

Axcelasia Inc.
(Incorporated in Labuan)
(Company Registration No. LL12218)

**Unaudited Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 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 (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

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

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

Background

The Company was incorporated in Labuan on 21 August 2015 under the Labuan Companies Act as a company limited by shares under the name of "Axcelasia Inc.". The Company and its subsidiaries (the "**Group**") provides integrated professional services mainly in Malaysia to government-linked entities, private and public listed companies and multinational corporations. Prior to the listing on the Catalist of the SGX-ST on 27 November 2015, the Group undertook a restructuring exercise (the "**Restructuring Exercise**"). Please refer to the Company's offer document dated 18 November 2015 for further details on the Restructuring Exercise. As such, the results of the Group for the financial year ended 31 December 2015 were presented in a manner on the basis that the Restructuring Exercise has been completed on 22 October 2015.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Full Year Ended		Change %
	31 December 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000	
Revenue	16,175	25,300	(36.07)
Other income - net	390	876	(55.48)
	16,565	26,176	(36.72)
Expenses			
- Depreciation of property, plant and equipment	(342)	(254)	34.65
- Employee compensation	(12,432)	(9,327)	33.29
- Referral fees and research charges	(27)	(137)	(80.29)
- Rental on operating lease and maintenance	(1,103)	(702)	57.12
- Subcontractors' fee	(2,079)	(3,745)	(44.49)
- Other expenses	(3,665)	(2,205)	66.21
Total expenses	(19,648)	(16,370)	20.02
(Loss)/profit before income tax	(3,083)	9,806	(131.44)
Income tax expense	(307)	(1,965)	(84.38)
Net (loss)/profit	(3,390)	7,841	N.M.
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - Gains	72	-	N.M.
Total comprehensive (loss)/income	(3,318)	7,841	N.M.
(Loss)/profit attributable to:			
Equity holders of the Company	(3,133)	7,866	N.M.
Non-controlling interests	(257)	(25)	N.M.
	(3,390)	7,841	N.M.
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(3,080)	7,866	N.M.
Non-controlling interests	(238)	(25)	N.M.
	(3,318)	7,841	N.M.

N.M. – Not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

(Loss)/Profit for the financial year is stated after charging/(crediting) the following:	Full Year Ended	
	31 December 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
<i>Interest Income</i>		
Fixed deposits interest income	(606)	(53)
Interest income	-	(6)
Bank deposit interest income	(31)	(3)
Depreciation of property, plant and equipment	342	254
<i>Rental and maintenance</i>		
Rental of office and car park	974	561
Upkeep of office and office equipment	87	68
Upkeep of motor vehicle	-	44
Website maintenance	42	29
<i>Other expenses</i>		
Travelling	506	526
Insurance	151	190
Seminar and training	72	159
Audit fee	197	155
Trade receivables written off	186	-
Goodwill written off	14	-
Professional fees (Internal audit, sponsorship, investor relations, secretarial and other professional fee)	530	-
Property, plant and equipment written off	5	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 December 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000	31 December 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
ASSETS				
Current assets				
Trade and other receivables	5,190	6,603	459	2,033
Income tax recoverables	1,028	-	-	-
Cash and cash equivalents	25,328	28,982	20,378	23,269
	31,546	35,585	20,837	25,302
Non-Current assets				
Property, plant and equipment	1,636	795	283	-
Investments in subsidiary corporations	-	-	6,262	4,832
Development cost in progress	-	306	-	-
	1,636	1,101	6,545	4,832
Total assets	33,182	36,686	27,382	30,134
LIABILITIES				
Current liabilities				
Trade and other payables	1,822	2,020	309	212
Current tax liabilities	12	588	-	-
	1,834	2,608	309	212
Non-current liabilities				
Deferred tax liabilities	14	20	-	-
Total liabilities	1,848	2,628	309	212
NET ASSETS	31,334	34,058	27,073	29,922
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	27,818	27,818	27,818	27,818
Merger reserve	(2,692)	(2,692)	-	-
Other reserve	52	-	-	-
Retained profits/ (accumulated losses)	5,776	8,908	(745)	2,104
	30,954	34,034	27,073	29,922
Non-controlling interests	380	24	-	-
TOTAL EQUITY	31,334	34,058	27,073	29,922

