

CIRCULAR DATED 25 FEBRUARY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of the Company (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.



AXCELASIA INC.

(Company Registration No.: LL12218)

(Incorporated under the Labuan Companies Act 1990, Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

**PROPOSED DIVESTMENT OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
AXCELASIA TAXAND SDN BHD**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	10 March 2020 at 11.30 a.m.
Date and time of Extraordinary General Meeting	:	12 March 2020 at 11.30 a.m.
Place of Extraordinary General Meeting	:	RNN Conference Centre Pte Ltd 137 Cecil Street #04-01 HengDa Building Singapore 069537

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DEFINITIONS

Unless otherwise stated, the following definitions will apply throughout this Circular:

General

“Accounts Date”	:	31 December 2018
“ACS”	:	Axcelasia Columbus Sdn Bhd
“Affiliates”	:	In relation to a corporation, the holding company of such corporation, a subsidiary of such corporation, or a subsidiary of the holding company of such corporation, but for the avoidance of doubt, shall exclude the Sale Companies
“Aged Receivables”	:	RM2,909,048, which represents accounts receivable of the Sale Companies which has been outstanding for 120 days or more as at the Management Accounts Date
“Announcement”	:	The announcement released by the Company on SGXNET on 11 February 2020 in relation to the Proposed Divestment
“Articles”	:	The articles of association of the Company
“AT”	:	Axcelasia Taxand Sdn Bhd
“Audex Governance”	:	Audex Governance Sdn Bhd
“Axcelasia Lao”	:	Axcelasia Lao Co., Ltd.
“Axcelasia Softnex”	:	Axcelasia Softnex Sdn Bhd
“Axcelasia Vietnam”	:	Axcelasia Vietnam Co., Ltd.
“Board”	:	The board of Directors of the Company, from time to time
“Business Day”	:	A day (excluding Saturdays, Sundays and public holidays) on which banks generally are open in Hong Kong, Malaysia and Singapore for the transaction of normal banking business
“Catalist Rules”	:	Section B: Rules of Catalist of the Listing Manual, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 25 February 2020

DEFINITIONS

“Collected Aged Receivables”	:	Such amount of the Aged Receivables received by the relevant Sale Companies after 1 January 2020 and up to (but excluding) the Completion Date, as notified in writing by the Company to the Purchaser together with the relevant supporting documents evidencing the receipt by the Sale Companies
“Company”	:	Axcelasia Inc.
“Company’s Warranties”	:	The warranties and representations given by the Company pursuant to the SPA, and “Company’s Warranty” means any one of them
“Completion”	:	Completion of the Proposed Divestment
“Completion Date”	:	The date on which Completion takes place
“Conditions”	:	Has the meaning ascribed to it in Paragraph 3.3.1
“Connected Persons”	:	In relation to an individual, a firm, a limited liability partnership or a corporation in which that individual or any of that individual’s spouse, son, daughter, father, mother, brother or sister has control of not less than 30% of the voting power in the firm, limited liability partnership or corporation, whether such control is exercised individually or jointly
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the SGX-ST determining that such a person is not a Controlling Shareholder), or a person who in fact exercises control over the Company
“Directors”	:	The directors of the Company from time to time, and “Director” means any of them
“EGM”	:	The extraordinary general meeting of the Company to be held on 12 March 2020 at RNN Conference Centre Pte Ltd, 137 Cecil Street, #04-01 HengDa Building, Singapore 069537 at 11.30 a.m., notice of which is set out on pages N-1 to N-2 of this Circular
“Encumbrance”	:	Any claim, charge, mortgage, assignment, lien, option, equity, power of sale, pledge, retention of title, right of pre-emption, right of first refusal or other third party rights or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“EPS”	:	Earnings per Share

DEFINITIONS

“Fraudulent Action”	:	Any of the following: <ul style="list-style-type: none">(a) fraud or wilful concealment by the Company or any of its directors or Key Management Employees; and(b) wilful misconduct by the Company or any of its directors
“Fundamental Warranties”	:	Company’s Warranties which are agreed to constitute fundamental warranties, including warranties as to the authority and capacity of the Company to enter into the SPA, the Company’s title to the Sale Shares, the preparation of the Management Accounts of each Sale Company in accordance with the accounting principles, standards and practices generally accepted at the Management Accounts Date in Malaysia, and the non-involvement of the Sale Companies in litigations and insolvency proceedings
“FY2019”	:	Financial year ended 31 December 2019
“Group”	:	The Company and its subsidiaries
“Irrevocable Undertakings”	:	Has the meaning ascribed to it in Paragraph 4
“Key Management Employees”	:	The persons set out below: <ul style="list-style-type: none">(a) Dr. Veerinderjeet Singh a/l Tejwant Singh;(b) Mr. Ranjit Singh a/l Taram Singh;(c) Ms. Leow Mui Lee;(d) Mr. Sivaruban Kandasamy;(e) Mr. Derek Lee Siew Weng; and(f) Ms. Cheah Mei Hua
“Latest Practicable Date”	:	24 February 2020, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

- “Leakages”** : Any leakage of value in the Sale Companies limited to the following:
- (a) any dividend or distribution declared, paid or made (in each case whether actual or deemed) by AT to the Company;
 - (b) any payment made, or asset transferred, to any member of the Vendor Group by any Sale Company;
 - (c) any payment made to any persons for the purchase of any shares in the issued share capital of Axcelasia HR Consulting Sdn Bhd;
 - (d) any liabilities assumed, indemnified or incurred by any Sale Company for the benefit of any member of the Vendor Group;
 - (e) any cost or expense (including any fee, commission, bonus or retention payment) assumed, indemnified or incurred by any Sale Company in connection with the transactions contemplated by the SPA or in connection with the preparation, negotiation or completion of the SPA;
 - (f) any transfer of the assets of a Sale Company to any persons at an undervalue;
 - (g) the waiver by any Sale Company of any amount owed to it (whether by any member of the Vendor Group or otherwise); and
 - (h) any agreement for any of the matters set out in sub-paragraphs (a) to (g) above to occur,
- but, notwithstanding the above, excluding:
- (i) any Permitted Dividends declared, paid or made by AT to the Company;
 - (ii) any cash or sales discount applied in the ordinary course of business to any fees payable by the customers of the Sale Companies, and not exceeding RM50,000 in aggregate;
 - (iii) payment of salaries by the relevant Sale Company in the ordinary course of business; and
 - (iv) payment of any year-end bonus declared by the relevant Sale Company in recognition of the performance of the relevant Sale Company’s employees in accordance with and as disclosed in the Management Accounts

DEFINITIONS

“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Losses”	:	All losses, liabilities, costs (including legal costs and experts’ and consultants’ fees), charges, expenses, actions, proceedings, claims and demands
“Management Accounts”	:	In relation to each Sale Company, the unaudited management accounts prepared by the management of such Sale Company for the period commencing on the day after the Accounts Date and ended on the Management Accounts Date
“Management Accounts Date”	:	31 December 2019
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Memorandum”	:	The memorandum of association of the Company
“MyIPO”	:	The Intellectual Property Corporation of Malaysia
“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 to N-2 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution relating to the Proposed Divestment as set out in the Notice of EGM
“Parties”	:	The Company and the Purchaser, and each, a “Party”
“Permitted Dividend”	:	Has the meaning ascribed to it in Paragraph 3.4
“Proposed Divestment”	:	Has the meaning ascribed to it in Paragraph 1.1.1
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchase Price”	:	RM69,700,000
“Purchaser”	:	Tricor Axcel Limited
“Restricted Business”	:	Has the meaning ascribed to it in Paragraph 3.7(b)(i)(1)
“Retention Amount”	:	Has the meaning ascribed to it in Paragraph 3.2(a)
“Sale Companies”	:	AT and its subsidiaries

