



Axcelasia Inc.

(Company Registration No.: LL12218)

(A Company incorporated under the Labuan Companies Act 1990, Malaysia)

CORPORATE AND BUSINESS UPDATE

The Board of Directors (the “Board”) of Axcelasia Inc (“Axcelasia” or together with its subsidiaries, the “Group”) wishes to provide a corporate and business update following what had been indicated in its offer document dated 18 November 2015 (“Offer Document”) in relation to its initial public offering (“IPO”).

I. Brief Background of the Group’s Businesses and Operating Environment

Axcelasia is a Malaysia-based company that listed on the Singapore Exchange’s Catalist Board on 27 November 2015. As part of the restructuring leading up to the listing, the Group combined four business entities under the Axcelasia umbrella, namely

- (i) tax advisory under Taxand Malaysia Sdn. Bhd.;
- (ii) business consultancy under Axcelasia Columbus Sdn. Bhd. (formerly known as Columbus Advisory Sdn. Bhd.) and Axcelasia HR Consulting Sdn. Bhd. (formerly known as Columbus HR Consulting Sdn. Bhd.);
- (iii) enterprise management services under Axcelasia Softnex Sdn. Bhd. (formerly known as Columbus Softnex Sdn. Bhd.); and
- (iv) business support services under Axcelasia Global Business Services Sdn. Bhd. (formerly known as PTA Global Business Services Sdn. Bhd.) and Axcelasia PTA Corporate Services Sdn. Bhd. (formerly known as PTA Corporate Services Sdn. Bhd.).

The Group is led by three Executive Directors, Dr. Veerinderjeet Singh, Dato’ Peter Tang, and Mr. Ranjit Singh, who are industry veterans with more than 95 years’ combined industry experience.

Axcelasia’s business units, staffed by 90 people, are located in the Klang Valley, Malaysia. The Group currently derives almost all its revenue in Malaysian ringgit.

Axcelasia’s IPO has served as a major catalyst to raise the Group’s profile, widen its range of professional services and expand beyond Malaysia. With a stronger balance sheet following the IPO (which raised net proceeds of approximately S\$7.58 million), the Group intends to capitalise on opportunities arising from the recent formalisation of the ASEAN Economic Community (“AEC”), increasing demand in the region for digital transformation, opportunities for shared services and off-shoring, as well as for risk management and risk mitigation strategies among corporates.

Axcelasia believes that the restructuring and IPO confer the Group with a compelling and competitive suite of services under a unified platform and management structure. This will enable it to allow the Group to remain cost-effective even as it expands within Malaysia and in the ASEAN region.



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II. Outline of Strategic Direction

In line with the business strategies and future plans disclosed in the Offer Document, the Group intends to execute three post-IPO strategies:

1. Asset-light geographical expansion in Malaysia and ASEAN region;
2. Expansion of portfolio of services to develop new revenue streams; and
3. Harnessing of economies of scale arising from business growth.

A. Asset-light geographical expansion in Malaysia and ASEAN region;

While operations in the Klang Valley currently account for the bulk of its revenue, the Group is seeking to expand in other Malaysian cities such as Johor Bahru and Penang as well as in the ASEAN region.

Axcelasia will adopt an asset-light expansion strategy, with its high-margin core competency in business consultancy as a primary service offering. It intends to establish joint ventures, strategic alliances, and/or mergers and acquisitions with low start-up and operating costs. This asset-light strategy will allow the Group to mitigate risks while leveraging on its existing clientele or relationships in the areas of expansion.

Earlier this year, Axcelasia established an office in Singapore, the domicile of its public listing. The Singapore operations will serve as a springboard to other markets in the ASEAN region and enhance the Group's interaction with its shareholders and the investment community. The Singapore office will initially focus on business consultancy before expanding to include tax advisory and corporate secretarial services.

Axcelasia is expanding at a time when the AEC, which seeks to form a single market and production base amongst 10 ASEAN countries, has just been formalised. The Group believes that the professional services industry – the sub-sector it operates in – will benefit from greater regional cooperation with the introduction of initiatives such as free flow of skilled labour and harmonisation of financial regulation.

Axcelasia targets to establish operations in at least three other ASEAN cities within the next 18 months. Accordingly, it expects non-Malaysian operations to commence revenue contribution by FY2016.

B. Expansion of portfolio of services to develop new revenue streams;

Having established a foundation of integrated professional services, the Group intends to offer complementary services to increase value to customers and attract a wider range of clients. The diversification will also create additional and recurring revenue streams while enhancing profits.



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The Group has identified share registrar services and corporate finance advisory as two potential offerings, to start with. It is currently in discussions with potential parties and will update shareholders on any material developments.

C. Harnessing of economies of scale arising from business growth

The Group will be able to capture economies of scale as business grows and from centralising various management and operational functions. By capitalising on its expertise in business consultancy, it will be able to significantly streamline internal and operating efficiencies as it expands.

Since its listing, the Group has integrated administrative functions of various subsidiaries and aligned human resource processes, financial and investment procedures, business continuity planning, accounting and corporate secretarial services, amongst others. These initiatives are expected to translate into internal and operational cost improvements.

Even as the Group expands in the region, it intends to use its Klang Valley operations as a centre for shared and outsourced services. This will yield economies of scale including the advantage of a relatively weak Malaysian ringgit.

III. Outlook

In view of the above strategies and barring unforeseen circumstances, the Group is optimistic of its performance in FY2016, and expects that:

- 1) its non-Malaysian revenue will commence contributions from FY2016 as its network of operations across ASEAN increases;
- 2) it will achieve greater economies of scale and efficiency with the use of the Klang Valley as a centre for shared services; and
- 3) it will explore strategic alliances or mergers and acquisitions to expand its range of services.

BY ORDER OF THE BOARD

Dr. Veerinderjeet Singh
Executive Chairman
1 March 2016

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 announcement 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 announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or



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correctness of any of the information, statements or opinions made or reports contained in this announcement.

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