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
-	-	-	-

Amount repayable after one year

As at 31 December 2016 (Unaudited)		As at 31 December 2015 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
-	-	-	-

Details of any collateral

Not applicable

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Full Year Ended	
	31 December 2016 (Unaudited) RM'000	31 December 2015 (Audited) RM'000
Cash flows from Operating activities		
Net (loss)/profit	(3,390)	7,841
Adjustments for:		
Income tax expense	307	1,965
Depreciation of property, plant and equipment	342	254
Interest income	(637)	(62)
Government grant	-	(227)
Investment in associate written off	-	5
Property, plant and equipment written off	5	-
Gain on disposal of property, plant and equipment	-	(74)
Goodwill written off	14	-
Provision for repayment of government grant	185	-
Unrealised currency translation difference	133	-
Operating cash flows before working capital changes	(3,041)	9,702
Changes in working capital		
Trade and other receivables	1,575	(1,560)
Trade and other payables	(383)	(1,287)
Cash (used in)/generated from operations	(1,849)	6,855
Interest received	476	49
Income tax paid	(1,917)	(1,773)
Net cash (used in)/provided by operating activities	(3,290)	5,131

	Full Year Ended	
	31 December 2016	31 December 2015
	(Unaudited) RM'000	(Audited) RM'000
Cash flows from investing activities		
Acquisition of subsidiary corporation, net of cash	(14)	139
Additions to property, plant and equipment	(525)	(406)
Development cost in progress	(344)	(306)
Net cash used in investing activities	(883)	(573)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	27,909
Proceeds from issuance of ordinary shares to non-controlling interests	593	49
Share issuance expense	-	(4,922)
Government grant received	-	168
Dividends paid	-	(1,650) ⁽¹⁾
Placement of fixed deposit pledged	(45)	-
Net cash provided by financing activities	548	21,554
Net (decrease)/increase in cash and cash equivalents	(3,625)	26,112
Cash and cash equivalents		
Beginning of financial year	28,982	2,870
Effects of currency translation on cash and cash equivalents	(74)	-
End of financial year	25,283	28,982
Cash and bank balances	25,328	28,982
Bank deposits pledged	(45) ⁽²⁾	-
Cash and cash equivalents per consolidated statement of cash flows	25,283	28,982

Note:-

- (1) Final tax-exempt dividends of RM1,650,000 in relation to the financial year ended 31 December 2014, which were paid in financial year ended 31 December 2015.
- (2) Bank deposits are pledged in relation to the security granted for a bank guarantee.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

Group

(Unaudited)

	Share capital RM'000	Merger reserve RM'000	Other reserve RM'000	Retained profits RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2016	27,818	(2,692)	-	8,908	24	34,058
Total comprehensive income/(loss) for the year	-	-	52	(3,132)	(238)	(3,318)
Incorporation of subsidiary corporations	-	-	-	-	545	545
Acquisition of subsidiary corporation	-	-	-	-	49	49
Balance as at 31 December 2016	27,818	(2,692)	52	5,776	380	31,334

(Audited)

Balance as at 1 January 2015	250	-	-	2,692	-	2,942
Shares swap pursuant to restructuring exercise	(250)	(2,692)	-	-	-	(2,942)
Issue of new shares as at incorporation date	*	-	-	-	-	*
Issue of new shares pursuant to restructuring exercise	2,942	-	-	-	-	2,942
Issue of new shares as consideration paid for acquisition of subsidiaries	1,889	-	-	-	49	1,938
Issue of new shares pursuant to the placement	26,544	-	-	-	-	26,544
Issue of new shares	1,365	-	-	-	-	1,365
Share issuance expense	(4,922)	-	-	-	-	(4,922)
Dividend relating to 2014 paid	-	-	-	(1,650)	-	(1,650)
Total comprehensive income for the year	-	-	-	7,866	(25)	7,841
Balance as at 31 December 2015	27,818	(2,692)	-	8,908	24	34,058

* - denotes below RM1,000.