DEFINITIONS

“Sale Shares”	:	Has the meaning ascribed to it in Paragraph 1.1.1
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore as amended, modified or supplemented from time to time
“SGXNET”	:	The website of the SGX-ST at www.sgx.com
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares in the Company’s register of members, except that, where the registered holder of any Shares is the CDP, the term “Shareholders” shall mean, in relation to such Shares, the persons whose direct securities accounts as maintained with CDP have been credited with such Shares, and any reference to Shares held by the Shareholders shall include Shares standing to the credit of such securities accounts
“Shares”	:	Ordinary shares in the issued share capital of the Company, and “Share” means any of them
“SPA”	:	The share sale and purchase agreement entered into between the Company and the Purchaser on 11 February 2020
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares and the total votes attached to such Share(s) is not less than 5% of the total votes attached to all the voting Shares of the Company
“Tax” or “Taxation”	:	All forms of taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, state, provincial, local governmental or municipal impositions, assessments, duties, contributions, rates and levies (including social security contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) by any government, governmental agency, statutory body, official and/or taxing or revenue authority and all penalties, increases, surcharges, fees, charges, costs and interest relating thereto

DEFINITIONS

“Tax Authority”	:	Any Tax or customs authority or any other statutory, governmental, state, local, government, provincial or municipal authority competent to impose any liability in respect of Taxation or responsible for the administration and/or collection of Taxation or enforcement of any law in relation to Taxation, including the Director General of Inland Revenue, the Inland Revenue Board of Malaysia, the Royal Malaysian Customs Department and the Director General of Customs and Excise
“Trade Mark Assignment Deed”	:	The trade mark assignment deed in the form to be agreed between the Parties executed by the Company in favour of the Purchaser (or such other entity designated by the Purchaser) for the assignment of trade marks as detailed in the SPA to the Purchaser (or such other entity designated by the Purchaser) with effect from Completion, and which is to be filed together with the executed Trade Mark Assignment Form TMH1 with MyIPO for the purposes of said assignment of the trade marks as set in the SPA
“Undertaking Shareholders”	:	Dr. Veerinderjeet Singh a/l Tejwant Singh, Dato’ Tang Swee Guan and Mr. Ranjit Singh a/l Taram Singh
“Undertaking Shares”	:	Has the meaning ascribed to it in Paragraph 4
“Valuation”	:	Has the meaning ascribed to it in Paragraph 3.1.2
“Valuation Report”	:	Has the meaning ascribed to it in Paragraph 3.1.2
“Vendor Group”	:	Collectively: (a) the Company; (b) the Company’s Affiliates; (c) the directors of the persons listed in sub-paragraphs (a) and (b); (d) the Key Management Employees; and (e) the Connected Persons of the persons listed in sub-paragraphs (c) and (d)
“Working Capital”	:	The aggregate working capital of the Sale Companies which shall be equal to the sum of the aggregate accounts receivable, other receivable and pre-payment of the Sale Companies, after deducting the aggregate accounts payable of the Sale Companies (including invoices received from third party suppliers and accruals for goods received not invoiced (GRNI))

DEFINITIONS

Currencies, Units and Others

“**S\$**” or “**cents**” : Singapore dollars and cents respectively

“**RM**” or “**sen**” : Malaysian Ringgit and sen respectively

“**%**” or “**per cent.**” : Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. All discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS



AXCELASIA INC.

(Company Registration No.: LL12218)

(Incorporated under the Labuan Companies Act 1990, Malaysia)

Directors

DR. VEERINDERJEET SINGH A/L TEJWANT SINGH

(Non-Executive Chairman)

DATO' TANG SWEE GUAN

(Deputy Executive Chairman & Executive Director)

MR. RANJIT SINGH A/L TARAM SINGH

(Group Chief Executive Officer & Executive Director)

MR. TAN SEE YIN

(Lead Independent Director)

MS. LEE PIH PENG

(Independent Director)

DATIN ISHARIDAH BINTI ISHAK

(Independent Director)

Registered Office

Lot A020, Level 1, Podium Level

Financial Park, Jalan Merdeka

87000 Labuan F.T., Malaysia

25 February 2020

To: The Shareholders of Axcelasia Inc.

Dear Shareholders,

PROPOSED DIVESTMENT OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF AXCELASIA TAXAND SDN BHD

1. INTRODUCTION

1.1 Overview

1.1.1 On 11 February 2020, the Company released an announcement on the SGXNET ("**Announcement**") stating that it had entered into a share sale and purchase agreement ("**SPA**") with Tricor Axcel Limited ("**Purchaser**", and together with the Company, the "**Parties**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire, 350,000 issued ordinary shares in the capital of Axcelasia Taxand Sdn Bhd ("**AT**"), comprising 100% of the issued ordinary shares in the capital of AT ("**Sale Shares**"), on the terms and subject to the conditions of the SPA ("**Proposed Divestment**").

1.1.2 Upon completion of the Proposed Divestment ("**Completion**"), AT and its subsidiaries ("**Sale Companies**") will cease to be subsidiaries of the Company. Please refer to Appendix A which sets out the group structure as at the Latest Practicable Date and post-Completion.

1.1.3 Please refer to Paragraph 2 of this Circular for more information on the Sale Companies and the Purchaser, Paragraph 3 for the salient terms of the SPA, and Paragraphs 5 and 6 respectively for the rationale and financial effects of the Proposed Divestment.

LETTER TO SHAREHOLDERS

1.1.4 In connection with the Proposed Divestment, the Undertaking Shareholders have furnished Irrevocable Undertakings to the Purchaser to vote the Undertaking Shares in favour of any resolution to approve the Proposed Divestment. Further details are set out in Paragraph 4 of this Circular.

1.2 Major Transaction

1.2.1 As the Proposed Divestment amounts to a major transaction, as defined under Chapter 10 of the Catalist Rules, specific approval of the Shareholders is required.

1.2.2 The relative figures for the Proposed Divestment, computed on the bases set out in Rule 1006 of the Catalist Rules, are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Sale Companies to be disposed of, compared with the Group's net asset value ⁽¹⁾	49
(b)	Net profits attributable to the Sale Companies to be disposed of, compared with the Group's net profits ⁽²⁾	249
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾	290
(d)	Number of equity shares issued by the Company as consideration for an acquisition, compared with the number of equity shares previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves (only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company)	Not applicable

Notes:

(1) Based on the unaudited net asset value of the Sale Companies and the Group of RM15,589,886 and RM31,967,533 respectively as at 30 June 2019.

(2) Based on the unaudited profits before income tax and non-controlling interests of the Sale Companies and the Group of RM1,760,253 and RM705,700 respectively for the six (6) months ended 30 June 2019.

(3) Based on the market capitalisation of S\$8.02 million (approximately RM24.05 million based on exchange rate of S\$1:RM3) and the Purchase Price of RM69.7 million. The market capitalisation is based on 160,310,300 Shares in issue excluding treasury shares and the volume weighted average price of the Shares of S\$0.05, on 7 February 2020, being the last Market Day preceding the date of the SPA where trades were recorded.

1.3 Purpose of the Circular

1.3.1 The Directors are convening an EGM, notice of which is set out on pages N-1 to N-2 of this Circular, to seek Shareholders' approval of the Proposed Divestment.

1.3.2 The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Divestment, and to seek their approval of the same at the EGM.

LETTER TO SHAREHOLDERS

2. INFORMATION ON THE SALE COMPANIES AND THE PURCHASER

2.1 Information on the Sale Companies

The Sale Companies carry on the Group's core business in Malaysia, being the provision of integrated professional services including tax advisory, business consultancy, technology tools and advisory, and business support services. AT directly holds the entire issued share capital of Axcelasia Columbus Sdn Bhd ("**ACS**"), Axcelasia Corporate Services Sdn Bhd, Axcelasia Global Business Services Sdn Bhd, and Agensi Pekerjaan Axcelasia Talent Sdn Bhd; ACS in turns directly holds the entire issued share capital of Axcelasia Softnex and 51% of the issued share capital of Axcelasia HR Consulting Sdn Bhd.

2.2 Information on the Purchaser

The Purchaser is a company incorporated in Hong Kong. It is part of the Tricor group, which is the leading business expansion specialist in Asia, with global knowledge and local expertise in business, corporate, investor, human resources and payroll, and corporate trust and debt services. The Tricor group provides the building blocks for, and catalyses every stage of its clients' business growth, from incorporation to initial public offering. The Tricor group has had a rapid expansion through organic growth and development as well as partnerships, mergers and acquisitions. The Tricor group today has over 50,000 clients globally, a staff strength of over 2,600 and a network of offices in 47 cities across 21 countries/territories. Its client portfolio includes over 1,500 companies listed in Hong Kong SAR and Mainland China, about 500 companies listed in Singapore and Malaysia, and more than 40% of the Fortune Global 500 companies, as well as a significant share of multinationals and private enterprises operating across international markets. In March 2017, the Permira Funds became the controlling shareholder of the Tricor group, alongside management.

