CIRCULAR DATED 23 SEPTEMBER 2024

THIS CIRCULAR IS ISSUED BY SILVERLAKE AXIS LTD. ("COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any statements made, or opinions expressed, or reports contained in this Circular.

SILVERLAKE AXIS LTD.
(Registered in Singapore)
(Company Registration No. 202133173M)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY UNCONDITIONAL OFFER

by

UNITED OVERSEAS BANK LIMITED
(Company Registration No. 193500026Z)
(Incorporated in the Republic of Singapore)

for and on behalf of

E2I PTE. LTD.
(Company Registration No. 202427993M)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the E2I Pte. Ltd. as at the date of the Offer

Independent Financial Adviser to the Recommending Directors of the Company

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 7 OCTOBER 2024 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY THE OFFEROR

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In this Circular, the following definitions apply throughout except where the context otherwise requires:

"**Acceptance Forms**"	:	The FAA, FAT and KYC Particulars Form, collectively or any one of them, as the case may be, issued by the Offeror on 9 September 2024
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**Business Day**"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
"**Cash Consideration**"	:	S$0.36 in cash for each Offer Share
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 23 September 2024 issued by the Company to the Shareholders in relation to the Offer
"**Closing Date**"	:	**5.30 p.m. (Singapore time) on 7 October 2024** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
"**Combi Consideration**"	:	In lieu of the Cash Consideration, a combination of S$0.30 in cash and one (1) New Offeror RPS in the capital of the Offeror
"**Companies Act**"	:	The Companies Act 1967 of Singapore
"**Company Securities**"	:	(a) Shares, (b) securities which carry voting rights in the Company, or (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of Shares or securities which carry voting rights in the Company
"**Concert Group**"	:	Shall have the meaning ascribed to it in Section 3.4 of the Offer Document and as reproduced in Section 3 of this Circular
"**Concert Parties**"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
"**Constitution**"	:	The memorandum and articles of association of the Company, as amended from time to time up to the Latest Practicable Date
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Dissenting Shareholders**"	:	Shall have the meaning ascribed to it in Section 10.1 of the Offer Document and as reproduced in Section 7 of this Circular
"**Distributions**"	:	Shall have the meaning ascribed to it in Section 2.4 of the Offer Document and as reproduced in Section 2 of this Circular

"**Encumbrances**"	:	Shall have the meaning ascribed to it in Section 2.4 of the Offer Document and as reproduced in Section 2 of this Circular
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
"**Free Float Requirement**"	:	Shall have the meaning ascribed to it in Section 10.2 of the Offer Document and as reproduced in Section 7 of this Circular
"**FY**"	:	Financial year ended or ending on, as the case may be, 30 June of a particular year as stated
"**FY2023 Results**"	:	The audited consolidated financial statements of the Group for FY2023 set out in the annual report of the Company published on the SGXNET on 10 October 2023, as reproduced in Appendix IV to this Circular
"**FY2024 Results**"	:	The unaudited consolidated financial statements of the Group for FY2024 set out in the full year results announcement of the Company published on the SGXNET on 23 August 2024, as reproduced in Appendix V to this Circular
"**IFA Letter**"	:	The letter dated 23 September 2024 from the IFA to the Recommending Directors containing its advice in relation to the Offer, as set out in Appendix I to this Circular
"**Independent Shareholders**"	:	Shall have the meaning ascribed to it in Section 10.2 of the Offer Document and as reproduced in Section 7 of this Circular
"**Interested Person**"	:	As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or

		(f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**Irrevocable Undertaking**"	:	Shall have the meaning ascribed to it in Section 5.1 of the Offer Document and as reproduced in Section 4 of this Circular
"KYC Particulars Form"	:	The "know-your-client" particulars form to be submitted by Shareholders who wish to elect to receive the Combi Consideration in accordance with the procedures set out in the Offer Document, the FAA and the FAT, which is issued to all Shareholders
"**Latest Practicable Date**"	:	12 September 2024, being the latest practicable date prior to the dissemination of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST
"**New Offeror RPS**"	:	New redeemable preference share in the capital of the Offeror to be issued and allotted by the Offeror pursuant to the Combi Consideration
"**Offer**"	:	The voluntary unconditional offer made by UOB, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
"**Offer Announcement**"	:	The announcement in connection with the Offer released by UOB, for and on behalf of the Offeror on the Offer Announcement Date
"**Offer Announcement Date**"	:	26 August 2024, being the date of the Offer Announcement
"**Offer Consideration**"	:	Shall have the meaning ascribed to it in Section 2.2 of the Offer Document and as reproduced in Section 2.1 of this Circular
"**Offer Document**"	:	The offer document dated 9 September 2024, including the FAA, FAT, KYC Particulars Form and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update it from time to time
"**Offer Shares**"	:	All the issued Shares to which the Offer relates, as described in Section 2.1 of the Offer Document and as reproduced in Section 2.1 of this Circular
"**Offeror Securities**"	:	(a) Offeror Shares; (b) securities which carry voting rights in the Offeror; or (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Offeror) or derivatives in respect of Offeror Shares or securities which carry voting rights in the Offeror
"**Offeror Shares**"	:	Ordinary shares in the capital of the Offeror

"**Overseas Shareholders**"	:	A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
"**Recommending Directors**"	:	The Directors who are considered to be independent for the purposes of the Offer, namely, Mr. Ong Kian Min, Mr. Chee Chin Leong, Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne), Mr. Mah Yong Sun and Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik
"**Redemption Amount**"	:	S$0.18 per New Offeror RPS
"**Register**"	:	The register of holders of the Shares, as maintained by the Share Registrar
"**Relevant Day**"	:	Shall have the meaning ascribed to it in Paragraph 3.1 of Appendix 1 to the Offer Document and as reproduced in Section 2.2 of this Circular
"**Restricted Jurisdiction**"	:	Shall have the meaning ascribed to it in Section 14.1 of the Offer Document and as reproduced in Section 14 of this Circular
"**RM**" and "**sen**"	:	Malaysia Ringgit and sen, respectively, being the lawful currency of Malaysia
"**Rollover Arrangement**"	:	Shall have the meaning ascribed to it in Section 5.2 of the Offer Document and as reproduced in Section 4 of this Circular
"**Rollover Shares**"	:	Shall have the meaning ascribed to it in Section 5.2 of the Offer Document and as reproduced in Section 4 of this Circular
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified and supplemented from time to time
"**SGXNET**"	:	The Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to SRS
"**Substantial Shareholder**"	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

"**Third-Party Financing**"	:	The financing arrangement as described under Section 3.5 of the Offer Document and as reproduced in Section 3 of this Circular
"**US$**" and "**US cents**"		United States dollars and cents respectively, being the lawful currency of the United States of America
"**VWAP**"	:	Volume weighted average price
"**%**" or "**per cent.**"	:	Per centum or percentage

Companies/Individuals

"**CNP**"	:	CNPLaw LLP
"**Company**"	:	Silverlake Axis Ltd.
"**EY**"	:	Ernst & Young LLP, being the independent auditors in relation to the audit of the Company's consolidated financial statements for the FY2023
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**PPCF**"	:	PrimePartners Corporate Finance Pte. Ltd., the independent financial adviser to the Recommending Directors
"**Ikhlas Capital**"	:	Ikhlas Capital Singapore Pte. Ltd.
"**Ikhlas Capital Master Fund**"	:	Ikhlas Capital Master Fund Pte. Ltd.
"**Merit Sigma**"	:	Merit Sigma Pte. Ltd.
"**Mr. Goh**"	:	Mr. Goh Peng Ooi
"**Ms. Goh**"	:	Ms. Goh Shiou Ling
"**Mr. Ng**"	:	Mr. Ng Lip Chi, Lawrence
"**Offeror**"	:	E2I Pte. Ltd.
"**Share Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**UOB**"	:	United Overseas Bank Limited
"**ZFPL**"	:	Zezz FundQ Pte. Ltd.

Unless otherwise defined, the terms "**acting in concert**" shall have the meanings ascribed to them in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Appendices. Reference to any Appendix shall refer to the Appendices of this Circular, unless otherwise specified.

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Offer Document, the IFA Letter, the FY2023 Results, the FY2024 Results and the Constitution shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter, the FY2023 Results, the FY2024 Results and the Constitution respectively, unless otherwise specified.

Depositors. The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings as ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other and neuter genders. References to persons shall, where applicable, include corporations.

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

Rounding. Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to the Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual, or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them in Section 5 and Section 6 of the Companies Act.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Total number of Shares and Percentage as at the Latest Practicable Date. In this Circular, unless the context otherwise requires, (a) any reference to the total number of Shares is a reference to a total number of 2,514,757,359 Shares in issue (excluding 181,715,441 treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA), and (b) any reference to a percentage shareholding in the capital of the Company is calculated based on 2,514,757,359 Shares in issue (excluding 181,715,441 treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA).

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**aim**", "**seek**", "**expect**", "**anticipate**", "**estimate**", "**believe**", "**intend**", "**project**", "**plan**", "**potential**", "**strategy**", "**forecast**", "**possible**", "**probable**" and similar expressions or future or conditional verbs such as "**if**", "**will**", "**would**", "**should**", "**could**", "**may**" or "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements and information. Neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Listing Manual, and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of dissemination of the Offer Document	:	9 September 2024
Date of dissemination of this Circular	:	23 September 2024
Closing Date	:	5.30 p.m. (Singapore time) on 7 October 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. Please refer to Paragraph 1.1 of Appendix 1 to the Offer Document for further information.
Settlement of consideration for valid acceptances of the Offer	:	In respect of acceptances of the Offer which are complete and valid in all respects and in accordance with the instructions stated in, *inter alia*, the Offer Document, within seven (7) Business Days of the date of such receipt of acceptance. Please refer to Paragraph 2.1 of Appendix 1 to the Offer Document for further information.

SILVERLAKE AXIS LTD.
(Registered in Singapore)
(Company Registration No. 202133173M)

Board of Directors:

MR. GOH PENG OOI
(*Executive Director and Group Executive Chairman*)
MS. GOH SHIOU LING
(*Executive Director, Deputy Executive Chairman and Group Chief Executive Officer*)
MR. CHEE CHIN LEONG
(*Executive Director*)
MR. ONG KIAN MIN
(*Independent Non-Executive Deputy Chairman and Lead Independent Non-Executive Director*)
MR. MAH YONG SUN
(*Independent Non-Executive Director*)
EMERITUS PROFESSOR TAN SRI DATO' SERI DR. CHUAH HEAN TEIK
(*Independent Non-Executive Director*)
DATUK YVONNE CHIA (YAU AH LAN @ FARA YVONNE)
(*Non-Independent Non-Executive Director with effect from 1 June 2024*)

Registered Office:

9 Raffles Place
#26-01, Republic Plaza
Singapore 048619

23 September 2024

To: The Shareholders of Silverlake Axis Ltd.

Dear Sir/Madam

VOLUNTARY UNCONDITIONAL OFFER BY THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, the Offeror announced that it intends to make a voluntary unconditional offer for all the Shares other than those already held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer in accordance with Rule 15 of the Code.

The Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

On 9 September 2024, the Offeror despatched the Offer Document. Together with the Offer Document, the Acceptance Forms were also despatched to the Shareholders on 9 September 2024.

The Offer Document sets out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document.

Shareholders are advised to read the terms and conditions of the Offer as set out in the Offer Document carefully.

An electronic copy of the Offer Document is available for download on the website of the SGX-ST at www.sgx.com.

1.3 **Independent Financial Adviser**

The Company has appointed PPCF as the independent financial adviser to advise the Recommending Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.4 **Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors with regard to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer before deciding on whether to accept or reject the Offer.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 **Terms of the Offer**

The Offer is made by UOB, for and on behalf of the Offeror, on the principal terms set out in Section 2 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

> ***2. THE OFFER***
>
> *2.1* ***Offer Shares.*** *UOB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Shares other than those already held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer ("**Offer Shares**") in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document and in the Acceptance Forms.*
>
> *For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.*
>
> *2.2* ***Offer Consideration.*** *The consideration for the Offer ("**Offer Consideration**") will be, at the election of the Shareholders:*
>
> *(a) S$0.36 in cash for each Offer Share ("**Cash Consideration**");* ***<u>OR</u>***
>
> *(b) in lieu of the Cash Consideration, a combination of S$0.30 in cash and one (1) new redeemable preference share in the capital of the Offeror ("**New Offeror RPS**") for each Offer Share ("**Combi Consideration**"). The*

Redemption Amount (as defined herein) for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.

The New Offeror RPS are not and will not be listed on any securities exchange and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from their issuance at the Redemption Amount.

Shareholders should carefully consider the risks and restrictions set out in this Offer Document should they wish to elect to receive the Combi Consideration. Shareholders should note that there are risks involved in investing in the New Offeror RPS. Some of these risks are set out in Appendix 4 to this Offer Document.

2.3 ***Election.*** *Each Shareholder:*

*(a) who is holding Offer Shares as a Depositor or in scrip form ("**Directly-Held Offer Shares**") shall only be entitled to elect to receive the Cash Consideration or, in lieu thereof, the Combi Consideration for all of its Directly-Held Offer Shares, but not a mixture of both; and*

*(b) who is holding Offer Shares in its capacity as a Depository Agent on behalf of sub-account holder(s) ("**Indirectly-Held Offer Shares**") shall, in respect of each sub-account holder, be entitled to elect to receive the Cash Consideration or, in lieu thereof, the Combi Consideration for all the Indirectly-Held Offer Shares held on behalf of such sub-account holder, but not to elect a mixture of both,*

*each Shareholder under Section 2.3(a) above and Depository Agent (for and on behalf of each sub-account holder under Section 2.3(b) above) shall be referred to as an "**Electing Party**". If a Shareholder holds both Directly-Held Offer Shares and Indirectly-Held Offer Shares through securities sub-account(s) with Depository Agent(s), such Shareholder shall elect to receive either the Cash Consideration or the Combi Consideration (and not a combination of the two) in respect of all its Directly-Held Offer Shares, and direct the Depository Agent(s) to elect to receive the same form of the Offer Consideration in respect of all of its Indirectly-Held Offer Shares tendered in acceptance of the Offer.*

In the event that any Electing Party who has tendered its Offer Shares in acceptance of the Offer:

*(i) does not elect between the Cash Consideration or the Combi Consideration in accordance with paragraphs 1 and/or 2 of **Appendix 2** to this Offer Document, whether due to an absence or failure of a valid election;*

(ii) fails to comply with and provide particulars and supporting documents as set out in the KYC Particulars Form or as otherwise may be required to satisfy the anti-money laundering and countering the financing of terrorism regulations prescribed by ACRA, at the same time as its indication of acceptance of the Offer; or

(iii) holds both Directly-Held Offer Shares and Indirectly-Held Offer Shares through securities sub-account(s) with Depository Agent(s) and does not elect to receive and direct its Depository Agent(s) to elect to receive the same form of the Offer Consideration in respect of all of its Directly-Held Offer Shares and Indirectly-Held Offer Shares respectively, and the Offeror is notified of such occurrence,

such Electing Party will be deemed to have elected to receive the Cash Consideration for all of its Offer Shares tendered in acceptance of the Offer.

*Further details of the procedures for acceptance of the Offer are set out in **Appendix 2** to this Offer Document and the Acceptance Forms.*

Shareholders should call the UOB helpline at (65) 6539 7066 during office hours if they have any questions or require assistance completing the relevant Acceptance Form(s).

*2.4 **No Encumbrances.** The Offer Shares are to be acquired (a) fully paid, (b) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. For the purpose of this Offer Document, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.*

*2.5 **Adjustment for Distributions.** Without prejudice to the generality of the foregoing, the Offer Consideration has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends that may be declared, paid or made by the Company on or after the Offer Announcement Date. **In the event that any dividend is paid by the Company to a Shareholder on or after the Offer Announcement Date and such Shareholder accepts the Offer or if the Offer Shares held by such Shareholder are compulsorily acquired by the Offeror, the Offer Consideration payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such dividend paid by the Company to such accepting Shareholder.***

Accordingly, the following will apply if any dividend is declared, paid or made by the Company on or after the Offer Announcement Date:

(a) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the Offer Consideration for each Offer Share, as the Offeror will receive the dividend in respect of those Offer Shares from the Company; and

(b) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls after the Record Date, the amount of the dividend in respect of such Offer Shares will be deducted from the Offer Consideration for each Offer Share, as the Offeror will not receive the dividend in respect of those Offer Shares from the Company. In the case of Shareholders electing to receive the Combi Consideration, the amount of the dividend in respect of the Offer Shares will be deducted from the cash component of the Combi Consideration for each Offer Share.

*2.6 **Adjustment for FY2024 Dividend.** As stated in the Company's announcement on 23 August 2024, the directors of the Company have proposed a final tax-exempt (one tier) dividend of S$0.0036 per Share for the financial year ended 30 June 2024 ("**FY2024 Dividend**") with the Record Date being 5:00 p.m. on 7 November 2024. The proposed FY2024 Dividend is subject to the approval of Shareholders at the forthcoming Annual General Meeting of the Company.*

For purely illustrative purposes only, assuming that the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls after the Record Date in respect of the FY2024 Dividend:

> *(a) in the case of Shareholders electing to receive the Cash Consideration, the Offeror will pay such accepting Shareholder S$0.3564 for each Offer Share as the Offeror will not receive the FY2024 Dividend in respect of such Offer Shares; and*
>
> *(b) in the case of Shareholders electing to receive the Combi Consideration, the Offeror will pay such accepting Shareholder a combination of $0.2964 in cash and one (1) New Offeror RPS for each Offer Share as the Offeror will not receive the FY2024 Dividend in respect of such Offer Shares.*
>
> *2.7 **Unconditional Offer.** The Offer will be unconditional in all respects.*
>
> *2.8 **New Offeror RPS.** The New Offeror RPS to be allotted and issued pursuant to the Combi Consideration will, on issue, be credited as fully paid and free from all Encumbrances. The New Offeror RPS will not carry any voting or dividend rights and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the date of its issuance at the price of S$0.18 per New Offeror RPS ("**Redemption Amount**"). The New Offeror RPS will have liquidation preference rights such that in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Offeror, the holders of New Offeror RPS shall preferentially be entitled to be paid an amount equal to the Redemption Amount, prior to and in preference to any payments to holders of ordinary shares in the capital of the Offeror.*
>
> *The full terms and conditions of the New Offeror RPS are set out in the constitution of the Offeror ("**Offeror Constitution**"). The salient provisions of the Offeror Constitution and additional information on the rights and privileges attached to the New Offeror RPS are set out in **Appendix 3** to this Offer Document.*
>
> *2.9 **No Options Proposal.** Based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company (collectively, "**Options**") as at the Latest Practicable Date. In view of the foregoing, the Offeror will not make an offer to acquire any Options.*
>
> *2.10 **No Awards Offer.** Based on the latest information available to the Offeror, there are no outstanding awards for Shares ("**Awards**") granted under the Silverlake Axis Ltd. Performance Share Plan which was approved by the Shareholders on 27 October 2020. In view of the foregoing, the Offeror will not make an offer to acquire any Awards. For the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued, or treasury shares unconditionally delivered or to be delivered, as the case may be, pursuant to the valid vesting and release of any outstanding Awards to the holders thereof (if any), on or prior to the final closing date of the Offer.*
>
> *2.11 **Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares, or on behalf of the beneficial owner(s) thereof, as (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company, the Record Date for which falls on or after the Offer Announcement Date.*

2.2 **Details of the Offer**

The details of the Offer relating to (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement on the level of acceptances of the Offer; and (d) the right of the withdrawal of acceptances of the Offer are set out in Section 6 and Appendix 1 to the Offer Document, extracts of which are set out below.

Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

6. FURTHER DETAILS OF THE OFFER

Appendix 1 *to this Offer Document sets out further details on (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer, and (d) the right of withdrawal of acceptances of the Offer.*

. . .

APPENDIX 1
DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 ***First Closing Date.*** *The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.* ***Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 7 October 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.***

1.2 ***Subsequent Closing Date(s).*** *If the Offer is extended, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days prior notice in writing before it may close the Offer.*

1.3 ***Revision.*** *Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.*

2. SETTLEMENT FOR THE OFFER

2.1 ***When Settlement of the Offer Consideration is Due.*** *Subject to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with the requirements set out in this Offer Document and the FAA and/or FAT (as the case may be), including, without limitation, (in the case of a Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Shares tendered by such Shareholder in acceptance of the Offer and (in the case of a Depositor) the receipt by the Offeror of a confirmation satisfactory to it that relevant the number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the Depositor's Security Account at the relevant time, then pursuant to Rule 30 of the Code, the Cash Consideration or the Combi Consideration (as the case may be) will be despatched to the Shareholder in accordance with paragraphs 2.2 (Cash Consideration) and 2.3 (Combi Consideration) of this* ***Appendix 1*** *in each case, and as soon as practicable and in any case within seven Business Days of the date of such receipt.*

2.2 ***Cash Consideration.*** *The Offeror shall pay cash to Shareholders who elect to (or are deemed to have elected to) and are entitled to receive the Offer Consideration in the form of the Cash Consideration as follows:*

(a) ***Accepting Shareholders whose Offer Shares are deposited with CDP.*** *The Offeror shall pay each Accepting Shareholder (being a Depositor) by making payment of the Cash Consideration payable to such Accepting Shareholder to CDP. CDP shall:*

(i) *in the case of a Shareholder (being a Depositor) who has registered for CDP's Direct Crediting Service ("**DCS**"), credit directly the Cash Consideration payable to such Shareholder in respect of their Offer Shares validly tendered in acceptance of the Offer into their designated bank account for Singapore Dollars on the payment date; and*

(ii) *in the case of a Shareholder (being a Depositor) who has not registered for CDP's DCS, credit any monies to be paid to such Shareholder's Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are as defined therein).*

The Offeror also reserves the right to effect payment of the Cash Consideration to any Shareholder (being a Depositor) who is deemed to have elected for, and is entitled to receive, the Cash Consideration by the Share Registrar sending a cheque for the Cash Consideration payable to and made out in favour of such Shareholder in respect of their Offer Shares validly tendered in acceptance of the Offer to such Shareholder by ordinary post to their address as appearing in the Depository Register, at the risk of such Shareholder.

(b) ***Accepting Shareholders whose Offer Shares are not deposited with CDP.*** *The Offeror shall pay each Accepting Shareholder (not being a Depositor) by the Share Registrar sending a cheque for the Cash Consideration payable to and made out in favour of such Shareholder in respect of their Offer Shares validly tendered in acceptance of the Offer to such Shareholder (or their designated agents, or, in the case of joint Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) by ordinary post to his address as appearing in the Register, at the risk of such Shareholder.*

(c) *The despatch of payment to each Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.*

2.3 ***Combi Consideration.*** *The Offeror shall (i) pay S$0.30 in cash and (ii) allot and issue one New Offeror RPS, credited as fully-paid, for each Offer Share validly tendered in acceptance of the Offer by each Shareholder who elects, and is entitled to receive, the Offer Consideration in the form of the Combi Consideration, and the cheques and the share certificates in respect of such New Offeror RPS ("**Offeror RPS Certificates**") will be delivered to the relevant person/entity recorded in the Register or the Depository Register (or in the case of Shareholders who are Depository Agents, any other person(s) as such Shareholder may direct in the Sub-Account Holders Form) as follows:*

(a) ***Accepting Shareholders whose Offer Shares are deposited with CDP.*** *The Share Registrar, on behalf of the Offeror, shall send the cheques for the cash component of the Combi Consideration and the Offeror RPS Certificates in respect of the appropriate number of New Offeror RPS, to each Shareholder (being a Depositor) by sending the cheques and the Offeror RPS Certificates in respect of their Offer Shares validly tendered in acceptance of the Offer to such Shareholder (or their designated agents, or, in the case of joint Shareholders who have not designated any agent, to the* *one first-named in the Depository Register, as the case may be) by ordinary post to his address as appearing in the Depository Register (or in the case of Shareholders who are Depository Agents the address of any other person(s) as such Depository Agent may direct in the Sub-Account Holders Form), at the risk of such Shareholder.*

(b) ***Accepting Shareholders whose Offer Shares are not deposited with CDP.*** *The Share Registrar, on behalf of the Offeror, shall send the cheques for the cash component of the Combi Consideration and the Offeror RPS Certificates in respect of the appropriate number of New Offeror RPS, to each Shareholder (not being a Depositor) by sending the cheques and the Offeror RPS Certificates in respect of their Offer Shares validly tendered in acceptance of the Offer to such Shareholder (or their designated agents, or, in the case of joint Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) by ordinary post to his address as appearing in the Register, at the risk of such Shareholder.*

(c) *The despatch of the cheques and the Offeror RPS Certificates to each Shareholder's address in accordance with the above (or to such other address as may be notified by the Shareholder to the Offeror in writing) shall discharge the Offeror from any liability in respect of the delivery of such cheques and Offeror RPS Certificates.*

3. ANNOUNCEMENTS

3.1 ***Timing and Contents.*** *Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day ("**Relevant Day**") immediately after the day on which the Offer is due to expire or the Offer is revised or extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

(a) *for which valid acceptances of the Offer have been received;*

(b) *held by the Offeror and any of its Concert Parties before the Offer Period; and*

(c) *acquired or agreed to be acquired by the Offeror and any of its Concert Parties during the Offer Period,*

and will specify the percentages of the total number of Shares represented by such numbers.

3.2 ***Suspension.*** *Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 (Timing and Contents) of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 ***Valid Acceptances.*** *Subject to Section 15.4 (Valid Acceptances) of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects. Acceptances of the Offer will only be treated as valid if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.*

3.4 ***Announcements.*** *In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by UOB, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.*

> ***4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER***
>
> *4.1 **Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.*
>
> *4.2 **Right of Withdrawal of Shareholders.** If the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code and paragraph 3.1 of this **Appendix 1** by 3.30 pm (Singapore time) on the Relevant Day, then immediately thereafter:*
>
> *(a) any Shareholder holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by giving written notice to E2I Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984 Singapore 903934 or via CDP email services (asksgx@sgx.com); and*
>
> *(b) any Shareholder holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by giving written notice to E2I Pte. Ltd. c/o 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632.*
>
> *A notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.*
>
> *The Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by complying with Rule 28.1 of the Code and the requirements set out in paragraph 3.1 of this **Appendix 1**.*

2.3 Procedures for Acceptance

The procedures for acceptance are set out in Section 7 and Appendix 2 to the Offer Document and in the accompanying Acceptance Forms (as applicable).

3. INFORMATION ON THE OFFEROR AND ZFPL

Section 3 of the Offer Document sets out certain information on the Offeror, extracts of which are set out below. Additional information on the Offeror extracted from Appendix 3 to the Offer Document is set out in Appendix III to this Circular. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

> ***3. INFORMATION ON THE OFFEROR AND ZFPL***
>
> *3.1 **Information on the Offeror.** The Offeror is a company incorporated in Singapore on 10 July 2024 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*
>
> *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$2.00 comprising 2 ordinary shares ("**Offeror Shares**"), which are 100% owned by ZFPL. Mr Goh Peng Ooi ("**Mr Goh**"), Ms Goh Shiou Ling ("**Ms Goh**", who is Mr Goh's daughter) and Mr Ng Lip Chi, Lawrence ("**Mr Ng**"), are directors of the Offeror.*
>
> *As at the Latest Practicable Date, the Offeror does not hold any Shares.*

*3.2 **Information on ZFPL.** ZFPL is a company incorporated in Singapore on 26 November 2020 and is a controlling shareholder of the Company.*

*ZFPL has two classes of shares, comprising (a) 602,996,927 ordinary shares and (b) 8,270,840 redeemable convertible preference shares ("**Merit Sigma RCPS**"). Mr Goh holds 100% of the ordinary shares in ZFPL and Merit Sigma Pte. Ltd. ("**Merit Sigma**") holds 100% of the Merit Sigma RCPS.*

*The directors of ZFPL are Mr Goh, Ms Goh, Mr Kim Kenny and Mr Ng ("**ZFPL Directors**").*

As at the Latest Practicable Date, ZFPL holds directly 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares).

*3.3 **Information on Merit Sigma and Merit Sigma RCPS.** Ikhlas Capital Singapore Pte. Ltd. ("**Ikhlas Capital**") is an ASEAN private equity fund and is the fund manager of Ikhlas Capital Master Fund Pte. Ltd. ("**Ikhlas Capital Master Fund**") which wholly owns Merit Sigma.*

*The directors of Ikhlas Capital are Mr Nazir Razak, Mr Kim Kenny, Mr Gita Wirjawan, Mr Cesar Purisima and Mr Mok Cheok Meng Tony ("**Ikhlas Capital Directors**"). The director of Ikhlas Capital Master Fund is Mr Kim Kenny. The directors of Merit Sigma are Mr Tay Ek Ming and Ms Elaine Bee Choo Tan ("**Merit Sigma Directors**").*

*The Merit Sigma RCPS (a) are, subject to ZFPL's approval, convertible into ordinary shares in ZFPL and (b) have a fixed redemption date of 28 February 2025. In addition, Merit Sigma is the holder of 16,541,680 warrants issued by ZFPL ("**Merit Sigma Warrants**"), which entitle Merit Sigma to subscribe for 16,541,680 new ordinary shares in ZFPL. If the Merit Sigma RCPS are converted into ordinary shares, then the corresponding number of Merit Sigma Warrants will not be exercisable and will not entitle Merit Sigma to subscribe for new ordinary shares in ZFPL (and vice versa). By virtue of the Merit Sigma RCPS and Merit Sigma Warrants, Merit Sigma will have a shareholding percentage of approximately 2.67% in ZFPL on a fully-diluted basis (assuming that the Merit Sigma RCPS and the Merit Sigma Warrants are fully converted and/or subscribed respectively, in accordance with their terms).*

*3.4 **Concert Group.** As at the Latest Practicable Date, the Offeror concert group ("**Concert Group**") comprises the following individuals and entities:*

(a) the Offeror and the Directors;

(b) ZFPL and the ZFPL Directors;

(c) Merit Sigma and the Merit Sigma Directors;

(d) Ikhlas Capital Master Fund; and

(e) Ikhlas Capital and the Ikhlas Capital Directors,

and the Concert Group currently holds an aggregate of 1,863,440,968 Shares, representing approximately 74.10% of the total number of issued Shares (excluding treasury shares), as follows:

(i) ZFPL holds directly 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares);

(ii) Ms Goh holds directly 630,400 Shares, representing approximately 0.03% of the total number of issued Shares (excluding treasury shares); and

(iii) Mr Ng holds directly 50,000 Shares, representing approximately 0.002% of the total number of issued Shares (excluding treasury shares).

