1,722,472</b>	<b>–</b>

#### (b) Sales of goods and services

	Group	
	2015	2014
	RM	RM
Disposals of motor vehicles to shareholders	84,333	–
Rental expenses paid to related parties	121,944	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 22 SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

1. Tax Advisory segment mainly relates to the provision of corporate and individual tax compliance, training and knowledge management services.
2. Business Consultancy segment mainly relates to governance and compliance assessment, internal audit services, business continuity management and financial management.
3. EMS Application segment mainly relates to selling licensing of the Enterprises Risk Management software.
4. Business Support segment mainly relates to provision of corporate secretarial services, accounting, payroll and administration support. These were aggregated into "Business Support" segment as they have similar target customer base and similar economic characteristics.

Segment performance is evaluated by the Board of Directors based on the segment results which represent the gross profit earned by each segment. All segment revenue and expenses are directly attributable to the segments.

Inter-segment transfers are eliminated on consolidation.

Segment information about the Group's reportable segments is as follows:

31 December 2015	Tax Advisory RM	Business Consultancy RM	EMS Application RM	Business Support RM	Total RM
<b>Revenue</b>					
Sales to external parties	10,424,851	11,529,877	1,356,969	1,988,093	25,299,790
<b>Results</b>					
Segment results	4,435,733	3,688,982	929,158	690,783	9,744,656
Interest income	42,459	5,966	–	13,155	61,580
Profit before income tax	4,478,192	3,694,948	929,158	703,938	9,806,236
Income tax expense	(1,094,207)	(850,000)	–	(20,772)	(1,964,979)
Profit for the year	3,383,985	2,844,948	929,158	683,166	7,841,257
Segment assets	6,233,599	4,371,857	1,574,085	24,506,717	36,686,258
Segment assets includes: Additions of:					
Property, plant and equipment	12,810	356,105	14,176	22,386	405,477
Development cost in progress	–	–	305,655	–	305,655
Segment liabilities	1,431,995	597,414	77,122	521,486	2,628,017

In the financial year ended 31 December 2014, the Group operated predominantly in only one business segment, which is the tax advisory service segment. Accordingly, no segment information is presented based on business segment for 31 December 2014.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 22 SEGMENT INFORMATION (continued)

### Geographical information:

Revenue and profit of the Group are mainly derived from provision of tax advisory, business consultancy, EMS application and business support services in Malaysia which forms the Group's strategic business.

The principal assets employed by the Group are located in Malaysia. Accordingly, no other segmental information by geographical segment is presented.

### Major customer information:

The Group does not have revenue concentration risk from any one or more customers. Revenue is spread over a large number of clients.

## 23 BUSINESS COMBINATION

During the year, the Group's acquisitions of 100% equity interest in Axcelasia Corporate Services Sdn. Bhd., Axcelasia Global Business Services Sdn. Bhd., Axcelasia Columbus Sdn. Bhd., Axcelasia Softnex Sdn. Bhd. and Axcelasia HR Consulting Sdn. Bhd. were completed. Pursuant to the Sale and Purchase Agreements and the Restructuring Exercise as disclosed in Note 1.2, the rights and benefits relating to the shares of the mentioned entities accrued to the Group from 1 January 2015. The principal activities of the acquired entities are disclosed in Note 13.

The total purchase consideration of RM1,889,458 is settled in full in the form of 554,999 ordinary shares in the Company.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

- a. Purchase consideration

	2015 RM
Shares issued (Note 17)	1,889,458

- b. Effect on cash flows of the Group

	2015 RM
Cash paid	-
Less: Cash and cash equivalents of subsidiaries acquired	138,578
Cash inflow on acquisition	138,578

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 23 BUSINESS COMBINATION (continued)

- c. Identifiable assets acquired and liabilities assumed

	At fair values RM
Trade and other receivables	2,666,181
Cash and bank balances	138,578
Investment in associated company	5,540
Property, plant and equipment	246,320
Development cost in progress (Note 14)	257,077
Total assets	<u>3,313,696</u>
Trade and other payables	1,401,156
Current tax liabilities	17,742
Deferred tax liabilities (Note 16)	5,340
Total liabilities	<u>1,424,238</u>
Total identifiable net assets	<u>1,889,458</u>

- d. The carrying value of the receivables acquired approximates their fair value and no receivables were identified to be impaired.