3. SALIENT TERMS OF THE SPA

3.1 Purchase Price

3.1.1 The purchase price for the sale and purchase of the Sale Shares is RM69,700,000 ("**Purchase Price**"), arrived at on a willing-seller, willing-buyer basis taking into account, *inter alia*, track record (including earnings and profitability) and goodwill associated with the Sale Companies.

3.1.2 As reference, the Company had commissioned GEP Associates to perform a business valuation on the Sale Companies. Based on the valuation report dated 16 January 2020 ("**Valuation Report**"), the valuation of the Sale Companies based on earnings method of valuation is RM67,814,600 ("**Valuation**"). Please refer to Appendix B for the Valuation Report.

LETTER TO SHAREHOLDERS

3.2 Satisfaction of Purchase Price

The Purchase Price shall be paid or satisfied as follows:

- (a) the amount of RM2,909,048 minus any Collected Aged Receivables (“**Retention Amount**”) shall be retained by the Purchaser and shall be paid to the Company in cash as follows:
 - (i) from the Completion Date and up to the date falling eight (8) months after the date of the SPA, upon any Aged Receivables being received by the Sale Companies, the Purchaser shall, as soon as reasonably practicable and in any event within 15 Business Days of the Aged Receivables being received, pay to the Company such part of the Retention Amount as is equal to the amount of the Aged Receivables received or, if the Retention Amount is lower than the amount of Aged Receivables received, the full amount of the Retention Amount; and
 - (ii) after the date falling eight (8) months after the date of the SPA, the Purchaser shall be entitled to retain the remaining balance of the Retention Amount (if any) after the sums due to the Company under Paragraph 3.2(a)(i) above have been paid (less any applicable bank charges); and
- (b) the remainder of the Purchase Price (after deducting the Retention Amount) shall be paid to the Company in cash on Completion by way of bank transfer to the bank account of the Company.

3.3 Conditions Precedent

3.3.1 Completion is conditional upon the fulfilment, or waiver, as the case may be, of the following conditions (“**Conditions**”):

- (a) the passing of a resolution by the Shareholders approving the transactions contemplated by the SPA at a duly convened Shareholders’ meeting;
- (b) the notification to the Malaysia Digital Economy Corporation of the sale of the Sale Shares under the SPA having been made by the Company and/or the relevant Sale Companies, in accordance with the conditions of grant of the MSC Malaysia status granted to Axcelasia Softnex;
- (c) the Sale Companies having a minimum Working Capital of RM7,270,000 as at the Management Accounts Date;
- (d) save as disclosed in a disclosure letter disclosing information and/or documents constituting exceptions to the Company’s Warranties and the SPA, the Company’s Warranties being and remaining true, accurate and not misleading in all respects as at the date of the SPA and as at Completion; and
- (e) the execution and performance of the SPA by the Parties not being prohibited by any law, statute, order, directive or regulation promulgated by any legislative, executive or regulatory body or authority having jurisdiction over the matter.

LETTER TO SHAREHOLDERS

3.3.2 To the extent legally permissible, the Purchaser may at any time agree in writing to waive in whole or in part and conditionally or unconditionally the Conditions set out in Paragraphs 3.3.1(b) to (d) above.

3.3.3 If the Conditions are not satisfied or (as the case may be) waived on or before the date falling eight (8) weeks from the date of the SPA or such later date as the Parties may mutually agree in writing, the SPA (other than certain surviving provisions) shall terminate and neither Party shall have any claim against the other under it, save for any rights or liabilities accruing prior to such termination.

3.4 Permitted Dividend

Prior to Completion, the Parties have agreed that a permitted dividend of an aggregate amount in cash of RM11,495,749 ("**Permitted Dividend**") shall be declared by the Sale Companies and paid to the Company.

3.5 Completion

Completion shall take place on the 10th Business Day following notification of the satisfaction or waiver of the last Condition, or at such other date as may be agreed in writing between the Parties. Neither Party shall be obliged to complete the sale and purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares is completed concurrently.

3.6 Representations, Warranties, Indemnities and Undertakings

3.6.1 Pursuant to the SPA, the Company and the Purchaser have furnished representations and warranties typical for transactions of a similar nature. The Company has additionally furnished certain pre-Completion undertakings in relation to, amongst others, the carrying on of the business of the Sale Companies in the ordinary course.

3.6.2 The Company further warranted to the Purchaser that there has been no Leakage between the Management Accounts Date and the date of the SPA, and undertakes that from the date of the SPA until Completion, no Leakage will occur, and agreed to indemnify the Purchaser on demand from and against, and shall pay on demand an amount equal to any Leakage in breach of the abovementioned warranty or undertaking and all costs and expenses reasonably incurred by the Purchaser or any Sale Company as a result of recovering such Leakage, provided that such costs and expenses shall not exceed RM50,000.

3.6.3 In addition, the Company undertakes to indemnify the Purchaser in full against Losses incurred by the Purchaser arising out of or in connection with, amongst others, the following:

- (a) the revocation (whether actual or potential) and/or any non-compliance of the conditions of grants of the MSC Malaysia status granted to Axcelasia Softnex;
- (b) any non-compliance of the conditions of grants of the MSC Malaysia status granted to Axcelasia Global Business Services Sdn Bhd;

LETTER TO SHAREHOLDERS

- (c) the revocation of and/or any non-compliance of the terms and conditions of the general exemption granted by Bank Negara Malaysia (the Central Bank of Malaysia) to Axcelasia Softnex which relates to a “General Permission Under the Exchange Control Act 1953”;
- (d) the failure of any Sale Company to (a) issue the requisite personal data notice in the national language of Malaysia under the Personal Data Protection Act 2010 (Act 709) of Malaysia to any of its employees; and/or (b) obtain the relevant consents in the national language of Malaysia from all employees for the processing and disclosure of personal data as stated in such notice; and
- (e) any Taxation liability (including any fine, penalty, surcharge or interest imposed by the relevant Tax Authority) of the Sale Companies which arises in respect of, by reference to, in consequence of or in connection with, amongst others, the failure to remit withholding taxes on payments paid by the Sale Companies to non-residents.

3.7 Post-Completion Obligations

Pursuant to the SPA, the Company has agreed to undertake certain obligations post-Completion, some of which are set out below:

- (a) Axcelasia Group Names
 - (i) Subject to Paragraph 3.7(a)(ii) below and save as required by law (including the listing rules of the SGX-ST), the Company shall not, and shall procure that none of its Affiliates shall, after Completion, use in any way whatsoever the trading name and trade mark “Axcelasia”, save that Axcelasia Lao and Axcelasia Vietnam shall be entitled to use and retain the reference to “Axcelasia” in its name up to the date falling three (3) months after the date of Completion.
 - (ii) Notwithstanding Paragraph 3.7(a)(i) above, the Company shall, as promptly as practicable following Completion, but in no event later than:
 - (1) 30 June 2020, undertake and complete all necessary steps to change the name of the Company and its Affiliates (save for Axcelasia Vietnam and Axcelasia Lao) to one which does not contain reference to “Axcelasia” or any part thereof; and
 - (2) the date falling three (3) months after the date of Completion, undertake and complete all necessary steps to change the name of Axcelasia Lao and Axcelasia Vietnam to one which does not contain reference to “Axcelasia” or any part thereof.
- (b) Restrictions on the Company
 - (i) Subject to Paragraph 3.7(b)(ii) below, the Company undertakes with the Purchaser that it shall not, and shall procure that its Affiliates and its and their directors (save for Ms. Ong Su Faye, Mr. Tan See Yin, Datin Isharidah Binti Ishak and Ms. Lee Pih Peng) shall not, directly or indirectly, from the date of the SPA and up to eight (8) months after the date of the SPA:

