



SILVERLAKE AXIS LTD
(Incorporated in Bermuda)
(Company Registration No. 32447)

CLARIFICATION ANNOUNCEMENT ON SGX QUERY REGARDING TRADING ACTIVITY

The Board of Directors ("**Board**") of Silverlake Axis Ltd ("**Company**", together with its subsidiaries, "**Group**") wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX**") in connection with the unusual price movements in the Company's shares on 21 August 2015.

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples. If yes, the information shall be announced immediately.

It has come to the Board's attention that a report, dated 20 August 2015, ("**Report**") was recently disseminated online making various allegations regarding the historical performance and operations of the Group.

The Board, firstly, notes and wishes to highlight that the Report was published anonymously and expressly states that "*the authors of this report may have short positions in Silverlake Axis Ltd and stand to realize gains in the event that the price of the stock decreases*".

The Board further notes that the thrust of the Report relates to certain related party transactions entered into between the Group and private companies controlled by the Company's controlling shareholder, Mr Goh Peng Ooi ("**Silverlake Private Entities**"), including the acquisition of Silverlake Adaptive Applications & Continuous Improvement Services Ltd ("**SAACIS**"), in 2006, as well as the structured services business ("**SSB**") and the QR Group, in 2010, and suggests possible impropriety in connection with these transactions.

Based on a preliminary review of the Report, the Board and management of the Company are of the view that the adverse allegations contained in the Report are clearly baseless and without merit. The Company is seeking legal advice and wishes to highlight that it views this matter most seriously and will be strenuously investigating the source of the Report with a view to taking all such action as may be necessary to fully protect and defend its interests. The Company will provide further updates in this regard, when appropriate.

The Board wishes to reiterate to shareholders of the Company ("**Shareholders**") that the Company has always operated its business in a transparent manner and in full compliance with all applicable statutory and listing requirements relating to its business and operations, including any related party transactions entered into with the Silverlake Private Entities, which, as required by the SGX-ST Listing Rules, are either subject to specific prior Shareholders' approval or undertaken on the terms of previously approved Shareholders' mandates obtained in accordance with the SGX-ST Listing Rules. Since its listing, the Company's financial statements and accounting policies have strictly followed and adhered to the Singapore Financial Reporting Standards up to and including the year



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ended 30 June 2011 and subsequently to the International Financial Reporting Standards and has been subject to annual audits by reputable independent auditors, whose reports have been issued without any qualification.

The Company further wishes to highlight to its Shareholders that the related party transactions involving the acquisition of SAACIS, SSB and the QR Group, together with the Group's other acquisitions, have all served to synergistically broaden and deepen the Group's available suite of software and services, resulting in significant improvements to the Group's overall financial performance and cash flow, with the Group's net profit rising from RM63.5 million in FY2010 to RM282.7 million in FY2015. It should also be highlighted that, as at end-June 2015, the Group had minimal borrowings of RM2.4 million, whilst its cash and bank balances stood at RM320.5 million. Contrary to what is alleged in the Report, the Group also confirms that it has no undisclosed contingent liabilities.

Over this period, substantial value has further been created for all Shareholders, with earnings per share rising from 3.04 Malaysian sen in FY2010 to 12.6 Malaysian sen in FY2015, at a CAGR of 32.9%. The dividend per share, in turn, has grown from 1.7 Singapore cents in FY2010 to 4.44 Singapore cents (adjusted for the recent bonus issue) in FY2015, at a CAGR of 21.2%. In addition, the market capitalisation of the Company has increased from S\$564.8 million, as at end June 2010, to S\$2.2 billion, as at end June 2015.

The Board believes that the aforesaid results speak for themselves. Notwithstanding, to provide additional comfort to the Shareholders, the Company will be engaging Deloitte Singapore to undertake an independent review of the allegations concerning the related party transactions entered into between the Company and the Silverlake Private Entities and the associated profit margins as referred to in the Report and to provide its findings and conclusions as to their veracity, which the Company will publish in due course.

Aside from the above, the Company is not aware of any information that was not previously announced about the Company, its subsidiaries or associated companies, which if known might explain the trading activity in its shares. For completeness, the Company may from time to time explore opportunities that arise regarding potential transactions or ventures and will make an announcement at the appropriate time in compliance with the requirements of the Listing Manual of the SGX-ST.

Shareholders and investors are reminded to exercise caution when dealing in the Company's shares and to refrain from taking any action in respect of their shares which may be prejudicial to their interests. In the event that shareholders and investors are in doubt when dealing in the Company's shares, they should consult their legal, financial, tax or other professional adviser(s).



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Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Aside from the foregoing response to **Question 1** above, the Company is not aware of any information that was not previously announced about the Company, its subsidiaries or associated companies, which if known might explain the trading activity in its shares.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Company confirms its compliance with the SGX listing rules, in particular, Mainboard Rule 703.

BY ORDER OF THE BOARD

Kwong Yong Sin

Group Managing Director

25 August 2015