*3.5 **Third-Party Financing.** In connection with the Offer, the Offeror has obtained financing from UOB and in this regard, the Offeror has provided and will be providing certain securities in favour of UOB, which include:*

(a) *a charge in respect of all the Shares to be acquired by the Offeror and all related rights of such Shares; and*

(b) *a charge granted by ZFPL in favour of UOB in respect of all its Offeror Shares (including the Offeror Shares which will be issued to it pursuant to the Rollover Arrangement as described in Section 5.2 of the Letter to Shareholders in this Offer Document) and all related rights of those Offeror Shares.*

3.6 Additional Information. *Additional information on the Offeror is set out in **Appendix 3** to this Offer Document. Additional information on ZFPL is set out in **Appendix 5** to this Offer Document.*

4. IRREVOCABLE UNDERTAKING

Section 5 of the Offer Document sets out information in relation to irrevocable undertaking and the rollover arrangement in relation to the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

5. IRREVOCABLE UNDERTAKING

*5.1 **Details of the Irrevocable Undertaking**. As at the Latest Practicable Date, ZFPL has provided an irrevocable undertaking ("**Irrevocable Undertaking**") in favour of the Offeror to, amongst others:*

(a) accept and/or procure the acceptance of the Offer in respect of all its Shares and not withdraw such acceptance once it has been given;

(b) not transfer or otherwise dispose of any of its Shares during the period commencing from the date of the Irrevocable Undertaking and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror) or the date on which the Irrevocable Undertaking is terminated or ceases to be binding, whichever is the earlier; and

(c) not acquire any further Shares.

The aggregate number of Shares subject to the Irrevocable Undertaking is 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

*5.2 **Rollover Arrangement.** In connection with the Offer and pursuant to the Irrevocable Undertaking executed by ZFPL, ZFPL has also agreed to be allotted and issued such number of Offeror Shares equal to the number of Offer Shares tendered by ZFPL in acceptance of the Offer (the "**Rollover Shares**"). The aggregate Cash Consideration payable by the Offeror to ZFPL for accepting the Offer in respect of the Rollover Shares will be set off, in full, against the aggregate subscription price for the Offeror Shares to be allotted and issued to ZFPL ("**Rollover Arrangement**").*

*5.3 **Termination of Irrevocable Undertaking.** The Irrevocable Undertaking shall terminate, lapse and cease to have any effect upon the Offer lapsing or being* *withdrawn for any reason other than a breach of any of ZFPL's obligations under the Irrevocable Undertaking.*

5.4 ***SIC Confirmation.*** *Pursuant to an application made to the Securities Industry Council ("**SIC**") to seek certain rulings in relation to the Offer, the SIC has confirmed that the Rollover Arrangement does not constitute a prohibited special deal for the purposes of Rule 10 of the Code.*

5.5 ***Resultant Shareholdings of the Offeror***

(a) ***All Cash Consideration.*** *For illustration only, assuming that (i) all Shareholders accept the Offer and elect to receive the Cash Consideration as the Offer Consideration for all their Offer Shares, and (ii) ZFPL accepts the Offer and pursuant to the Rollover Arrangement, is allotted and issued Offeror Shares in respect of the Rollover Shares (as described in Section 5.2 of the Letter to Shareholders in this Offer Document), the resultant shareholdings of the Offeror will be as follows:*

Name of Offeror Shareholder	***Number of issued Offeror Shares***	***Percentage of issued Offeror Shares (%)[(1)]***
ZFPL	*1,862,760,570*	*100.0*
Total	***1,862,760,570***	***100.0***

Note:

(1) For the purpose of the table above, all percentage figures are rounded to the nearest one (1) decimal place. Any discrepancy between the listed percentages and the totals thereof is due to rounding.

(b) ***All Combi Consideration.*** *For illustration only, assuming that (i) all Shareholders accept the Offer and elect to receive the Combi Consideration as the Offer Consideration for all their Offer Shares, and (ii) ZFPL accepts the Offer and pursuant to the Rollover Arrangement, is allotted and issued Offeror Shares in respect of the Rollover Shares (as described in Section 5.2 of the Letter to Shareholders in this Offer Document), the resultant shareholdings of the Offeror will be as follows:*

Name of Offeror Shareholder	***Number of issued Offeror Shares***	***Number of issued New Offeror RPS***	***Percentage of issued Offeror Shares (%)[(1)]***	***Percentage of issued New Offeror RPS (%)[(1)]***
ZFPL	*1,862,760,570*	*-*	*100.0*	*-*
Other Shareholders	*-*	*651,996,791*	*-*	*100.0*
Total	***1,862,760,570***	***651,996,791***	***100.0***	***100.0***

Note:

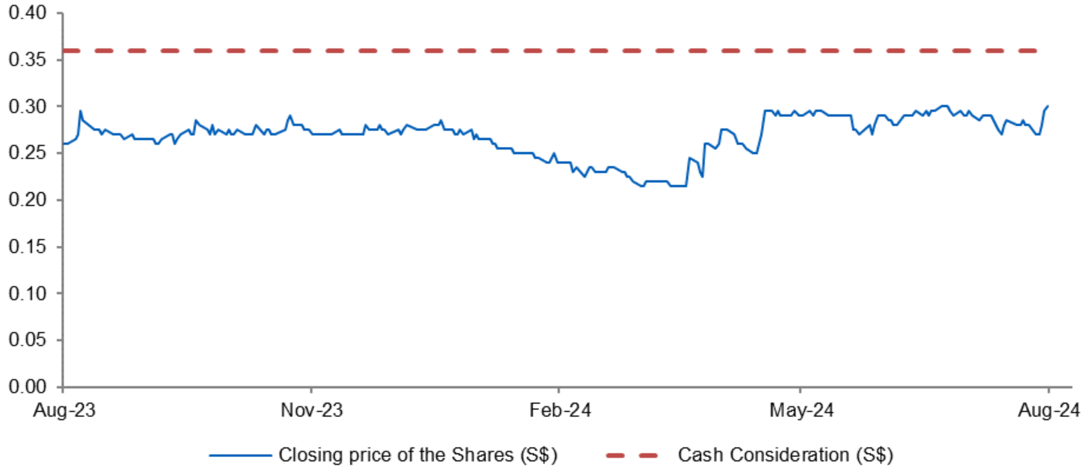
(1) For the purpose of the table above, all percentage figures are rounded to the nearest one (1) decimal place. Any discrepancy between the listed percentages and the totals thereof is due to rounding.

5. RATIONALE FOR THE OFFER

Section 8 of the Offer Document sets out information on the rationale for the Offer, extracts of which are set out below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

8. RATIONALE FOR THE OFFER

8.1 ***Opportunity for Shareholders to realise their investment in the Shares at a premium to market price without incurring brokerage costs.*** *As set out in Section 11 (Financial Aspects of the Offer) of the Letter to Shareholders in this Offer Document, the Cash Consideration represents a premium of approximately 28.1%, 25.0%, 31.9% and 31.9% over the volume-weighted average price ("**VWAP**") per Share for the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively up to and including the Last Trading Day. The Cash Consideration also represents a premium of 20.0% over the last transacted price per Share on the Last Trading Day.*



*The implied price to net asset value ratio ("**P/NAV**") based on the Cash Consideration and the unaudited consolidated net asset value per Share of S$0.135[1] (equivalent of MYR0.451) of the Company as at 30 June 2024 is 2.7 times.*

The Cash Consideration under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

8.2 ***Shareholders have an option to elect to accept the Combi Consideration.*** *Shareholders will have an option to elect for the Combi Consideration in the form of a combination of S$0.30 in cash and one (1) New Offeror RPS for each Offer Share. The Redemption Amount for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.*

*The New Offeror RPS are in a private unlisted company, and Shareholders should carefully consider the restrictions set out in **Appendix 3** to this Offer Document and the risk factors set out in **Appendix 4** to this Offer Document should they wish to elect to receive the Combi Consideration.*

8.3 ***Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity.*** *The trading volume of the Shares has been low, with an average daily trading volume[2] of approximately 435,309 Shares, 674,255 Shares, 947,576 Shares and 754,290 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively up to and including the Last Trading Day. Each of these represents less than approximately 0.04% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.*

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to realise their *entire investment in the Shares at a premium over the prevailing market prices which would not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.*

*8.4 **Greater Management Flexibility.** The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company.*

*8.5 **Compliance Costs relating to Listing Status.** If the Company is delisted, the Company will be able to save on compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and focus its resources and channel such expenses towards its business operations.*

Notes:

(1) Based on an exchange rate of SGD 1 : MYR 3.3491.

*(2) The average daily trading volumes are calculated by using the total volume of Shares traded (excluding off-market transactions) for all the traded days on which the SGX-ST is open for trading of securities ("**Market Days**") for the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day, divided by the total number of traded Market Days during the respective periods.*

6. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Section 9 of the Offer Document sets out information on the Offeror's intentions in relation to the Company, extracts of which are set out below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

9. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets (if any), or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves and which it may regard to be in the interests of the Company.

7. COMPULSORY ACQUISITION AND LISTING STATUS

Section 10 of the Offer Document sets out the intentions of the Offeror relating to its rights of compulsory acquisition in respect of the Company and the listing status of the Company, the full text of which have been extracted from the Offer Document and set out below. Shareholders are advised to read the extract below carefully. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

10. COMPULSORY ACQUISITION AND LISTING STATUS

*10.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury Shares and other than those already held as at the date of the Offer by the Offeror and its related corporations (or their respective nominees) or any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act), the Offeror will be entitled to* *exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.*

It is the intention of the Offeror to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer at the Offer Consideration for each Offer Share, should such right be available to it.

In such event, each Dissenting Shareholder shall be entitled to elect either the Cash Consideration or the Combi Consideration in respect of all its Shares within the timeline as prescribed under Section 215(1A) of the Companies Act (the "CA Election Period"). After the expiry of the CA Election Period, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer, and Dissenting Shareholders who have failed to make an election as to the form of the consideration by the expiry of the CA Election Period shall be deemed to have elected to receive, and shall receive, the Cash Consideration in respect of all its Shares.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Consideration in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror and its related corporations (or their respective nominees) and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

*10.2 **Listing Status.** Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

*Separately, Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of Shares in issue (excluding Shares held in treasury) is at all times held by the public ("**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not met, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.*

It is the current intention of the Offeror not to preserve the listing status of the Company and not to support any action or take any steps to maintain the listing status of the Company in the event that the Free Float Requirement is not met and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual. In the event the Offeror changes its current intention arising from, inter alia, the level of

acceptances, market conditions and varied circumstances subsequently, the Offeror will promptly update Shareholders, as and when applicable.

If the Offeror decides not to preserve the listing status of the Company in the event that the Free Float Requirement is not met, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual (collectively, the "Voluntary Delisting Rules"). The SGX-ST will generally consider waiving strict compliance with the Voluntary Delisting Rules if (a) the Offer is fair and reasonable (and the IFA has opined that the Offer is fair and reasonable), and (b) the Offeror has received acceptances from independent Shareholders at the close of the Offer that represent a majority of least 75% of the total number of issued Shares held by Shareholders (other than persons acting in concert with the Offeror) (the "Independent Shareholders"). The Offeror will make an announcement if it receives acceptances of the Offer in respect of 75% of the total number of issued Shares held by Independent Shareholders. If the waiver conditions are not met and the Company wishes to undertake a voluntary delisting, it will need to do so in accordance with the Voluntary Delisting Rules. In the event the Company is unable to meet the conditions for a voluntary delisting, the Company will be obliged to comply with the Listing Manual, including the requirement to restore its public float (through private placement or otherwise). Shareholders and investors should note there is the risk that the Company may be subject to prolonged suspension if both the Free Float Requirement and the requisite conditions for a delisting are not met.

8. FINANCIAL ASPECTS OF THE OFFER

Section 11 of the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

11. FINANCIAL ASPECTS OF THE OFFER

The Cash Consideration of S$0.36 for each Offer Share represents the following premia over certain historical market prices of the Shares as set out below:

	Description	***Benchmark Price(1) (S$)***	***Premium of Cash Consideration over Benchmark Price(2) (%)***
(a)	*VWAP for the 12-month period up to and including the Last Trading Day*	*S$0.273*	*31.9*
(b)	*VWAP for the six (6)-month period up to and including the Last Trading Day*	*S$0.273*	*31.9*
(c)	*VWAP for the three (3)-month period up to and including the Last Trading Day*	*S$0.288*	*25.0*
(d)	*VWAP for the one (1)-month period up to and including the Last Trading Day*	*S$0.281*	*28.1*

(e)	*Last traded price of the Shares on the SGX-ST on the Last Trading Day*	*S$0.300*	*20.0*

Notes:

(1) Based on data extracted from Bloomberg L.P.. VWAP is calculated based on the aggregate turnover divided by the aggregate volume for the respective periods and rounded to the nearest three (3) decimal places.

(2) For the purpose of the table above, all percentage figures are rounded to the nearest one (1) decimal place.

The implied P/NAV based on the Cash Consideration and the unaudited consolidated net asset value per Share of S$0.135[3] (equivalent of MYR0.451) of the Company as at 30 June 2024 is 2.7 times.

3 Based on an exchange rate of SGD 1 : MYR 3.3491.

9. DISCLOSURES OF INTERESTS

Section 12 and Appendix 7 and Appendix 8 to the Offer Document sets out certain information relating to disclosure of interests, certain extracts are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

12. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

12.1 ***Shareholdings and Dealings in the Company Securities. Appendix 7*** *to this Offer Document sets out, based on responses received pursuant to enquiries that the Offeror has made, (a) the number of Company Securities owned, controlled or agreed to be acquired as at the Latest Practicable Date, and (b) the dealings in the Company Securities during the Reference Period, by the Offeror and its Concert Parties as at the Latest Practicable Date.*

12.2 ***No Other Holdings and Dealings in the Company Securities.*** *Save as disclosed in* ***Appendix 7*** *to this Offer Document and in this Offer Document (including the Irrevocable Undertaking, the Rollover Arrangement and the financing arrangements between the Offeror and UOB for the purpose of the Offer), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties:*

(a) owns, controls or has agreed to acquire any Company Securities;

(b) has dealt for value in any Company Securities during the Reference Period;

(c) received any irrevocable commitment or undertaking from any person to accept or reject the Offer;

(d) entered into any arrangement (whether by option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer;

(e) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;

(f) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or

(g) lent any Company Securities to another person.

*As at the Latest Practicable Date, save as disclosed in **Appendix 7** to this Offer Document, none of the Directors are interested (as interpreted in accordance with Section 4 of the SFA), directly or indirectly, in any Company Securities.*

*12.3 **Holdings and Dealings in Offeror Securities.** Save as disclosed in **Appendix 3** to this Offer Document and save as set out in this Offer Document (including the Irrevocable Undertaking, the Rollover Arrangement and the financing arrangements between the Offeror and UOB for the purpose of the Offer), as at the Latest Practicable Date, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and its Concert Parties:*

(a) owns, controls or has agreed to acquire any Offeror Securities; or

(b) has dealt for value in any Offeror Securities during the Reference Period.

*12.4 **Irrevocable Undertakings.** Save for the Irrevocable Undertaking, as at the Latest Practicable Date, none of the Offeror and its Concert Parties has received any irrevocable undertaking from any party to accept or reject the Offer.*

. . .

APPENDIX 7
DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

1. HOLDINGS IN SHARES

As at the Latest Practicable Date, based on responses to enquiries that the Offeror has made, the holdings of the Offeror and its Concert Parties in the Shares are set out below:

Name	***Direct Interests***		***Indirect Interests***		***Total Interests***	
	No. of Shares	***%(1)***	***No. of Shares***	***%(1)***	***No. of Shares***	***%(1)***
Concert Group						
Mr Goh(2)	*-*	*-*	*1,862,760,568*	*74.07*	*-*	*74.07*
Ms Goh	*630,400*	*0.03*	*-*	*-*	*630,400*	*0.03*
ZFPL	*1,862,760,568*	*74.07*	*-*	*-*	*1,862,760,568*	*74.07*
Mr Ng	*50,000*	*0.002*	*-*	*-*	*50,000*	*0.002*

Notes:

(1) Based on the 2,514,757,359 Shares (excluding 181,715,441 treasury shares) in issue as at the Offer Announcement Date.

(2) Mr Goh holds 100% of the ordinary shares in ZFPL. As such, Mr Goh is deemed to have an interest in the 1,862,760,568 shares held by ZFPL.

2. DEALINGS IN COMPANY SECURITIES DURING THE REFERENCE PERIOD

Based on responses to enquiries that the Offeror has made, none of the Offeror and its Concert Parties has dealt for value in the Company Securities during the Reference Period.

. . .

APPENDIX 8
ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 No Indemnity Arrangements. *To the best knowledge of the Directors as at the Latest Practicable Date, save for the Irrevocable Undertaking as described in Section 5 (Irrevocable Undertaking) of the Letter to Shareholders in this Offer Document, the Rollover Arrangement as described in Section 5.2 (Rollover Arrangement) of the Letter to Shareholders in this Offer Document and the financing arrangements between the Offeror and UOB as described in Section 3.5 (Third-Party Financing) of the Letter to Shareholders in this Offer Document, neither the Offeror nor any of its Concert Parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities or the Offeror Securities which may be an inducement to deal or refrain from dealing in the Company Securities or the Offeror Securities, as the case may be.*

1.2 No Agreement having any Connection with or Dependence upon the Offer. *As at the Latest Practicable Date, save for the Irrevocable Undertaking as described in Section 5 (Irrevocable Undertaking) of the Letter to Shareholders in this Offer Document, the Rollover Arrangement as described in Section 5.2 (Rollover Arrangement) of the Letter to Shareholders in this Offer Document and the financing arrangements between the Offeror and UOB as described in Section 3.5 (Third-Party Financing) of the Letter to Shareholders in this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror or any of its Concert Parties, and (b) any of the present or recent directors of the Company or the present or recent Shareholders having any connection with or dependence upon the Offer.*

1.3 Transfer of Offer Shares. *As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporations or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.*

1.4 No Payment or Benefit to Directors of the Company. *As at the Latest Practicable Date, no payment or other benefit will be made or given to any director of the Company or of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.*

1.5 No Agreement Conditional upon Outcome of the Offer. *As at the Latest Practicable Date, save for the Irrevocable Undertaking as described in Section 5 (Irrevocable Undertaking) of the Letter to Shareholders in this Offer Document, the Rollover Arrangement as described in Section 5.2 (Rollover Arrangement) of the Letter to Shareholders in this Offer Document and the financing arrangements between the Offeror and UOB as described in Section 3.5 (Third-Party Financing) of the Letter to Shareholders in this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror, and (b) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.*

. . .

1.7 Directors' Service Contracts. *As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror or any of its Concert*

> *Parties and any Director, whereby the emoluments received by the Directors will be affected as a consequence of the Offer or any other associated relevant transaction.*

10. CONFIRMATION OF FINANCIAL RESOURCES

Section 13 of the Offer Document sets out information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

> ***13. CONFIRMATION OF FINANCIAL RESOURCES***
>
> *UOB, as the Financial Adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares (based on the Cash Consideration and excluding the consideration payable in relation to the Rollover Shares held by ZFPL pursuant to the Rollover Arrangement).*

11. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Sections 5.3 and 5.5 of Appendix II to this Circular.

12. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

12.1 General

Shareholders should read and carefully consider the recommendation of the Recommending Directors as set out in Section 13 of this Circular and the advice of the IFA to the Recommending Directors which is set out in Appendix I to this Circular, before deciding whether to accept or reject the Offer.

12.2 Legal Advisors

For the purposes of this Circular, CNP has been appointed as the legal advisors to the Company in relation to the Offer.

12.3 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Recommending Directors in respect of the Offer are set out in Paragraphs 7 and 8 and summarised in Paragraph 9 of the IFA Letter.

Shareholders should read and carefully consider the key factors relied upon by the IFA in arriving at its advice to the Recommending Directors in conjunction with, and in the context of, the full text of the IFA Letter.

12.4 Advice of the IFA to the Recommending Directors

The advice of the IFA to the Recommending Directors in respect of the Offer is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has given its advice to the Recommending Directors as set out in Paragraph 9 of the IFA Letter, an extract of which is reproduced below.

Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

9 OPINION

In arriving at our opinion in respect of the Offer, we have considered the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

Factors in favour of the Offer Consideration:

(a) The Cash Consideration of S$0.36 is within our Estimated Valuation Range for the Shares of between S$0.34 and S$0.41;

(b) The PV of the Combi Consideration of S$0.40 is within our Estimated Valuation Range for the Shares of between S$0.34 and S$0.41;

(c) In respect of the trading prices of the Shares, the Cash Consideration of S$0.36 represents premia of 18.8%, 31.9%, 31.9%, 25.0% and 27.7% over the VWAP of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods, prior to the Offer Announcement Date respectively. The Cash Consideration also represents a premium of approximately 20.0% over the last transacted price on the Last Trading Day;

(d) During the 2-year period prior to the Last Trading Day, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, was low, representing 0.12%, 0.13%, 0.16%, 0.12% and 0.08% of the free float of the Shares respectively. The ADTV of the Shares on the Last Trading Day, was low, representing 0.22% of the free float of the Shares;

(e) Save for certain period between 25 to 28 August 2022, and 5 to 26 December 2022, the Shares had generally underperformed the rebased FSSTI during the 2-year period up to and including the Last Trading Day;

(f) Save for certain period between 25 to 28 August 2022, and 23 November 2022 to 13 March 2023, the Shares had generally underperformed the rebased FSTM during the 2-year period up to and including the Last Trading Day;

(g) Based on the Company's NAV per Share, the Cash Consideration represents a significant premium of 177.4% over the NAV per Share and the P/NAV ratio of the Company as implied by the Cash Consideration of 2.77 times;

(h) Based on the Company's ex-cash NAV per Share, the Cash Consideration represents a significant premium of 309.5% over the ex-cash NAV per Share and the ex-cash P/NAV ratio of the Company as implied by the Cash Consideration of 4.09 times;

(i) Based on the Company's NTA per Share, the Cash Consideration represents a significant premium of 358.5% over the NTA per Share and the P/NTA ratio of the Company as implied by the Cash Consideration of 4.59 times;

(j) Based on the Company's ex-cash NTA per Share, the Cash Consideration represents a significant premium of 1,217.7% over the ex-cash NTA per Share and the ex-cash P/NTA ratio of the Company as implied by the Cash Consideration of 13.18 times;

(k) In respect of the historical trailing P/NAV ratio of the Shares:

- *For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to* *and including the Last Trading Day, the implied P/NAV based on the Cash Consideration of 2.77 times is above the average historical trailing P/NAV of the Shares of 2.20 times, 2.21 times, 2.06 times, 2.08 times and 2.41 times respectively; and*

- *For the period after the Last Trading Day up to the Latest Practicable Date, the implied P/NAV based on the Cash Consideration of 2.77 times is below the average historical trailing P/NAV of the Shares of 2.81 times;*

(l) *In respect of the historical trailing P/NTA ratio of the Shares:*

- *For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 3.48 times, 3.53 times, 3.34 times, 3.28 times and 3.84 times respectively; and*

- *For the period after the Last Trading Day and up to the Latest Practicable Date, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 4.46 times;*

(m) *For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/E based on the Cash Consideration of 30.47 times is above the historical trailing P/E of the Shares of 24.12 times, 24.32 times, 22.59 times, 18.10 times and 16.64 times respectively;*

(n) *In respect of the Comparable Companies, the implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the LTM P/E ratios of the Comparable Companies of between 12.75 times and 42.79 times and is higher than both the mean and median LTM P/E ratios of 27.38 times and 29.86 times respectively;*

(o) *In respect of the Precedent Privatisation Transactions:*

- *The premium implied by the Cash Consideration of 27.7% over the 1-month VWAP is within the range and is higher than the median premium of 27.0%, but is lower than the mean premium of 39.2%;*

- *The premium implied by the Cash Consideration of 31.9% over the 6-month VWAP is within the range and is higher than the median premium of 28.1%, but is lower than the mean premium of 40.0%;*

- *The premium implied by the Cash Consideration of 31.9% over the 1-year VWAP is within the range and is higher than the median premium of 29.8%, but is lower than the mean premium of 40.7%; and*

- *The implied P/NAV and implied P/NTA ratios based on the Cash Consideration of the Company of 2.77 times and 4.59 times respectively are within the range of P/NAV or P/NTA ratios between 0.35 times and 5.86 times, and are higher than the mean and median P/NAV or P/NTA ratios of 1.51 times and 0.97 times respectively;*

(p) *In respect of the Precedent Comparable Transactions:*

- *The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the EV/EBITDA ratios of the Precedent Comparable Transactions of between 8.91 times and*

49.70 times and is higher than the median of the Precedent Comparable Transactions of 10.10 times, but is lower than the mean of 18.73 times;

- *The implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the P/E ratios of the Precedent Comparable Transactions of between 17.93 times and 46.88 times, and above the mean and median of the Precedent Comparable Transactions of 29.62 times and 28.28 times; and*

- *The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Precedent Comparable Transactions of between 2.02 times and 10.47 times and above the median of the Precedent Comparable Transactions of 2.56 times, but is lower than the mean of 4.09 times.*

(q) The dividend yield (based on the FY2024 Dividend) of the Company based on the closing price as at the Latest Practicable Date and Cash Consideration of approximately 0.96% and 1.00% respectively are lower than the mean and median dividend yields of the Comparable Companies of approximately 2.33% and 2.13% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield of approximately 4.29%;

(r) The Cash Consideration of S$0.36 represents a premium of approximately 24.1% to the mean target base price of S$0.29 of the latest broker research reports available;

(s) As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company; and

(t) The Company's controlling shareholder, ZFPL, has provided the Irrevocable Undertaking in favour of the Offeror to, inter alia, to accept and/or procure the acceptance of the Offer in respect of all their Shares and not withdraw such acceptance once it has been given. ZFPL holds 1,862,760,568 Shares, representing 74.07% of the total Shares in the Company as at the Latest Practicable Date.

Factors against the Offer Consideration:

(a) In respect of the Comparable Companies:

- *The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the LTM EV/EBITDA ratios of the Comparable Companies of between 8.02 times and 32.64 times, but is lower than both the mean and median LTM EV/EBITDA ratios of 17.59 times and 15.38 times respectively; and*

- *The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Comparable Companies of between 2.23 times and 17.72 times, but is lower than both the mean and median P/NAV ratios of 7.88 times and 6.56 times respectively;*

- *The implied ex-cash P/NAV ratio based on the Cash Consideration of the Company of 4.09 times is within the range of the ex-cash P/NAV ratios of the Comparable Companies of between 1.56 times and 17.64 times, but is lower than both the mean and median ex-cash P/NAV ratios of 7.63 times and 6.27 times respectively;*

- *The implied P/NTA ratio based on the Cash Consideration of the Company of 4.59 times is within the range of the P/NTA ratios of the Comparable Companies of between 4.54 times and 21.00 times, but is lower than both the mean and median P/NTA ratios of 14.18 times and 17.25 times respectively;*

- *The implied ex-cash P/NTA ratio based on the Cash Consideration of the Company of 13.18 times is within the range of the ex-cash P/NTA ratios of the Comparable Companies of between 4.49 times and 20.94 times, but is slightly lower than both the mean and median ex-cash P/NTA ratios of 13.21 times and 14.35 times respectively.*

(b) In respect of the Precedent Privatisation Transactions:

- *The premium implied by the Cash Consideration of 20.0% over the last transacted prices is within the range but is lower than the mean and median premia of 34.8% and 20.7% respectively; and*

- *The premium implied by the Cash Consideration of 25.0% over the 3-month VWAP is within the range but is lower than the mean and median premia of 40.0% and 28.9% respectively.*

Having considered the aforementioned factors set out in this letter and summarised in this section, we are of the opinion that the financial terms of the Offer are fair and reasonable. Based on our opinion, we advise the Recommending Directors to recommend that Shareholders accept the Offer.

In respect of the Offer Consideration, our assessment are as follows:

Cash Consideration:	*Shareholders who wish to realise their entire investment in the Company with the <u>certainty of value fully in cash</u> should either sell their Shares in the open market if they are able to obtain a price higher than the Cash Consideration <u>of S$0.36 per Share</u> after deducting brokerage costs or transaction costs in connection with open market transactions;* ***<u>OR</u>*** *accept the Offer and elect to receive the Cash Consideration of S$0.36 per Share in respect of all their Shares.*
***Combi Consideration**:*	*Shareholders who wish to (i) <u>realise part of their investment in cash at S$0.30 per Share</u> upon acceptance; and (ii) are prepared to <u>accept the higher risk of holding the New Offeror RPS</u> for a potentially higher return based on the <u>Redemption Amount of S$0.18 per New Offeror RPS</u> in an unlisted company (i.e. the Offeror) which shall be mandatorily redeemed on the expiry of five (5) calendar years from the issuance, and are prepared to comply with and provide particulars and supporting documents as may be prescribed by know-your-client and The Accounting and Corporate Regulatory Authority regulations, should accept the Offer Consideration and elect for the Combi Consideration. Shareholders should be aware of the risk associated with holding the New Offeror RPS as set out in paragraph 7.9.2 of this letter and Appendix 4 of the Offer Document and the outlook of the industry the Group operates in as elaborated in paragraph 8.1 of this letter.*

> *We note that Shareholders may elect to receive the Cash Consideration or the Combi Consideration. We make no recommendation as to whether Shareholders should elect to receive the Cash Consideration or the Combi Consideration. In the event of an absence or failure of a valid election of the Offer Consideration by Shareholder, Shareholder will be deemed to have chosen to receive the Cash Consideration in respect of all of their Offer Shares tendered in acceptance of the Offer.*
>
> *We also advise the Recommending Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.*
>
> *The Recommending Directors should also note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.*
>
> *This letter is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer and should not be relied on by any other party. The recommendation made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Recommending Directors.*
>
> *Whilst a copy of this letter may be reproduced Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.*

13. RECOMMENDATION OF THE RECOMMENDING DIRECTORS

13.1 Independence of Directors

Mr. Goh, an Executive Director of the Company and the Group Executive Chairman, and Ms. Goh, an Executive Director of the Company, are also part of the Concert Group.

Accordingly, each of Mr. Goh and Ms. Goh faces a conflict of interest in relation to the Offer.

The SIC has confirmed, *inter alia*, that Mr. Goh and Ms. Goh are exempted from the requirement to make a recommendation on the Offer. Mr. Goh and Ms. Goh must, nonetheless, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

Please refer to Section 5.5 of Appendix II to this Circular for details of the interests of the abovementioned Directors in Offeror Securities.

As at the Latest Practicable Date, each of Mr. Ong Kian Min, Mr. Chee Chin Leong, Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne), Mr. Mah Yong Sun and Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik considers himself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

13.2 Recommending Directors' Recommendation

The Recommending Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, **concur** with the advice of the IFA in respect of the

Offer, and accordingly, recommend that Shareholders should **ACCEPT** the Offer, unless there is a superior offer or Shareholders are able to obtain a price higher than the Offer Price in the open market, taking into account all the brokerage and transaction costs in connection with open market transactions.