**Statement of Changes in Equity
Company⁽¹⁾
(Unaudited)**

	Share capital RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2016	27,818	2,104	29,922
Total comprehensive loss for the year	-	(2,849)	(2,849)
Balance as at 31 December 2016	27,818	(745)	27,073

(Audited)

Balance as at 1 January 2015	-	-	-
Issue of new shares as at incorporation date	*	-	*
Issue of new shares pursuant to restructuring exercise	2,942	-	2,942
Issue of new shares as consideration paid for acquisition of subsidiaries	1,889	-	1,889
Issue of new shares pursuant to the placement	26,544	-	26,544
Issue of new shares	1,365	-	1,365
Share issuance expense	(4,922)	-	(4,922)
Total comprehensive income for the year	-	2,104	2,104
Balance as at 31 December 2015	27,818	2,104	29,922

* - denotes below RM1,000

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Shares Capital – Ordinary Shares

	Number of issued shares	Issued and paid-up share capital (RM)
Balance as at 31 December 2015	160,320,000	27,817,984
Balance as at 31 December 2016	160,320,000	27,817,984

The Company did not have any treasury shares or convertible instruments as at 31 December 2015 and 31 December 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 31 December 2016	As at 31 December 2015
Total number of issued shares	160,320,000	160,320,000

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during, and at the end of, the financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited combined financial statements for the financial year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (“SFRS”) and Interpretations of Financial Reporting Standards (“INT FRS”) that are mandatory for the accounting periods beginning on or after 1 January 2016. The adoption of these new and revised SFRS and INT FRS did not result in any substantial change to the Group’s and the Company’s accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per share ("LPS" or "EPS")	Group	
	Full Year Ended	
	31 December 2016 (Unaudited)	31 December 2015 (Audited)
(Loss)/Profit attributable to owners of the parent (RM)	(3,132,322)	7,866,462
Weighted average number of ordinary shares in issue	160,320,000	76,941,656 ⁽¹⁾
Basic (LPS)/EPS (RM cents per share)	(1.95)	10.22
Fully diluted (LPS)/EPS (RM cents per share) ⁽²⁾	(1.95)	10.22

Notes:-

- (1) Based on the issued and paid-up ordinary share capital of 3 shares and adjusted for 999,997 ordinary shares issued on 23 October 2015 pursuant to the Restructuring Exercise, subdivision of each ordinary shares into 123 ordinary shares and subsequent issue of 1,800,000 PPCF Shares as well as the issue of 35,520,000 Placement Shares.
- (2) The basic and fully diluted earnings per share were the same as there were no dilutive ordinary shares in issue as at 31 December 2016 and 31 December 2015.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) Current period reported on; and
(b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	31 December 2016 (Unaudited)	31 December 2015 (Audited)	31 December 2016 (Unaudited)	31 December 2015 (Audited)
NAV (RM)	31,333,956	34,058,241	27,073,238	29,921,645
Number of ordinary shares in issue	160,320,000	160,320,000	160,320,000	160,320,000
NAV per ordinary share (RM cents)	19.54	21.24	16.89	18.66

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review for the performance of the Group for the financial year ended 31 December 2016 ("FY2016") as compared to the financial year ended 31 December 2015 ("FY2015").

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue breakdown for each business segment was as follows:

	FY2016 (RM million)	FY2015 (RM million)	% Change
Tax Advisory	6.3	10.4	(39.42)
Business Consultancy	7.2	11.5	(37.39)
Enterprise Management System ("EMS") Application	0.4	1.4	(71.43)
Business Support	2.3	2.0	15.00
Total	16.2	25.3	(36.07)

Revenue for the Group decreased 36.1% or RM9.1 million mainly due to (i) lesser large business consultancy projects secured in FY2016 arising from clients' decisions to defer the projects amidst the challenging economic environment and (ii) the absence of Goods and Services Tax implementation projects under the tax advisory segment which were completed in FY2015.

Other income

Other income decreased by RM0.5 million due to decrease in unrealised foreign exchange gain (net) of RM0.4 million, increase in loss of realised foreign exchange loss (net) of RM0.4 million, the absence of RM0.2 million in government grant and RM0.1 million in gain on disposal of property, plant and equipment, partially offset by increase in interest income of RM0.6 million derived from higher fixed deposits placed with the financial institutions.

Expenses

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by RM0.1 million due to higher level of property, plant and equipment arising from the renovation and information technology costs incurred by the Company and its wholly-owned subsidiary corporations, Axcelasia Singapore Pte Ltd

(“**Axcelasia Singapore**”) and Axcelasia Lao Co Ltd (“**Axcelasia Laos**”), which were incorporated in FY2016.