- e. Revenue and profit contribution

The acquired entities contributed revenue of RM14,900,000 and net profit of RM4,304,000 to the Group from 1 January 2015.

## 24 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 21 January 2016, the Company incorporated a wholly-owned subsidiary, Axcelasia Singapore Pte Ltd ("ASPL") in Singapore, with issued and paid-up capital of one ordinary share of SGD1. The principal activities of this subsidiary is to carry on business of tax advisory, business consultancy, internal audit, risk management advisory and business support services.

On 10 February 2016, the Company announced that its wholly-owned subsidiary, ASPL has increased its issued and paid up capital from SGD1 to SGD500,000 through the issue and allotment of 374,999 ordinary shares at SGD1 each to the Company ("Subscription") and 125,000 ordinary shares at SGD1 each to a third party investor who is also appointed as a director of ASPL. Consequent to the capital increase, the Company's equity interest in ASPL has been diluted from 100% to 75%.

The subscription amounting to SGD374,799 was funded by the net proceeds raised from the Company's initial public offering which is in line with the intended use as previously disclosed in the Company's offer documents dated 18 November 2015.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

## 25 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 or later periods and which the Group has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined <sup>(1)</sup>
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations Exception	1 January 2016
FRS114	Regulatory Deferral Accounts	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018

(1) The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.

The directors do not anticipate that the adoption of the above FRS in future financial periods will have a material impact on the financial statements of the Group.

## 26 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Axcelasia Inc. on 21 March 2016.

# SHAREHOLDER INFORMATION

AS AT 15 MARCH 2016

Issued and fully paid-up capital	:	RM27,817,984
Total number of issued shares	:	160,320,000
Class of shares	:	Ordinary
Voting rights	:	One vote for each ordinary share
Number of treasury shares	:	Nil

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholdings	No. of Shares	% of Shareholdings
1 – 99	–	0.00	–	0.00
100 – 1000	2	5.40	1,100	0.00
1,001 – 10,000	15	40.54	82,100	0.05
10,001 – 1,000,000	10	27.03	2,046,000	1.28
1,000,001 and above	10	27.03	158,190,800	98.67
<b>Grand Total</b>	<b>37</b>	<b>100.00</b>	<b>160,320,000</b>	<b>100.00</b>

## LIST OF 20 LARGEST REGISTERED SHAREHOLDERS AS AT 15 MARCH 2016

(as shown in the Register of Members)

	Name of Shareholder	No. of Shares	% of Shareholdings
1.	RANJIT SINGH A/L TARAM SINGH	36,518,660	22.78
2.	TANG SWEE GUAN	34,453,500	21.49
3.	UOB KAY HIAN PTE LTD	27,100,700	16.90
4.	VEERINDERJEET SINGH A/L TEJWANT SINGH	23,367,500	14.58
5.	CIMB SECURITIES (SINGAPORE) PTE LTD	9,185,000	5.73
6.	LEE SIEW WENG	7,723,170	4.82
7.	WONG WEI MING	7,723,170	4.82
8.	DBSN SERVICES PTE LTD	7,000,000	4.37
9.	CHAI SEOW LIN	3,444,000	2.15
10.	RAFFLES NOMINEES (PTE) LTD	1,675,100	1.04
11.	YAP WAI JOON	380,000	0.24
12.	VIJAY SRINIVASAN @ C VIJAYA SRINIVASAN	360,000	0.22
13.	HARDIP SINGH	280,000	0.17
14.	LIM TIONG KHENG STEVEN	265,000	0.17
15.	CHUA SIEW LIAN	220,000	0.14
16.	CHEW HOE HOCK	200,000	0.12
17.	MAYBANK KIM ENG SECURITIES PTE LTD	129,900	0.08
18.	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	81,000	0.05
19.	LEONG YUET MEI	80,000	0.05
20.	NG YONG PIN	50,100	0.03
	<b>Total</b>	<b>160,236,800</b>	<b>99.95</b>