Shareholders should note that the IFA's advice and the recommendation of the Recommending Directors should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer. The IFA, in giving its advice, and the Recommending Directors, in making their recommendation, have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Recommending Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, legal adviser, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS SHOULD READ AND CONSIDER CAREFULLY THIS CIRCULAR, INCLUDING THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS AND THE ADVICE OF THE IFA TO THE RECOMMENDING DIRECTORS IN RESPECT OF THIS OFFER AS SET OUT IN APPENDIX I TO THIS CIRCULAR IN THEIR ENTIRETY, BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS ARE ALSO URGED TO READ THE OFFER DOCUMENT CAREFULLY.

Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

14. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 14 of the Offer Document which sets out information in relation to Overseas Shareholders, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

14. OVERSEAS SHAREHOLDERS

14.1 ***Overseas Jurisdictions.*** *This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.*

*The release, publication or distribution of this Offer Document, the Acceptance Forms and any other formal documentation in relation to the Offer (collectively, "**Offer Documentation**") in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which any Offer Documentation is released, published or distributed should inform themselves about and observe such restrictions.*

*Copies of the Offer Documentation are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

14.2 ***Overseas Shareholders.*** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdiction in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdiction.*

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Documentation may not be sent.

It is the responsibility of Overseas Shareholders who wish to accept the Offer to (a) request for the Offer Documentation, or (b) satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, UOB, CDP, the Receiving Agent and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, UOB, CDP, the Receiving Agent and/or any person acting on their behalf may be required to pay. In (a) requesting for the Offer Documentation, or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and UOB that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant overseas jurisdiction.

14.3 ***Copies of the Offer Documentation and Relevant Acceptance Forms.*** *Where there are potential restrictions on sending the Offer Documentation to any overseas jurisdiction, the Offeror and UOB each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, obtain a copy of the Offer Documentation during normal business hours and up to the Closing Date, from (a) the CDP (if he is a Depositor) by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such documents, or (b) the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (if he holds the Offer Shares in scrip form) at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror (i) through CDP (if he is a Depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or (ii) the Share Registrar (if he holds the Offer Shares in scrip form) at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632, Singapore 068902 to request for the Offer Documentation to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date. Electronic copies of the Offer Documentation may also be obtained on the website of the SGX-ST at www.sgx.com.*

> *14.4 **Notice.** The Offeror and UOB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.*

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

15. INFORMATION PERTAINING TO SRS INVESTORS

Section 15.6 of the Offer Document sets out information pertaining to SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

> ***15.6 SRS Investors.*** *SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date.*

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than 5.30 p.m. (Singapore time) on the Closing Date or such later date(s) as may be announced from time to time by the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document and the accompanying Acceptance Forms.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

(a) by CDP (in respect of the FAA); or
(b) by the Share Registrar (in respect of the FAT),

as the case may be, not later than **5.30 p.m. (Singapore time) on the Closing Date** or such later date(s) as may be announced from time to time by the Offeror.

Shareholders who wish to elect to receive the Combi Consideration must also submit by email to e2i-corpsec@rajahtann.com, an electronic scanned copy of the duly completed KYC Particulars Form, together with the supporting document(s) which are satisfactory to the Offeror, **at the same time** that they submit their completed FAA and/or FAT (as the case may be), failing which they will be deemed to have elected to receive the Cash Consideration. The last date and time that Shareholders can submit the completed FAA and/or FAT (as the case may be) and the KYC Particulars Form (together with the supporting document(s)) is **5.30 p.m. (Singapore time) on the Closing Date.**

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document and the accompanying Acceptance Forms which have been sent to them.

17. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Recommending Directors in relation to the Offer, the

IFA Letter in Appendix I to this Circular, and all references thereto in the form and context in which they appear in this Circular.

EY has given and has not withdrawn its written consent to the inclusion of its name, its report in relation to the audited consolidated financial statements of the Group for FY2023 as set out in Appendix IV to this Circular, and all references thereto in the form and context in which they appear in this Circular.

CNP, named as the legal adviser to the Company as to Singapore law in relation to the Offer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the recommendation of the Recommending Directors to Shareholders set out in Section 13.2 of this Circular for which the Recommending Directors are solely responsible, (b) the IFA Letter for which the IFA takes responsibility, (c) information extracted from the Offer Announcement and the Offer Document, (d) information relating to the Offeror and the IFA, 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 Offer, 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 in this Circular (other than the IFA Letter for which the IFA takes responsibility) has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement, the Offer Document and the IFA Letter), 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 this Circular in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619, during normal business hours, for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the annual reports of the Company for FY2021, FY2022 and FY2023;

(c) the IFA Letter, as set out in Appendix I to this Circular;

(d) the FY2023 Results, as set out in Appendix IV to this Circular;

(e) the FY2024 Results, as set out in Appendix V to this Circular; and

(f) the letters of consent referred to in Section 17 of this Circular.

20. ADDITIONAL INFORMATION

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
SILVERLAKE AXIS LTD.

Ong Kian Min

Lead Independent Non-Executive Director
23 September 2024

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

23 September 2024

To: The Recommending Directors of Silverlake Axis Ltd. (the "**Company**")
(being Directors considered to be independent in respect of the Offer as defined herein)
6 Raffles Quay,
#18-00,
Singapore 048580

Dear Sirs

INDEPENDENT FINANCIAL ADVICE TO THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) IN RESPECT OF THE VOLUNTARY UNCONDITIONAL OFFER ("OFFER") BY UNITED OVERSEAS BANK LIMITED ("UOB") FOR AND ON BEHALF OF E2I PTE. LTD. (THE "OFFEROR") FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SILVERLAKE AXIS LTD. (THE "COMPANY") OTHER THAN THOSE SHARES ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AS AT THE DATE OF THE OFFER ("OFFER SHARES")

*Unless otherwise defined or the context otherwise required, all terms used herein shall have the same meaning attributed to them in the Company's circular dated 23 September 2024 (the "**Circular**") to the Shareholders (as defined herein).*

1 INTRODUCTION

1.1 Offer Announcement

On 26 August 2024 ("**Offer Announcement Date**"), UOB announced, for and on behalf of the Offeror relating to, *inter alia*, the voluntary unconditional offer for all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company ("**Offer Shares**") other than those already held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**"). The consideration for the Offer ("**Offer Consideration**") will be, at the election of the shareholders of the Company ("**Shareholders**"):

(a) S$0.36 in cash for each Offer Share ("**Cash Consideration**"); <u>**OR**</u>

(b) in lieu of the Cash Consideration, a combination of S$0.30 in cash and one (1) new redeemable preference share in the capital of the Offeror ("**New Offeror RPS**") for each Offer Share ("**Combi Consideration**"). The Redemption Amount (as defined herein) for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.

The Offer will be unconditional in all respects.

In the event that the Offeror becomes entitled to exercise its right of Compulsory Acquisition under Section 215(1) of the Companies Act, the Offeror intends to exercise such rights.

(i) Information on the Offeror and Zezz FundQ Pte. Ltd. ("**ZFPL**")

The Offeror is a company incorporated in Singapore on 10 July 2024 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer. As at 3 September 2024, the Offeror has an issued and paid-up share capital of S$2.00 comprising two (2) ordinary shares ("**Offeror Shares**"), which are 100% owned by ZFPL. As at 3 September 2024, the Offeror does not hold any Shares.

ZFPL is a company incorporated in Singapore on 26 November 2020 and is a controlling shareholder of the Company. ZFPL has two (2) classes of shares, comprising (i) 602,996,927 ordinary shares; and (ii) 8,270,840 redeemable convertible preference shares ("**Merit Sigma RCPS**"). Mr Goh holds 100% of the ordinary shares in ZFPL and Merit Sigma Pte. Ltd. ("**Merit Sigma**") holds 100% of the Merit Sigma RCPS. Mr Goh Peng Ooi ("**Mr Goh**"), Ms Goh Shiou Ling ("**Ms Goh**", who is Mr Goh's daughter) and Mr Ng Lip Chi, Lawrence ("**Mr Ng**"), are directors of the Offeror. The directors of ZFPL are Mr Goh, Ms Goh, Mr Kim Kenny and Mr Ng (collectively, "**ZFPL Directors**"). As at 3 September 2024, ZFPL holds directly 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares).

(ii) Information on Merit Sigma and Merit Sigma RCPS

Ikhlas Capital Singapore Pte. Ltd. ("**Ikhlas Capital**") is an ASEAN private equity fund and is the fund manager of Ikhlas Capital Master Fund Pte. Ltd. ("**Ikhlas Capital Master Fund**") which wholly owns Merit Sigma.

The directors of Ikhlas Capital are Mr Nazir Razak, Mr Kim Kenny, Mr Gita Wirjawan, Mr Cesar Purisima and Mr Mok Cheok Meng Tony ("**Ikhlas Capital Directors**"). The director of Ikhlas Capital Master Fund is Mr Kim Kenny. The directors of Merit Sigma are Mr Tay Ek Ming and Ms Elaine Bee Choo Tan ("**Merit Sigma Directors**").

The Merit Sigma RCPS (i) are, subject to ZFPL's approval, convertible into ordinary shares in ZFPL; and (ii) have a fixed redemption date of 28 February 2025. In addition, Merit Sigma is the holder of 16,541,680 warrants issued by ZFPL ("**Merit Sigma Warrants**"), which entitle Merit Sigma to subscribe for 16,541,680 new ordinary shares in ZFPL. If the Merit Sigma RCPS are converted into ordinary shares, then the corresponding number of Merit Sigma Warrants will not be exercisable and will not entitle Merit Sigma to subscribe for new ordinary shares in ZFPL (and vice versa). By virtue of the Merit Sigma RCPS and Merit Sigma Warrants, Merit Sigma will have a shareholding percentage of approximately 2.67% in ZFPL on a fully-diluted basis (assuming that the Merit Sigma RCPS and the Merit Sigma Warrants are fully converted and/or subscribed respectively, in accordance with their terms).

As at 3 September 2024, the Offeror concert group ("**Concert Group**") comprises (i) the Offeror and the Offeror Directors; (ii) ZFPL and the ZFPL Directors; (iii) Merit Sigma and the Merit Sigma Directors; (iv) Ikhlas Capital Master Fund; and (v) Ikhlas Capital and the Ikhlas Capital Directors. The Concert Group currently holds an aggregate of 1,863,440,968 Shares, representing approximately 74.10% of the total number of issued Shares (excluding treasury shares) comprising (i) 1,862,760,568 Shares ("**ZFPL Shares**"), representing approximately 74.07% of the total number of issued Shares (excluding treasury shares) held directly by ZFPL; (ii) 630,400 Shares, representing approximately 0.03% of the total number of issued Shares (excluding treasury shares) held directly by Ms Goh; and (iii) 50,000 Shares, representing approximately 0.002% of the total number of issued Shares (excluding treasury shares) held directly by Mr Ng.

(iii) Irrevocable Undertaking

As at 3 September 2024, ZFPL has provided an irrevocable undertaking ("**Irrevocable Undertaking**") in favour of the Offeror to, amongst others:

(a) accept and/or procure the acceptance of the Offer in respect of all the ZFPL Shares and not withdraw such acceptance once it has been given;

(b) not transfer or otherwise dispose of any of the ZFPL Shares during the period commencing from the date of the Irrevocable Undertaking and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror) or the date on which the Irrevocable Undertaking is terminated or ceases to be binding, whichever is the earlier; and

(c) not acquire any further Shares.

In connection with the Offer and pursuant to the Irrevocable Undertaking executed by ZFPL, ZFPL has also agreed to be allotted and issued such number of Offeror Shares equal to the number of Offer Shares tendered by ZFPL in acceptance of the Offer (the "**Rollover Shares**"). The aggregate Cash Consideration payable by the Offeror to ZFPL for accepting the Offer in respect of the Rollover Shares will be set off, in full, against the aggregate subscription price for the Offeror Shares to be allotted and issued to ZFPL ("**Rollover Arrangement**").

1.2 Our Role as Independent Financial Adviser to the Offer

In connection with the Offer, PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") has been appointed as the independent financial adviser ("**IFA**") to advise the directors of the Company (the "**Directors**") who are considered independent in respect of the Offer (the "**Recommending Directors**") for the purpose of making their recommendation to the Shareholders in relation to the Offer.

This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our opinion thereon and forms part of the Circular providing, *inter alia*, details of the Offer and the recommendation of the Recommending Directors.

2 TERMS OF REFERENCE

We have been appointed to advise the Recommending Directors on the financial terms of the Offer in compliance with the provisions of the Code. We have confined our evaluation of the financial terms of the Offer and have not considered the commercial risks and/or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to the Shareholders.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Offer or on the prospects of the Company and its subsidiaries (the "**Group**") or the method and terms by which the Offer is made or any other alternative methods by which the Offer may be made. We have not relied on any financial projections or forecasts in respect of the Group in our evaluation of the financial terms of the Offer. We are not required to express, and we do not express any view herein on the growth prospects, financial position, and earnings potential of the Group. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We are not authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction that may be available to the Company, or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied to a considerable extent on information provided and representations made, including relevant financial analyses and estimates, by the management of the Group (the "**Management**"), the Directors and the Company's professional advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such reasonable enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer and the Company has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

Our analysis and opinion as set out in this letter are based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 12 September 2024 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion considering any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. The Shareholders should further take note of any announcement(s) relevant to their consideration of the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

We have not made any independent evaluation or appraisal of the assets and liabilities including, without limitation, the Group's intangible assets, property, plant and equipment, financial assets and derivative assets. As such, we have relied on the disclosures and representations made by the Company on the values of the assets and liabilities and profitability of the Group and no representation or warranty, expressed or implied, is made and no responsibility is accepted by it concerning the accuracy, completeness or adequacy of such information.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder. As each shareholder would have different investment objectives and profiles, we would advise the Recommending Directors to recommend that any individual shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether to accept the Offer.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this letter).

Our opinion is addressed to the Recommending Directors for their benefit and deliberation of the Offer. Their recommendation made to the Shareholders in relation to the Offer shall remain the responsibility of the Recommending Directors.

Our opinion in respect of the Offer, as set out in paragraph 9 of this letter, should be considered in the context of the entirety of this letter and the Circular.

3 THE OFFER

The Offer Document was electronically disseminated to Shareholders on 9 September 2024 by way of publication on the website of the SGX-ST at www.sgx.com. The principal terms and conditions of the Offer as set out below, has been extracted from paragraph 2 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

3.1 Offer Shares

The Offer will be extended to all the Offer Shares on the terms and subject to the conditions set out in the Offer Document.

3.2 Offer Consideration and Election

As stated in Section 2.2 of the Offer Document, the Offer Consideration will be, at the election of the Shareholders:

(a) S$0.36 in cash for each Offer Share; **OR**

(b) in lieu of the Cash Consideration, a combination of S$0.30 in cash and one (1) new redeemable preference share in the capital of the Offeror for each Offer Share. The Redemption Amount (as defined herein) for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.

The New Offeror RPS are not and will not be listed on any securities exchange and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from their issuance at the Redemption Amount.

Shareholders should carefully note the details in relation to election of the Cash Consideration or Combi Consideration in relation to the Offer as set out in Section 2.3 of the Offer Document.

Shareholders should also carefully consider the risks and restrictions set out in the Offer Document should they wish to elect to receive the Combi Consideration. Shareholders should note that there are risks involved in investing the New Offeror RPS. Some of these risks are set out in Appendix 4 to the Offer Document.

3.3 No Encumbrances

As stated in Section 2.4 of the Offer Document, the Offer Shares are to be acquired (i) fully paid; (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"); and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. For the purpose of the Offer Document, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.

3.4 Adjustment for Distributions

The Offer Consideration has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends that may be declared, paid or made by the Company on or after the Offer Announcement Date. **In the event that any dividend is paid by the Company to a Shareholder on or after the Offer Announcement Date and such Shareholder accepts the Offer or if the Offer Shares held by such Shareholder are compulsorily acquired by the Offeror, the Offer Consideration payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such dividend paid by the Company to such accepting Shareholder.**

Accordingly, the following will apply if any dividend is declared, paid or made by the Company on or after the Offer Announcement Date:

(a) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the Offer Consideration for each Offer Share, as the Offeror will receive the dividend in respect of those Offer Shares from the Company; and

(b) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls after the Record Date, the amount of the dividend in respect of such Offer Shares will be deducted from the Offer Consideration for each Offer Share, as the Offeror will not receive the dividend in respect of those Offer Shares from the Company. In the case of Shareholders electing to receive the Combi Consideration, the amount of the dividend in respect of the Offer Shares will be deducted from the cash component of the Combi Consideration for each Offer Share.

3.5 Adjustment for FY2024 Dividend

As stated in the Company's announcement on 23 August 2024 ("**FY2024 Financial Results Announcement**"), the Directors have proposed a final tax-exempt (one tier) dividend of S$0.0036 per Share for the financial year ended 30 June ("**FY**") 2024 ("**FY2024 Dividend**") with the Record Date being 5:00 p.m. on 7 November 2024. The proposed FY2024 Dividend is subject to the approval of Shareholders at the forthcoming annual general meeting of the Company.

For purely illustrative purposes only, assuming that the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls after the Record Date in respect of the FY2024 Dividend:

(a) in the case of Shareholders electing to receive the Cash Consideration, the Offeror will pay such accepting Shareholder S$0.3564 for each Offer Share as the Offeror will not receive the FY2024 Dividend in respect of such Offer Shares; and

(b) in the case of Shareholders electing to receive the Combi Consideration, the Offeror will pay such accepting Shareholder a combination of $0.2964 in cash and one (1) New Offeror RPS for each Offer Share as the Offeror will not receive the FY2024 Dividend in respect of such Offer Shares.

3.6 Unconditional Offer

The Offer will be unconditional in all respects.

3.7 New Offeror RPS

The New Offeror RPS to be allotted and issued pursuant to the Combi Consideration will, on issue, be credited as fully paid and free from all Encumbrances. The New Offeror RPS will not carry any voting or dividend rights and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the date of its issuance at the price of S$0.18 per New Offeror RPS ("**Redemption Amount**"). The New Offeror RPS will have liquidation preference rights such that in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Offeror, the holders of New Offeror RPS shall preferentially be entitled to be paid an amount equal to the Redemption Amount, prior to and in preference to any payments to holders of ordinary shares in the capital of the Offeror.

The full terms and conditions of the New Offeror RPS are set out in the constitution of the Offeror ("**Offeror Constitution**"). The salient provisions of the Offeror Constitution and additional information on the rights and privileges attached to the New Offeror RPS are set out in **Appendix 3** to the Offer Document.

3.8 No Options Proposal

Based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company (collectively, "**Options**") as at the 3 September 2024. Accordingly, the Offeror will not make an offer to acquire any Options.

3.9 No Awards Offer

Based on the latest information available to the Offeror, there are no outstanding awards for Shares ("**Awards**") granted under the Silverlake Axis Ltd. Performance Share Plan which was approved by the Shareholders on 27 October 2020. In view of the foregoing, the Offeror will not make an offer to acquire any Awards. For the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued, or treasury shares unconditionally delivered or to be delivered, as the case may be, pursuant to the valid vesting and release of any outstanding Awards to the holders thereof (if any), on or prior to the final closing date of the Offer.

3.10 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares, or on behalf of the beneficial owner(s) thereof, as (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company, on the Record Date for which falls on or after the Offer Announcement Date.

3.11 Irrevocable Undertakings

The information on Irrevocable Undertaking as set out below in italics has been extracted from Section 5 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"5.1 **Details of the Irrevocable Undertaking.** As at the Latest Practicable Date, ZFPL has provided an irrevocable undertaking ("**Irrevocable Undertaking**") in favour of the Offeror to, amongst others:*

(a) accept and/or procure the acceptance of the Offer in respect of all its Shares and not withdraw such acceptance once it has been given;

(b) not transfer or otherwise dispose of any of its Shares during the period commencing from the date of the Irrevocable Undertaking and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror) or the date on which the Irrevocable Undertaking is terminated or ceases to be binding, whichever is the earlier; and

(c) not acquire any further Shares.

The aggregate number of Shares subject to the Irrevocable Undertaking is 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date."

3.12 Further Details of the Offer

Further details of the Offer are set out in Appendix 1 to the Offer Document, including details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

4 INFORMATION ON THE COMPANY

The information on the Company as set out below in italics has been extracted from Section 4 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"4. INFORMATION ON THE COMPANY

4.1 ***Information on the Company****. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("****SGX-ST****").*

The Company was incorporated in Bermuda on 29 July 2002 and was subsequently re-domiciled from Bermuda to Singapore on 23 September 2021.

*The Company, together with its subsidiaries (collectively, "****Group****") is a leading enterprise technology, software and services company in the high growth Asia Pacific region, focusing on seven main business segments, namely, software licensing, software project services (professional services), maintenance and enhancement services, sale of system software and hardware products, insurance ecosystem transactions and services, retail transactions processing and investment holding and other corporate activities.*

The current directors of the Company are:

(a) Mr Goh (Executive Director and Group Executive Chairman);

(b) Ms Goh (Executive Director, Deputy Executive Chairman and Group Chief Executive Officer);

(c) Mr Chee Chin Leong (Executive Director);

(d) Mr Ong Kian Min (Independent Non-Executive Deputy Chairman and Lead Independent Non-Executive Director);

(e) Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) (Non-Independent Non-Executive Director);

(f) Mr Mah Yong Sun (Independent Non-Executive Director); and

(g) Emeritus Professor Tan Sri Dato' Dr. Chuah Hean Teik (Independent Non-Executive Director).

4.2 Company Shares. Based on public information available as at the Latest Practicable Date, the Company has an issued and paid-up capital of US$520,887,229.08, comprising 2,514,757,359 Shares (excluding 181,715,441 treasury shares).

4.3 Additional Information. Additional information on the Company is set out in Appendix 6 to this Offer Document."

5 INFORMATION ON THE OFFEROR

The information on the Offeror as set out below in italics have been extracted from Section 3 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"3. INFORMATION ON THE OFFEROR AND ZFPL

3.1 ***Information on the Offeror**. The Offeror is a company incorporated in Singapore on 10 July 2024 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.*

*As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$2.00 comprising 2 ordinary shares ("**Offeror Shares**"), which are 100% owned by ZFPL. Mr Goh Peng Ooi ("**Mr Goh**"), Ms Goh Shiou Ling ("**Ms Goh**", who is Mr Goh's daughter) and Mr Ng Lip Chi, Lawrence ("**Mr Ng**"), are directors of the Offeror.*

As at the Latest Practicable Date, the Offeror does not hold any Shares.

3.2 ***Information on ZFPL**. ZFPL is a company incorporated in Singapore on 26 November 2020 and is a controlling shareholder of the Company.*

*ZFPL has two classes of shares, comprising (a) 602,996,927 ordinary shares and (b) 8,270,840 redeemable convertible preference shares ("**Merit Sigma RCPS**"). Mr Goh holds 100% of the ordinary shares in ZFPL and Merit Sigma Pte. Ltd. ("**Merit Sigma**") holds 100% of the Merit Sigma RCPS.*

*The directors of ZFPL are Mr Goh, Ms Goh, Mr Kim Kenny and Mr Ng ("**ZFPL Directors**").*

As at the Latest Practicable Date, ZFPL holds directly 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares).

3.3 ***Information on Merit Sigma and Merit Sigma RCPS**. Ikhlas Capital Singapore Pte. Ltd. ("**Ikhlas Capital**") is an ASEAN private equity fund and is the fund manager of Ikhlas Capital Master Fund Pte. Ltd. ("**Ikhlas Capital Master Fund**") which wholly owns Merit Sigma.*

*The directors of Ikhlas Capital are Mr Nazir Razak, Mr Kim Kenny, Mr Gita Wirjawan, Mr Cesar Purisima and Mr Mok Cheok Meng Tony ("**Ikhlas Capital Directors**"). The director of Ikhlas Capital Master Fund is Mr Kim Kenny. The directors of Merit Sigma are Mr Tay Ek Ming and Ms Elaine Bee Choo Tan ("**Merit Sigma Directors**").*

*The Merit Sigma RCPS (a) are, subject to ZFPL's approval, convertible into ordinary shares in ZFPL and (b) have a fixed redemption date of 28 February 2025. In addition, Merit Sigma is the holder of 16,541,680 warrants issued by ZFPL ("**Merit Sigma Warrants**"), which entitle Merit Sigma to subscribe for 16,541,680 new ordinary shares in ZFPL. If the Merit Sigma RCPS are converted into ordinary shares, then the corresponding number of Merit Sigma Warrants will not be exercisable and will not entitle Merit Sigma to subscribe for new ordinary shares in ZFPL (and vice versa). By virtue of the Merit Sigma RCPS and Merit Sigma Warrants, Merit Sigma will have a shareholding percentage of approximately 2.67% in ZFPL on a fully-diluted basis (assuming that the Merit Sigma RCPS and the Merit Sigma Warrants are fully converted and/or subscribed respectively, in accordance with their terms).*

3.4 *Concert Group. As at the Latest Practicable Date, the Offeror concert group ("**Concert Group**") comprises the following individuals and entities:*

(a) *the Offeror and the Directors;*

(b) *ZFPL and the ZFPL Directors;*

(c) *Merit Sigma and the Merit Sigma Directors;*

(d) *Ikhlas Capital Master Fund; and*

(e) Ikhlas Capital and the Ikhlas Capital Directors,

and the Concert Group currently holds an aggregate of 1,863,440,968 Shares, representing approximately 74.10% of the total number of issued Shares (excluding treasury shares), as follows:

(i) ZFPL holds directly 1,862,760,568 Shares, representing approximately 74.07% of the total number of issued Shares (excluding treasury shares);

(ii) Ms Goh holds directly 630,400 Shares, representing approximately 0.03% of the total number of issued Shares (excluding treasury shares); and

(iii) Mr Ng holds directly 50,000 Shares, representing approximately 0.002% of the total number of issued Shares (excluding treasury shares).

*3.5 **Third-Party Financing**. In connection with the Offer, the Offeror has obtained financing from UOB and in this regard, the Offeror has provided and will be providing certain securities in favour of UOB, which include:*

(a) a charge in respect of all the Shares to be acquired by the Offeror and all related rights of such Shares; and

(b) a charge granted by ZFPL in favour of UOB in respect of all its Offeror Shares (including the Offeror Shares which will be issued to it pursuant to the Rollover Arrangement as described in Section 5.2 of the Letter to Shareholders in this Offer Document) and all related rights of those Offeror Shares.

*3.6 **Additional Information**. Additional information on the Offeror is set out in Appendix 3 to this Offer Document. Additional information on ZFPL is set out in Appendix 5 to this Offer Document."*

6 RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

6.1 Rationale for the Offer

The information on the rationale of the Offer as set out below in italics has been extracted from Section 8 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"8.1 **Opportunity for Shareholders to realise their investment in the Shares at a premium to market price without incurring brokerage costs**. As set out in Section 11 (Financial Aspects of the Offer) of the Letter to Shareholders in this Offer Document, the Cash Consideration represents a premium of approximately 28.1%, 25.0%, 31.9% and 31.9% over the volume-weighted average price ("**VWAP**") per Share for the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively up to and including the Last Trading Day. The Cash Consideration also represents a premium of 20.0% over the last transacted price per Share on the Last Trading Day.*

*The implied price to net asset value ratio ("**P/NAV**") based on the Cash Consideration and the unaudited consolidated net asset value per Share of S\$0.135 (equivalent of MYR0.451) of the Company as at 30 June 2024 is 2.7 times.*

The Cash Consideration under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

8.2 ***Shareholders have an option to elect to accept the Combi Consideration**. Shareholders will have an option to elect for the Combi Consideration in the form of a combination of S$0.30 in cash and one (1) New Offeror RPS for each Offer Share. The Redemption Amount for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.*

The New Offeror RPS are in a private unlisted company, and Shareholders should carefully consider the restrictions set out in Appendix 3 to this Offer Document and the risk factors set out in Appendix 4 to this Offer Document should they wish to elect to receive the Combi Consideration.

8.3 ***Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity**. The trading volume of the Shares has been low, with an average daily trading volume of approximately 435,309 Shares, 674,255 Shares, 947,576 Shares and 754,290 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period respectively up to and including the Last Trading Day. Each of these represents less than approximately 0.04% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.*

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which would not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

8.4 ***Greater Management Flexibility**. The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company.*

8.5 ***Compliance Costs relating to Listing Status**. If the Company is delisted, the Company will be able to save on compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and focus its resources and channel such expenses towards its business operations."*

6.2 The Offeror's intentions for the Company

The information on the Offeror's intentions for the Company as set out below in italics has been extracted from Section 9 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"9. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets (if any), or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves and which it may regard to be in the interests of the Company"

7 ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the fairness and reasonableness of the financial terms of the Offer, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment of the Offer:

(a) Historical market price performance and trading activity of the Shares;

(b) Share price performance relative to market indices;

(c) Historical financial performance of the Group;

(d) Historical financial position of the Group;

(e) Historical trailing price-to-NAV ("**P/NAV**"), price-to-NTA ("**P/NTA**") and price-to-earnings ("**P/E**") ratios of the Shares;

(f) Valuation ratios of selected listed companies broadly comparable to the Group;

(g) Selected precedent privatisation transactions on SGX-ST;

(h) Precedent comparable transactions that are broadly comparable to the Group;

(i) Combi Consideration as an election;

(j) Assessment of the Offer Consideration;

(k) Estimated valuation of the Shares;

(l) Analysts' recommendations and price targets for the Company; and

(m) Distribution track record of the Company.