Employee compensation

Employee compensation increased by RM3.1 million largely due to head office staff cost and also the increase in the staff cost of newly incorporated subsidiary corporations in Laos and Singapore.

Referral fees and research charges

Referral fees and research charges decreased by RM0.1 million as there was a reduction in assignments which required third party’s advice.

Rental on operating lease and maintenance

Rental on operating lease and maintenance expense increased by RM0.4 million due to the additional office premises rented by the subsidiary corporations, Axcelasia Singapore and Axcelasia Laos.

Subcontractors’ fee

Subcontractors’ fee decreased by RM1.7 million due to the settlement of the subcontractors’ fee following the completion of a substantial portion of a major contract in FY2015.

Other expenses

Other expenses increased by RM1.5 million mainly due to overall increase in professional fees following the listing of the Company, travelling expenses, branding expenses and administrative expenses.

Loss before income tax

As a result of the above, loss before income tax was RM3.1 million in FY2016 compared to a profit before income tax of RM9.8 million in FY2015.

Income tax expense

In line with the lower profit before income tax, income tax expense decreased by approximately 84.4% or RM1.7 million to RM0.3 million in FY2016.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The comparative performance for both the assets and liabilities are based on the Group’s financial statements as at 31 December 2016 and 31 December 2015.

Current assets

Trade and other receivables comprised mainly trade receivables from non-related parties of RM4.3 million (31 December 2015: 5.5 million) and other receivables of RM0.9 million (31 December 2015: 1.1 million) which mainly consist of deposits paid on office rental and accrued interest income derived from fixed deposits. The decrease of RM1.2 million in trade receivables from non-related parties was due to lower number of engagements secured and the write off of trade receivables amounting to RM186,000 in FY2016.

Income tax recoverables of RM1.0 million was related to the overpayment of tax installments in FY2016.

Cash and bank balances decreased by RM3.7 million, mainly due to costs incurred for the Group's ASEAN expansion and working capital requirements.

Non-current assets

Property, plant and equipment increased by RM0.8 million mainly due to the addition of computers, office equipment and renovation for the Company and the new office of Axcelasia Singapore and Axcelasia Laos.

Development cost in progress decreased by RM0.3 million mainly due to the capitalisation of EMS Application software.

Current liabilities

Other payables decreased by RM0.2 million mainly due to lower Goods and Services Tax liability of RM0.1 million arising from lower revenue, and a decrease of RM0.1 million in accruals and amounts owed to other creditors as a result of lesser accruals provided for bonuses and incentive payments. There were no trade payables as at 31 December 2016 and 31 December 2015.

The decrease in current income tax liability by RM0.6 million was mainly due to the operating loss incurred in FY2016.

Non-current liabilities

The decrease in deferred tax liabilities was due to the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable loss in FY2016.

Consolidated Statement of Cash Flow

Net cash used in operating activities in FY2016 was RM3.3 million, which comprised working capital inflow of RM1.2 million, interest income of RM0.5 million and income tax paid of RM1.9 million. This was partially offset by cash used in operating activities before working capital changes of RM3.0 million.

Net cash used in investing activities in FY2016 was RM0.9 million, due to the purchase of plant and equipment of RM0.5 million, development cost in progress of RM0.3 million, net cash paid for

acquisition of subsidiary corporation, Axcelasia Talent Sdn Bhd (“**Axcelasia Talent**”) of RM14,000 and RM45,000 being pledged in relation to the security granted for a bank guarantee.

Net cash provided by financing activities in FY2016 was RM0.5 million, due to the proceeds from issuance of ordinary shares of subsidiary corporations of RM0.6 million to non-controlling interests, offset by placement of fixed deposit pledged of RM45,000.

Cash and cash equivalents decreased to RM25.3 million as at 31 December 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environment continues to remain challenging amidst economic volatility and cost containment measures by corporates. Against this backdrop, the Group will intensify its efforts to grow revenue streams and return to profitability.

Since Axcelasia’s public listing on the Catalist board of the Singapore Exchange on 27 November 2015, the Group has tapped growth opportunities in Southeast Asia and established operations in Singapore, Laos and Vietnam. Contributions from such operations may not be immediate but will positively impact the Group in the long run. The Group is also sourcing for other acquisition opportunities and strategic partnerships in Malaysia and the region.