# SHAREHOLDER INFORMATION

AS AT 15 MARCH 2016

## SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Indirect Interest		Total %
	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings	
Tang Swee Guan <sup>(1)</sup>	34,453,500	21.49	3,444,000	2.15	23.64
Ranjit Singh A/L Taram Singh	36,518,660	22.78	–	–	22.78
Veerinderjeet Singh A/L Tejwant Singh <sup>(2)</sup>	23,367,500	14.58	470,000	0.29	14.87
MTD Equity Sdn Bhd <sup>(3)</sup>	–	–	15,214,000	9.49	9.49
MTD Capital Bhd. <sup>(4)</sup>	–	–	15,214,000	9.49	9.49
Nikvest Sdn. Bhd. <sup>(5)</sup>	–	–	15,214,000	9.49	9.49
Alloy Consolidated Sdn. Bhd. <sup>(6)</sup>	–	–	15,214,000	9.49	9.49
Alloy Capital Sdn. Bhd. <sup>(7)</sup>	–	–	15,214,000	9.49	9.49
Nik Fuziah Binti Nik Hussein, Datin <sup>(8)</sup>	–	–	15,214,000	9.49	9.49

### Notes:

- (1) Tang Swee Guan (Dato' Peter Tang), the Finance Director, is deemed interested in the shares held by his spouse, Datin Chai Seow Lin.
- (2) Veerinderjeet Singh A/L Tejwant Singh (Dr. Veerinderjeet Singh), the Executive Chairman, is deemed interested in the shares held by his spouse, Ms Kaur Rajinderpal.
- (3) MTD Equity Sdn Bhd has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd.
- (4) MTD Capital Bhd. has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd. by MTD Equity Sdn Bhd. MTD Equity Sdn Bhd is wholly-owned by MTD Capital Bhd.
- (5) Nikvest Sdn. Bhd. has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd. by MTD Equity Sdn Bhd. Nikvest Sdn. Bhd. is entitled to exercise or control the exercise of not less than 20% of the voting power in MTD Capital Bhd., which wholly owns MTD Equity Sdn Bhd.
- (6) Alloy Consolidated Sdn. Bhd. has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd. by MTD Equity Sdn Bhd. Alloy Consolidated Sdn. Bhd. is entitled to exercise or control the exercise of not less than 20% of the voting power in MTD Capital Bhd., which wholly owns MTD Equity Sdn Bhd.
- (7) Alloy Capital Sdn. Bhd. has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd. by MTD Equity Sdn Bhd. Alloy Capital Sdn. Bhd. is entitled to exercise or control the exercise of not less than 20% of the voting power in MTD Capital Bhd., which wholly owns MTD Equity Sdn Bhd.
- (8) Nik Fuziah Binti Nik Hussein, Datin has deemed interest in the 15,214,000 shares which are held through UOB Kay Hian Pte Ltd. by MTD Equity Sdn Bhd. Nik Fuziah Binti Nik Hussein, Datin has a controlling interest in Alloy Consolidated Sdn. Bhd., which is entitled to exercise or control the exercise of not less than 20% of the voting power in MTD Capital Bhd. (which wholly owns MTD Equity Sdn Bhd).