LETTER TO SHAREHOLDERS

- (1) be engaged in or be economically interested in any business in Malaysia which is of the same or similar type to the business of the Sale Companies and which is in competition with the business of the Sale Companies as now carried on (“**Restricted Business**”);
 - (2) canvass or solicit the custom of any person who has within two (2) years prior to the Completion Date been a client in relation to the business of the Sale Companies; and/or
 - (3) induce or seek to induce the Chief Executive Officer or any key management employee, in each case of the Sale Companies to become employed whether as employee, consultant or otherwise by the Company or any of its Affiliates, provided that the Company or any of its Affiliates shall not be prohibited from employing any such person who responds to a general solicitation for employment contained in a newspaper or other periodical or websites.
- (ii) The restrictions set out under Paragraph 3.7(b)(i) above shall not operate to prohibit:
- (1) the Company or any of its Affiliates and their directors from holding or being interested in less than 5% of the issued share capital of any publicly traded and listed company that engages in the Restricted Business;
 - (2) the Company or any of its Affiliates from owning, holding or operating any other business, products or services that as of the Completion Date are owned, held or operated by any of the Company’s other businesses;
 - (3) the Company or any of its Affiliates from carrying on or being engaged in or being economically interested in the Restricted Business outside Malaysia; or
 - (4) the Company or any of its Affiliates from carrying on or being engaged in or being economically interested in the Restricted Business after such time as the Purchaser ceases to carry on or be engaged in or economically interested in the business carried on by the Sale Companies.
- (c) Access

Notwithstanding anything to the contrary contained in the SPA, the Purchaser has agreed to, for a period of 15 months after Completion, procure the relevant Sale Company to grant the Company reasonable access (during usual business hours or at other times by prior arrangement, all subject to not less than 24 hours’ notice) to all documents and records within the possession or control of the relevant Sale Company up to the Management Accounts Date for the sole purposes of meeting any audit, reporting, disclosure requirements under any applicable laws or regulations and responding to any enquiries from government, governmental, supranational or trade agency, court or other regulatory bodies.

LETTER TO SHAREHOLDERS

(d) Assignment of Trade Mark

Under the SPA, the Company has also agreed to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary to give effect to the terms of the Trade Mark Assignment Deed and to transfer and assign all of its right, title, goodwill and interest in and to the rights in the "AXCELASIA" trade mark to the Purchaser (or such other entity as may be designated by the Purchaser), free from all Encumbrances.

3.8 Limitation of Company's Liability

(a) Time Limitation for Claims

(i) Notwithstanding any other provision to the contrary in the SPA but subject to Paragraph 3.8(a)(iii) below, the Company shall not be liable under the SPA for breach of any Company's Warranty, indemnity, Leakages, or the SPA, and/or any claim in tort or common law unless:

(1) a notice of the claim is given by the Purchaser to the Company within eight (8) months from the date of the SPA; and

(2) proceedings are initiated by the Purchaser within one (1) month from the date of the Purchaser's receipt of the Company's response to the Purchaser's notice of claim (pursuant to Paragraph 3.8(a)(ii) below).

(ii) Without prejudice to Paragraph 3.8(a)(i) above, the Company agreed to respond in writing to the Purchaser's notice of claim as soon as reasonably practicable but in any event within seven (7) days from the date of notice of the Purchaser's claim.

(iii) The Parties further agreed that the time limitations set out under Paragraph 3.8(a)(i) above shall not apply to any claims in respect of breach of confidentiality obligations under the SPA, which contains the time limitation applicable to it, being from the date of the SPA up to the later of:

(1) eight (8) months after the date of the SPA; and

(2) the date on which the Undertaking Shareholders are no longer directors of, and no longer hold shares (or any other security giving rise to a right, or an interest, under any option, agreement or other arrangement (including conversion rights and rights of pre-emption) following the exercise of any such right) representing collectively 15% or more of shares in the capital of the Company.

LETTER TO SHAREHOLDERS

(b) Minimum Claims

Notwithstanding any other provision to the contrary in the SPA (save in respect of claims for Leakages), the Company shall not be liable under the SPA for breach of any Company's Warranties, indemnities, or the SPA and/or any claim in tort or common law (but excluding, for the avoidance of doubt, any claim for Leakages) in respect of any individual claim (or a series of claims arising from substantially identical facts or circumstances) where the liability agreed or determined (disregarding the provisions of this Paragraph 3.8(b)) in respect of any such claim or series of claims does not exceed:

- (i) in the case of a claim for any breach of any Company's Warranties or the SPA, and/or any claim in tort or common law, RM100,000; and
- (ii) in the case of a claim for any indemnities, RM30,000,

and where the liability agreed or determined in respect of any such claim or series of claims exceeds the relevant minimum amount, subject to Paragraph 3.8(c) below, the Company shall be liable to the Purchaser for the entire amount of any such claim or series of claims and not merely the amount of the excess.

(c) Maximum Liability

- (i) Notwithstanding any other provision to the contrary in the SPA but subject to Paragraph 3.8(c)(ii) below, the aggregate liability of the Company shall:
 - (1) for all claims howsoever arising (including where such claim arises or is increased as a result of a Fraudulent Action) in respect of (i) the Fundamental Warranties, (ii) any Leakages, (iii) indemnities given by the Company and/or (iv) claims arising from the breach of certain pre-Completion and post-Completion obligations under the SPA and confidentiality obligations, not exceed an amount equal to 100% of the Purchase Price in aggregate; and
 - (2) for all other claims howsoever arising under the SPA (including any claim in respect of the Company's Warranties (other than the Fundamental Warranties)) or any claims in tort or common law (other than the claims referred to in Paragraph 3.8(c)(i)(1) above), not exceed an amount equal to:
 - (A) 30% of the Purchase Price in aggregate; or
 - (B) where such claim arises or is increased as a result of a Fraudulent Action, 100% of the Purchase Price in aggregate.
- (ii) The Parties also agreed that the maximum liability of the Company for claims under Paragraphs 3.8(c)(i)(1) and 3.8(c)(i)(2) shall not exceed an amount equal to 100% of the Purchase Price in aggregate.

LETTER TO SHAREHOLDERS

3.9 Termination by the Purchaser

Without prejudice to all other rights or remedies available to it, including the right to claim damages (provided that the Purchaser shall not be entitled to claim damages against the Company for any event beyond the Company's control), the Purchaser shall be entitled, prior to Completion, by notice in writing to the Company to terminate the SPA (other than certain surviving provisions) with immediate effect, if the Company fails to remedy a breach of the nature below within ten (10) Business Days of receiving notice from the Purchaser requiring the Company to do so, in the event that:

- (a) the Company is in material breach of any of its pre-Completion obligations as set out in the SPA;
- (b) at any time prior to Completion, the Company is in breach of any Company's Warranty; or
- (c) an injunction (interim or otherwise) is granted in respect of the Company, any Sale Company, or the Purchaser, or any law is enacted, gazetted or passed, which would prohibit, restrict or delay (i) the Company or the Purchaser from entering into or performing their obligations under the SPA; or (ii) the implementation of the transactions contemplated by the SPA.

3.10 Termination by the Company

Without prejudice to all other rights or remedies available to it, including the right to claim damages (provided that the Company shall not be entitled to claim damages against the Purchaser for any event beyond the Purchaser's control), the Company shall be entitled, prior to Completion, by notice in writing to the Purchaser to terminate the SPA (other than certain surviving provisions) with immediate effect, if the Purchaser fails to remedy a breach of the nature below within ten (10) Business Days of receiving notice from the Company requiring the Purchaser to do so, in the event that:

- (a) the Purchaser is in material breach of any of its obligations under the SPA;
- (b) at any time prior to Completion, the Purchaser is in breach of any of its warranties under the SPA; or
- (c) an injunction (interim or otherwise) is granted in respect of the Company or the Purchaser, or any law is enacted, gazetted or passed, which would prohibit, restrict or delay (i) the Purchaser or the Company from entering into or performing its obligations under the SPA; or (ii) the implementation of the transactions contemplated by the SPA.

4. IRREVOCABLE UNDERTAKINGS

The Undertaking Shareholders have furnished undertakings dated 11 February 2020 ("**Irrevocable Undertakings**") to the Purchaser in respect of 102,904,160 Shares in aggregate held by them ("**Undertaking Shares**") pursuant to which they irrevocably undertake to the Purchaser that, amongst others, they will vote all their Undertaking Shares (representing 64.19% of the total issued shares in the capital of the Company (excluding treasury shares)) in favour of any resolution to approve the Proposed Divestment at any general meeting of the Company held to approve the Proposed Divestment.