The following is a brief description of the widely used valuation measures considered in our evaluation:

Valuation Ratios	General Descriptions
EV/EBITDA	"**EV**" or "**enterprise value**" is the sum of the company's market capitalisation, preferred equity, minority interests, and short and long-term debt less its cash and equivalents. "**EBITDA**" stands for historical earnings before interest, tax, depreciation and amortisation expenses, including shares of associates' and joint ventures' income and excluding exceptional items. The "**EV/EBITDA**" ratio illustrates the market value of the company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's capital structure. The EV/EBITDA is an earnings-based valuation methodology.
P/E	"**P/E**" or "**price-to-earnings**" illustrates the market price of a company's shares relative to its earnings per share. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
P/NAV	"**P/NAV**" or "**price-to-NAV**" illustrates the comparison between a company's stock price or market value versus the book value ("**NAV**") of the company's total shareholders' common equity as indicated on its balance sheet. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. The P/NAV approach is meaningful as it shows the extent to which the value of each share is

Valuation Ratios	General Descriptions
	backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. P/NAV shows the extent to which the value of each share is backed by assets and represents an asset-based relative valuation methodology.
P/NTA	"**P/NTA**" or "**price-to-NTA**" refers to the ratio of a company's share price divided by net tangible assets ("**NTA**") per share. The ratio represents an asset-based relative valuation which takes into consideration the book value or NTA backing of a company. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in paragraph 8 of this letter.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from S&P Capital IQ, Bloomberg L.P., Monetary Authority of Singapore, SGXNET and other public filings as at the Latest Practicable Date or as provided by the Company where relevant. PPCF makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

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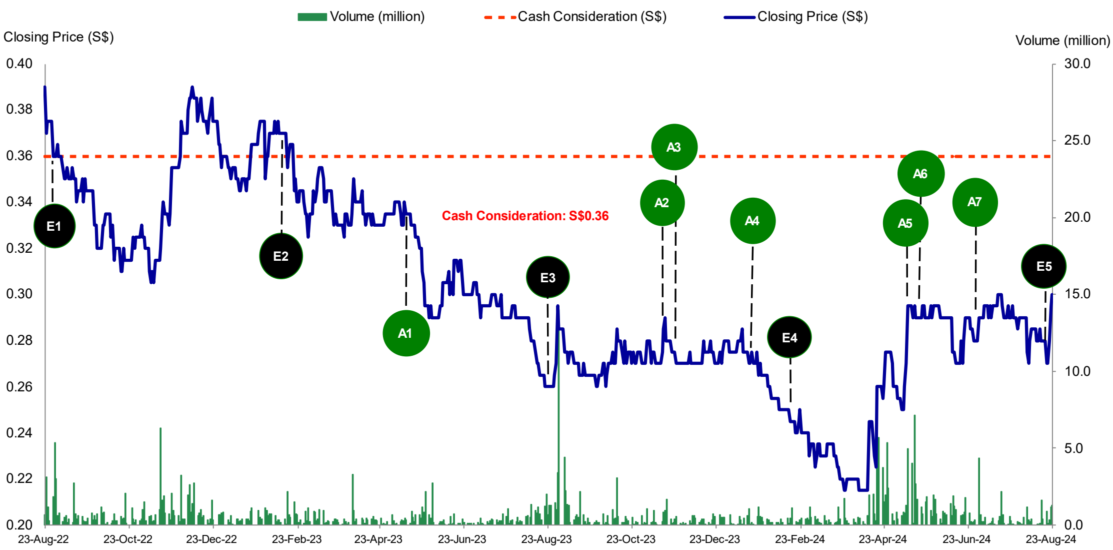
7.1 Historical Market Price Performance and Trading Activity of the Shares

The Shares were last transacted on 23 August 2024 ("**Last Trading Day**") prior to the Offer Announcement Date. For the purpose of our analysis, we have compared the Cash Consideration against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 23 August 2022 to 23 August 2024, being the 2-year period prior to the trading halt and to the Last Trading Day (the "**2-year Lookback Period**"), and after the Last Trading Day to the Offer Announcement Date and up to and including the Latest Practicable Date.

We set out below the daily closing price and daily trading volume of the Shares for the 2-year Lookback Period. We have also marked certain dates in the chart where significant events have occurred.

Daily Closing Price and Daily Trading Volume of the Shares for the 2-year Lookback Period up to and Including the Last Trading Day



Sources: Bloomberg L.P. and the Company's announcements on the SGXNET

Earnings announcements:

E1. **29 August 2022.** The Group announced its financial results for FY2022. The Group's revenue increased by approximately 17.6% from approximately RM626.1 million in FY2021 to approximately RM736.5 million in FY2022. The Group recorded a profit after tax of approximately RM182.7 million in FY2022 as compared to a profit after tax of approximately RM143.1 million in FY2021.

E2. **14 February 2023.** The Group announced its financial results for the 6-month ended 31 December 2022 ("**1H2023**"). The Group's revenue increased by approximately 9.4% from approximately RM358.5 million in 1H2022 to approximately RM392.3 million in 1H2023. The Group recorded a profit after tax of approximately RM99.7 million in 1H2023 as compared to a profit after tax of approximately RM94.8 million in 1H2022.

E3. **25 August 2023.** The Group announced its financial results for FY2023. The Group's revenue increased by approximately 4.0% from approximately RM736.5 million in FY2022 to approximately RM765.9 million in FY2023. However, its net profit after tax decreased by approximately 6.8% from approximately RM182.7 million in FY2022 to approximately RM170.3 million in FY2023.

E4. **15 February 2024.** The Group announced its financial results for the 6-month ended 31 December 2023 ("**1H2024**"). The Group's revenue increased by approximately 1.3% from approximately RM392.3 million in 1H2023 to approximately RM397.4 million in 1H2024. However, its net profit after tax decreased by approximately 10.4% from approximately RM99.7 million in 1H2023 to approximately RM89.3 million in 1H2024.

E5. **23 August 2024.** The Group announced its financial results for FY2024. The Group's revenue increased by approximately 2.3% from approximately RM765.9 million in FY2023 to approximately RM783.5 million in FY2024. However, its net profit after tax decreased by approximately 38.2% from approximately RM170.3 million in FY2023 to approximately RM105.2 million in FY2024.

Other significant events or announcements:

A1. **15 May 2023.** The Group announced its financial highlights and business updates for its record of RM563.6 million in revenue year-to-date ending 31 March 2023.

A2. **15 November 2023.** The Group announced its financial highlights and business updates for its record of RM189.2 million in revenue in the first quarter ended 30 September 2023 and achieved EBITDA of RM64.4 million.

A3. **22 November 2023.** The Company announced that its wholly-owned subsidiary, Fermion Pte. Ltd., had on 3 October 2023 increased its shareholdings in Ancileo Pte. Ltd. to 38.05% pursuant to the share subscription agreement and purchase agreement entered into on 21 January 2022.

A4. **19 January 2024.** The Group announced that it has been approached by its Executive Chairman and ultimate controlling shareholder, Mr Goh, with a request to indicate its possible interest to acquire Mr Goh's shareholding interests in various private entities owned by Mr Goh. The Company has, accordingly, responded to Mr Goh by submitting a non-binding letter indicating its interest to further explore this potential opportunity.

A5. **14 May 2024.** The Group announced its financial highlights and business updates for its record of RM596.6 million in revenue and achieved EBITDA of RM171.4 million in the nine-month period ended 31 March 2024.

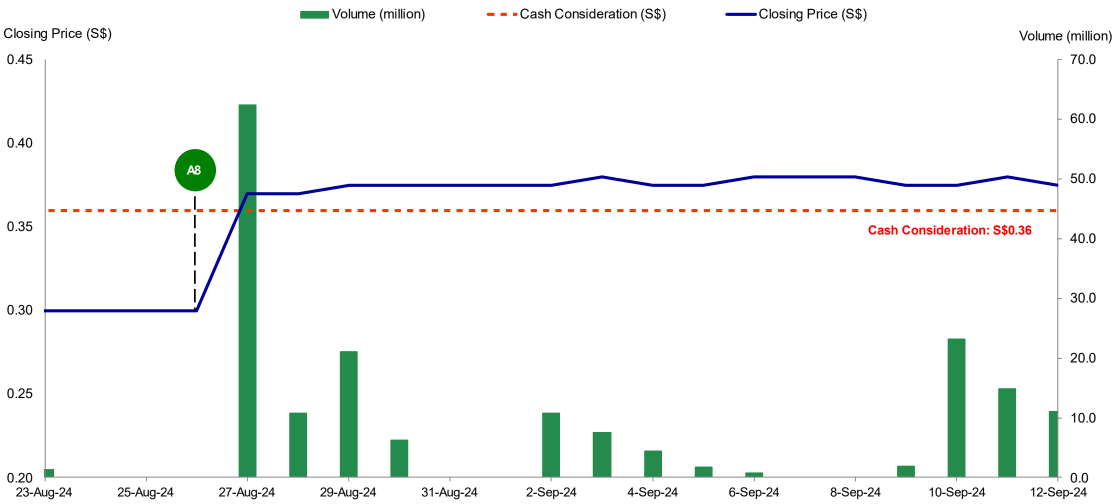
A6. **21 May 2024.** The Company announced that its wholly-owned subsidiary, Silverlake Global Structured Services Pte. Ltd., entered into a share purchase agreement on 21 May 2024 with Silverlake Cloud Mezzanine Sdn. Bhd., Silverlake Identity and Security Technology Sdn. Bhd., Silverlake Mathematical iFintech Sdn. Bhd. and Zezz FundQ Pte. Ltd. for the proposed acquisition of the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd., Silverlake MasterSAM Sdn. Bhd. and Silverlake MasterSAM Pte. Ltd for a total consideration of RM23.0 million ("**May 2024 Acquisitions**").

A7. **1 July 2024.** The Company announced the completion of the May 2024 Acquisitions.

Based on the chart above, we note that during the 2-year Lookback Period, the Shares had generally traded below the Cash Consideration, except for certain periods between August 2022 and September 2022 and between November 2022 until February 2023. The Cash Consideration represents a premium of 20.0% to the last transacted Share price of S$0.30 on the Last Trading Day. We further noted that the Offer Announcement was released immediately after the release of the FY2024 Financial Results Announcement and accordingly, the market price of the Company is likely to be directly affected by the Offer Announcement instead of the Group's financial results for FY2024.

We have also set out below the daily closing price and daily trading volume of the Shares for the period after the Last Trading Day to the Offer Announcement Date and up to and including the Latest Practicable Date.

Daily Closing Price and Daily Trading Volume of the Shares from the Offer Announcement Date up to the Latest Practicable Date



Sources: Bloomberg L.P. and the Company's announcements on the SGXNET

Significant events or announcements:

A8. **26 August 2024.** The Offeror announced the intention of the voluntary unconditional offer. The Offer Consideration will be, at the election of Shareholders of either the (i) Cash Consideration; or (ii) Combi Consideration.

Based on the chart above, we note that the last transacted price of the Shares on 23 August 2024 (being the Last Trading Day) was S$0.30. On 27 August 2024 (being the Market Day after the Offer Announcement Date), the price of the Shares rose to close at S$0.37. From 27 August 2024 to the Latest Practicable Date, the daily closing price of the Shares was between S$0.370 to S$0.380, representing a premium of between approximately 2.8% and 5.6% to the Cash Consideration.

We have set out below the premium over or discount as implied by the Cash Consideration to the historical volume weighted average price ("**VWAP**") and historical trading volume of the Shares during the 2-year Lookback Period from 23 August 2022 (being the beginning of the 2-year Lookback Period) up to and including the Latest Practicable Date.

Premium/(Discount) Implied by the Cash Consideration to VWAP(1)

	VWAP(1) (S$)	Premium / (Discount) of Cash Consideration Over VWAP (%)	Highest Closing Price (S$)	Lowest Closing Price (S$)	No. of Traded Days(2)	Average Daily Trading Volume ("ADTV")(3)	ADTV as a Percentage of Free Float(4) (%)
2-year Period Prior to the Last Trading Day							
2-year VWAP	0.303	18.8	0.390	0.215	503	710,225	0.12
1-year VWAP	0.273	31.9	0.300	0.215	252	780,349	0.13
6-month VWAP	0.273	31.9	0.300	0.215	125	951,029	0.16
3-month VWAP	0.288	25.0	0.300	0.270	65	686,925	0.12
1-month VWAP	0.282	27.7	0.300	0.270	23	441,204	0.08
Last Trading Day	0.300(5)	20.0	0.300	0.290(6)	-	1,284,500	0.22

Premium/(Discount) Implied by the Cash Consideration to VWAP(1)							
	VWAP(1) (S$)	Premium / (Discount) of Cash Consideration Over VWAP (%)	Highest Closing Price (S$)	Lowest Closing Price (S$)	No. of Traded Days(2)	Average Daily Trading Volume ("ADTV")(3)	ADTV as a Percentage of Free Float(4) (%)
Period from the Offer Announcement Date to the Latest Practicable Date							
Between the Offer Announcement Date and the Latest Practicable Date	0.371	(2.96)	0.380	0.370	13	13,593,569	2.32
Latest Practicable Date	0.375(7)	(4.00)	0.375	0.370(8)	-	11,005,300	1.88

Sources: Bloomberg L.P and PPCF calculations

Notes:

(1) VWAP is calculated based on the aggregate daily turnover value of the Shares and aggregate daily traded volume of the Shares for the relevant trading days for each relevant period as obtained from Bloomberg L.P. excluding off-market transactions.

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during that relevant period.

(3) The ADTV of the Shares is calculated based on the total volume of Shares traded during the relevant periods, divided by the number of market days (excluding days with full day trading halts on the Shares) during that relevant period.

(4) Free float refers to approximately 586.3 million Shares, representing approximately 23.34% of the issued Shares, held by the public (as defined under the Listing Manual of the SGX-ST) as disclosed in the Company's annual report for FY2023.

(5) On 23 August 2024, being the Last Trading Day, the last transacted price and VWAP were S$0.300.

(6) On 23 August 2024, being the Last Trading Day, the lowest intra-day traded price was S$0.290.

(7) On 12 September 2024, being the Latest Practicable Date, the last transacted price and VWAP were S$0.375.

(8) On 12 September 2024, being the Last Practicable Date, the lowest intra-day traded price was S$0.370.

Based on the table above, we note the following in relation to the trading prices of the Shares:

(a) The Cash Consideration of S$0.360 is within the range of the daily closing price of the Shares traded over the 2-year period up to and including the Last Trading Day, which is between a low of S$0.215 per Share and a high of S$0.390 per Share;

(b) The Cash Consideration represents premia of approximately 18.8%, 31.9%, 31.9%, 25.0% and 27.7% over the VWAP of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively. The Cash Consideration also represents a premium of approximately 20.0% over the last transacted price of S$0.300 on the Last Trading Day; and

(c) Between the Offer Announcement Date and up to the Latest Practicable Date, the Cash Consideration represents a discount of approximately 3.0% to the VWAP of the Shares of approximately S$0.371. The Cash Consideration also represents a discount of approximately 4.0% over the last transacted price of S$0.375 on the Latest Practicable Date.

We note the following regarding the trading liquidity of the Shares:

(a) During the 2-year period prior to the Last Trading Day, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, was low, representing 0.12%, 0.13%, 0.16%, 0.12% and 0.08% of the free float of the Shares respectively. The ADTV of the Shares on the Last Trading Day, was low, representing 0.22% of the free float of the Shares; and

(b) Subsequent to the Offer Announcement Date and up to the Latest Practicable Date, the trading liquidity of the Shares rose to an ADTV of approximately 13.6 million, representing approximately 2.32% of the Company's free float, as compared to the ADTV of approximately 0.7 million Shares over the 2-year period up to and including the Last Trading Day.

Based on the above observations, it appears likely that the market price and the trading volume of the Shares have been supported by the Offer subsequent to the Offer Announcement Date. As such, there is no assurance that the market price and trading volume of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer. **Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or a promise of its future trading performance.**

We wish to highlight that the market valuation of shares traded on a stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts, the prevailing economic conditions, economic outlook and the general market sentiment at a given point in time.

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7.2 Share price performance relative to market indices

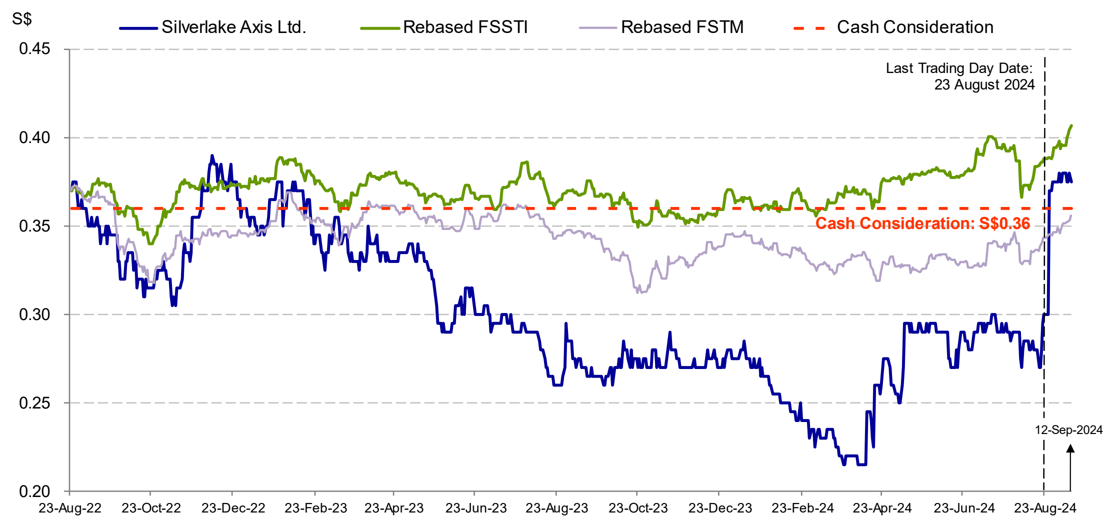
To gauge the market price performance of the Shares relative to the general share price performance of the Singapore equity market, we have compared the market price movement of the Shares against the following indices:

(a) FTSE Straits Times Index (the "**FSSTI**"), which is a market capitalisation weighted index based on stocks of 30 representative companies listed on the Mainboard of the SGX-ST; and

(b) FTSE Straits Times Mid Cap Index (the "**FSTM**"), which is a modified market capitalisation weighted index comprising all mid-sized companies with a market capitalisation between small-cap and large-cap companies listed on the SGX-ST.

The FSSTI and FSTM have been rebased to the closing price of the Company as at the beginning of the 2-year Lookback Period (being 23 August 2022) prior to the Offer Announcement Date. The market price performance of the Shares relative to the rebased FSSTI and FSTM for the period from 23 August 2022 up to and including the Latest Practicable Date, is illustrated below.

Share Price Performance against Rebased FSSTI and Rebased FSTM



Source: Bloomberg L.P. and PPCF calculations

We have also set out in the table below the movements in the last transacted prices as compared to the start of the 2-year Lookback Period (being 23 August 2022) and the rebased FSSTI and rebased FSTM between the Last Trading Day and the Latest Practicable Date:

	As at the Last Trading Day (S$)	As at the Latest Practicable Date (S$)	Percentage Change (%)
Shares	0.300	0.375	25.0%
Rebased FSSTI	0.388	0.407	4.9%
Rebased FSTM	0.343	0.356	3.8%

Sources: Bloomberg L.P. and PPCF computations

Based on the above, we note the following:

(a) Save for certain period between 25 to 28 August 2022, and 5 to 26 December 2022, the Shares had generally underperformed the rebased FSSTI during the 2-year period up to and including the Last Trading Day;

(b) Save for certain period between 25 to 28 August 2022, and 23 November 2022 to 13 March 2023, the Shares had generally underperformed the rebased FSTM during the 2-year period up to and including the Last Trading Day;

(c) Since the beginning of the 2-year Lookback Period from 23 August 2022 compared to the Last Trading Day, the Share price had decreased by 23.1%, while the rebased FSSTI and rebased FSTM decreased by 0.6% and 12.0% respectively; and

(d) From the Last Trading Day and up to the Latest Practicable Date, the Share prices increased significantly to outperform the rebased FSSTI and the rebased FSTM, having increased by approximately 25.0% as compared to the increase in approximately 4.9% and 3.8% in the rebased FSSTI and the rebased FSTM respectively over the same period.

The above observation reinforces our view that the market price of the Shares appears to have been supported by the Offer subsequent to the Offer Announcement Date. Shareholders should note that there is no assurance that the market price of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer.

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7.3 Historical financial performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the Group's audited consolidated financial statements for FY2021, FY2022, and FY2023 and the unaudited consolidated financial statements for FY2024. A summary of the income statement of the Group for FY2021, FY2022, FY2023 and FY2024 is set out in the table below. The following summary of the income statement should be read in conjunction with the full text of the audited financial statements set out in the Group's annual reports and the unaudited financial results announcements of the Group in respect of the relevant financial years or periods including the notes thereto.

The Group's businesses comprise the following:

(a) Provision of digital economy solutions to banks and corporations engaged in banking, insurance, government, retail, payment and logistics industries ("**Software Licensing**");

(b) Provision of software customisation and implementation services to deliver end-to-end core banking, payment, retail, digital identity and security software solutions ("**Software Project Services (Professional Services)**");

(c) Provision of round-the-clock software maintenance support and software enhancement services ("**Maintenance and Enhancement Services**");

(d) Sale of software and hardware products to meet customers' software and hardware needs ("**Sale of Software and Hardware Products**");

(e) Provision of cloud computing Software-as-a-Service collaborative platform for policy originating and insurance claim processing ("**Insurance Ecosystem Transactions and Services**"); and

(f) Provision of Software-as-a-Service subscription version of retail automation solution ("**Retail Transactions Processing**").

Selected Items from the Consolidated Income Statement				
RM'000	**FY2021 (Audited)**	**FY2022 (Audited)**	**FY2023 (Audited)**	**FY2024 (Unaudited)**
Revenue	**626,123**	**736,542**	**765,915**	**783,455**
Other items of expenses				
Selling and distribution costs	(30,511)	(42,095)	(50,258)	(73,634)
Administrative expenses	(159,892)	(156,266)	(177,016)	(190,632)
Finance costs	(13,118)	(2,799)	(8,352)	(8,441)
Profit before tax ("PBT")	**186,737**	**231,858**	**229,562**	**157,609**
PBT margin	*29.8%*	*31.5%*	*30.0%*	*20.1%*
Profit for the year ("PAT")	**143,079**	**182,703**	**170,279**	**105,176**
PAT margin	*22.9%*	*24.8%*	*22.2%*	*13.4%*
Profit for the year attributable to owners of the parent	**143,087**	**182,153**	**169,592**	**103,349**
Profit margin (excluding non-controlling interests)	*22.9%*	*24.7%*	*22.1%*	*13.2%*

Revenue and Profit/(Loss) before Tax of the Group by Business Segments				
RM'000	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	FY2024 (Unaudited)
Revenue				
Software Licensing	**40,014**	**84,152**	**73,914**	**50,173**
Percentage of revenue	*6.4%*	*11.4%*	*9.7%*	*6.4%*
Software Project Services (Professional Services)	**65,409**	**90,947**	**102,015**	**111,813**
Percentage of revenue	*10.4%*	*12.3%*	*13.3%*	*14.3%*
Maintenance and Enhancement Services	**475,026**	**499,140**	**513,111**	**542,725**
Percentage of revenue	*75.9%*	*67.8%*	*67.0%*	*69.3%*
Sale of Software and Hardware Products	**10,735**	**20,841**	**20,630**	**13,820**
Percentage of revenue	*1.7%*	*2.8%*	*2.7%*	*1.8%*
Insurance Ecosystem Transactions and Services	**34,228**	**39,357**	**52,261**	**59,776**
Percentage of revenue	*5.5%*	*5.3%*	*6.8%*	*7.6%*
Retail Transactions Processing	**710**	**2,104**	**3,984**	**5,148**
Percentage of revenue	*0.1%*	*0.3%*	*0.5%*	*0.7%*
Total revenue	**626,123**	**736,542**	**765,915**	**783,455**
Profit/(loss) before tax				
Software Licensing	**13,602**	**43,570**	**37,199**	**9,148**
Percentage of profit	*7.3%*	*18.8%*	*16.2%*	*5.8%*
Software Project Services (Professional Services)	**17,987**	**17,984**	**21,872**	**(13,091)**
Percentage of profit/(loss)	*9.6%*	*7.8%*	*9.5%*	*(8.3%)*
Maintenance and Enhancement Services	**276,448**	**281,542**	**303,743**	**296,378**
Percentage of profit	*148.0%*	*121.4%*	*132.3%*	*188.0%*
Sales of Software and Hardware Products	**3,326**	**3,299**	**285**	**585**
Percentage of profit	*1.8%*	*1.4%*	*0.1%*	*0.4%*
Insurance Ecosystem Transactions and Services	**17,147**	**19,144**	**30,008**	**32,613**
Percentage of profit	*9.2%*	*8.3%*	*13.1%*	*20.7%*
Retail Transactions Processing	**(9)**	**(25)**	**387**	**154**
Percentage of profit/(loss)	*0.0%*	*0.0%*	*0.2%*	*0.1%*
Others	**(141,763)(2)**	**(133,657)**	**(163,932)**	**(168,177)**
Percentage of (loss)	*(75.9%)*	*(57.6%)*	*(71.4%)*	*(106.7%)*
Total PBT	**186,737**	**231,858**	**229,562**	**157,609**

Sources: The Company's annual reports for FY2021, FY2022, FY2023 and the Company's unaudited financial results announcement for FY2024.

Notes:

(1) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

(2) Includes adjustments and eliminations of approximately RM182.0 million.

FY2024 as compared to FY2023

For FY2024, the Group's overall revenue was 2.3% higher year-on-year at approximately RM783.5 million, mainly attributable to higher revenue contributions from the (i) Maintenance and Enhancement Services segment due to new maintenance contract secured, revision of maintenance rates, favourable foreign currencies movement and more enhancement services revenue as the clients engage the Group to further enhance, modernise and provide up-to-date features required in their platforms; (ii) Software Project Services (Professional Services) segment as a result of strong revenue flow from services contracts closed in current and previous financial years; (iii) Insurance Ecosystem Transactions and Services segment due to greater customer adoption of its non-motor claims products; and (iv) Retail Transactions Processing segment due to an increase in usage and subscriptions to new modules of AgoraCloud from the existing clients. However, this was partially offset by a decrease in revenue from the (i) Software Licensing segment due to one significant licence from a client in Indonesia not being repeated in FY2024; and (ii) Sale of Software and Hardware Products segment due to its seasonal in nature and dependent on clients' data growth and upgrade requirements.

The Group's gross profit for FY2024 was approximately 9.1% lower year-on-year at approximately RM410.0 million, mainly attributable to a change in revenue mix. The proportion of revenue from higher margin business segments such as Software Licensing, was lower in FY2024 as compared to FY2023, whereby Software Licensing segment revenue over total Group revenue was approximately 6.4% in FY2024 as compared to approximately 9.7% in FY2023. There were additional resources in place to support the implementation of new projects and the project with an extended timeline in FY2024.

Other expenses comprising selling and distribution costs, administration expenses and finance costs, increased by approximately RM37.1 million or 15.7% from approximately RM235.6 million in FY2023 as compared to approximately RM 272.7 million in FY2024 mainly due to (i) annual salary increment along with the additional headcount added into the organisation to support business development and business expansion; (ii) development efforts and investments for the expansion and enhancement of its product offerings; (iii) IT expenses particularly in software subscription and support, laptop leasing for new headcounts as well as well incurred license and implementation cost of customer collaboration and service management system; and (iv) professional and consultancy fees for acquisition of companies, business travels, conferences, and expected credit losses on contract assets and long outstanding receivables which are subject to local country lengthy remittance process.

The Group's PBT for FY2024 was approximately 31.3% lower year-on-year at approximately RM157.6 million, mainly attributable to (i) a change in revenue mix, in which the proportion of revenue from higher margin business segment such as Software Licensing, was lower in FY2024 as compared to FY2023; and (ii) higher operating expenses due to annual salary increment along with the additional headcount added into the organisation to support its business development and business expansion and development efforts and investments for the expansion and enhancement of its product offerings. However, this was partially offset by (i) higher finance income as a result of higher interest earned from deposits placed with financial institutions; and (ii) higher other income due to foreign currency exchange gain on the cash reserves as a result of fluctuation of foreign currencies in FY2024.

FY2023 as compared to FY2022

For FY2023, the Group's overall revenue was approximately 4.0% higher year-on-year at approximately RM765.9 million, mainly attributable to higher revenue contributions from the (i) Maintenance and Enhancement Services segment due to new maintenance contract secured and more enhancement services revenue from the clients; (ii) Insurance Ecosystem Transactions and Services segment arising from higher revenue from vehicle claims processing and the processing of insurance policies; (iii) Software Project Services (Professional Services) segment due to the increased project delivery services being undertaken across the Group's market territories; and (iv) Retail Transactions Processing segment due to the increased usage from the Group's existing customer base of four clients as well as new clients whom the Group has signed up.

The Group's gross profit for FY2023 was approximately 7.7% higher year-on-year at approximately RM451.0 million, mainly due to better operating performance from the recurring revenue segment in FY2023.

Other expenses comprising selling and distribution costs, administration expenses and finance costs, increased by approximately RM34.5 million or 17.1% from approximately RM201.2

million in FY2022 as compared to approximately RM235.6 million in FY2023 mainly due to (i) the addition of new headcounts into the organisation and increased business development and travel costs post-pandemic, to service many new project contracts won and for business development, business expansion, support future sustainability and increasing sales and market coverage; (ii) finance costs incurred on a revolving credit facility drawdown for a corporate exercise; (iii) foreign currency exchange loss on cash reserves as a result of fluctuation of foreign currencies; and (iv) operating cost related to internal and external branding activities as well as the Company's Executives' Performance Share Plan as a result of upward movement of the Company's share price.

The Group's PBT for FY2023 was approximately 1.0% lower year-on-year at approximately RM229.6 million, mainly due to (i) decrease in other income due to foreign currency exchange loss on cash reserve, unfavourable remeasurement and recognition of put and call options on the remaining 20% equity interest in SIA X Infotech Group and 16.37% equity interest in Ancileo Pte. Ltd. and the expiry of COVID-19 government support subsidies; (ii) increase in total expenses due to addition of new headcounts into the organisation and increased business development and travel cost post-pandemic, finance cost incurred on a revolving credit facility drawdown, foreign currency exchange loss on cash reserves and operating costs such as internal and external branding activities and higher cost of the Company's Executives' Performance Share Plan.

<u>Review of the Group's business segments</u>

We have also reviewed the Group's financial performance during the periods from FY2021 up to FY2024 based on the business segments of the Group:

(a) Software Licensing

From FY2021 to FY2024, the Software Licensing segment has contributed an average of approximately 8.5% of revenue to the Group. In FY2022, revenue has increased by approximately RM44.1 million or 110.3% to approximately RM84.2 million as compared to FY2021. In FY2023, the Software Licensing segment recorded a revenue of approximately RM73.9 million, representing a decrease of approximately RM10.2 million or 12.2% as compared to FY2022. In FY2024, the Software Licensing segment's revenue decreased by approximately RM23.7 million or 32.1% to approximately RM50.2 million. This business segment is dependent on the closure of large contracts.

(b) Software Project Services (Professional Services)

The revenue contribution from the Software Project Services (Professional Services) segment has been increasing gradually with an average contribution of approximately 12.6% from FY2021 to FY2024. In FY2022, the Software Project Services segment contributed approximately RM90.9 million, representing an increase of approximately RM25.5 million or 39.0% as compared to FY2021. In FY2023, the revenue increased by approximately RM11.1 million or 12.2% to approximately RM102.0 million as compared to FY2022. In FY2024, the revenue increased to approximately RM111.8 million, representing an increase of approximately RM9.8 million or 9.6%, mainly attributable to (i) the strong revenue flow from services contracts closed in FY2024 and FY2023 – namely new MÖBIUS, SIBS (as defined herein) and Symmetri Core (as defined herein) banking installations in Malaysia, Thailand, Indonesia and the Middle East; and (ii) digital identity and security software project implementation in the Middle East and Africa.