## PERCENTAGE OF SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 15 March 2016, approximately 19.57% 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 (“AGM”) of AXCELASIA INC. (the “Company”) will be held at Conference Room 2, TKP Conference Centre Raffles Place, 55 Market Street #03-01, Singapore 048941 on Monday, 18 April 2016 at 10.30 a.m. for the following purpose:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors’ Report thereon. **(Resolution 1)**
  
2. To re-elect the following Directors of the Company (“Directors”) retiring pursuant to Articles 97 and 101 of the Company’s Articles of Association:
 

Article 97:	
Veerinderjeet Singh A/L Tejwant Singh	<b>(Resolution 2)</b>
<b>[Explanatory Note (i)]</b>	
Article 101:	
Tan See Yin	<b>(Resolution 3)</b>
Lee Pih Peng	<b>(Resolution 4)</b>
Isharidah Binti Ishak	<b>(Resolution 5)</b>
<b>[Explanatory Note (ii)]</b>	
  
3. To approve the payment of Directors’ fees totaling RM34,000 for the financial year ended 31 December 2015  
**[Explanatory Note (iii)]** **(Resolution 6)**
  
4. To approve the payment of Directors’ fees totaling RM204,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears.  
**[Explanatory Note (iv)]** **(Resolution 7)**
  
5. To re-appoint Nexia TS Public Accounting Corporation as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
  
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

## AS SPECIAL BUSINESS

To consider and if though fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. **Authority to allot and issue shares in the capital of the Company and/or Instruments (as defined hereinafter)**

THAT pursuant to Article 3 of the Company’s Articles of Association and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Catalist Rules”), authority be given to the Directors to:

- i. Issue shares (“Shares”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

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- ii. make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- iii. (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provide that:

- a. the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) does not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

- b. (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (a) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares (excluding treasury shares) of the Company at the time this Resolution is passed, after adjusting for:

- i. new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
- ii. new Shares arising from exercising share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed provided that the share options or share awards (as the case may be) were granted in connection with Part VIII of Chapter 8 of the Catalist Rules; and
- iii. any subsequent bonus issue, consolidation or subdivision of Shares;

- c. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

- d. unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

**[Explanatory Note (v)]**

**(Resolution 9)**

# NOTICE OF ANNUAL GENERAL MEETING

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8. **Authority to allot and issue shares under:**

a. ***The Axcelasia Performance Share Plan***

THAT the Directors be and are hereby authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the Axcelasia Performance Share Plan (the "**Plan**") and to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of Awards granted under the Plan, provided always that the aggregate number of Shares to be issued pursuant to the Plan, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) of the Company from time to time, and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[Explanatory Note (vi)]

(Resolution 10A)

b. ***The Axcelasia Employee Share Option Scheme***

THAT the Directors be and are hereby authorised to offer and grant options ("**Options**") under the Axcelasia Employee Share Option Scheme (the "**Scheme**") and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the Options under the Scheme, provided always that the aggregate number of Shares to be issued pursuant to the Scheme, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) of the Company from time to time, and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[Explanatory Note (vi)]

(Resolution 10B)

By Order of the Board

HANS Corporate Services Ltd  
Secretary

Singapore,  
1 April 2016

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- i. **Resolution 2** – Dr. Veerinderjeet Singh A/L Tejwant Singh, if re-elected, will remain as the Executive Chairman of the Company.
- ii. **Resolution 3** – Mr. Tan See Yin, if re-elected, will remain as the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee. The Board considers Mr. Tan See Yin to be independent pursuant to Rule 704(7) of the Catalist Rules.  
**Resolution 4** – Ms. Lee Pih Peng, if re-elected, will remain as the Chairman of the Remuneration Committee and a member of Audit Committee and Nomination Committee. The Board considers Ms. Lee Pih Peng to be independent pursuant to Rule 704(7) of the Catalist Rules.  
**Resolution 5** – Datin Isharidah Binti Ishak, if re-elected, will remain as the Chairman of the Nomination Committee and a member of Audit Committee and Remuneration Committee. The Board considers Datin Isharidah Binti Ishak to be independent pursuant to Rule 704(7) of the Catalist Rules.
- iii. **Resolution 6** – This Resolution is to approve the payment of Directors' fee for the financial year ended 31 December 2015.
- iv. **Resolution 7** – This Resolution is to facilitate the payment of Directors' fees during the financial year ending 31 December 2016 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 the financial year ending 31 December 2016 ("FY2016"). Should any Director hold office for only part of FY2016 and not the whole of FY2016, the Directors' fee payable to him/her will be appropriately pro-rated.
- v. **Resolution 9** – This Resolution, if passed, will empower the Directors (from the date of the AGM until the date of the next annual general meeting of the Company, or the date which the next annual general meeting of the Company is required by law to be held, or such authority is varied or revoked by the Company in general meeting, whichever is the earlier), to issue Shares, make or grant Instruments convertible into Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred percent (100%) of the total number of issued Shares (excluding treasury shares), of which up to fifty percent (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.
- vi. **Resolution 10A & Resolution 10B** – These Resolutions, if passed, will empower the Directors to allot and issue Shares pursuant to the vesting of Awards and the exercise Options under the Plan and Scheme, provided that the aggregate number of Shares to be issued pursuant to the Plan and Scheme, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) of the Company from time to time.