LETTER TO SHAREHOLDERS

5. RATIONALE FOR THE PROPOSED DIVESTMENT AND USE OF PROCEEDS

- 5.1 The Board is of the view that the Proposed Divestment is in the best interests of the Company and its Shareholders after considering several factors including the Purchase Price, Permitted Dividends, Valuation and the current market capitalisation of the Company, and will facilitate to unlock shareholders' value.
- 5.2 Following Completion, the Group will consist of the Company and its remaining subsidiaries, namely, (a) Axcelasia Singapore Pte Ltd, (b) Axcelasia Lao, (c) Axcelasia Vietnam, and (d) Audex Governance. Historically, the remaining subsidiaries have not contributed significantly to the Group's revenue and the Board is considering various options available to the Company after Completion which the Company will update Shareholders on in due course.
- 5.3 The Board may also consider distributing the proceeds from the Proposed Divestment to Shareholders by way of dividend after assessing the cash flow needs of the Company, taking into account the proposed future plans for the Company. The Board wishes to emphasise that no decision on the amount and timing of distribution has been decided and Shareholders will be informed in due course once a definitive decision has been made.

6. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

6.1 General

The computation of NTA per Share and EPS is based on the Group's latest announced unaudited consolidated financial statements for FY2019. The financial effects are purely for illustrative purposes and may not reflect the actual effects of the Proposed Divestment on the Group.

6.2 NTA per Share

Assuming that the Proposed Divestment had been completed on 31 December 2019, the illustrative effects of the Proposed Divestment on the consolidated NTA per Share are set out below:

	Before the Proposed Divestment	After the Proposed Divestment
Consolidated NTA (RM)	31,298,957	93,266,107 ⁽¹⁾
No. of Shares (excluding treasury shares)	160,310,300	160,310,300
Consolidated NTA per Share (sen)	19.52	58.18

Note:

- (1) The computation of the illustrative consolidated NTA after the Proposed Divestment takes into account the proceeds from the Proposed Divestment and the Permitted Dividend.

LETTER TO SHAREHOLDERS

6.3 EPS

Assuming that the Proposed Divestment had been completed on 1 January 2019, the illustrative effects of the Proposed Divestment on the EPS are set out below:

	Before the Proposed Divestment	After the Proposed Divestment
Profits attributable to Shareholders (RM)	2,743,283	74,809,523 ⁽¹⁾
No. of Shares (excluding treasury shares)	160,310,300	160,310,300
Consolidated EPS (sen)	1.71	46.67

Note:

(1) The computation of the illustrative profit attributable to Shareholders after the Proposed Divestment takes into account the proceeds from the Proposed Divestment and the Permitted Dividend.

The Company expects to record a gain from the Proposed Divestment (being the excess of proceeds from the Proposed Divestment over the book value of the Sale Companies) of RM64,868,680, and aggregate returns of RM74,234,429 (after taking into account the Permitted Dividends).

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 As at the Latest Practicable Date, the Directors' interests in the issued and paid-up share capital of the Company as recorded in the Register of Directors' Shareholdings and the interests of the Substantial Shareholders in the issued and paid-up share capital of the Company as recorded in the Register of Substantial Shareholders were as follows:

Directors/Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽⁹⁾	No. of Shares	% ⁽⁹⁾
Directors				
Dr. Veerinderjeet Singh a/l Tejwant Singh ⁽¹⁾	23,932,500	14.93	900,000	0.56
Dato' Tang Swee Guan ⁽²⁾	37,852,700	23.61	3,444,000	2.15
Mr. Ranjit Singh a/l Taram Singh	41,118,960	25.65	–	–
Mr. Tan See Yin	–	–	–	–
Ms. Lee Pih Peng	–	–	–	–
Datin Isharidah Binti Ishak	–	–	–	–
Substantial Shareholders (other than Directors)				
MTD Equity Sdn Bhd ⁽³⁾	–	–	15,214,000	9.49
MTD Capital Bhd ⁽⁴⁾	–	–	15,214,000	9.49
Nikvest Sdn Bhd ⁽⁵⁾	–	–	15,214,000	9.49
Alloy Consolidated Sdn Bhd ⁽⁶⁾	–	–	15,214,000	9.49

LETTER TO SHAREHOLDERS

Directors/Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽⁹⁾	No. of Shares	% ⁽⁹⁾
Alloy Capital Sdn Bhd ⁽⁷⁾	–	–	15,214,000	9.49
Nik Fuziah Binti Nik Hussein, Puan Sri ⁽⁸⁾	–	–	15,214,000	9.49

Notes:

- (1) Dr. Veerinderjeet Singh a/l Tejwant Singh is deemed interested in the shares held by his spouse, Ms Rajinderpal Kaur.
- (2) Dato' Tang Swee Guan is deemed interested in the shares held by his spouse, Datin Chai Seow Lin.
- (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, Puan Sri 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, Puan Sri 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).
- (9) The percentage is calculated based on issued number of Shares of the Company of 160,310,300 (excluding treasury shares) as at the Latest Practicable Date.

7.2 Save as disclosed in this Circular, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Divestment.

8. BOARD'S RECOMMENDATION

The Board, having considered several factors including the Purchase Price, Permitted Dividends, Valuation, the current market capitalisation of the Company, and the fact that the Proposed Divestment will facilitate the unlocking of shareholders' value, is of the view that the Proposed Divestment is in the best interests of the Company and the Shareholders. Accordingly, the Board recommends that the Shareholders vote in favour of the Ordinary Resolution.

LETTER TO SHAREHOLDERS

9. SERVICE AGREEMENTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Divestment.

For completeness of disclosure, as one of the Completion deliverables, management service agreements will be entered into between the relevant Sale Company and certain key management employees, which excludes any of the Directors.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular will be held at RNN Conference Centre Pte Ltd, 137 Cecil Street, #04-01 HengDa Building, Singapore 069537 on 12 March 2020 at 11.30 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the Ordinary Resolution.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

- 11.1 Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form.
- 11.2 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Registrar and Transfer Agent, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- 11.3 A Depositor shall not be regarded as a Shareholder and shall not be entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at forty-eight (48) hours before the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Secretary, Drewcorp Services Pte Ltd, at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 during normal business hours for a period of three (3) months from the date of this Circular:

- (a) the SPA;
- (b) the Valuation Report; and
- (c) the Memorandum and Articles.

Yours faithfully

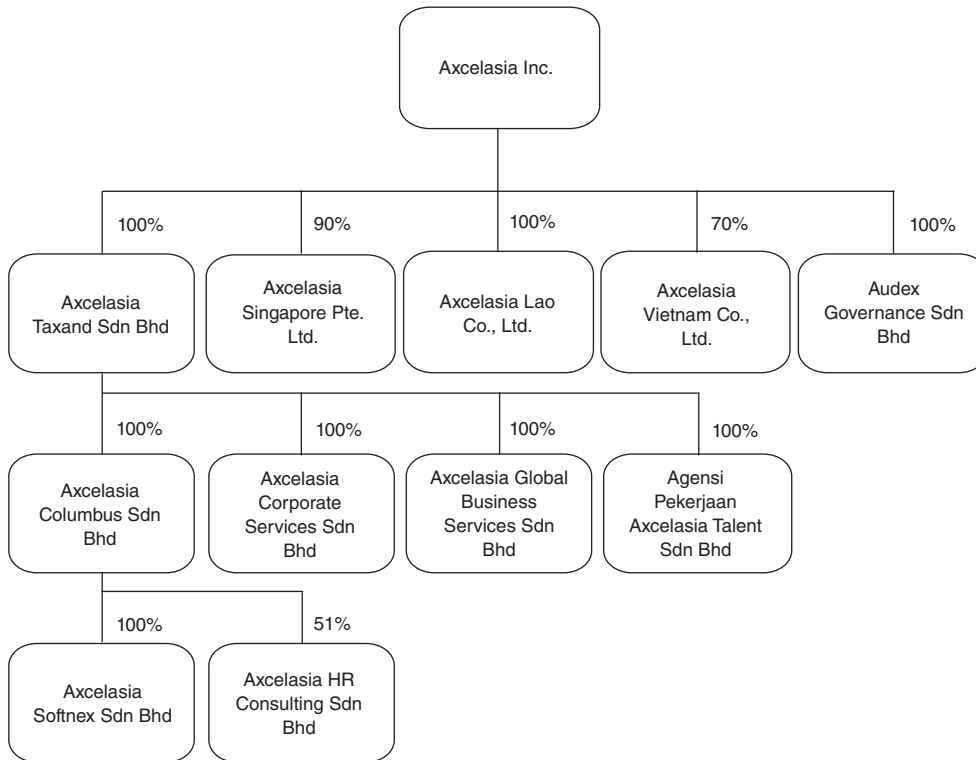
For and on behalf of the Board of Directors of
Axcelasia Inc.