(c) Maintenance and Enhancement Services

From FY2021 to FY2024, the Maintenance and Enhancement Services segment has contributed an average of 70.0% of revenue to the Group. This segment has consistently remained the key revenue segment of the Group which grew at a steady rate. In FY2022, the revenue increased by approximately RM24.1 million or 5.1% to approximately RM499.1 million as compared to FY2021. In FY2023, the Maintenance and Enhancement Services segment increased to approximately RM513.1 million, representing an increase of approximately

RM14.0 million or 2.8% as compared to FY2022. In FY2024, the Maintenance and Enhancement Services segment recorded a revenue of approximately RM542.7 million, representing an increase of approximately RM29.6 million or 5.8% as compared to FY2023. The stable revenue contribution from the Maintenance and Enhancement Services segment was mainly attributable to the new maintenance contracts and support that will commence when current projects are completed and successfully handed over to the clients, the revision of maintenance rates for existing clients upon maintenance renewal, favourable foreign currencies movement and more engagement from clients to further enhance, modernise and provide up-to-date feature required in their platform.

(d) Sale of Software and Hardware Products

The revenue contribution from the Sale of Software and Hardware Products segment has contributed an average of 2.3% of revenue to the Group from FY2021 to FY2024. In FY2022, the revenue increased by approximately RM10.1 million or 94.1% to approximately RM20.8 million as compared to FY2021. In FY2023, the Sale of Software and Hardware Products segment recorded a revenue of approximately RM20.6 million, representing a decrease of approximately RM0.2 million or 1.0% as compared to FY2022. In FY2024, the Sale of Software and Hardware Products segment recorded a revenue of approximately RM13.8 million, representing a decrease of approximately 33.0% or RM6.8 million as compared to FY2024. The revenue from the Sale of System Software and Hardware Products segment is seasonal in nature and dependent on clients' data growth and upgrade requirements.

(e) Insurance Ecosystem Transactions and Services

The revenue contribution from Insurance Ecosystem Transactions and Services segment increased gradually with an average contribution of approximately 6.3% from FY2021 to FY2024. In FY2022, the Insurance Ecosystem Transactions and Services segment contributed approximately RM39.4 million, representing an increase of approximately RM5.1 million or 15.0% as compared to FY2021. In FY2023, the revenue increased by approximately RM12.9 million or 32.8% to approximately RM52.3 million as compared to FY2022. In FY2024, the revenue increased to approximately RM59.8 million, representing an increase of approximately RM7.5 million or 14.4%, mainly attributable to the significant growth in non-motor claims contributions to this business as greater customer adoption of its non-motor claims products arising from the expansion of its insurance ecosystem offerings.

(f) Retail Transactions Processing

The revenue contribution from the Retail Transactions Processing business has been increasing significantly with an average contribution of approximately 0.4% from FY2021 to FY2024. In FY2022, the revenue increased by approximately RM1.4 million or 196.5% to approximately RM2.1 million as compared to FY2021. In FY2023, the revenue increased to RM4.0 million, representing an increase of approximately RM1.9 million or 89.4% as compared to FY2022. In FY2024, the revenue increased by approximately RM1.2 million or 29.2% to approximately RM5.1 million as compared to FY2023, mainly attributable to the launch of its cloud-based retail solution – AgoraCloud in FY2021 and the subsequent expansion of this product from the clients in the retail sector to the pharmaceutical sector. Over the years, there is increased usage and subscriptions to new modules of AgoraCloud from the Group's clients.

Secured Contracts

Based on the announcements released by the Company, we note that the Group has secured contracts in relation to the delivery of innovative and transformative digital innovation enhancements solutions. The table below sets out the secured contracts announced by the Company in FY2024:

Announcement Date	Value of Secured Contracts (RM'million)	Details of Announcement
23 August 2024	110	The Company announced that RM110 million of new contracts were secured for 4Q2024 to deliver digital innovation enhancement solutions to 65 of the Company's existing customers.
14 May 2024	99	The Company announced that RM99 million of new contracts were secured for 3Q2024 to deliver digital innovation enhancement solutions to 67 of the Company's existing customers.
15 February 2024	114	The Company announced that RM114 million of new contracts were secured for 2Q2024 to deliver digital innovation enhancement solutions to 67 of the Company's existing customers.
15 November 2023	124	The Company announced that RM124 million of new contracts were secured for 1Q2024 to deliver digital innovation enhancement solutions to 62 of the Company's existing customers.

Sources: The Company's announcements released on the SGXNET

We understand from the Management that the contracts secured are recognised based on a percentage of completion method whereby revenue is recognised based on the progression of actual project completion. As such, revenue from recently closed deals and projects will be recognised in future periods as work progresses.

EV/EBITDA Ratio as Implied by the Cash Consideration

The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical pre-tax operating cash flow performance, with regard to a company's existing capital structure.

We have evaluated the implied enterprise value ("**EV**") of the Group of approximately S$811.4[1] million based on the market capitalisation of the Company as implied by the Cash Consideration after adding back loans and borrowings and deducting cash and cash equivalents as at 30 June 2024. The EBITDA of the Group of approximately S$55.0 million[1] is based on its profit before tax for FY2024 after adjusting for any one-off items and adding back depreciation and amortisation expenses and net finance costs.

In computing the EBITDA for FY2024, the Management has confirmed that there are no non-operating and one-off exceptional items in FY2024. Accordingly, the Group's EV/EBITDA ratio as implied by the Cash Consideration is approximately 14.75 times.

Historical Price-to-Earnings Ratio as Implied by the Cash Consideration

The P/E ratio illustrates the market price of a company's shares relative to its earnings per share. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.

As there are no non-operating and one-off exceptional items during FY2024, the Group's P/E ratio as implied by the Cash Consideration is approximately 30.47 times.

[1] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

7.4 Historical Financial Position of the Group

7.4.1 Historical Financial Position of the Group

The unaudited statement of financial position of the Group as at 30 June 2024 is set out in the table below. The following statement of financial position of the Group should be read in conjunction with the full text of the unaudited financial results announcement of the Group for FY2024.

	As at 30 June 2024 (Unaudited)	
Assets	**RM'000**	**Contribution to Total Assets**
Non-current assets		
Property, plant and equipment	11,085	0.7%
Right-of-use assets	25,452	1.6%
Intangible assets	426,403	26.8%
Investments in an associate	12,711	0.8%
Financial assets at fair value through other comprehensive income – quoted equity shares	178,337	11.2%
Deferred tax assets	45,144	2.8%
	699,132	**43.9%**
Current assets		
Inventories	886	0.1%
Trade and other receivables	172,002	10.8%
Contract assets	185,351	11.6%
Prepayments	4,387	0.3%
Amounts due from related parties	21,239	1.3%
Tax recoverable	2,968	0.2%
Financial assets at fair value through profit or loss – money market fund	7,845	0.5%
Cash and bank balances	497,223	31.3%
	891,901	**56.1%**
Total assets	**1,591,032**	**N.A.**
Liabilities	**RM'000**	**Contribution to Total Liabilities**
Non-current liabilities		
Loans and borrowings	133,914	30.4%
Deferred tax liabilities	23,093	5.2%
Provision for defined benefit liabilities	13,901	3.2%
	170,908	**38.8%**
Current liabilities		
Trade and other payables	99,707	22.6%
Contract liabilities	135,518	30.8%
Loans and borrowings	8,224	1.9%

	As at 30 June 2024 (Unaudited)	
Provision for defined benefit liabilities	567	0.1%
Amounts due to related parties	1,548	0.4%
Tax payable	23,753	5.4%
	269,317	**61.2%**
Total liabilities	**440,225**	**N.A.**
Net assets	**1,150,807**	**N.A.**

Equity	**RM'000**
Capital and reserves attributable to equity holders of the Company	
Share capital	1,845,200
Treasury shares	(193,093)
Other reserves	(57,842)
Merger deficit	(1,943,943)
Retained profits	1,484,854
Equity attributable to owners of the parent	1,135,176
Non-controlling interests	15,632
Total equity	**1,150,807**

Source: The Company's unaudited financial results announcement for FY2024.

Note:
(1) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Segment Assets Breakdown				
(RM'000)	**As at 30 June 2021 (Audited)**	**As at 30 June 2022 (Audited)**	**As at 30 June 2023 (Audited)**	**As at 30 June 2024 (Unaudited)**
Segment assets				
Software Licensing				
Segment assets	**126,672**	**160,335**	**141,773**	**298,624**
Percentage of total assets	*9.3%*	*10.7%*	*8.7%*	*18.8%*
Software Project Services (Professional Services)				
Segment assets	**132,597**	**169,919**	**270,735**	**226,225**
Percentage of total assets	*9.7%*	*11.4%*	*16.6%*	*14.2%*
Maintenance and Enhancement Services				
Segment assets	**561,235**	**562,818**	**652,750**	**590,015**
Percentage of total assets	*41.1%*	*37.7%*	*40.0%*	*37.1%*
Sale of Software and Hardware Products				
Segment assets	**15,910**	**26,078**	**19,701**	**13,372**
Percentage of total assets	*1.2%*	*1.7%*	*1.2%*	*0.8%*
Insurance Ecosystem Transactions and Services				
Segment assets	**83,325**	**87,362**	**92,599**	**124,608**
Percentage of total assets	*6.1%*	*5.9%*	*5.7%*	*7.8%*

Segment Assets Breakdown				
(RM'000)	**As at 30 June 2021 (Audited)**	**As at 30 June 2022 (Audited)**	**As at 30 June 2023 (Audited)**	**As at 30 June 2024 (Unaudited)**
Retail Transactions Processing				
Segment assets	**1,216**	**3,753**	**5,760**	**6,244**
Percentage of total assets	*0.1%*	*0.3%*	*0.4%*	*0.4%*
Others				
Segment assets	**377,237**	**417,747**	**393,471**	**283,832**
Percentage of total assets	*27.7%*	*28.0%*	*24.1%*	*17.8%*
Adjustments and Inter-segment Elimination	**66,065**	**64,085**	**56,418**	**48,113**
Total assets of main business segments	**1,364,257**	**1,492,096**	**1,633,207**	**1,591,032**

Sources: The Company's annual reports for FY2021, FY2022, FY2023 and the Company's financial results announcement for FY2024.

Note:

(1) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

<u>Assets</u>

As at 30 June 2024, the Group has total assets of approximately RM1,591.0 million comprising non-current assets of approximately RM699.1 million and current assets of approximately RM891.9 million, representing approximately 43.9% and 56.1% of total assets respectively.

The non-current assets of the Group comprised mainly (i) property, plant and equipment of approximately RM11.1 million, representing 0.7% of total assets; (ii) rights-of-use assets of approximately RM25.5 million, representing 1.6% of total assets; (iii) intangible assets of approximately RM426.4 million, representing 26.8% of total assets; (iv) investment in an associate of approximately RM12.7 million, representing 0.8% of total assets; (v) financial assets at fair value through other comprehensive income – quoted equity shares of approximately RM178.3 million, representing 11.2% of total assets; and (vi) deferred tax assets of approximately RM45.1 million, representing 2.8% of total assets.

The current assets of the Group comprised mainly (i) inventories of approximately RM0.9 million, representing 0.1% of total assets; (ii) trade and other receivables of approximately RM172.0 million, representing 10.8% of total assets; (iii) contract assets of approximately RM185.4 million, representing 11.6% of total assets; (iv) prepayments of approximately RM4.4 million, representing 0.3% of total assets; (v) amounts due from related parties of approximately RM21.2 million, representing 1.3% of total assets; (vi) tax recoverable of approximately RM3.0 million, representing 0.2% of total assets; (vii) financial assets at fair value through profit or loss – money market fund of approximately RM7.8 million, representing 0.5% of total assets; and (viii) cash and cash balances of approximately RM497.2 million, representing 31.3% of total assets.

<u>Liabilities</u>

As at 30 June 2024, the Group has total liabilities of approximately RM440.2 million comprising non-current liabilities of approximately RM170.9 million and current liabilities of approximately RM269.3 million, representing 38.8% and 61.2% of total liabilities respectively.

The liabilities of the Group comprised mainly (i) trade and other payables of approximately RM99.7 million, representing 22.6% of total liabilities; (ii) loans and borrowings of approximately RM142.1 million, representing 32.3% of total liabilities; (iii) deferred tax liabilities of approximately RM23.1 million, representing 5.2% of total liabilities; (iv) provision for defined benefit liabilities of approximately RM14.5 million, representing 3.3% of total liabilities; (v) contract liabilities of approximately RM135.5 million, representing 30.8% of total liabilities; (vi) amount due to related parties of approximately RM1.5 million, representing 0.4% of total liabilities; and (vii) tax payable of approximately RM23.8 million, representing 5.4% of total liabilities.

As at 30 June 2024, the Group's financial position remained healthy, with cash and bank balances of approximately RM497.2 million and total equity of approximately RM1,150.8 million.

7.4.2 Cash Flows of the Group

A summary of the consolidated statement of cash flows of the Group for FY2021, FY2022, FY2023 and FY2024 is set out in the table below. The following summary consolidated statement of cash flows should be read in conjunction with the full text of the Company's results announcements and annual reports in respect of the relevant financial years including the notes thereto.

Summary Consolidated Statement of Cash Flows (RM'000)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	FY2024 (Unaudited)
Net cash flows from operating activities	196,904	270,295	72,617	107,497
Net cash used in investing activities	(82,968)	(83,140)	(45,734)	(21,624)
Net cash used in financing activities	(178,596)	(58,918)	(107,797)	(99,032)
Net (decrease) / increase in cash and cash equivalents	**(64,659)**	**128,237**	**(80,913)**	**(13,159)**

Sources: The Company's annual reports for FY2021, FY2022 and FY2023 and the Company's financial results announcement for FY2024.

Note:
(1) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

<u>FY2024</u>

Net cash from operating activities for FY2024 amounted to approximately RM107.5 million, which was supported by an operating cash flow before changes in working capital of approximately RM206.1 million and a negative change in working capital of approximately RM36.2 million. The net cash inflow is partially offset by the net placement of deposits pledged, defined benefits paid, income tax paid and interest paid of approximately RM3.1 million, RM0.4 million, RM50.3 million and RM8.5 million respectively.

Net cash used in investing activities for FY2024 amounted to approximately RM21.6 million mainly due to the payments for software development expenditures, investment in an associate and purchase of property, plant and equipment, partially offset by proceeds from redemption of financial assets – money market fund and interest received.

Net cash used in financing activities for FY2024 amounted to approximately RM99.0 million mainly due to the (i) dividends paid to equity holders of the Company; (ii) purchase of treasury shares; (iii) repayment of revolving credit and term loan; and (iv) payment of principal portion of lease liabilities.

7.4.3 Post Balance Sheet Events after 30 June 2024

Silverlake Global Structured Services Pte. Ltd., a wholly owned subsidiary of the Company, entered into a share purchase agreement on 21 May 2024 with Silverlake Cloud Mezzanine Sdn. Bhd. ("**SCM**"), Silverlake Identity and Security Technology Sdn. Bhd. ("**SIAST**", together with SCM, the "**Sellers**"), Silverlake Mathematical iFintech Sdn. Bhd. ("**SMI**" or the "**Seller Entities Representative**") and Zezz FundQ Pte. Ltd. ("**Zezz**", together with SCM, SIAST and SMI, the "**Seller Entities**") for the proposed acquisition of the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd., Silverlake MasterSAM Sdn. Bhd. and Silverlake MasterSAM Pte. Ltd (collectively known as the "**Target Companies**") for a total consideration of RM23.0 million (equivalent to approximately S$6.6[2]). On 1 July 2024, the Company has announced the completion of the acquisition of the Target Companies ("**July 2024 Acquisition**").

Based on the pro forma financial effects of the July 2024 Acquisition provided by the Management, we noted that the July 2024 Acquisition would result in a net decrease to the Group's NAV and NTA as at 30 June 2024 of approximately RM4.0 million and RM5.8 million respectively. As these amount to less than 1.0% of both the Group's NAV and NTA as at 30 June 2024, we have assessed that the impact of the July 2024 Acquisition to be immaterial on the Group's NAV and NTA.

Save as disclosed above, the Management has confirmed that they are not aware of any other post balance sheet events which may have a material impact on the NAV and/or NTA of the Group.

7.4.4 Analysis of the Net Assets Backing of the Group

The Group's net assets extracted from its unaudited consolidated statement of financial position as at 30 June 2024 are set out below:

<u>Overview of the Group's NAV</u>

As at 30 June 2024, the Group's assets comprised mainly (i) cash and bank balances of approximately RM497.2 million, representing approximately 31.3% of total assets; (ii) intangible assets of approximately RM426.4 million, representing approximately 26.8% of total assets; (iii) contract assets of approximately RM185.4 million, representing approximately 11.6% (iv) financial assets at fair value through other comprehensive income – quoted equity shares of approximately RM178.3 million, representing approximately 11.2% of total assets; and (v) trade and other receivables of approximately RM172.0 million, representing approximately 10.8% of total assets.

The Group's liabilities mainly comprised (i) loans and borrowings of approximately RM142.1 million, representing approximately 32.3% of total liabilities; (ii) contract liabilities of approximately RM135.5 million, representing approximately 30.8% of total liabilities; and (iii) trade and other payables of approximately RM99.7 million, representing approximately 22.6% of total liabilities.

The Group's NAV as at 30 June 2024 amounted to approximately RM1,150.8 million.

Intangible Assets

We noted that the Group has substantial intangible assets of approximately RM426.4 million as at 30 June 2024, representing approximately 26.8% of the Group's total assets. The Group's intangible assets comprised mainly (i) software development expenditure of approximately RM250.7 million; and (ii) goodwill of approximately RM152.2 million. After excluding intangible assets of approximately RM426.4 million, deferred tax assets of approximately RM45.1 million, and deferred tax liabilities of approximately RM23.1 million, the NTA of the Group amounted to approximately RM686.7 million as at 30 June 2024.

[2] Based on the exchange rate of RM3.48: S$1.00 as set out in the Company's announcement dated 21 May 2024 in relation to the July 2024 Acquisition.

A detailed breakdown of the Group's intangible assets is as follows:

Intangible Assets	**Net Carrying Amount As at 30 June 2024 (Unaudited) (RM'000)**	**Contribution to Total Net Carrying Amount**
Software development expenditure	250,723	58.8%
Goodwill	152,162	35.7%
Proprietary software	14,305	3.4%
Customer relationship	5,643	1.3%
Purchased software	3,569	0.8%
Total	**426,403**	**100.0%**

Note:

(1) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

(a) Software development expenditure

Software development expenditure comprises purchased software, manpower and related overheads incurred directly in the development of computer software, which is intended for use or sale. The remaining amortisation period as at 30 June 2024 is less than 10 years. We wish to highlight that software developed by the Group, such as Silverlake Axis Integrated Banking Solution ("**SIBS**"), Silverlake Symmetri Retail Banking Solution ("**Symmetri Core**"), Merimen Insurtech Platform and AgoraCloud, has been commercialised for at least two (2) years with most of them being more than five (5) years and has been mainly contributing to the revenue of the Group's recurring revenue: Maintenance and Enhancement Services, Insurance Ecosystem Transactions and Services and Retail Transactions Processing segment which contributed to more than 75.0% of the Group's revenue in the past four (4) financial years.

(b) Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed arising from the acquisition of SIA X Infotech Group ("**XIT**") Group, Silverlake Symmetri (Singapore) Pte. Ltd. ("**Symmetri**") Group, Cyber Village Sdn. Bhd. ("**CVSB**"), Merimen Ventures Sdn. Bhd. ("**Merimen**") Group and Symmetric Payments & Integration Holdings Pte. Ltd. ("**SPI**") Group. Goodwill is tested for impairment in each financial year. No impairment loss on goodwill has been recognised in FY2024 and the past four (4) financial years.

(c) Proprietary software, customer relationship and purchased software

Other intangible assets of the Group comprised proprietary software, customer relationship and purchased software contributed to approximately 5.5% of the net carrying value of the total intangible assets. Other intangible assets of the Group are amortised on a straight-line basis over their estimated economic useful lives, ranging from two (2) to 12 years.

Purchased software includes software acquired from third parties to enhance customer interaction components and expand the Group's existing software solutions, as well as an ERP system for internal process improvement. Proprietary software represents software obtained through the acquisition of several companies, including XIT Group, Symmetri Group, CVSB, Merimen Group, and SPI Group in prior years. Customer relationships were acquired through the aforementioned acquisitions, reflecting the strong recurring relationships with major customers in different countries.

Financial Assets

As at 30 June 2024, the Group's financial assets comprise mainly (i) the financial assets at fair value through other comprehensive income – quoted equity shares ("**Quoted Equity Shares**") of approximately RM178.3 million, representing approximately 11.2% of total assets; and (ii) Financial assets at fair value through profit or loss – money market fund ("**Money Market Fund**") of approximately RM7.8 million, representing approximately 0.5% of total assets.

The Quoted Equity Shares comprise the Group's equity interest in Global InfoTech Co. Ltd. and DynaFront Holdings Berhad. The decrease in value of the Quoted Equity Shares from RM239.2 million as at 30 June 2023 to RM178.3 million as at 30 June 2024 was mainly due to adverse movements of the fair value of these quoted equity shares. As at the Latest Practicable Date, the latest published market closing price of the Quoted Equity Shares was approximately RM175.2 million and the latest published NAV of the Money Market Fund was approximately RM7.9 million. Accordingly, we have assessed the impact of the change in fair value of the Quoted Equity Shares and Money Market Fund to be immaterial to the Group's net assets as at 30 June 2024.

<u>Net Asset Backing of the Group</u>

The net asset backing of the Group is measured by its NAV or NTA. Shareholders should note that the analysis based on the NAV or NTA of the Group only provides an estimate of the value of the Group based on a hypothetical scenario involving the sale of all its assets in an orderly manner over a reasonable period of time and does not take into account or consideration other variables such as the hypothetical sale of assets in a non-orderly manner or over a short period of time, time value of money, market conditions, legal and professional fees, liquidation costs, contractual obligations, regulatory requirements and availability of potential buyers, all of which could theoretically lower the NAV or NTA that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may also vary depending on prevailing market and economic conditions.

The NAV-based valuation approach shows the extent to which the value of each Share is backed by both the Group's tangible and intangible assets. NTA is derived by deducting intangible assets from the NAV, and the NTA-based valuation approach shows the extent to which the value of each Share is backed by the Group's net tangible assets.

7.4.5 NAV and Ex-cash NAV per Share

NAV per Share	As at 30 June 2024 (Unaudited)
NAV attributable to owners of the parent (RM'000)	**1,135,176**
NAV attributable to owners of the parent (S$'000)	**326,388**
Number of issued Shares as at the Latest Practicable Date	2,514,757,359
NAV per Share (RM)	**0.45**
NAV per Share (S$)	**0.13**
Cash Consideration (S$)	**0.36**
P/NAV ratio as implied by the Cash Consideration	**2.77 times**
Premium of Cash Consideration over the NAV per Share	**177.4%**

Based on the total number of 2,514,757,359 issued Shares (excluding 181,715,441 treasury shares) as at the Latest Practicable Date and the NAV of approximately RM1,135.2 million (equivalent to approximately S$326.4 million[3]), the NAV per Share is approximately RM0.45 or S$0.13 respectively. The Cash Consideration represents a premium of approximately S$0.23 or 177.4% to the latest reported NAV per Share of the Group as at 30 June 2024 and values the Group at an implied P/NAV ratio of approximately 2.77 times.

[3] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

Ex-cash NAV per Share	As at 30 June 2024 (Unaudited)
Ex-cash NAV attributable to owners of the parent (RM'000)	**650,642**
Ex-cash NAV attributable to owners of the parent (S$'000)	**187,074**
Number of issued Shares as at the Latest Practicable Date	2,514,757,359
Ex-cash NAV per Share (RM)	**0.26**
Ex-cash NAV per Share (S$)	**0.07**
Ex-cash Cash Consideration (S$)	**0.30(1)**
Ex-cash P/NAV ratio as implied by the Ex-cash Cash Consideration	**4.09 times**
Premium of Ex-cash Cash Consideration over the Ex-cash NAV per Share	**309.5%**

Note:
(1) As at 30 June 2024, the Group's cash and cash equivalents were approximately RM484.5 million (equivalent to approximately S$139.3 million[4]), which amounts to a cash per Share of approximately RM0.19 (equivalent to approximately S$0.06[5]). Accordingly, the ex-cash Cash Consideration is S$0.30.

Based on the total number of 2,514,757,359 issued Shares (excluding 181,715,441 treasury shares) as at the Latest Practicable Date and the ex-cash NAV of approximately RM650.6 million (equivalent to approximately S$187.1 million[6]), the ex-cash NAV per Share is approximately RM0.26 or S$0.07 respectively. The ex-cash Cash Consideration of S$0.30 represents a premium of approximately S$0.23 or 309.5% to the ex-cash NAV per Share of the Group as at 30 June 2024 and values the Group at an implied ex-cash P/NAV ratio of approximately 4.09 times.

7.4.6 NTA per Share and Ex-cash NTA per Share

The NTA as presented below excludes intangibles, deferred tax assets and deferred tax liabilities, which may be considered to provide more substantive support than NAV for the value of Shareholders' equity in the event of a hypothetical sale of all of the Group's assets over a reasonable period of time.

NTA per Share	As at 30 June 2024 (Unaudited)
NAV attributable to owners of the parent (RM'000)	**1,135,176**
(-) Intangible assets (RM'000)	(426,403)
(-) Deferred tax assets (RM'000)	(45,144)
+ Deferred tax liabilities (RM'000)	23,093
NTA attributable to owners of parent (RM'000)	**686,722**
NTA attributable to owners of parent (S$'000)	**197,447**
Number of issued Shares as at the Latest Practicable Date	2,514,757,359
NTA per Share (RM)	**0.27**
NTA per Share (S$)	**0.08**
Cash Consideration (S$)	**0.36**
P/NTA ratio as implied by the Cash Consideration	**4.59 times**
Premium of Cash Consideration over the NTA per Share	**358.5%**

Based on the total number of 2,514,757,359 issued Shares (excluding 181,715,441 treasury shares) as at the Latest Practicable Date and the NTA of approximately RM686.7 million

[4] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.
[5] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.
[6] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

(equivalent to approximately S$197.4 million[7]), the NTA per Share is approximately RM0.27 or S$0.08 respectively. The Cash Consideration represents a premium of approximately S$0.28 or 358.5% to the latest reported NTA per Share of the Group as at 30 June 2024 and values the Group at a P/NTA ratio of approximately 4.59 times.

Ex-cash NTA per Share	**As at 30 June 2024 (Unaudited)**
Ex-cash NTA attributable to owners of the parent (RM'000)	**202,187**
Ex-cash NTA attributable to owners of the parent (S$'000)	**58,133**
Number of issued Shares as at the Latest Practicable Date	2,514,757,359
Ex-cash NTA per Share (RM)	0.08
Ex-cash NTA per Share (S$)	**0.02**
Ex-cash Cash Consideration (S$)	**0.30[(1)]**
Ex-cash P/NTA ratio as implied by the Ex-cash Cash Consideration	**13.18 times**
Discount/Premium of Ex-cash Cash Consideration over the Ex-cash NTA per Share	**1,217.7%**

Note:

(1) As at 30 June 2024, the Group's cash and cash equivalents were approximately RM484.5 million (equivalent to approximately S$139.3 million[8]), which amounts to a cash per Share of approximately RM0.19 (equivalent to approximately S$0.06[9]). Accordingly, the ex-cash Cash Consideration is S$0.30.

Based on the total number of 2,514,757,359 issued Shares (excluding 181,715,441 treasury shares) as at the Latest Practicable Date and the ex-cash NTA of approximately RM202.2 million (equivalent to approximately S$58.1 million[10]), the ex-cash NTA per Share is approximately RM0.08 or S$0.02 respectively. The ex-cash Cash Consideration represents a premium of approximately S$0.28 or 1,217.7% to the ex-cash NTA per Share of the Group as at 30 June 2024 and values the Group at an ex-cash P/NTA ratio of approximately 13.18 times.

Notwithstanding that the Group has significant intangible assets which comprised mainly software development expenditures and proprietary software as described in paragraph 7.4.4 of this letter, the Management has confirmed that such software has been commercialised and consistently generating revenues and cash flows historically through the sale and/or recurring maintenance contracts relating to such software. As such, we are of the view that the value of these intangible assets would have been reflected in the business and enterprise value of the Group through its earnings potential.

In our evaluation of Offer Consideration, we have also considered whether (i) there are any assets which should be valued at an amount that is materially different from that which are recorded in the unaudited balance sheet of the Group as at 30 June 2024; (ii) whether there are any events in the announcements made by the Company after the publication of the latest financial results that are likely to impact the NAV/NTA of the Group as at 30 June 2024; and (iii) whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV/NTA of the Group as at 30 June 2024.

In respect of the foregoing, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that save as disclosed above and the announcements released by the Company on the SGXNET, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

[7] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

[8] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

[9] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

[10] Converted to S$ based on the exchange rate of S$:RM of 3.478 as at 30 June 2024 as stated in the Group's financial results announcement for FY2024.

(1) Save as disclosed in this letter and in the ordinary course of the Group's business, there are no material acquisitions and disposals of assets by the Group between 30 June 2024 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business;

(2) There are no material contingent liabilities, bad or doubtful debts or impairment losses, material events, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the unaudited NAV of the Group as at 30 June 2024;

(3) There is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group;

(4) There is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 30 June 2024; and

(5) There are no other intangible assets as at the Latest Practicable Date and which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group as at 30 June 2024.

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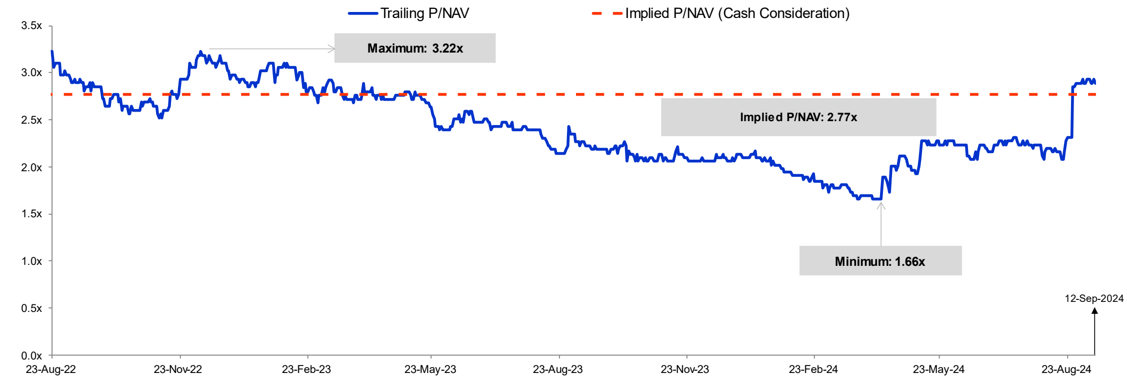
7.5 Historical Trailing P/NAV, P/NTA and P/E Ratios of the Shares

Historical Trailing P/NAV of the Shares

We have compared the P/NAV of the Shares as implied by the Cash Consideration of 2.77 times against the historical trailing P/NAV of the Shares (based on the daily closing prices of the Shares and the Group's trailing announced NAV per Share) for 2-year Lookback Period up to and including the Latest Practicable Date.