# NOTICE OF ANNUAL GENERAL MEETING

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## NOTES:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 percent (100%) of the shareholdings of this appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote as he deems fit.
4. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.
5. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.
6. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. 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 its representative at the meeting.
7. The signature on the instrument appointing a proxy needs not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing proxy, failing which the instrument may be treated as invalid.
8. The instrument appointing a proxy must be deposited at the office of the Singapore Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00 Singapore 068698 not less than forty-eight (48) hours before the time appointed for holding of the AGM.

## GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the AGM.

## PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (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 and administration by the Company (of its agents) of proxies and representatives appointed for the annual general meeting (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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data such as 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.

**AXCELASIA INC.**  
(Company Registration No. LL12218)  
(Incorporated in Labuan, Malaysia)

**PROXY FORM**  
**ANNUAL GENERAL MEETING**

I/We \_\_\_\_\_ (full name in capital letters)

NRIC No./Passport No./Company No. \_\_\_\_\_

of \_\_\_\_\_ (full address)  
being a member/members of AXCELASIA INC. (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the annual general meeting ("AGM") of the Company, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM to be held on Monday, 18 April 2016 at 10.30 a.m. at Conference Room 2, TKP Conference Centre Raffles Place, 55 Market Street #03-01, Singapore 048941 and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matters arising at the AGM and at any adjournment thereof.

The resolutions put to vote at the AGM shall be decided by poll.

Resolution No.	Ordinary Business	For*	Against*
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.		
Resolution 2	To re-elect Dr. Veerinderjeet Singh A/L Tejwant Singh as Director of the Company.		
Resolution 3	To re-elect Mr. Tan See Yin as Director of the Company.		
Resolution 4	To re-elect Ms. Lee Pih Peng as Director of the Company.		
Resolution 5	To re-elect Datin Isharidah Binti Ishak as Director of the Company.		
Resolution 6	To approve payment of Directors' Fees for the financial year ended 31 December 2015.		
Resolution 7	To approve payment of Directors' Fees for the financial year ending 31 December 2016, to be paid quarterly in arrears.		
Resolution 8	To re-appoint Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	<b>Special business</b>		
Resolution 9	To approve the authority to allot and issue new shares and/or Instruments.		
Resolution 10A	To approve the authority to allot and issue shares under the Axcelasia Performance Share Plan.		
Resolution 10B	To approve the authority to allot and issue shares under the Axcelasia Employee Share Option Scheme.		

\* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

**IMPORTANT: PLEASE READ THE NOTES OVERLEAF**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) or Common Seal

**NOTES:**

1. Please insert the total number of 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 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, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 percent (100%) of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstained as he/she thinks fit.
5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.
6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his/her attorney.
7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. 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 at the meeting.
8. The instrument appointing a proxy needs not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
9. The instrument appointing a proxy must be deposited at the office of the Singapore Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068698, not less than forty-eight (48) hours before the time appointed for holding of the AGM.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the AGM.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2016.



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# **Axcelasia**

*A C C E L E R A T I N G   S U C C E S S*

Axcelasia Inc.  
Suite 13A.05 Level 13A  
Wisma Goldhill, 67 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel: (603) 2032 2799  
Fax: (603) 2032 3799  
[www.axcelasia.com](http://www.axcelasia.com)