Ranjit Singh a/l Taram Singh
Group Chief Executive Officer and Executive Director

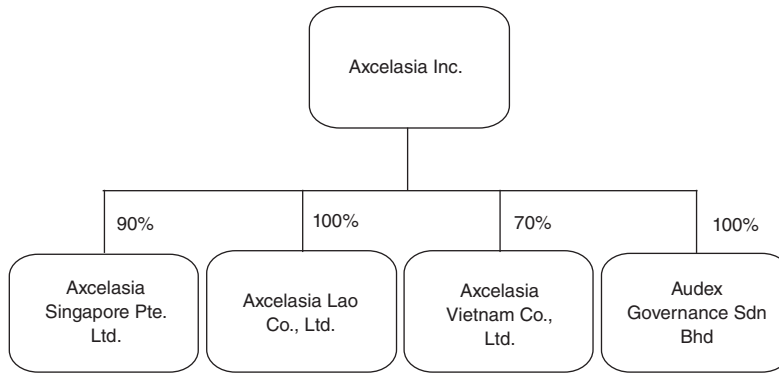
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APPENDIX A – GROUP STRUCTURE

Group Structure as at the Latest Practicable Date



Group Structure Post-Completion



APPENDIX B – VALUATION REPORT

GEP ASSOCIATES AF1030
CHARTERED ACCOUNTANTS
An Independent member firm of AGN International Ltd

agn 
INTERNATIONAL
Offices in principal cities worldwide

16 January 2020

The Board of Directors
Axcelasia Taxand Sdn Bhd
Suite 13A.02, Level 13A, Wisma Goldhill
67, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia.

Attention: Dato' Peter Tang

Dear Sirs,

SHARE VALUATION ON AXCELASIA TAXAND SDN BHD GROUP (“AXCELASIA TAXAND GROUP”)

1. TERM OF REFERENCE

Our term of reference is to give an opinion on the share valuation based on various methods of valuation.

We did not perform any legal review to interpret the enforceability of the agreements Axcelasia Taxand Group has entered into, to ascertain if there are restrictive covenants therein or whether Axcelasia Taxand Group has complied with the terms of such agreements. We therefore do not express an opinion nor provide any assurance therein.

2. SOURCE OF INFORMATION

The main sources of information are :

- a) Information contained in the audited financial statements for the year ended 31 December 2017, 31 December 2018 and the unaudited management accounts for the year ended 31 December 2019.
- b) Accounting and other records and relevant documents maintained by Axcelasia Taxand Group.
- c) Information and explanations obtained from the discussion with the management and staff of Axcelasia Taxand Group.

APPENDIX B – VALUATION REPORT

GEP ASSOCIATES
Chartered Accountants

- d) Information obtained from the Company's secretary.
- e) Information obtained from the Company's tax agent.

3. INFORMATION ON AXCELASIA TAXAND GROUP

The companies that are considered for share valuation purpose (refer appendix I) and further information on each companies are set out below:

- a) Axcelasia Taxand Sdn. Bhd. ("ACT")
ACT is a private limited company incorporated in Malaysia, with an issued share capital of RM350,000 comprising 350,000 ordinary shares. ACT's principal activities are that of provision of tax compliance, tax advisory services as well as training and knowledge management services.
- b) Axcelasia Columbus Sdn. Bhd. ("ACC"), Axcelasia Softnex Sdn. Bhd. ("ACS") & Axcelasia HR Consulting ("ACHR")
ACC is a private limited company incorporated in Malaysia, with an issued share capital of RM1,150,000 comprising 1,150,000 ordinary shares. ACC's principal activities are that of investment holding and the provision of management consultancy services. ACC's wholly-owned subsidiary, ACS, is a private limited company incorporated in Malaysia, with an issued share capital of RM250,000 comprising 250,000 ordinary shares. ACS is engaged in software development and consulting. ACC's 51% owned subsidiary, ACHR, is a private limited company incorporated in Malaysia, with an issued share capital of RM200,000 comprising 200,000 ordinary shares. ACHR is engaged in human resource consulting and advisory.
- c) Axcelasia Global Business Services Sdn. Bhd. ("AGBS")
AGBS is a private limited company incorporated in Malaysia, with an issued share capital of RM100,000 comprising 100,000 ordinary shares. AGBS's principal activities are that of provision of accounting, payroll and administration support outsourcing services.

APPENDIX B – VALUATION REPORT

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d) Axcelasia Corporate Services Sdn. Bhd. (“ACCS”)

ACCS is a private limited company incorporated in Malaysia, with an issued share capital of RM25,000 comprising 25,000 ordinary shares. ACCS’s principal activity is engaged in the businesses of providing management and secretarial services.

4. METHODS OF VALUATION

There are various methods available for the purpose of valuing a business. The selection of the most appropriate method would depend on the facts and circumstances of the particular business. The most commonly used valuation methods are the income (discounted cash flow), market (earnings) and cost (net tangible assets) approaches, with their relative measures and appropriateness are considered in the rest of the Report.

Discounted Cash Flow

The discounted cash flow (“DCF”) method establishes a value based on the present value of projected net cash flow and residual value of the earning assets. This concept recognises that future income from earning and ultimate liquidation of the company have to be discounted by an appropriated rate which reflects expected interest rate, risks and inflation rates in order to determine a worth in today’s money terms. In practice, cash flow estimates are subject to numerous subjective assumptions.

Earnings

This technique is an attempt to capitalise the expected future maintainable earnings by applying a certain price earnings (“PE”) multiple to it. It is most suitable as a tool when the earnings stream can be estimated with a reasonable degree of certainty. The PE multiple to be applied is generally arrived at through comparative analysis of companies with similar sizes and industries.

The PE ratio of listed companies can be used to provide a basis for the valuation of non-listed companies carrying on a similar type of business, with an appropriate “discount” factor being made to account for the non-liquidity in the transfer of shares.

APPENDIX B – VALUATION REPORT

GEP ASSOCIATES
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The maintainable earning of the business represents the asset value derived from the future profits. It incorporates an element of premium on future profits in the cost of shares. In computing maintainable earning, the profits for the past two years are considered. It would also include the anticipated level of future profits which has been forecasted. Appropriate weighting are assigned to the results of the years to reflect the proper "weighting" or emphasis to be placed on the results of those years.

This method of valuation is based on the assumption that the value of the business is reflected by the profit that can be earned by the business in the future.

Net Tangible Assets

Net tangible assets ("NTA") represent the total assets (excluded intangible assets, e.g. goodwill) less total liabilities.

This NTA method involves the valuation of the entire business by reference to its NTA and the division of the resultant value by the number of share in issue to give the value per share. It represents the net worth attributable to equity holder.

This method of valuation is used in the basis that the NTA represent the fair value of the asset under consideration and which are to be used by the business to generate future income.

However, the adjusted NTA method is most appropriate when the value of the assets in some way equates to the potential earning power of the company in question.

Accordingly, this method is preferred for valuing asset-based companies such as real estate investment companies.

For practical purposes, the latest available statement of financial position is taken into consideration to indicate the book NTA as at the statement of financial position. Usually, the major non-current assets and investments are revalued to reflect their current values, particularly in situation where substantial appreciation has taken place in order to arrive at an adjusted NTA value.

APPENDIX B – VALUATION REPORT

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5. FACTORS AFFECTING VALUATION

The valuation of unquoted shares is dependent upon individual judgement. There are many complex factors which should be taken into account when valuing shares. All the information available, quantitative and qualitative, on the company should be evaluated and given due emphasis. Some of these factors are discussed below :

a) *Level of shareholdings*

It has been long recognised that the percentage of total equity that a shareholding represents has an important bearing on the valuation of the holding. It is clear that an interest in excess of 50%, a majority interest, will normally carry a higher value per share than the share comprising a minority interest where the degree of control exercised by the shareholders is less.

b) *Special Purchaser*

A “special purchaser” may have reason to pay relatively higher price per share than otherwise. For example, someone in a position to gain control or consolidate control as a result of already having an equity interest in the target company is likely to offer a premium price for the addition purchase of equity. Similarly, someone who is related to the nature of business of target company through association as a competitor would fall into this special category of prospective purchasers.