Historical Trailing P/NAV Ratio(1)



Sources: Bloomberg L.P. and PPCF calculations

Note:

(1) P/NAV ratio of the Shares implied by the Cash Consideration (using the latest NAV per Share computed based on the Company's unaudited financial results for FY2024) against the trailing P/NAV of the Shares computed based on the corresponding NAV as represented by as reported by the Company in its interim and full-year financial results announcements.

The average, minimum and maximum of the historical trailing P/NAV of the Shares from 23 August 2022 (being the beginning of the 2-year Lookback Period) up to the Latest Practicable Date are set out below:

Historical trailing P/NAV ratios of the Shares	Historical trailing P/NAV (times)		
	Average	Maximum	Minimum
2-year period prior to the Last Trading Day			
2-year	2.41	3.22	1.66
1-year	2.08	2.43	1.66
6-month	2.06	2.31	1.66
3-month	2.21	2.31	2.08
1-month	2.20	2.31	2.08
Period after the Last Trading Day up to the Latest Practicable Date			
Period after the Last Trading Day up to the Latest Practicable Date	2.81	2.93	2.31

Sources: Bloomberg L.P., the Company's financial results announcements and PPCF calculations

Based on the above, we note that:

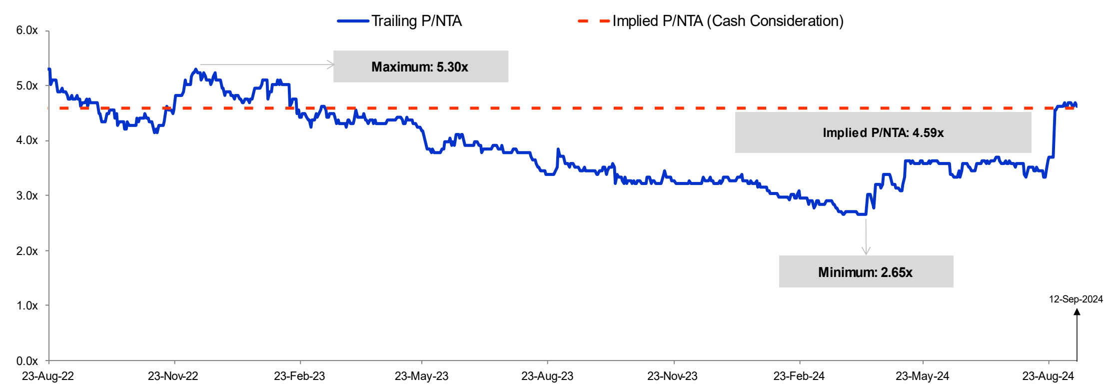
(a) For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/NAV based on the Cash Consideration of 2.77 times is above the average historical trailing P/NAV of the Shares of 2.20 times, 2.21 times, 2.06 times, 2.08 times and 2.41 times respectively; and

(b) For the period after the Last Trading Day up to the Latest Practicable Date, the implied P/NAV based on the Cash Consideration of 2.77 times is below the average historical trailing P/NAV of the Shares of 2.81 times.

Historical Trailing P/NTA of the Shares

We have compared the P/NTA of the Shares as implied by the Cash Consideration of 4.59 times against the historical trailing P/NTA of the Shares (based on the daily closing prices of the Shares and the Group's trailing announced NTA per Share) for the 2-year Lookback Period up to and including the Last Trading Day.

Historical Trailing P/NTA Ratio(1)



Sources: Bloomberg L.P. and PPCF calculations

Note:

(1) P/NTA ratio of the Shares implied by the Cash Consideration (using the latest NTA per Share computed based on the Company's unaudited financial results for FY2024) against the trailing P/NTA of the Shares computed based on the corresponding NTA as reported by the Company in its interim and full-year financial results announcements.

The average, minimum and maximum of the historical trailing P/NTA of the Shares from 23 August 2022 (being the beginning of the 2-year Lookback Period) up to and including the Latest Practicable Date are set out below:

Historical Trailing P/NTA Ratios of the Shares			
	Historical Trailing P/NTA (times)		
	Average	Maximum	Minimum
2-year period prior to the Last Trading Day			
2-year	3.84	5.30	2.65
1-year	3.28	3.70	2.65
6-month	3.34	3.70	2.65
3-month	3.53	3.70	3.33
1-month	3.48	3.70	3.33
Period after the Last Trading Day up to the Latest Practicable Date			

Historical Trailing P/NTA Ratios of the Shares			
	Historical Trailing P/NTA (times)		
	Average	Maximum	Minimum
Period after the Last Trading Day up to the Latest Practicable Date	4.46	4.69	3.70

Sources: Bloomberg L.P., the Company's financial results announcements and PPCF calculations

Based on the above, we note that:

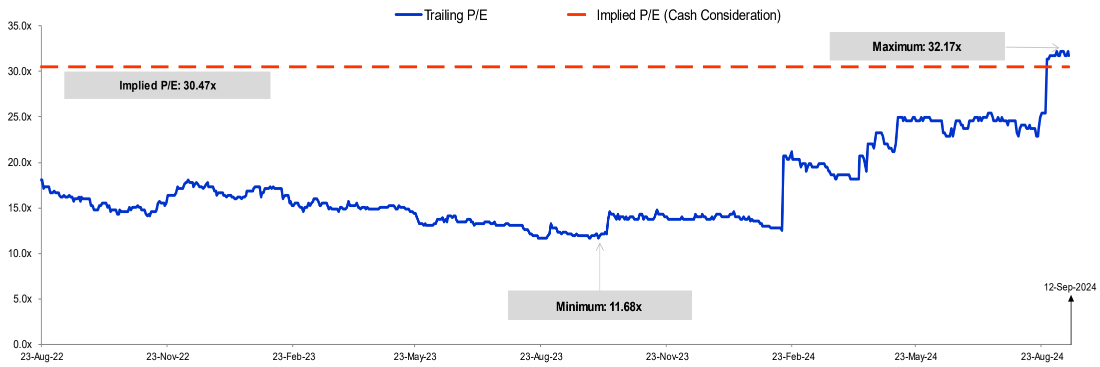
(a) For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 3.48 times, 3.53 times, 3.34 times, 3.28 times and 3.84 times respectively; and

(b) For the period after the Last Trading Day and up to the Latest Practicable Date, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 4.46 times.

Historical Trailing P/E of the Shares

We have compared the P/E of the Shares as implied by the Cash Consideration of 30.47 times against the historical trailing P/E of the Shares (based on the daily closing prices of the Shares and the Group's trailing announced weighted average earnings per Share) for the 2-year Lookback Period up to and including the Latest Practicable Date.

Historical Trailing P/E Ratio(1)



Sources: Bloomberg L.P. and PPCF calculations

Note:

(1) P/E ratio of the Shares implied by the Cash Consideration (using the latest earnings per Share computed based on the Company's unaudited financial results for FY2024) against the trailing P/E of the Shares computed based on the corresponding weighted average earnings per Share as reported by the Company in its interim and full-year financial results announcements.

The average, minimum and maximum of the historical trailing P/E of the Shares from 23 August 2022 (being the beginning of the 2-year period) up to and including the Latest Practicable Date are set out below:

Historical Trailing P/E ratio of the Shares			
	Historical Trailing P/E (times)		
	Average	Maximum	Minimum
2-year period prior to the Last Trading Day			
2-year	16.64	25.40	11.68
1-year	18.10	25.40	11.68
6-month	22.59	25.40	18.20
3-month	24.32	25.40	22.86
1-month	24.12	25.40	22.86
Period after the Last Trading Day up to the Latest Practicable Date			
After the Last Trading Day up to the Latest Practicable Date	30.86	32.17	25.40

Sources: Bloomberg L.P., the Company's financial results announcements and PPCF calculations

Based on the above, we note that:

(a) For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/E based on the Cash Consideration of 30.47 times is above the historical trailing P/E of the Shares of 24.12 times, 24.32 times, 22.59 times, 18.10 times and 16.64 times respectively; and

(b) For the period after the Last Trading Day and up to the Latest Practicable Date, the implied P/E based on the Cash Consideration of 30.47 times is below the average historical trailing P/E of the Shares of 30.86 times.

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7.6 Valuation Ratios of Selected Listed Companies Broadly Comparable to the Group

Due to the limited availability of comparable companies listed on the SGX-ST, for the purpose of evaluating the financial terms of the Offer, we have made reference to the valuation ratios of listed companies on other stock exchanges which we consider to be broadly comparable to the Group, to get an indication of the current market expectations with regard to the perceived valuation of the Group.

In our selection of the comparable companies, we have made reference to selected listed companies which we consider to be broadly comparable to the principal business of the Group, that is, listed companies that are engaged primarily in the provision of software and digital solutions and services, which have recorded a profit after tax for the last two (2) financial years, declared dividend in its most recently completed financial year end and with a market capitalisation of more than S$500.0 million as at the Latest Practicable Date ("**Comparable Companies**"). We have had discussions with the Management about the suitability and reasonableness in selecting the Comparable Companies for comparison with the Group.

The Recommending Directors should note that the prices at which shares trade include factors other than historical financial performance, and some of these include, amongst others, the relative sentiments of the market for the shares, historical share price performance, prospects of the financial performance, the demand/supply conditions of the shares, the relative liquidity of the shares, as well as the market capitalisation.

Relevant information has been extracted from S&P Capital IQ, publicly available annual reports and/or public announcements of the Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the Comparable Companies with respect to the values for which the assets, premiums, cost or claims are provided for or recorded may differ from that of the Group.

Brief descriptions of the Comparable Companies are set out below:

Summary of Comparable Companies		
Name	**Stock exchange**	**Business description**
Tata Consultancy Services Limited ("**Tata Consultancy**")	National Stock Exchange of India ("**NSEI**")	Tata Consultancy provides information technology ("**IT**") and IT-enabled services across the Americas, Europe, India, and globally. It operates through segments including banking, financial services and insurance, manufacturing, consumer business, communication, media and technology, life sciences and healthcare, and others. It offers various technology solutions such as TCS ADD for clinical research and drug development, TCS BaNCS for financial services, TCS CHROMA for workforce management and ignio for autonomous enterprise software. it provides platforms like TCS OmniStore for retail, TCS MasterCraft for automation, and Quartz for blockchain. Tata Consultancy also delivers cloud services, cognitive business solutions, consulting, cybersecurity, data analytics, and digital engineering.
Infosys Limited ("**Infosys**")	NSEI	Infosys offers consulting, technology, outsourcing and digital services worldwide. Its services consist of digital marketing, digital workplace solutions, digital commerce, digital experience and interactions, the metaverse, data analytics, artificial intelligence ("**AI**") (including generative AI), blockchain, engineering and others. It provides specialised solutions, including but not limited to, Finacle, Infosys Equinox, Infosys Helix, Infosys Applied AI, Infosys Cortex and Stater digital platforms. Infosys serves diverse

Summary of Comparable Companies		
Name	**Stock exchange**	**Business description**
		industries such as aerospace, agriculture, automotive, healthcare, industrial manufacturing, insurance, life science, retail and others.
Fidelity National Financial, Inc (“**Fidelity NF**”)	New York Stock Exchange (“**NYSE**”)	Fidelity NF provides various insurance products in the United States through title, Fidelity & Guaranty, and corporate and other segments. It offers title insurance, escrow and other title related services. It also provides technology and transaction services to the real estate and mortgage industries and mortgage transaction services. In addition, it offers annuity and life insurance products and also engages in the real estate brokerage business.
Jack Henry & Associates, Inc (“**Jack Henry & Associates**”)	NASDAQ	Jack Henry & Associates operates through four segments, namely (i) core; (ii) payments; (iii) complementary; and (iv) corporate and others. The core segment provides core information processing platforms for banks and credit unions and maintains centralised customer information. The payments segment offers secure payment processing tools and services. The complementary segment provides additional software, hosted processing platforms, and services, including digital/mobile banking, treasury services, online account opening, fraud/anti-money laundering, and lending/deposit solutions. The corporate and others segment offers hardware and other products.
Oracle Financial Services Software Limited (“**Oracle**”)	Bombay Stock Exchange (“**BSE**”)	Oracle provides IT solutions and business processing services to the financial services industry worldwide. It operates in two segments, namely product licenses and related activities, and IT solutions and consulting services. It offers a comprehensive suite of products, including Oracle FLEXCUBE, Oracle Banking Digital Experience and Oracle Banking Solutions. In addition, it offers Oracle Financial Services Data Management Solutions, as well as cloud infrastructure, human capital management and data management for financial services and bancassurance solutions. Further, it offers applications for risk, finance, treasury, regulatory reporting, and compliance and supports financial services enterprises.
Temenos AG (“**Temenos**”)	SIX Swiss Exchange (“**SWX**”)	Temenos develops, markets, and sells integrated banking software systems to banking and other financial institutions worldwide. Its offerings include Temenos Banking Cloud for open banking services, Temenos Infinity for digital banking, Temenos Transact for core banking, Temenos Payments for payment processing, and Temenos Multifonds for fund management and asset servicing. In addition, Temenos also provides Temenos Multifonds Navigator for oversight, Temenos Quantum for multi-experience development, and Temenos XAI for personalised customer experiences and process automation and other solutions. Further, it provides various solutions, including but not limited to, retail, business, universal, central, Islamic, corporate, and private banking and asset managers and asset services.

Summary of Comparable Companies		
Name	**Stock exchange**	**Business description**
NSD Co., Ltd. ("**NSD**")	Tokyo Stock Exchange ("**TSE**")	NSD offers services such as software development, system consulting services, IT infrastructure, network construction, system consulting, and system maintenance solutions, integrated fixed asset and sales management solutions. Its IT infrastructure services encompass planning and procurement, cloud and network design, development, installation, and security. NSD also offers operation and maintenance services such as system management, lifecycle support, and helpdesk. Additionally, NSD delivers both general-purpose and specialised software products, and serves sectors including finance, manufacturing, telecommunications, distribution, and public services.
Asseco South Eastern Europe Group ("**Asseco**")	Warsaw Stock Exchange ("**WSE**")	Asseco engages in the sale of its own and third-party software and operates through banking solutions, payment solutions and dedicated solutions segments. In addition, it offers services to utilities, telecommunications, government, banking, finance, and public sectors, including business process management, customer service and sales support platform, data registers, smart city, AI and Machine Learning, e-tax, border control, authentication, dedicated solutions, and BI and ERP. Further, the company provides proprietary solutions and integration services, including LeaseFlex for lease and asset lifecycle management solution and FinanceFlex.
Nucleus Software Exports Limited ("**Nucleus Software**")	BSE	Nucleus Software provides lending and transaction banking products to the financial services industry in India, the Far East, Southeast Asia, Europe, the Middle East, Africa, Australia, and internationally. Its products include FinnOne Neo offering comprehensive lending solutions for retail, corporate, and Islamic sectors, as well as loan origination, management, and collections systems; PaySe platform facilitates both online and offline digital payments; FinnAxia, an integrated global transaction banking solution that covers receivables, payments, liquidity management and others; and FarEdge offers anomaly detection for enhanced productivity and security. In addition, it provides testing, consulting, application development, maintenance, and infrastructure management services.

Source: S&P Capital IQ

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there may not be any listed company which we may consider to be identical to the Group in terms of, *inter alia*, geographical spread, composition of business activities, customer base, size and scale of business operations, risk profile, asset base, market capitalisation, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, tax factors, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Recommending Directors should note that any comparison made with respect to the Comparable Companies herein is strictly limited in scope and merely serves to provide an illustrative perceived market valuation of the Group as at the Latest Practicable Date.

We set out below the valuation statistics for the Comparable Companies based on their last transacted share prices as at the Latest Practicable Date.

Valuation Ratios of Comparable Companies

Comparable Company	Listed Exchange	Market Capitalisation(1) (S$' mil)	LTM(2) EV/EBITDA (times)	LTM(2) P/E (times)(3)	P/NAV (times)(4)	Ex-cash P/NAV (times)(5)	P/NTA (times)(6)	Ex-cash P/NTA (times)(7)
Tata Consultancy	NSEI	254,059.92	24.44	34.87	17.72	17.64	18.70	18.61
Infosys	NSEI	125,566.24	23.32	29.86	10.69	10.56	10.52	10.40
Fidelity NF	NYSE	21,167.60	7.59	17.81	2.23	1.56	17.41	12.16
Jack Henry & Associates	NASDAQ	16,697.72	18.82	33.52	6.95	6.93	21.00	20.94
Oracle	BSE	15,601.40	32.08	42.79	15.61	14.95	17.09	16.37
Temenos	SWX	6,703.25	15.38	32.46	6.56	6.27	N.M.	N.M.
NSD	TSE	2,328.59	12.90	23.79	4.31	3.90	6.50	5.88
Asseco	WSE	836.54	8.30	12.75	2.26	2.06	17.70	16.11
Nucleus Software	BSE	553.47	13.76	18.58	4.58	4.52	4.54	4.49
		High	32.64	42.79	17.72	17.64	21.00	20.94
		Low	8.02	12.75	2.23	1.56	4.54	4.49
		Mean	17.59	27.38	7.88	7.63	14.18	13.21
		Median	15.38	29.86	6.56	6.27	17.25	14.35
Company (as implied by the Cash Consideration)	**SGX-ST**	**905.31**	**14.75**	**30.47**	**2.77(8)**	**4.09(9)**	**4.59(10)**	**13.18(11)**

Sources: S&P Capital IQ and the relevant annual reports and financial results announcements by the Comparable Companies

Notes:

(1) Market capitalisation of the Comparable Companies is based on their respective last transacted prices as at the Latest Practicable Date as extracted from S&P Capital IQ. The implied market capitalisation of the Company is approximately S$905.3 million based on the Cash Consideration and the total outstanding Shares of 2,514,757,359 (excluding 181,715,441 treasury shares) as at the Latest Practicable Date.

(2) LTM means the latest twelve months and N.M. means not meaningful.

(3) Net profit attributable to shareholders of the Comparable Companies and the Company is computed on a trailing 12-month basis from the latest available audited and/or unaudited financial results and the Company's unaudited financial results for FY2024 respectively.

(4) P/NAV ratio is the ratio of the Comparable Companies' respective share price as at the Latest Practicable Date divided by its consolidated net asset value attributed to the respective Comparable Companies on a per share basis as at the latest available financial results.

(5) The P/NAV (ex-cash) ratio of the Comparable Companies is computed based on their respective market capitalisation (ex-cash) divided by the respective ex-cash NAV value. The NAV and ex-cash component of the Comparable Companies are obtained from their respective latest published financial statements available as at the Latest Practicable Date.

(6) P/NTA ratio is the ratio of the Comparable Companies' respective share price as at the Latest Practicable Date divided by its consolidated net tangible assets attributed to the respective Comparable Companies on a per share basis as at the latest available financial results.

(7) The P/NTA (ex-cash) ratio of the Comparable Companies is computed based on their respective market capitalisation (ex-cash) divided by the respective ex-cash NTA value. The NTA and ex-cash component of the Comparable Companies are obtained from their respective latest published financial statements available as at the Latest Practicable Date.

(8) Based on the NAV of the Group as at 30 June 2024, as set out in paragraph 7.4.5 of this letter.

(9) Based on the ex-cash NAV of the Group as at 30 June 2024, as set out in paragraph 7.4.5 of this letter.

(10) Based on the NTA of the Group as at 30 June 2024, as set out in paragraph 7.4.6 of this letter.

(11) Based on the ex-cash NTA of the Group as at 30 June 2024, as set out in paragraph 7.4.6 of this letter.

Based on the information above, we note that based on the Cash Consideration:

(a) The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the LTM EV/EBITDA ratios of the Comparable Companies of between 8.02 times and 32.64 times, but is lower than both the mean and median LTM EV/EBITDA ratios of 17.59 times and 15.38 times respectively;

(b) The implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the LTM P/E ratios of the Comparable Companies of between 12.75 times and 42.79 times and is higher than both the mean and median LTM P/E ratios of 27.38 times and 29.86 times respectively;

(c) The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Comparable Companies of between 2.23 times and 17.72 times, but is lower than both the mean and median P/NAV ratios of 7.88 times and 6.56 times respectively;

(d) The implied ex-cash P/NAV ratio based on the Cash Consideration of the Company of 4.09 times is within the range of the ex-cash P/NAV ratios of the Comparable Companies of between 1.56 times and 17.64 times, but is lower than both the mean and median ex-cash P/NAV ratios of 7.63 times and 6.27 times respectively;

(e) The implied P/NTA ratio based on the Cash Consideration of the Company of 4.59 times is within the range of the P/NTA ratios of the Comparable Companies of between 4.54 times and 21.00 times, but is lower than both the mean and median P/NTA ratios of 14.18 times and 17.25 times respectively; and

(f) The implied ex-cash P/NTA ratio based on the Cash Consideration of the Company of 13.18 times is within the range of the ex-cash P/NTA ratios of the Comparable Companies of between 4.49 times and 20.94 times, but is slightly lower than both the mean and median ex-cash P/NTA ratios of 13.21 times and 14.35 times respectively.

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7.7 Selected Precedent Privatisation Transactions on SGX-ST

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of Shares (excluding Shares held in treasury) are held by at least 500 shareholders who are members of the public (the "**Free Float Requirement**").

We note that it is the intention of the Offeror, and the purpose of the Offer, not to preserve the listing status of the Company and not to support any action or take any steps to maintain the listing status of the Company in the event that the Free Float Requirement is not met and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Accordingly, for the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Cash Consideration *vis-à-vis* recent successful privatisations and delisting of companies listed on the SGX-ST where the offeror has indicated similar intentions where it does not intend to preserve the listing status of the company.

We set out below the statistics on (i) privatisation transactions of companies listed on the SGX-ST, whether by way of a scheme of arrangement under Section 210 of the Companies Act ("**SOA**"), voluntary general offers ("**VGO**") or mandatory general offers ("**MGO**") under the Code; and (ii) delisting offers under Rule 1307 of the Listing Manual ("**VD**"), and the offer resulted in successful privatisation and delisting of the target company ("**Precedent Privatisation Transactions**").

As some of the Precedent Privatisation Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Precedent Privatisation Transactions where available. The details on the Precedent Privatisation Transactions announced from 1 January 2021 up to the Latest Practicable Date are set out as follows:

Precedent Privatisation Transactions in Singapore

				Premium/(Discount) of offer price over/to					
Announcement date	**Target companies**	**Type**	**Offer price per share (S$)**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**1-year VWAP (%)**	**Offer price to NTA/NAV (times)**
11 Jan 21	CEI Limited	VGO	1.15	16.2%	18.1%	20.5%	23.6%	26.1%	1.93(1)
15 Jan 21	GL Limited	VGO	0.80	42.9%	46.6%	52.4%	45.8%	25.1%	0.73(2)
28 Jan 21	International Press Softcom Limited	VGO	0.045	13.9%	25.4%	32.0%	21.6%	26.8%	1.09(3)
12 Mar 21	World Class Global Limited	SOA	0.21	112.1%	107.9%	107.9%	89.2%	73.6%	0.83(4)
19 Mar 21	Singapore Reinsurance Corporation Limited	VGO	0.3535	17.8%	20.6%	20.8%	21.8%	27.4%	0.79(5)
30 Mar 21	Neo Group Limited	VGO	0.60	19.9%	17.9%	14.5%	15.4%	30.9%	1.66(6)
30 Mar 21	Singapore Press Holdings Limited	SOA	2.36	1.3%	10.1%	16.7%	26.1%	47.3%	1.05(7)
29 Apr 21	Sin Ghee Huat Corporate Ltd	VGO	0.27	25.6%	68.2%	68.2%	68.2%	68.2%	0.60(8)
30 Apr 21	Top Global Limited	VGO	0.39	122.9%	133.6%	146.8%	148.7%	142.6%	0.53(9)
6 May 21	Cheung Woh Technologies Limited	VGO	0.285	90.0%	90.0%	92.6%	109.6%	141.5%	1.10(10)
31 May 21	Dutech Holdings Ltd	VGO	0.435	74.0%	73.3%	74.7%	73.3%	61.1%	0.77(11)

Precedent Privatisation Transactions in Singapore

				Premium/(Discount) of offer price over/to					
Announcement date	Target companies	Type	Offer price per share (S$)	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	1-year VWAP (%)	Offer price to NTA/NAV (times)
9 Jul 21	Fragrance Group Limited	VGO	0.138	16.9%	19.0%	19.0%	20.0%	21.1%	0.71(12)
9 Nov 21	SingHaiyi Group Ltd	VGO	0.117	7.1%	7.0%	10.7%	18.3%	20.0%	0.60(13)
10 Nov 21	Starburst Holdings Limited	VGO	0.238	4.4%	3.9%	9.2%	12.8%	25.3%	1.84(14)
10 Dec 21	United Global Limited	VGO	0.45	9.1%	16.7%	16.7%	16.2%	14.1%	1.70(15)
15 Dec 21	Roxy-Pacific Holdings Limited	VGO	0.485	19.6%	21.0%	23.5%	30.3%	37.0%	0.64(16)
29 Dec 21	Koufu Group Limited	VGO	0.77	1.4%	14.5%	13.6%	15.1%	15.3%	3.21 (17)
16 Feb 22	Shinvest Holding Ltd	VGO	3.50	13.6%	8.5%	10.2%	10.1%	14.3%	0.66(18)
7 Mar 22	Singapore O&G Ltd	VGO	0.295	18.0%	14.8%	12.2%	11.3%	11.3%	4.60(19)
13 Apr 22	Excelpoint Technology Ltd	SOA	1.93	21.4%	36.6%	31.3%	45.9%	72.3%	1.53(20)
17 May 22	Hwa Hong Corporation Limited	VGO / MGO	0.40	37.9%	36.1%	32.0%	22.0%	24.6%	0.79(21)
20 May 22	T T J Holdings Limited	VGO	0.23	36.1%	33.6%	28.8%	28.0%	29.4%	0.63(22)
17 Jun 22	Allied Technologies Limited	VGO	0.011	N.A.	N.A.	N.A.	N.A.	N.A.	0.35(23)
29 Jul 22	GYP Properties Limited	VGO	0.20	34.2%	37.9%	33.3%	28.2%	30.7%	0.69(24)
20 Aug 22	SP Corporation Limited	SOA	1.59	169.5%	163.7%	162.8%	156.9%	140.5%	1.00(25)
29 Aug 22	Silkroad Nickel Ltd.	VGO	0.42	2.4%	5.4%	5.1%	(5.5)%	(3.2)%	5.20(26)
12 Sep 22	Memories Group Limited	VD	0.047	34.3%	67.3%	72.2%	74.7%	76.7%	1.02(27)
13 Sep 22	Singapore Medical Group Ltd	VGO	0.40	24.9%	28.1%	28.9%	25.8%	27.5%	4.20(28)
14 Sep 22	Moya Holdings Asia Limited	VGO	0.092	41.5%	43.8%	48.4%	48.4%	46.0%	3.54(29)
3 Oct 22	MS Holdings Limited	VGO	0.07	17.7%	n.a.	25.2%	25.5%	24.6%	0.48(30)
6 Oct 22	Asian Healthcare Specialists Limited	VGO	0.188	17.5%	18.3%	21.3%	22.3%	19.5%	5.86(31)
24 Nov 22	Chip Eng Seng Corporation Ltd.	MGO	0.75	6.7%	13.1%	26.5%	33.7%	42.6%	0.76(32)
9 Nov 22	Golden Energy and Resources Limited	VD	0.973	15.8%	23.0%	44.6%	48.3%	63.8%	1.51(33)
13 Feb 23	Global Dragon Limited	VGO	0.12	15.4%	15.4%	22.4%	17.6%	17.6%	0.73(34)
28 Feb 23	G.K. Goh Holdings Limited	VGO	1.26	38.5%	38.8%	39.2%	37.6%	34.8%	0.97(35)
4 Apr 23	Global Palm Resources Holdings Limited	VGO	0.25	92.3%	86.6%	70.1%	70.1%	30.2%	0.78(36)
11 Apr 23	Lian Beng Group Ltd	VGO	0.68	21.4%	27.0%	28.5%	29.9%	30.4%	0.43(37)
5 May 23	Penguin International Limited	VGO	0.83	16.9%	18.1%	18.7%	18.6%	17.4%	0.95(38)
27 Jun 23	Challenger Technologies Limited	VGO	0.60	9.1%	10.5%	11.9%	14.3%	13.4%	1.46(39)
1 Jun 23	Sysma Holdings Limited	VGO	0.168	44.7%	39.8%	34.2%	30.5%	28.5%	0.72(40)
2 Aug 23	LHN Logistics Limited	VGO	0.2266	34.9%	35.7%	39.0%	44.3%	39.0%	2.01(41)
5 Sep 23	Healthway Medical Corporation Limited	VD	0.048	45.5%	45.0%	44.1%	39.9%	37.1%	1.07(42)
31 Jul 24	RE&S Holdings Limited	SOA	0.36	56.5	65.1	50.0	45.2	38.5	3.33(43)

Precedent Privatisation Transactions in Singapore

Announcement date	Target companies	Type	Offer price per share (S$)	Premium/(Discount) of offer price over/to Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	1-year VWAP (%)	Offer price to NTA/NAV (times)
			High	169.5%	163.7%	162.8%	156.9%	142.6%	5.86
			Low	1.3%	3.9%	5.1%	(5.5)%	(3.2)%	0.35
			Mean	34.8%	39.2%	40.0%	40.0%	40.7%	1.51
			Median	20.7%	27.0%	28.9%	28.1%	29.8%	0.97
	Company (as implied by the Cash Consideration)	**VGO**		**20.0%**	**27.7%**	**25.0%**	**31.9%**	**31.9%**	**2.77(44)** **4.59(45)**

Sources: Respective target companies' shareholders' circulars and announcements

Notes:

(1) Based on the re-valued net tangible assets ("**RNTA**") per share of CEI Limited as at 31 December 2020;

(2) Based on the NAV per share of GL Limited as at 31 December 2020;

(3) Based on the NTA per share of International Press Softcom Limited as at 31 December 2020;

(4) Based on the RNAV per share of World Class Global Limited as at 31 December 2020;

(5) Based on the NAV per share of Singapore Reinsurance Corporation Limited as at 31 December 2020;

(6) Based on the RNTA per share of Neo Group Limited as at 30 September 2020;

(7) Based on the NAV per share of Singapore Press Holdings Limited as at 31 August 2021;

(8) Based on the RNAV per share of Sin Ghee Huat Corporate Ltd as at 31 December 2020;

(9) Based on the NTA per share of Top Global Limited as at 31 December 2020;

(10) Based on the RNAV per share of Cheung Woh Technologies Limited as at 28 February 2021;

(11) Based on the NTA per share of Dutech Holdings Ltd as at 31 December 2020;

(12) Based on the NAV per share of Fragrance Group Limited as at 30 June 2021;

(13) Based on the RNAV per share of SingHaiyi Group Ltd as at 30 September 2021;

(14) Based on the RNAV per share of Starburst Holdings Limited as at 30 June 2021;

(15) Based on the NTA per share of United Global Limited as at 30 June 2021;

(16) Based on RNAV the per share of Roxy-Pacific Holdings Limited as at 30 June 2021;

(17) Based on the NAV per share of Koufu Group Limited as at 30 June 2021;

(18) Based on the RNTA per share of Shinvest Holding Ltd as at 31 August 2021;

(19) Based on the NTA per share of Singapore O&G Ltd as at 31 December 2021;

(20) Based on the NTA per share of Excelpoint Technology Ltd as at 31 December 2021;

(21) Based on the Adjusted RNAV per share of Hwa Hong Corporation Limited as at 31 December 2021;

(22) Based on the NAV per share of T T J Holdings Limited as at 31 January 2022;

(23) Based on the Adjusted NAV per share of Allied Technologies Limited as at 31 March 2022;

(24) Based on the RNTA per share of GYP Properties Limited as at 30 June 2022;

(25) Based on the NAV per share of SP Corporation Limited as at 30 June 2022;

(26) Based on the NTA per share of Silkroad Nickel Ltd. as at 30 June 2022;

(27) Based on the RNAV per share of Memories Group Limited as at 30 June 2022;

(28) Based on the NTA per share of Singapore Medical Group Ltd as at 30 June 2022;

(29) Based on the Adjusted NTA per share of Moya Holdings Asia Limited as at 30 June 2022;

(30) Based on the NAV per share of MS Holdings Limited as at 30 April 2022;

(31) Based on the Adjusted NTA per share of Asian Healthcare Specialists Limited as at 31 March 2022;

(32) Based on the Adjusted NAV per share of Chip Eng Seng Corporation Ltd as at 30 June 2022;

(33) Based on the NAV per share of Global Energy and Resources Limited as at 31 December 2022 of US$0.4803 (or approximately S$0.644 based on an exchange rate of US$1.00:S$1.3409);

(34) Based on the RNAV per share of Global Dragon Limited as at 31 December 2022;

(35) Based on the NAV per share of G.K. Goh Holdings Limited as at 31 December 2022;

(36) Based on the RNAV per share of Global Palm Resources Holdings Limited as at 31 December 2022;

(37) Based on the RNAV per share of Lian Beng Group Ltd as at 30 November 2022;

(38) Based on the adjusted NAV per share of Penguin International Limited as at 31 December 2022;

(39) Based on the RNAV per share of Challenger Technologies Limited as at 31 December 2022;

(40) Based on the RNAV per share of Sysma Holdings Limited as at 31 January 2023;

(41) Based on the RNAV per share of LHN Logistics Limited as at 31 March 2023;

(42) Based on the NAV per share of Healthway Medical Corporation Limited as at 30 June 2023; and

(43) Based on the NAV per share of RE&S Holdings Limited as at 31 December 2023.

