



AXCELASIA INC.

(Company Registration No.: LL12218)

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

REALLOCATION OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Board of Directors (the “**Board**”) of Axcelasia Inc. (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to the Company’s offer document in connection with its initial public offering (“**IPO**”), and wishes to provide an update on the use of proceeds raised from the IPO (the “**IPO Proceeds**”).

After a review of the Group’s cash flow and expansion plans, the Board has decided to re-allocate S\$2 million of IPO Proceeds originally intended to be used for the expansion of the Group's business to be now used for the working capital requirements of the Group instead. The Board is of the view that such re-allocation of the IPO Proceeds is in the best interests of the Company and its shareholders as this will help to strengthen the Group’s working capital position amidst the current challenging economic environment. The following table summarises the reallocation of IPO Proceeds:

Use of IPO Proceeds	Amount allocated in the Offer Document (S\$'000)	Amount reallocated on 22 February 2017 (S\$'000)	Amount utilised as at 22 February 2017 (S\$'000)	Amount unutilised as at 22 February 2017 (S\$'000)
Expand business operations in Malaysia and the ASEAN region and enhance range of professional services	6,000	4,000	(829)	3,171
Enhance Group’s office and support infrastructure	500	500	(111)	389
Working capital	1,080	3,080	(1,080) ⁽¹⁾	2,000
Listing expenses	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.



The Company will make periodic announcements via SGXNET on the utilisation of the reallocated IPO Proceeds as and when they are materially disbursed.

BY ORDER OF THE BOARD

Dato' Tang Swee Guan
Finance Director
23 February 2017

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 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.