6. EXECUTIVE SUMMARY

Share valuation

As mentioned in Paragraph 4 of this Report, we have reviewed the three approaches of shares valuation and our findings are as follows:

Net Tangible Assets (“NTA”)

As NTA is more appropriate to use in valuing an asset based company, we will not comment on the valuation under this approach as Axcelasia Taxand Group is not an asset based company.

APPENDIX B – VALUATION REPORT

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Discounted Cash Flow (“DCF”)

As the DCF method is forward-looking and depends more on future expectations rather than historical results. This approach was not adopted as there is no financial projections available beyond financial year ended 31 December 2019.

Earnings

In our opinion and after discussing with the Directors of Axcelasia Taxand Group, the earnings method is the most appropriate approach as the earnings stream can be estimated with a reasonable degree of certainty.

Valuation computation

The earnings used to compute total value of business are based on profit after tax. We have considered the three scenarios (refer appendix III) and of the opinion that PE ratio of 14 times is fair and reasonable for valuation of the Axcelasia Taxand Group.

In our opinion, the total value of business based on the earnings method is computed as follows:

Weighted average earnings (refer appendix II)	RM4,843,900
PE ratio (as above)	14
Total value of business	RM67,814,600

We would emphasize, however, the final value should be one that is agreed between a willing buyer and a willing seller.

7. VALUATION ASSUMPTIONS

The following assumptions have been taken into consideration in carrying out the valuation:

General assumptions:

- a) Axcelasia Taxand Group will continue operations as a going concern and there are no factors which would seriously affect its ability to match the industry's performance generally.

APPENDIX B – VALUATION REPORT

GEP ASSOCIATES
Chartered Accountants

- b) In carrying out the valuation, the current and future economic and financing conditions have not been taken into consideration. It has been assumed that operating conditions will not be materially affected by new government policies or by the introduction of new legislation and regulatory guidelines.
- c) Reliance has been placed upon the results reflected in the audited/unaudited accounts of Axcelasia Taxand Group. It is assumed that no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year of the respective companies and the date of this report which is likely to affect substantially the current earnings capability, or the carrying value of any asset of the said companies.
- d) No changes in the capital structure of the companies subsequent to their financial year ends to the date of this Report.
- e) It has been assumed that the financial information in the audited financial statements and unaudited management accounts for the purpose of the valuation are materially correct.
- f) It is assumed that there would be no major fluctuation in the foreign exchange rates and the resultant exchange gain or loss would not be material to be considered for this valuation purpose.
- g) There will be no restrictions in the companies' Memorandum and Articles/Constitution on transfer of shares and the level of shareholding. There are also no restrictions on the transfer of shares imposed by any relevant Government authorities.
- h) There were no material unrecorded liabilities to be taken up into consideration for the purpose of this exercise.
- i) Income tax in the Company had been filed to Inland Revenue Board (IRB) up to year of assessment 2018. It is assumed that there will be no further tax liabilities apart from those that had been filed to the IRB and also in event there is a field audit/investigation by the IRB.

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Specific assumptions:

- a) Malaysian Financial Reporting Standards (MFRS) 16 Leases which is effective from 1 January 2019 has not been reflected by Axcelasia Taxand Group in the year ended 31 December 2019 financial statements as it does not have a material impact on the valuation.
- b) Inter company transactions within the Axcelasia Taxand Group are eliminated.

8. INDEPENDENCE

We are independent of the Axcelasia Taxand Group and Axcelasia Inc. as the engagement team for the share valuation exercise does not have any personal or family connections with the companies and its officers. The engagement team or any immediate family members also do not have any financial involvement in the Axcelasia Taxand Group and Axcelasia Inc. in respect of any beneficial interest in shares of Axcelasia Inc.

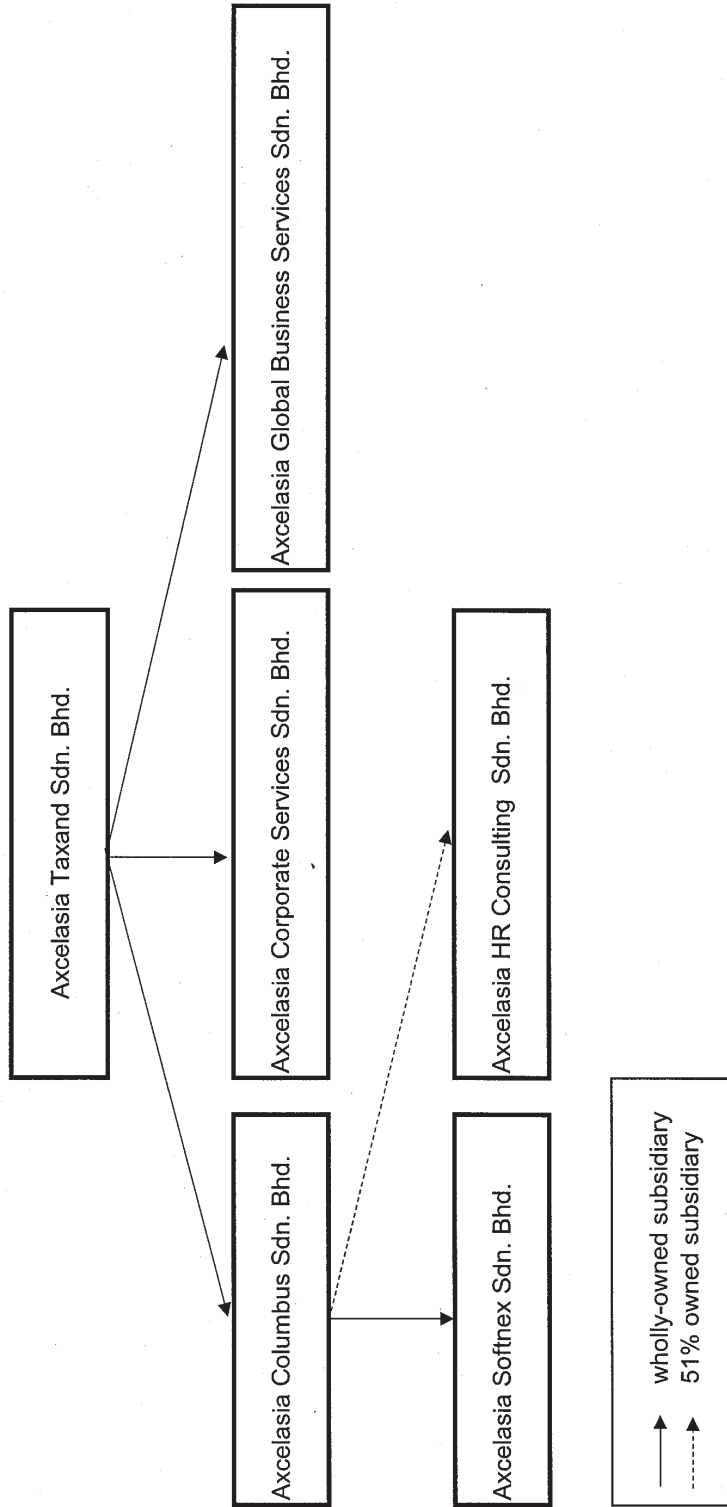
We would like to record our appreciation for the assistance we received from the staff of the company during the course of our work.

Yours faithfully,

GEP Associates

Appendix I

AXCELASIA TAXAND SDN. BHD. GROUP STRUCTURE (FOR VALUATION PURPOSE)



APPENDIX B – VALUATION REPORT

Appendix II

EARNINGS BASIS VALUATION OF BUSINESS (in RM'000)

AVERAGE WEIGHTED EARNINGS

Year	Annual Earnings	Weight	Weighted Annual Earnings
2018	4,112.2	1	4,112.2
2019	5,209.8	2	10,419.6
	Total	3	14,531.8
Weighted Annual Earnings / 3			4,843.9

Notes to the earnings basis of valuation:-

- 1) Financial projections beyond financial year ended 31 December 2019 were not available for valuation purpose.
- 2) For 2019, it is based on the unaudited management accounts.
- 3) For 2018, it is based on the audited financial statements.
- 4) The computation of the weighted annual earnings is based on 2 years. More weighting is assigned to 2019 than 2018 to emphasize the most current financial results.