(44) Based on the NAV as at 30 June 2024, as set out in paragraph 7.4.5 in this letter.

(45) Based on the NTA as at 30 June 2024, as set out in paragraph 7.4.6 in this letter.

Based on the above analysis, we note the following:

(a) The premium of approximately 20.0% implied by the Cash Consideration over the last transacted price of the Shares on the Last Trading Day is within the range but is lower than the mean and median premia of 34.8% and 20.7% respectively as implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Privatisation Transactions;

(b) The premium of approximately 27.7% implied by the Cash Consideration over the 1-month VWAP of the Shares up to and including the Last Trading Day is within the range and is higher than the median premium of 27.0%, but is lower than the mean premium of 39.2% as implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Privatisation Transactions;

(c) The premium of approximately 25.0% implied by the Cash Consideration over the 3-month VWAP of the Shares up to and including the Last Trading Day is within the range but is lower than the mean and the median premia of 40.0% and 28.9% respectively as implied by the respective offer prices over the 3-month VWAP of the shares with respect to the Precedent Privatisation Transactions;

(d) The premium of approximately 31.9% implied by the Cash Consideration over the 6-month VWAP of the Shares up to and including the Last Trading Day is within the range and is higher than the median premium of 28.1%, but is lower than the mean premium of 40.0% as implied by the respective offer prices over the 6-month VWAP of the shares with respect to the Precedent Privatisation Transactions;

(e) The premium of approximately 31.9% implied by the Cash Consideration over the 1-year VWAP of the Shares up to and including the Last Trading Day is within the range and is higher than the median premium of 29.8%, but is lower than the mean premium of 40.7% as implied by the respective offer prices over the 1-year VWAP of the shares with respect to the Precedent Privatisation Transactions; and

(f) The implied P/NAV and implied P/NTA ratios based on the Cash Consideration of the Company of 2.77 times and 4.59 times respectively are within the range of P/NAV or P/NTA ratios of the Precedent Privatisation Transactions of between 0.35 times and 5.86 times, and is higher than the mean and median P/NAV or P/NTA ratios of the Precedent Privatisation Transactions of 1.51 times and 0.97 times respectively.

The Recommending Directors should note that the level of premium (if any) an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Consequently, each Precedent Privatisation Transaction should be judged on its own merits (or otherwise).

The list of Precedent Privatisation Transactions indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the offer prices in respect of the Precedent Privatisation Transactions over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/discount for the recent Precedent Privatisation Transactions. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation Transaction or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to Compulsory Acquisition.

We wish to highlight that the Group is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisation Transactions and would not, therefore, be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, the Recommending Directors should note that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisation Transactions. The list of the Precedent Privatisation Transactions is by no means exhaustive, and any comparison of the Offer with the Precedent Privatisation Transactions is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Group.

7.8 Precedent Comparable Transactions that are Broadly Comparable to the Group

In addition to the Precedent Privatisation Transactions set out in paragraph 7.7 above, we have also considered similar transactions with targets whose principal business is broadly comparable to the Group ("**Precedent Comparable Transactions**"). Due to the limited availability of comparable transactions involving companies listed on the SGX-ST and companies in South-East Asia where the Group mainly operates, we have considered completed transactions since 2014 relating to a majority stake of software and IT companies which serve financial or government institutions, retail or insurance sectors from various markets globally.

In making the comparison herein, we wish to highlight to the Recommending Directors that the companies in the Precedent Comparable Transactions are not exhaustive and the target companies listed in the Precedent Comparable Transactions as set out in the analysis below may not be identical to the Group in terms of, *inter alia*, the transaction structure (i.e. the consideration mix being cash, shares or hybrid), the extent of control the acquirer already has in the target company, the level of premium (if any) an acquirer is willing pay for acquiring the target companies, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, prevailing market expectations, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects. Each transaction must be judged on its own commercial and financial merits. The list of the Precedent Comparable Transactions is by no means exhaustive and as such any comparison made serves as an illustration only. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Group.

Brief descriptions of the Precedent Comparable Transactions are set out below:

Precedent Comparable Transactions	
Target Company	**Description and Background**
Ordina N.V.	Ordina N.V. provides IT services in the Netherlands, Belgium, and Luxembourg where it engages in the development and implementation of software solutions, as well as designing and managing IT landscapes. The company also provides consulting, technology, and outsourcing services and serves customers in public, financial services, and industry sectors. Sopra Steria Group SA ("**Sopra Steria**") reached a conditional agreement to acquire Ordina N.V. for approximately €520 million on 21 March 2023 with an offer price of €5.75 in cash per share. In the case of a competing offer, the offeree to pay the offeror termination fee of €5.2 million and if terminated by offeree because of the offer condition with regard to Competition Clearances is not timely obtained, the offeror will pay Ordina N.V. an amount of €15.5 million, approximately 3.0% of the aggregate value. The total transaction value is approximately S$732.1 million.
Diaisi Information Technology Co., Ltd ("**Diaisi**")	Diaisi provides technology to governments and enterprises related to smart cities, emergency command, decision support, early warning, and prevention. Diaisi uses technology such as cloud computing, big data, artificial intelligence, 5G, internet of Things (IOT), integrated communications and other technology.

Precedent Comparable Transactions	
Target Company	**Description and Background**
	Diaisi was acquired by Wuhan Yangtze Communication Industry Group Co.Ltd ("**Wuhan Yangtze**"), a listed company on Shanghai Stock Exchange. The total transaction value is approximately S$310.5 million.
Mindtree Limited	Mindtree Limited operates as a technology consulting and IT services company in India and internationally. The company operates through five (5) segments which are (i) retail, consumer packaged foods (CPG) and manufacturing; (ii) banking, financial services and insurance; (iii) communication, media and technology; (iv) travel, transport and hospitality; and (v) healthcare. The company also provides consulting services, including customer experience transformation and core modernisation, data and intelligence, product and service innovation, and workforce engagement and experience, and customer success. Mindtree Limited also offers data and intelligence services and IT transformation and automation services. As of 14 November 2022, Mindtree Limited was acquired by LTI Limited ("**LTI**"), a public company listed on NSEI. Following the acquisition scheme, all shareholders of Mindtree will be issued shares of LTI at the ratio of 73 shares of LTI for every 100 shares of Mindtree. The total transaction value is approximately S$9,920.0 million.
Bottomline Technologies, Inc ("**Bottomline**")	Bottomline provides solutions for the banking, financial services, insurance, healthcare, technology, retail, communications, education, media, manufacturing, and government industries. Bottomline operates through four segments being (i) cloud solutions; (ii) banking solutions; (iii) payments; and (iv) documents. On 13 May 2022, Thoma Bravo Fund had acquired Bottomline via a cash-consideration, with a total transaction value of S$3,582.9 million. Thoma Bravo paid S$57 per Share to the investors and shareholders of Bottomline for the acquisition.
E&M Computing Ltd ("**E&M**")	E&M provides cloud, information systems, and data centre technologies in Israel. It offers a range of services, which include professional services, data, big data, and analytics, hyperscale cloud, business continuity, cyber security, software, hosted IT, rack-scale systems, and data centre technologies solutions, as well as networking, OEM, and outsourcing solutions. On 28 January 2021, First Israel Mezzanine Investors Ltd ("**FIMI**") signed an agreement to acquire a 62.5% stake in E&M for 450 million Israeli Shekel ("**ILS**") at ILS16.25 per E&M Share. The total transaction value is approximately S$244.9 million.
The Citadel Group Limited ("**Citadel**")	Citadel is a software and services company. It develops and offers software platforms, digital services, and managed services and solutions in Australia and internationally. The company primarily offers term managed, software as a service, product sales and installation, consulting, and professional services. The company operates in five (5) segments that includes health, technology, enterprise solutions, professional services, and wellbeing.

Precedent Comparable Transactions	
Target Company	**Description and Background**
	Funds advised by Pacific Equity Partners entered into a binding scheme implementation deed to acquire Citadel from its sellers for approximately A$450 million on 14 September 2020. Under the terms of the deal, Citadel's shareholders will have the option to elect to receive a price of A$5.7 per share (reduced to the extent of any special dividend) in cash for a total of 78.7 million shares and 0.36 million share rights by way of a scheme of arrangement. Under the scrip alternative, 1 share in a newly incorporated acquisition entity will be issued for each citadel share held, subject to any scale back to ensure that the total number of shares issued do not exceed 40% of the total shares on issue in the acquisition entity; or, Citadel's shareholders can elect to receive shares in acquisition entity in exchange for between 50% and 100% of their Citadel's shares and A$5.7 in cash for the remainder of their Citadel's shares (reduced to the extent of any special dividend). The total transaction value is S$505.7 million.
MYOB Group Limited ("**MYOB**")	MYOB develops and publishes software in Australia and New Zealand. It operates through clients and partners, enterprise solutions, payment solutions, and operations and service segments. Kohlberg Kravis Roberts & Co. L.P. ("**KKR & Co**") paid an amount of A$3.40 per share in cash to acquire the remaining 80.1% stake in MYOB from their investor group. The total transaction value is S$2,023.4 million.
Empower AI, Inc. ("**Empower AI**")	Empower AI provides information technology (IT) and professional services and solutions by leveraging its six (6) core service offerings, which include (i) agile development and lean software O&M; (ii) big data and data analytics; (iii) cybersecurity and information assurance; (iv) engineering and logistics; (v) IT infrastructure optimisation and service management; (iv) and health and program integrity. The buyer signed a definitive agreement with an all cash offer to acquire Empower AI for approximately US$270 million on 2 July 2017. The total transaction value is S$392.5 million.
GFI Informatique SA ("**GFI**")	GFI offers infrastructure, outsourcing, and subcontracting, consulting, and application services, as well as support and integration services for enterprise software. GFI serves sectors like banking, finance, and insurance, retail and services, energy, utilities, and chemistry, telecom, media and entertainment, aerospace and transport sectors. On 22 November 2015, Mannai Corporation Q.P.S.C. ("**Mannai**") made an offer ("**Tender Offer**") to acquire 26% stake in GFI for approximately €150 million in cash consideration. In addition, Mannai entered into block trade shareholder's agreement to acquire 25% stake in GFI resulting to Mannai to acquire GFI's shares at €8.5 per Share. The total transaction value is S$340.4 million.

Sources: S&P Capital IQ and the respective target companies' announcements and report

Precedent Comparable Transactions								
Announcement date	**Target companies**	**Buyer**	**Stake acquired**	**Country**	**Implied EV (S$ mil)**	**EV/ EBITDA (times)**	**P/E (times)**	**P/NAV (times)**
21 March 2023	Ordina N.V.	Sopra Steria	92.7%	Europe	732	10.10	21.66	3.02
13 August 2022	Diaisi	WuHan Yangtze	100%	Asia-Pacific	311	N.A.	N.A.	5.64
5 May 2022	Mindtree Limited	LTI	100%	Asia-Pacific	9,920	24.98	34.68	10.47
17 December 2021	Bottomline	Thoma Bravo, L.P.; Thoma Bravo Fund XV, L.P.	100%	United States and Canada	3,563	56.82(1)	NA	5.84
28 January 2021	E & M	FIMI	62.5%	Middle East	353	8.91	17.93	2.47
14 September 2020	Citadel	Pacific Equity Partners	100%	Asia-Pacific	506	49.70	N.A.	2.39
8 October 2018	MYOB	KKR & Co	80.1%	Asia-Pacific	2,421	18.90	33.83	2.56
3 July 2017	Empower AI	HIG Middle Market LBO Fund II; H.I.G. Capital, LLC	100%	United States and Canada	392	9.61	46.88	2.37
23 November 2015	GFI	Mannai	51.0%	Europe	947	8.92	22.74	2.02
			High		9,920	49.70	46.88	10.47
			Low		311	8.91	17.93	2.02
			Mean		2,127	18.73	29.62	4.09
			Median		732	10.10	28.28	2.56
Company (as implied by the Cash Consideration)					**811.4**	**14.75**	**30.47**	**2.77(2)** **4.59(3)**

Notes:

(1) Considered as an outlier and excluded for the purpose of calculating the mean and median EV/EBITDA ratios of the Precedent Comparable Transactions.

(2) Based on the NAV as at 30 June 2024, as set out in paragraph 7.4.5 in this letter.

(3) Based on the NTA as at 30 June 2024, as set out in paragraph 7.4.6 in this letter.

Based on the information above, we note that based on the Cash Consideration:

(a) The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the EV/EBITDA ratios of the Precedent Comparable Transactions of between 8.91 times and 49.70 times and is higher than the median of the Precedent Comparable Transactions of 10.10 times, but is lower than the mean of 18.73 times;

(b) The implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the P/E ratios of the Precedent Comparable Transactions of between 17.93 times and 46.88 times, and above the mean and median of the Precedent Comparable Transactions of 29.62 times and 28.28 times; and

(c) The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Precedent Comparable Transactions of between 2.02 times and 10.47 times and above the median of the Precedent Comparable Transactions of 2.56 times, but is lower than the mean of the Precedent Comparable Transactions of 4.09 times.

7.9 Combi Consideration as an Election

7.9.1 As mentioned in paragraph 3.2 in this letter, Shareholders who accept the Offer may elect to receive either of the following as their Offer Consideration:

(a) Cash Consideration of S$0.36 for each Offer Share; **OR**

(b) Combi Consideration comprising a combination of S$0.30 in cash and one (1) New Offeror RPS for each Offer Share. The Redemption Amount for each New Offeror RPS pursuant to the Combi Consideration is S$0.18.

The Offeror is a company incorporated in Singapore on 10 July 2024 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of S$2.00 comprising two (2) Offeror Shares, which are 100% owned by ZFPL. The Offeror Directors are Mr Goh, Ms Goh and Mr Ng. The Offeror Shares and New Offeror RPS are not and will not be listed on any securities exchange.

The Offeror has entered into a facility agreement dated 26 August 2024, pursuant to which a six-month bridging loan arranged by UOB ("**Bridging Loan**") of up to S$250.0 million has been made available by UOB as the original lender to the Offeror for the purposes of, *inter alia*, financing the Offer Consideration. The Bridging Loan is secured against the following, *inter alia*, (i) a charge in respect of all the Shares to be acquired by the Offeror and all related rights of such Shares; (ii) a charge granted by ZFPL in favourable of UOB in respect of all its Offeror Shares and all related rights of those Offeror Shares; and (iii) subordination of all present and future indebtedness owing or incurred by the Offeror to ZFPL. The key terms of the Bridging Loans are set out in **Appendix 3** to the Offer Document.

The Offer will be unconditional in all respects. In the event that the Offeror becomes entitled to exercise its right of Compulsory Acquisition under Section 215(1) of the Companies Act, the Offeror intends to exercise such rights. It is the current intention of the Offeror not to preserve the listing status of the Company and not to support any action or take any steps to maintain the listing status of the Company in the event that the Free Float Requirement is not met.

In such an event, the Company will become a wholly-owned subsidiary of the Offeror and the assets and liabilities of the Offeror will comprise the Group's assets and liabilities, in addition to the Bridging Loan of up to S$250.0 million.

Key Terms of the New Offeror RPS

The New Offeror RPS to be allotted and issued pursuant to the Combi Consideration will, on issue, be credited as fully paid and free from all encumbrances. The New Offeror RPS will not carry any voting or dividend rights and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the date of its issuance at the price of S$0.18 per New Offeror RPS. The New Offeror RPS will have liquidation preference rights such that in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Offeror, the holders of New Offeror RPS shall preferentially be entitled to be paid an amount equal to the Redemption Amount, prior to and in preference to any payments to holders of ordinary shares in the capital of the Offeror.

7.9.2 Analysis of the New Offeror RPS

Valuation of the New Offeror RPS

The New Offeror RPS will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the date of issuance at the price of S$0.18 per New Offeror Shares. This is similar to a deferred payment of the Redemption Amount at the end of a 5-year period. As such, we have adopted the discounted cash flow (DCF) method to derive the present value of the New Offeror RPS by applying a discount to the fixed Redemption Amount of S$0.18 per New Offeror RPS using the following formula ("**PV Formula**"):

$$\textit{Present Value} = \frac{\textit{Redemption Amount}}{(1 + \textit{Final Discount Rate})^{n}}$$

Where (as defined below):
Present Value = Value today
Redemption Amount = S$0.18 per New Offeror RPS
n = 5 years (i.e. the mandatory redemption period)
Final Discount Rate = Base Discount Rate + Final Risk Premium

Discount Rate

Given that New Offeror RPS holders will not be entitled to dividends and other distributions, as long as the Offeror is a going concern, our valuation of the New Offeror RPS has taken into consideration solely the Redemption Amount. The discount rate applied is a critical factor to reflect the time value of money and the potential risks of the New Offeror RPS which would be closely associated with the Offeror.

As the terms of the RPS are debt-like in nature, being a non-voting, non-dividend paying instrument with a fixed Redemption Amount, we have first considered the average cost of debt of the Group as the base discount rate ("**Base Discount Rate**"). The Group's average cost of debt for FY2024 is 5.1% and given that in the event the Offeror successfully takes over the Company, the Offeror is likely to comprise mainly or even solely the Group's operations, we have assumed that the cost of debt of the Bridging Loan to be in line with the Group's cost of debt. Accordingly, we have adopted the Base Discount Rate of 5.1%.

In addition to the Base Discount Rate, having considered the extensive risk factors as set out in Appendix 4 of the Offer Document in relation to the Offeror and the New Offeror RPS, it would be appropriate to incorporate a risk premium ("**Risk Premium**") as a prudent approach. We have considered the probability of default based on the non-performing loan ratio for corporates as indicated by the 2023 Financial Stability Review Report published by MAS of up to approximately 3.1% ("**Base Risk Premium**"). We deem this to be a suitable base proxy for estimating the Risk Premium when valuing the New Offeror RPS.

Present Value of the Redemption Amount

In arriving at our final discount rate, we have adopted:

(a) the Base Discount Rate of 5.1% as described above; and

(b) based on the Base Risk Premium and our analysis of various probabilistic scenarios with different payouts at redemption with their respective probabilities assigned, we have determined the final risk premium of 7.3% ("**Final Risk Premium**")

Based on the foregoing, we have adopted a final discount rate of 12.4% ("**Final Discount Rate**"). By applying the PV Formula, we arrived at the estimated present value of the New Offeror RPS of approximately S$0.10 ("**Expected PV of New Offeror RPS**"). This reflects an estimate of the present value of the New Offeror RPS that considers both the time value of money and potential risks associated with holding the New Offeror RPS as set out above. Accordingly, the Expected PV of New Offeror RPS represents a discount of approximately 44.4% to the Redemption Amount.

Scenario Analysis

For illustration purposes, we have set out below a scenario analysis based on the level of risk perception on the New Offeror RPS to derive a range of present value of the New Offeror RPS:

- Base Scenario: Using the Base Discount Rate of 5.1% and the Base Risk Premium of 3.1%

- Probabilistic Scenario: Using the Base Discount Rate of 5.1% and the Final Risk Premium of 7.3% to derive the Expected PV of New Offeror RPS

- Latest Practicable Date ("**LPD**") Scenario ("**LPD Price Scenario**"): Using the Base Discount Rate of 5.1% and a risk premium of 14.0% determined using a back-solved approach based on the closing price of the Shares as at the LPD ("**LPD Price**"). As the LPD Price of S$0.375 is slightly higher than the Cash Consideration, for illustration purposes only and assuming that the LPD Price would have factored in the Combi Consideration option and relevant risks, the perceived discount rate based on the LPD Price would be approximately 19.1%.

Scenario	Redemption Amount	Base Discount Rate (A)	Risk Premium (B)	Final Discount Rate (A) + (B)	PV of the New Offeror RPS (S$) (C)	Cash portion under the Combi Consideration (S$) (D)	PV of Combi Consideration (S$) (C) + (D)
Base Scenario	0.18	5.1%	3.1%	8.2%	0.121	0.30	0.421
Probabilistic Scenario – Expected PV of New Offeror RPS			**7.3%(1)**	**12.4%**	**0.100(1)**		**0.400**
LPD Price Scenario			14.0%	19.1%	0.075		0.375

Note:
(1) We have derived the Final Risk Premium and Expected PV of New Offeror RPS based on our analysis of various probabilistic scenarios assigning different probabilities to different payouts at redemption where the present value of the New Offeror RPS ranges from approximately S$0.096 to S$0.104 under different probabilistic scenarios.

Shareholders should note that the Expected PV of New Offeror RPS and the present values set out in the scenario analysis above are purely for illustrative purposes and reference only and we wish to highlight that the discount rate to be applied in relation to the Redemption Amount would vary based on the level of risk perception. Shareholders should also carefully consider the risks and restrictions of the Offeror and the New Offeror RPS set out in Appendix 3 and Appendix 4 of the Offer Document should they wish to elect to receive the Combi Consideration.

7.9.3 Consideration Components for Selected Precedent Singapore Takeovers

For each Offer Share, the Combi Consideration comprises:

(a) S$0.30 in cash (equivalent to 62.5% of the Combi Consideration); and

(b) one (1) New Offeror RPS with a Redemption Amount of S$0.18 (equivalent to 37.5% of the Combi Consideration).

Accordingly, the cash component and the deferred-cash component are equivalent to 62.5% and 37.5% of the Combi Consideration respectively.

We set out below selected precedent Singapore takeovers ("**Selected Precedent Singapore Takeovers**") which include a non-cash component as part of the offer consideration.

Consideration Components for Selected Precedent Singapore Takeovers				
Announcement Date	**Target Companies**	**Offeror**	**Cash Component**	**Non/Deferred-Cash Component**
15 Nov 21	Singapore Press Holdings Limited	Cuscaden Peak Pte. Ltd.	100% / 67.8%(1)	0% / 32.2%(1)
22 Mar 21	CapitaLand Limited	CLA Real Estate Holdings Pte. Ltd.	23.2%	76.8%
11 Jan 21	CEI Limited	AEM Holdings Ltd.	100% / 85% / 70%(2)(3)	0% / 15% / 30%(2)(3)
22 Jan 20	CapitaLand Commercial Trust	CapitaLand Mall Trust	12.2%	87.8%
2 Dec 19	Frasers Commercial Trust	Frasers Logistics Trust	9.0%	91.0%
3 Jul 19	Ascendas Hospitality Trust	Ascott Residence Trust	5.0%	95.0%
8 Apr 19	OUE Hospitality Trust	OUE Commercial Trust	5.5%	94.5%
18 May 18	Viva Industrial Trust	ESR REIT	10.0%	90.0%
8 Jan 18	TIH Limited	Lippo Group and Argyle Street Management	21.9%	78.1%
26 Aug 24	**Silverlake Axis Ltd.**		**62.5%**	**37.5%**

Sources: Relevant SGX-ST filings, company announcements, scheme documents, circulars, presentations and offer documents of the Target Companies

Notes:

(1) The all cash consideration option comprised 100% and 0% cash component and non-cash component respectively. The cash and units consideration option comprised 67.8% and 32.2% cash component and non-cash component respectively.

(2) The issue price of each new AEM Holdings share pursuant to the cash consideration options is S$3.55.

(3) In the event the Offer Consideration is reduced by an amount which is equal to the Distribution, the proportion of cash and new AEM Holdings Shares under the various cash consideration options will be adjusted based on 85.0% in the form of cash and 15.0% in the form of new AEM Holdings shares and 70.0% in the form of cash and 30 per cent in the form of new AEM Holdings Shares (based on the issue price of S$3.55 per new AEM Holdings share).

We note that the Selected Precedent Singapore Takeovers set out in this section may not be directly comparable to the Offer Consideration, in particular the non-cash components are not identical or similar to the Combi Consideration. In addition, the target companies in relation to the Selected Precedent Singapore Takeovers may not be identical to the Company in terms of, *inter alia*, business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria and that there may have been specific commercial and financial merits to each precedent transaction. As a result, any comparison drawn can serve only as an illustrative guide.

In addition, we note that the Offer Consideration also allows Eligible Shareholders to elect for an all Cash Consideration.

7.10 Assessment of the Offer Consideration

Our assessment of the Offer Consideration is as follows:

Cash Consideration – Shareholders who wish to realise their entire investment in the Company with the certainty of value fully in cash should either sell their Shares in the open market if they are able to obtain a price higher than the Cash Consideration of S$0.36 per Share after deducting brokerage costs or transaction costs in connection with open market transactions; **OR** accept the Offer and elect to receive the Cash Consideration of S$0.36 per Share in respect of all their Shares.

Combi Consideration – Shareholders who wish to (i) realise part of their investment in cash at S$0.30 per Share upon acceptance; and (ii) are prepared to accept the higher risk of holding the New Offeror RPS for a potentially higher return based on the Redemption Amount of S$0.18 per New Offeror RPS in an unlisted company (i.e. the Offeror) which shall be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the issuance and are prepared to comply with and provide particulars and supporting documents as may be prescribed by know-your-client and The Accounting and Corporate Regulatory Authority regulations, should accept the Offer Consideration and elect to for the Combi Consideration. Shareholders should be aware of the risk associated with holding the New Offeror RPS as set out in paragraph 7.9.2 of this letter and Appendix 4 of the Offer Document and the outlook of the industry the Group operates in as elaborated in paragraph 8.1 of this letter.

Adjustment to the Offer Consideration

In view of the declaration of the Proposed FY2024 Dividend by the Company which may fall within the Offer period, Shareholders should also consider the timing of accepting the Offer, as the Offer Consideration will be subject to adjustments in accordance with the terms of the Offer as set out in Sections 2.5 and 2.6 of the Offer Document. We have also set out the details in paragraphs 3.4 and 3.5 of this letter.

7.11 Estimated Valuation of the Shares

As set out in paragraphs 7.1 to 7.8 above, we have taken into consideration various factors and evaluated the financial terms of the Offer, being the Cash Consideration of S$0.36 per Share. We have also evaluated the Combi Consideration, in particular, to arrive at an expected present value of the New Offeror RPS under paragraph 7.9.2 of this letter.

Earnings Approach using P/E and EV/EBITDA Multiples

It should be noted that the earnings-based approach is the most appropriate method for valuing the Group as compared to the asset-backed valuation approach. This is mainly taking into consideration (i) the Group is currently operating as a going concern; (ii) the Group has consistently recorded growing revenue and relatively stable profits in the past which we understand is underpinned by its intangible assets; and (iii) the Group is not an asset-heavy or asset-based company such as those primarily engaged in property development or real estate business.

Asset-backed Approach using the P/NAV and P/NTA Multiples

As set out in paragraph 7.4 above, save for intangible assets, Quoted Equity Shares, Money Market Fund, the non-current tangible assets of the Group mainly comprise property, plant and equipment (i.e. furniture and fittings, motor vehicles and office equipment) and right-of-use assets (i.e. mainly office premises), which are used for and/or are an integral part of the Group's existing operations. In relation to the Group's intangible assets, we considered the value that has been reflected through the earnings of the Group as these intangible assets are revenue-generative. In addition, the Group's intangible assets are generally not easily realisable into cash over a short time period. As such, the assessment of the valuation of the Shares based on the asset-backed approach (as represented by its P/NAV and P/NTA ratios) may not reliably reflect the Group's earnings potential and/or market value.

Our Valuation Approach – Earnings Approach

Accordingly, in assessing the estimated valuation of the Shares, we have considered the earnings approach based on the P/E and EV/EBITDA multiples as our valuation methodology, as the Group is a profitable going concern.