The Group will continue to drive synergies between its core businesses by cross-selling its services as well as building capacity in complementary areas such as business continuity management, corporate finance and information technology.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial year reported on.

(b)(i) Amount per share (cents)
(Optional) Rate (%)

Not applicable.

(b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)

None.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

- (e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for FY2016.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$7.58 million (excluding listing expenses of approximately S\$1.3 million) raised from the IPO on the Catalist Board of SGX-ST on 27 November 2015) and the Company's announcement dated 23 February 2017 on the re-allocation of IPO net proceeds.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

<u>Use of IPO net proceeds</u>	<u>Amount allocated in the Offer Document (S\$'000)</u>	<u>Amount reallocated on 22 February 2017 (S\$'000)</u>	<u>Amount utilised as at 22 February 2017 (S\$'000)</u>	<u>Amount unutilised as at 22 February 2017 (S\$'000)</u>
Expand our business operations in Malaysia and the ASEAN region and enhance our range of professional services	6,000	4,000	(829)	3,171
Enhance our Group's office and support infrastructure	500	500	(111)	389

Working capital	1,080	3,080	(1,080) ⁽¹⁾	2,000
Listing expenses to be borne by our Company	1,300	1,300	(1,300)	-
Total	8,880	8,880	(3,320)	5,560

Note:

(1) The amount of working capital was used for payment of operating expenses.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

31 December 2016	Head Office RM'000	Tax Advisory RM'000	Business Consultancy RM'000	EMS Application RM'000	Business Support RM'000	Total RM'000
Revenue						
Sales to external parties	-	6,284	7,226	385	2,280	16,175
Results						
Segment results	(3,411)	524	(990)	(462)	619	(3,720)
Interest income	595	42	-	-	-	637
(Loss)/Profit before income tax	(2,816)	566	(990)	(462)	619	(3,083)
Income tax expense	-	(159)	(101)	-	(47)	(307)
(Loss)/Profit for the year	(2,816)	407	(1,091)	(462)	572	(3,390)
Segment assets	20,947	4,730	4,511	1,386	1,608	33,182
Segment assets includes:						
Additions of:						
Property, plant and equipment	194	15	285	14	17	525
Software transfer from development cost in progress	-	-	-	650	-	650
Segment liabilities	309	481	682	224	152	1,848

31 December 2015	Head Office RM'000	Tax Advisory RM'000	Business Consultancy RM'000	EMS Application RM'000	Business Support RM'000	Total RM'000
Revenue						
Sales to external parties	-	10,425	11,530	1,357	1,988	25,300
Results						
Segment results	141	4,436	3,689	929	550	9,745
Interest income	13	42	6	-	-	61
Profit before income tax	154	4,478	3,695	929	550	9,806
Income tax expense	-	(1,094)	(850)	-	(21)	(1,965)
Profit for the year	154	3,384	2,845	929	529	7,841
Segment assets	23,280	6,233	4,372	1,574	1,227	36,686
Segment assets includes:						
Additions of:						
Property, plant and equipment	-	13	356	14	22	405
Software transfer from development cost in progress	-	-	-	306	-	306
Segment liabilities	212	1,432	597	77	310	2,628

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

As disclosed in paragraph 8 above.

18. A breakdown of sales as follows:

	Group		
	FY2016 (Unaudited) RM'000	FY2015 (Audited) RM'000	Increase / (Decrease) %
(a) Sales reported for first half year	8,263	16,642	(50.35)
(b) Operating profit after tax before deducting minority interests reported for first half year	(291)	6,073	(104.79)
(c) Sales reported for second half year	7,912	8,658	(8.62)
(d) Operating profit after tax before deducting minority interests reported for second half year	(3,099)	1,768	(275.28)

19. **A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year as follows:**

Not applicable. No dividend has been declared or recommended for FY2016 and FY2015.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Datin Chai Seow Lin	60	Spouse of Dato’ Peter Tang (Finance Director).	<p>Managing director of Axcelasia Corporate Services and Axcelasia Global Business Services since June 1996 and August 2011, respectively.</p> <p>Duties: She leads the business support services consisting of corporate secretarial, accounting outsourcing and admin support services.</p>	No changes.

Save for the above, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive office or substantial shareholder of the Company pursuant to Rule 704(10).

BY ORDER OF THE BOARD

Dato’ Tang Swee Guan
 Finance Director
 27 February 2017