APPENDIX B – VALUATION REPORT

Appendix III

THREE SCENARIOS ON DETERMINATION OF PE RATIO

- 1) The PE ratio of five companies listed on the Bursa Malaysia Securities Berhad (“Bursa Securities”) and two companies listed on the Singapore Exchange Limited (“SGX”) as per Appendix IV is considered for the share valuation purpose. It should be noted that there are no companies listed on Bursa Securities or SGX are directly comparable to the Axcelasia Taxand Group in terms of, inter-alia, composition of business activities, scale of operations, asset base, geographical spread of activities, marketability and liquidity of shares, profit track record, financial strength, risk profile and future prospects. As such, the abovementioned seven companies are selected on the basis that their core business is that of provision of services and they are in different line of service industries.

It is noted that Axcelasia Taxand Group has its competitive strengths as below:-

- i) Established a track record and won numerous awards and recognition for its tax advisory services, and also the forerunner in providing Enterprise Risk Management (ERM) and business continuity consultancy services in Malaysia;
- ii) Has the ability to tap into synergies across business segments to provide one-stop professional services including tax advisory, business consultancy, enterprise management system application and business support, which can be integrated to provide customised solutions to meet clients’ needs efficiently; and
- iii) Leverages on Taxand’s group large existing client base and relatively flat management structure, allowing Axcelasia Taxand Group to provide quality professional advice at cost-effective fees to clients.

The average PE ratio of the seven public listed companies selected is **14.44 times** (refer Appendix IV). This will normally be discounted due to the non-liquidity in the transfer of shares. However, the discount is compensated by the competitive strengths of the Axcelasia Taxand Group as stated above.

- 2) PE ratio for the recently acquisition of a group of companies in the similar business nature of Axcelasia Taxand Group is considered.

In August 2018, Boadroom Limited, a Company incorporated in the Republic of Singapore, acquired Symphony Corporatehouse Sdn. Bhd., Sky Corporate Services

APPENDIX B – VALUATION REPORT

Sdn. Bhd., Symphony Share Registrars Sdn. Bhd. and Malaysian Issuing House Sdn. Bhd. (jointly known as “Symphony group”), for an aggregate consideration of RM164.139 million. Based on the unaudited pro forma consolidated financial statements of Symphony group for the financial year ended 31 March 2018, the pro forma profit after tax of Symphony group for the said financial year is approximately RM8.86 million.

Based on the above information, we have computed the PE ratio for the acquisition to be **18.53 times**. Symphony group was able to command a high PE ratio of 18.53 times for the following reasons:-

- i) After acquisition of Symphony group, Boardroom Limited has become the largest share registry and corporate service provider in Malaysia;
 - ii) The acquisition has immediate benefit to Boardroom Limited in term of increase in profit; and
 - iii) This is considered a special purchaser as stated in paragraph 5(b) in our valuation report.
- 3) As extracted from Bloomberg website dated 16 January 2020, the current PE ratio of Axcelasia Inc., the holding company of Axcelasia Taxand Sdn. Bhd. is **13.05 times**. In consideration that the holding company, Axcelasia Inc. and subsidiaries outside the group of Axcelasia Taxand Group are incurring losses, we opined that the PE ratio of Axcelasia Taxand Group should be higher than 13.05 times.

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Appendix IV

PE RATIO OF SEVEN SELECTED PUBLIC LISTED COMPANIES

Company	PE Ratio	Average PE Ratio
Innity Corp	14.65	
Freight Management	13.63	
My EG Services	16.47	
GFM Services	12.18	14.44
Esthetics International Group	16.36	
Kingsmen Creatives Ltd	15.03	
HRnetgroup Ltd	12.79	

Source: Bloomberg (16/1/2020)

Details of the five selected public listed companies are as below:-

Name of company	Principal activities	Country of listing	Market capitalisation
Innity Corp Bhd.	Innity Corp Bhd. is a digital marketing company. The Company provides online advertising solutions	Malaysia	RM60,510,000
Freight Management Holdings Bhd	Freight Management Holdings Bhd, through its subsidiaries, provides freight and warehousing services on an international basis. The Company provides sea, air, and rail freight services, warehousing and distribution, customs brokerage, road transportation, and project management.	Malaysia	RM171,722,000
My EG Services Bhd	My E.G. Services Bhd provides E-Services between the Malaysian Government and its citizens and businesses. The Company's services include electronic delivery of driver and vehicle registrations, licensing and summons services and utility bill payments.	Malaysia	RM3,914,000,000
GFM Services Bhd	GFM Services Bhd provides facility management and advisory services. The Company offers facility planning and development, operation, maintenance, asset life cycle replacement, and strategic management services.	Malaysia	RM132,240,000
Esthetics International Group Bhd	Esthetics International Group Bhd is an investment holding company. The Company, through its subsidiaries, develops and distributes skin care and wellness products, and provides skin care services. Esthetics also imports and distributes skin care and hair care products, cosmetics and beauty equipment, rents motor vehicles and property, and acquires patents.	Malaysia	RM124,527,000
Kingsmen Creatives Ltd	Kingsmen Creatives Limited specialize in the design and production of exhibits for exhibitions, museums, visitor centers, events, promotional functions and festivities. The Company also designs and produces interiors for retail stores, eateries, corporate offices, showrooms, and other commercial interiors.	Singapore	SGD83,019,000
HRnetgroup Ltd	HRnetgroup Limited provides consultancy services. The Company offers talent acquisition, performance consultancy, soft skills development, and graduate training services.	Singapore	SGD614,314,000

Source: Bloomberg (16/1/2020)

NOTICE OF EXTRAORDINARY GENERAL MEETING

AXCELASIA INC.

(Company Registration No.: LL12218)
(Incorporated in Labuan and Listed on SGX-Catalist)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of AXCELASIA INC. (“**Company**”) will be held at RNN Conference Centre Pte Ltd, 137 Cecil Street, #04-01 HengDa Building, Singapore 069537 on 12 March 2020 at 11.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meanings as ascribed to them in the circular dated 25 February 2020 issued by the Company.

ORDINARY RESOLUTION: THE PROPOSED DIVESTMENT

THAT approval be and is hereby given:

- (a) for the disposal by the Company of the entire issued and paid-up capital in Axcelasia Taxand Sdn Bhd (“**AT**”) to the Purchaser (“**Proposed Divestment**”), on the terms and subject to the conditions of the SPA, for an aggregate consideration of RM69,700,000; and
- (b) that all the Directors and each of them be and are hereby authorised and empowered to do all acts and things as they or he may consider necessary or expedient to give effect to the Proposed Divestment, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modifications to any document (if required).

By Order of the Board

Ranjit Singh a/l Taram Singh
Group Chief Executive Officer and Executive Director
25 February 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. A member of the Company entitled to attend and vote at the EGM 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 his 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 shall vote or abstain as he/she 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/her 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 by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting.
7. The signature on the instrument appointing a proxy need 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.
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 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.

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 EGM.

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 EGM 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 (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (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 "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

AXCELASIA INC.

(Company Registration No.: LL12218)

(Incorporated in Labuan and Listed on SGX-Catalist)

PROXY FORM EXTRAORDINARY 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 Extraordinary General Meeting (the "EGM") of the Company, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held at RNN Conference Centre Pte Ltd, 137 Cecil Street, #04-01 HengDa Building, Singapore 069537 on 12 March 2020 at 11.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM 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 matter arising at the EGM and at any adjournment thereof.

The resolution put to vote at the EGM shall be decided by poll.

Ordinary Resolution	For*	Against*
The Proposed Divestment		

* 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.

Signed this _____ day of _____ 2020

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

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

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

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 EGM 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 abstain 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 by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting.
8. The signature on the instrument appointing a proxy need 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 068898, not less than forty-eight (48) hours before the time appointed for holding the EGM.

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 EGM.

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 EGM dated 25 February 2020.