We have considered the mean and median P/E and EV/EBITDA ratios of Comparable Companies and Comparable Transactions to derive the estimated valuation of the Shares.

Valuation Methodology	Implied Valuation Range (S$'million)	
	Mean	**Median**
LTM P/E multiple for Comparable Companies	813.7	887.2
Implied P/E multiple for Precedent Comparable Transactions	880.2	840.5
LTM EV/EBITDA multiple for Comparable Companies	967.8	845.9
Implied EV/EBITDA multiple for Precedent Comparable Transactions	1,030.5	555.7
Lower Bound – Average of implied valuation range	852.7	
Upper Bound – Highest of implied valuation range	1,030.5	
	Lower Bound	**Upper Bound**
Implied Share Price (S$)	0.34	0.41

Based on the above, our estimated valuation range of the Shares is between **S$0.34 and S$0.41** ("**Estimated Valuation Range**").

Evaluation of the Offer Consideration

Cash Consideration against the Estimated Valuation Range

Based on the foregoing, we are of the opinion that overall, on balance, the Cash Consideration of S$0.36 is fair and reasonable, as the Cash Consideration is within our estimated valuation range of the Shares.

Combi Consideration against the Estimated Valuation Range

The Combi Consideration consists of two components: (i) S$0.30 in cash (equivalent to 62.5% of the Combi Consideration) ("**Cash Component**"); and (ii) one (1) New Offeror RPS with a Redemption Amount of S$0.18 (equivalent to 37.5% of the Combi Consideration). In aggregate, the gross face value of the Combi Consideration amounts to S$0.48 ("**Combi Consideration Amount**").

As set out in paragraph 7.9.2 of this letter, we have determined the Expected PV of New Offeror RPS of S$0.10 which has factored in the time value of money and potential risk associated with the Offeror and the New Offeror RPS. Accordingly, to derive the estimated present value of the Combi Consideration, we have added the Cash Component of S$0.30 and the Expected PV New Offeror RPS of S$0.10, which amounts to S$0.40 ("**PV of the Combi Consideration**"). The PV of the Combi Consideration is approximately 16.7% lower than the Combi Consideration Amount of S$0.48.

Based on the above, the PV of the Combi Consideration of S$0.40 is within our Estimated Valuation Range of the Shares of S$0.34 to S$0.41.

Overall, we are of the opinion that, on balance, having considered the Cash Consideration and Combi Consideration, we are of the view that the Offer Consideration is fair and reasonable.

7.12 Analysts' Recommendations and Price Targets for the Company

We have noted and reviewed the recommendations and estimate of the price targets of the Company from analyst reports. The summary of the price targets by analysts within 12 months from the date of the Offer Announcement Date is set out in the table below:

Analyst's Recommendation and Price Target for the Company				
Date	**Analyst**	**Recommendation**	**Target Price (S$)**	**Premium of Cash Consideration to Target Price**
27 August 2024	CGS-CIMB Securities (Singapore) Pte Ltd ("**CGS-CIMB**")	N.A.	0.25(1)	44.0%
16 May 2024/ 29 August 2024	Philip Securities Pte Ltd ("**Philip Securities**")	Accept(2)	0.33(3)	9.1%
Mean			**0.29**	

Sources: CGS-CIMB's report on the Company dated 27 August 2024, and Philip Securities' reports on the Company dated 16 May 2024 and 29 August 2024

Notes:

(1) The target price of S$0.25 is a reference to CGS-CIMB's report dated 27 August 2024.

(2) The recommendation to "Accept the Offer" is based on Philip Securities' report dated 29 August 2024.

(3) The target price of S$0.33 is a reference to Philip Securities' report dated 16 May 2024.

Based on the above analyst reports, we note that:

(a) the Cash Consideration represents a premium of approximately 24.1% to the mean target price of S$0.29 estimated by the analysts; and

(b) one of the analysts made a recommendation to "Accept the Offer" in the report.

We wish to highlight that the above research reports are not exhaustive and the estimated price targets of the Shares in these reports represent the individual views of the respective analysts (and not PPCF) based on the circumstances, including but not limited to, market, economic and industry conditions and market sentiment and investor perceptions on the prospects of the Company, prevailing at the date of the publication of the respective reports. The opinion of the analysts may change over time due to, *inter alia*, changes in market conditions, the Company's corporate developments and the emergence of new information relevant to the Company. As such, the estimated price targets in these analyst reports may not be an accurate prediction of future market prices of the Shares.

7.13 Distribution Track Record of the Company

For the purpose of assessing the Offer, we have considered the historical distribution track record of the Shares for the last five (5) financial years prior to the Offer Announcement Date and compared them with the returns which a shareholder may potentially obtain by re-investing the proceeds from the Offer in other selected alternative equity investments.

The Company had declared and paid the following distributions in respect of its last five (5) financial years:

Historical dividend track record of the Company					
S$	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Interim dividend per Share	0.0060	-	-	-	-
Final dividend per Share	0.0033	0.0052	0.0070	0.0060	0.0036
Total dividend per Share	**0.0093**	**0.0052**	**0.0070**	**0.0060**	**0.0036**
Share price on final cum-dividend date	0.260(1)	0.320(1)	0.325(1)	0.280(1)	0.375(2)
Final dividend yield (%)	**1.27**	**1.63**	**2.15**	**2.14**	**0.96**
Total dividend yield (%)	**3.58**	**1.63**	**2.15**	**2.14**	**0.96**

Sources: Bloomberg L.P., financial results announcements of the Company and PPCF calculations

Notes:
(1) The closing market price as at the final cum dividend date for each respective financial year.

(2) Assuming the closing market price as at the Latest Practicable Date as the FY2024 Dividend is still subject to approval by Shareholders.

Notwithstanding that the Company does not have a fixed and written dividend policy, the Company has a historical dividend track record in the last five (5) financial years. The Company has not declared any interim dividends for the last four (4) financial years, while the FY2024 Dividend will be paid after the approval by Shareholders at its upcoming annual general meeting. There can be no assurance that in any given year a dividend will be proposed or declared. The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate, as well as other legal and regulatory requirements. The observation above only serves as an illustrative guide and is not an indication of the future dividend policy of the Company.

For the purpose of assessing the Cash Consideration, we have considered the Shareholders who accept the Offer may re-invest the proceeds from the Cash Consideration in selected alternative equity investments including the equity of the Comparable Companies and/or a broad Singapore market index instrument such as the STI Exchange Traded Fund ("**STI ETF**").

For illustration purposes, we have also set out below the dividend yields of the Comparable Companies in their respective most recently completed financial year end, and the distribution yield of STI ETF based on its distributions declared over the calendar year of 2023:

Dividend Yields of Comparable Companies		
Comparable Companies	**Latest completed financial year end**	**Net dividend yield(1) (%)**
Tata Consultancy	31 March 2024	1.62
Infosys	31 March 2024	2.36
Fidelity NF	31 December 2023	3.14
Jack Henry & Associates	30 June 2024	1.24

Dividend Yields of Comparable Companies		
Comparable Companies	**Latest completed financial year end**	**Net dividend yield(1) (%)**
Oracle Financial Services Software	31 March 2024	2.07
Temenos	31 December 2023	1.98
NSD	31 March 2024	2.18
Asseco	31 December 2023	3.44
Nucleus Software	31 March 2024	0.94
Mean	–	**2.33**
Median	–	**2.13**
STI ETF	–	**4.29**
The Company	30 June 2024	**0.96(5)** **1.00(6)**

Sources: Bloomberg L.P., financial results and dividend announcements of the Company and PPCF calculations

Notes:

(1) Net dividend yield of each selected alternative investment is computed as the dividends declared over the most recently completed financial year as reported in the annual reports, results announcements and company filings, divided by the closing market price as at the final cum dividend date (or where there was no trading on such date, the last available closing market price on the Latest Practicable Date). The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor.

(2) The dividend yields for Asseco, Fidelity NF and Temenos are computed based on the dividends declared for the financial year ended 31 December 2023 as at the Latest Practicable Date, assuming that these companies will not declare further dividends relating to the latest completed financial year end. The share price is the last available closing market price on the Latest Practicable Date.

(3) The dividend yields for Nucleus, NSD Co, Infosys, Oracle Financial Services Software and Tata Consultancy are computed based on the dividends declared for the financial year ended 31 March 2024 as at the Latest Practicable Date, assuming that these companies will not declare further dividends relating to the latest completed financial year end. The share price is the last available closing market price on the Latest Practicable Date.

(4) The dividend yield for Jack Henry & Associates is computed based on the dividends declared for the financial year ended 30 June 2024 as at the Latest Practicable Date, assuming that the company will not declare further dividends relating to the latest completed financial year end. The share price is the last available closing market price on the Latest Practicable Date.

(5) Based on the total dividends declared by the Company for FY2024 of S$0.0036 per Share divided by the closing price as at the Latest Practicable Date of S$0.375.

(6) Based on the total dividends declared by the Company for FY2024 of S$0.0036 per Share divided by the Cash Consideration of S$0.36.

Based on the above analysis, we note that the dividend yield (based on the dividends declared for FY2024) of the Company based on the closing price as the Latest Practicable Date and Cash Consideration are approximately 0.96% and 1.00% respectively, which is lower than the mean and median dividend yields of the Comparable Companies at approximately 2.33% and 2.13% respectively. This suggests that Shareholders who accept the Cash Consideration may potentially experience an increase in dividend income if they reinvest the proceeds from the Cash Consideration in the shares of Comparable Companies.

We wish to highlight the above dividend analysis serves only as an illustrative guide and is not an indication of the Company's future dividend policy or that of any of the Comparable Companies. There is no assurance that the Comparable Companies will continue to pay dividends in the future and/or maintain their respective level of dividends paid in the past periods.

Notwithstanding the above, it is uncertain whether the Company and the Comparable Companies can maintain its historical dividend yields at the levels set out above, hence it is uncertain whether the Shareholders will be able to increase their investment income by liquidating their investment in the Company and reinvesting their proceeds in the Comparable Companies.

The Recommending Directors should note that an investment in STI ETF and equity of the Comparable Companies provides a different risk-return profile as compared to an investment in the Shares, and therefore the above comparison serves purely as a guide only. Furthermore, it should also be noted that the above analysis ignores the effect of any potential capital gain or capital loss that may accrue to the Shareholders arising from their investment in the Shares due to market fluctuations in the price of the Shares during the relevant corresponding periods in respect of which the above dividend yields were analysed.

In addition, there can be no assurance that in any given year a distribution will be proposed or declared. The payment of distributions, if any, and the amounts and timing thereof, will depend on a number of factors, including future profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Board may deem relevant, as well as other legal and regulatory requirements.

8 OTHER CONSIDERATIONS

8.1 Outlook of the Industry and Market that the Group is Operating in

We note that the Company had made a commentary in its financial results announcement for FY2024 on the significant trends and competitive conditions of the industry that may affect the Group in the next reporting period and the next 12 months. The commentary has been reproduced below in italics and should be read in the context of the entire FY2024 results announcement:

"The information technology ("IT") spend in the banking and financial services software industry in Southeast Asia and Asia is at best cautious as these institutions navigate economic uncertainties while positioning itself for future growth. By embracing digital transformation, regulatory alignment, and sustainability, the sector is building a resilient foundation to thrive in a rapidly evolving financial landscape.

As a leading software and technology firm, Silverlake remains deeply committed to understanding our customers and anticipating their evolving needs. By continuously analysing market trends and customer behaviour, we develop and implement targeted strategies to capture emerging opportunities and drive growth. Our approach centers on reinforcing our core business, ensuring that we deliver exceptional value through innovative solutions and services. We are focusing on providing our customer and the market with the most relevant technology solutions that firmly meet their needs. We are of the opinion that these can be achieved by working closely with our key customers in their technology transformation planning initiatives.

Looking ahead, Silverlake plans to deepen our focus on strategic partnerships that foster mutual growth and success. By strengthening collaboration with our clients, we aim to align our goals more closely, ensuring that we continue to meet their evolving needs while delivering strong business outcomes. Our commitment to growing together remains a key priority as we navigate an increasingly dynamic market.

Operational excellence will remain a key priority. The business is committed to improving workforce efficiency and fostering collaboration across the Silverlake Group. By cultivating a culture of continuous improvement and innovation, Silverlake seeks to enhance productivity and performance. Investment in talent development will also continue, acknowledging the importance of skilled professionals in maintaining competitive strength.

FY2024 is a year filled with many project delivery engagements for a wide variety of clients in the territories we operate in. Presently, we have over 60 active projects that are running concurrently within our business and the reason which accounts for the double-digit growth of revenue in this segment.

The majority of projects are executed on time and on budget but there are some where we faced delays for a number of reasons and these projects in some cases impacted to our financials in FY2024. As an example, projects that involve new products that we launch recently require more time to project completion for a variety of reasons. Also, products that we launched into new markets also needed additional learning curve to cater to local country requirements.

In FY2025, a key focus and emphasis is that we will put processes in place to improve project delivery commitments.

Going forward, Silverlake will concentrate on advancing Artificial Intelligence ("AI") technology as a strategic area of growth. This ongoing investment is designed to keep the business aligned with industry trends and well-prepared for future challenges. By integrating AI capabilities, the business aims to unlock new opportunities and remain well-positioned in a rapidly changing market."

The above historical commentary by the Company was not made in connection with the Offer.

In addition, we also note that the Group's key market is in Southeast Asia, and we have set out in below a summary of the outlook of the general economy as well as the software and digital financial services sector, based on publicly available information:

Summary of Estimated Outlook for Southeast Asia
Growth Outlook for Southeast Asia

Report by International Monetary Fund – "Regional Economic Outlook" dated April 2024

- Southeast Asia's economy grew by 5.0% in 2023, exceeding forecasts by 0.4 percentage points. Early 2024 data is promising, with growth expected to moderate slightly to 4.5% for the year – a 0.3-point upward revision due to stronger 2023 results and policy support.
    - *"The region remained the world's most dynamic in 2023 and contributed nearly two-thirds of global growth, with domestic consumption remaining the main driver of activity, especially in emerging Asia. At the same time, inflation has retreated, helped by timely monetary tightening in 2022 and early 2023. For most countries, this conjuncture improves the prospects of a "soft landing" in 2024, by strengthening purchasing power and paving the way for possible monetary easing later in the year."*
    - *"Emerging Asia accounted for the bulk of positive growth surprises, including in Malaysia, the Philippines, Vietnam, and, most notably, India."*
- However, uncertainties in Southeast Asia may persist due to:
    - *"Increased geoeconomic fragmentation and geopolitical tensions continue to pose serious downside risks to medium-term growth in the region. In China, a deeper-than-anticipated property sector correction is a downside risk."*
    - *"Climate change is threatening activity in many sectors, and tends to affect emerging markets, low-income countries, and small island economies disproportionately. In many Asian economies, populations are aging rapidly, exerting downward pressure on potential growth and stretching social security systems."*

Summary of Estimated Outlook for Software and Digital Financial Services

Market Overview for Software and Digital Financial Services

We have set out the following excerpts from selected media articles and reports in relation to the software and digital financial services in Southeast Asia:

Report by Google, Temasek, Bain & Company – "e-Conomy SEA 2023" dated October 2023

- *"Consumers are adopting digital financial services (DFS) at a rapid pace. Cash is no longer king, as digital payments now make up more than 50% of the region's transactions."*
- *"The top 30% of SEA spenders account for more than 70% of digital economy spend – and they can be found everywhere. This is accentuated in gaming, travel, and transport."*
- *"Digital inclusion has made inroads in the region over the past years. Connectivity has increased by as much as 3X since 2015 in some rural areas."*

Report by World Economic Forum – "ASEAN Digital Generation Report" dated December 2022

- ASEAN's digital generation continues to vigorously digitalise their usage of financial services:
  - *"Digital payment (e-banking and e-wallets) apps were the most widely used applications after social media. Of the respondents, 71% were frequent users (performing payments through online channels) and 13% were less frequent users."*
- At the same time, there are concerns that may impede the growth of digital financial services:
  - *"In line with key features expected from financial services, security and privacy, together with online frauds and scams emerged among the top concerns across all financial services. Experiences regarding online fraud, fake news, cyberattacks and data breaches during the pandemic may have shaped these concerns."*
  - *"Lacking interoperable payment solutions suitable for international trade is preventing merchants, especially MSMEs, from tapping into international markets. Here, 37% of ASEAN's digital generation, and 42% of MSME entrepreneurs, reported that the inability to receive and/or send payment internationally has hampered their ability to buy or sell products to or from overseas."*

Report by Monetary Authority of Singapore – "Emerging Risks and Opportunities of Generative AI for Banks" dated May 2024

- Generative AI is increasingly prioritised in software applications, with early use cases focusing on boosting internal productivity, reducing risk, and improving insights. Newer applications are exploring ways to generate revenue and enhance customer interactions.
- In 2020, one-third of financial institutions allocated 5% or more of their budget to regulatory compliance. To address this, the Compliance Co-Pilot—developed by UOB, Accenture, Standard Chartered, HSBC, Citi, and Microsoft—leverages Generative AI to streamline compliance tasks. This tool processes regulatory data efficiently and refines policy interpretation, illustrating how AI is transforming digital financial services.

We observe from the above reports and articles that:

(a) Southeast Asia's economy grew by 5.0% in 2023, surpassing forecasts, with a slight moderation to 4.5% expected in 2024 due to strong 2023 results and supportive policies. However, various uncertainties and risks may continue to persist mainly due to geopolitical tensions, climate change, and economic challenges from China that could impact growth, though there is cautious optimism with growth from certain Southeast Asia economies; and

(b) Consumers are adopting digital financial services at a rapid pace in coming years as evidenced by the wide usage of digital payments. Despite rising digital inclusion, concerns about security, privacy, and international payment solutions persist. Generative AI is increasingly pivotal in driving growth in digital financial services, improving compliance and operational efficiency.

8.2 Likelihood of Competing Offers

As at the Latest Practicable Date, the number of Shares owned, controlled, or agreed to be acquired by the Offeror and ZFPL, is an aggregate of 1,862,760,568 Shares, representing approximately 74.07% of the total number of Shares of the Company.

The Directors confirm that (i) no other third parties have approached the Company with an intention to make an offer for the Company; and (ii) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

Based on the above, given that the Offeror has already obtained statutory control of the Company, the likelihood of competing offers is low.

8.3 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires or agrees to acquire such number of Shares from the date of the Offer otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the despatch date of the Offer Document), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer (collectively, the "**Compulsory Acquisition Right**").

It is the intention of the Offeror to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer at the Offer Consideration for each Offer Share, should such right be available to it.

In such event, each Dissenting Shareholder shall be entitled to elect either the Cash Consideration or the Combi Consideration in respect of all its Shares within the timeline as prescribed under Section 215(1A) of the Companies Act (the "CA Election Period"). After the expiry of the CA Election Period, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer, and Dissenting Shareholders who have failed to make an election as to the form of the consideration by the expiry of the CA Election Period shall be deemed to have elected to receive, and shall receive, the Cash Consideration in respect of all its Shares.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Consideration in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror and its related corporations (or their respective nominees) and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

8.4 Offeror's Intention for the Listing Status of the Company

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Separately, Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of Shares in issue (excluding Shares held in treasury) is at all times held by the public ("**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not met, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

It is the current intention of the Offeror not to preserve the listing status of the Company and not to support any action or take any steps to maintain the listing status of the Company in the event that the Free Float Requirement is not met and the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual. In the event the Offeror changes its current intention arising from, *inter alia*, the level of acceptances, market conditions and varied circumstances subsequently, the Offeror will promptly update Shareholders, as and when applicable.

If the Offeror decides not to preserve the listing status of the Company in the event that the Free Float Requirement is not met, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual (collectively, the "Voluntary Delisting Rules"). The SGX-ST will generally consider waiving strict compliance with the Voluntary Delisting Rules if (a) the Offer is fair and reasonable (and the independent financial adviser has opined that the Offer is fair and reasonable), and (b) the Offeror has received acceptances from independent Shareholders at the close of the Offer that represent a majority of least 75% of the total number of issued Shares held by Shareholders (other than persons acting in concert with the Offeror) (the "Independent Shareholders"). The Offeror will make an announcement if it receives acceptances of the Offer in respect of 75% of the total number of issued Shares held by Independent Shareholders. If the waiver conditions are not met and the Company wishes to undertake a voluntary delisting, it will need to do so in accordance with the Voluntary Delisting Rules. In the event the Company is unable to meet the conditions for a voluntary delisting, the Company will be obliged to comply with the Listing Manual, including the requirement to restore its public float (through private placement or otherwise). Shareholders and investors should note there is the risk that the Company may be subject to prolonged suspension if both the Free Float Requirement and the requisite conditions for a delisting are not met.

8.5 Implications of Shareholders Holding on to Unlisted Shares

(a) Shareholders should note that shares of unlisted or delisted public companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity and marketability. Following the Offer, Shareholders who have not accepted the Offer may face difficulties if they wish to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. Even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Offer Consideration. In addition, any transfer or sale of Shares represented by share certificates will be subject to stamp duties;

(b) Following the Offer, the Company will no longer be obliged to comply with the requirements of the Listing Manual, in particular the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and Appendices 7.1 to 7.4 to the Listing Manual. Shareholders who do not accept the Offer will no longer enjoy the same level of protection, transparency and accountability afforded by the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Constitution and the interests of Shareholders who do not accept the Offer will be protected to the extent provided for by the Companies Act which includes, *inter alia*, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented;

(c) There is no assurance that the Company will maintain its historical dividend payments in the future; and

(d) When the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and has not accepted the Offer will be entitled to one (1) share certificate representing his unlisted Shares. The Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, will arrange to forward the share certificates to such Shareholders (not being (i) CPFIS Investors who purchase Offer Shares using their CPF contributions pursuant to the CPFIS; and (ii) SRS Investors who purchase Offer Shares using their SRS savings), by ordinary post and at the Shareholders' own risk, to their respective addresses as they appear in the records of CDP for their physical safekeeping. The share certificates belonging to the CPFIS Investors and SRS Investors who have not accepted the Offer will be forwarded to their respective agent banks included under the CPFIS and SRS for their safe keeping.

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9 OPINION

In arriving at our opinion in respect of the Offer, we have considered the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

Factors in favour of the Offer Consideration:

(a) The Cash Consideration of S$0.36 is within our Estimated Valuation Range for the Shares of between S$0.34 and S$0.41;

(b) The PV of the Combi Consideration of S$0.40 is within our Estimated Valuation Range for the Shares of between S$0.34 and S$0.41;

(c) In respect of the trading prices of the Shares, the Cash Consideration of S$0.36 represents premia of 18.8%, 31.9%, 31.9%, 25.0% and 27.7% over the VWAP of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods, prior to the Offer Announcement Date respectively. The Cash Consideration also represents a premium of approximately 20.0% over the last transacted price on the Last Trading Day;

(d) During the 2-year period prior to the Last Trading Day, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to and including the Last Trading Day, was low, representing 0.12%, 0.13%, 0.16%, 0.12% and 0.08% of the free float of the Shares respectively. The ADTV of the Shares on the Last Trading Day, was low, representing 0.22% of the free float of the Shares;

(e) Save for certain period between 25 to 28 August 2022, and 5 to 26 December 2022, the Shares had generally underperformed the rebased FSSTI during the 2-year period up to and including the Last Trading Day;

(f) Save for certain period between 25 to 28 August 2022, and 23 November 2022 to 13 March 2023, the Shares had generally underperformed the rebased FSTM during the 2-year period up to and including the Last Trading Day;

(g) Based on the Company's NAV per Share, the Cash Consideration represents a significant premium of 177.4% over the NAV per Share and the P/NAV ratio of the Company as implied by the Cash Consideration of 2.77 times;

(h) Based on the Company's ex-cash NAV per Share, the Cash Consideration represents a significant premium of 309.5% over the ex-cash NAV per Share and the ex-cash P/NAV ratio of the Company as implied by the Cash Consideration of 4.09 times;

(i) Based on the Company's NTA per Share, the Cash Consideration represents a significant premium of 358.5% over the NTA per Share and the P/NTA ratio of the Company as implied by the Cash Consideration of 4.59 times;

(j) Based on the Company's ex-cash NTA per Share, the Cash Consideration represents a significant premium of 1,217.7% over the ex-cash NTA per Share and the ex-cash P/NTA ratio of the Company as implied by the Cash Consideration of 13.18 times;

(k) In respect of the historical trailing P/NAV ratio of the Shares:

- For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/NAV based on the Cash Consideration of 2.77 times is above the average historical trailing P/NAV of the Shares of 2.20 times, 2.21 times, 2.06 times, 2.08 times and 2.41 times respectively; and

- For the period after the Last Trading Day up to the Latest Practicable Date, the implied P/NAV based on the Cash Consideration of 2.77 times is below the average historical trailing P/NAV of the Shares of 2.81 times;

(l) In respect of the historical trailing P/NTA ratio of the Shares:

- For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 3.48 times, 3.53 times, 3.34 times, 3.28 times and 3.84 times respectively; and

- For the period after the Last Trading Day and up to the Latest Practicable Date, the implied P/NTA based on the Cash Consideration of 4.59 times is above the average historical trailing P/NTA of the Shares of 4.46 times;

(m) For the 1-month, 3-month, 6-month, 1-year and 2-year periods prior to and including the Last Trading Day, the implied P/E based on the Cash Consideration of 30.47 times is above the historical trailing P/E of the Shares of 24.12 times, 24.32 times, 22.59 times, 18.10 times and 16.64 times respectively;

(n) In respect of the Comparable Companies, the implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the LTM P/E ratios of the Comparable Companies of between 12.75 times and 42.79 times and is higher than both the mean and median LTM P/E ratios of 27.38 times and 29.86 times respectively;

(o) In respect of the Precedent Privatisation Transactions:

- The premium implied by the Cash Consideration of 27.7% over the 1-month VWAP is within the range and is higher than the median premium of 27.0%, but is lower than the mean premium of 39.2%;

- The premium implied by the Cash Consideration of 31.9% over the 6-month VWAP is within the range and is higher than the median premium of 28.1%, but is lower than the mean premium of 40.0%;

- The premium implied by the Cash Consideration of 31.9% over the 1-year VWAP is within the range and is higher than the median premium of 29.8%, but is lower than the mean premium of 40.7%; and

- The implied P/NAV and implied P/NTA ratios based on the Cash Consideration of the Company of 2.77 times and 4.59 times respectively are within the range of P/NAV or P/NTA ratios between 0.35 times and 5.86 times, and are higher than the mean and median P/NAV or P/NTA ratios of 1.51 times and 0.97 times respectively;

(p) In respect of the Precedent Comparable Transactions:

- The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the EV/EBITDA ratios of the Precedent Comparable Transactions of between 8.91 times and 49.70 times and is higher than the median of the Precedent Comparable Transactions of 10.10 times, but is lower than the mean of 18.73 times;

- The implied P/E ratio based on the Cash Consideration of the Company of 30.47 times is within the range of the P/E ratios of the Precedent Comparable Transactions of between 17.93 times and 46.88 times, and above the mean and median of the Precedent Comparable Transactions of 29.62 times and 28.28 times; and

- The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Precedent Comparable Transactions of between 2.02 times and 10.47 times and above the median of the Precedent Comparable Transactions of 2.56 times, but is lower than the mean of 4.09 times.

(q) The dividend yield (based on the FY2024 Dividend) of the Company based on the closing price as at the Latest Practicable Date and Cash Consideration of approximately 0.96% and 1.00% respectively are lower than the mean and median dividend yields of the Comparable Companies of approximately 2.33% and 2.13% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield of approximately 4.29%;

(r) The Cash Consideration of S$0.36 represents a premium of approximately 24.1% to the mean target base price of S$0.29 of the latest broker research reports available;

(s) As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company; and

(t) The Company's controlling shareholder, ZFPL, has provided the Irrevocable Undertaking in favour of the Offeror to, *inter alia*, to accept and/or procure the acceptance of the Offer in respect of all their Shares and not withdraw such acceptance once it has been given. ZFPL holds 1,862,760,568 Shares, representing 74.07% of the total Shares in the Company as at the Latest Practicable Date.

Factors against the Offer Consideration:

(a) In respect of the Comparable Companies:

- The implied EV/EBITDA ratio based on the Cash Consideration of the Company of 14.75 times is within the range of the LTM EV/EBITDA ratios of the Comparable Companies of between 8.02 times and 32.64 times, but is lower than both the mean and median LTM EV/EBITDA ratios of 17.59 times and 15.38 times respectively; and

- The implied P/NAV ratio based on the Cash Consideration of the Company of 2.77 times is within the range of the P/NAV ratios of the Comparable Companies of between 2.23 times and 17.72 times, but is lower than both the mean and median P/NAV ratios of 7.88 times and 6.56 times respectively;

- The implied ex-cash P/NAV ratio based on the Cash Consideration of the Company of 4.09 times is within the range of the ex-cash P/NAV ratios of the Comparable Companies of between 1.56 times and 17.64 times, but is lower than both the mean and median ex-cash P/NAV ratios of 7.63 times and 6.27 times respectively;

- The implied P/NTA ratio based on the Cash Consideration of the Company of 4.59 times is within the range of the P/NTA ratios of the Comparable Companies of between 4.54 times and 21.00 times, but is lower than both the mean and median P/NTA ratios of 14.18 times and 17.25 times respectively;

- The implied ex-cash P/NTA ratio based on the Cash Consideration of the Company of 13.18 times is within the range of the ex-cash P/NTA ratios of the Comparable Companies of between 4.49 times and 20.94 times, but is slightly lower than both the mean and median ex-cash P/NTA ratios of 13.21 times and 14.35 times respectively.

(b) In respect of the Precedent Privatisation Transactions:

- The premium implied by the Cash Consideration of 20.0% over the last transacted prices is within the range but is lower than the mean and median premia of 34.8% and 20.7% respectively; and

- The premium implied by the Cash Consideration of 25.0% over the 3-month VWAP is within the range but is lower than the mean and median premia of 40.0% and 28.9% respectively.

Having considered the aforementioned factors set out in this letter and summarised in this section, we are of the opinion that the financial terms of the Offer are fair and reasonable. Based on our opinion, we advise the Recommending Directors to recommend that Shareholders accept the Offer.

In respect of the Offer Consideration, our assessment are as follows:

Cash Consideration: Shareholders who wish to realise their entire investment in the Company with the certainty of value fully in cash should either sell their Shares in the open market if they are able to obtain a price higher than the Cash Consideration of S$0.36 per Share after deducting brokerage costs or transaction costs in connection with open market transactions; **OR** accept the Offer and elect to receive the Cash Consideration of S$0.36 per Share in respect of all their Shares.

Combi Consideration: Shareholders who wish to (i) realise part of their investment in cash at S$0.30 per Share upon acceptance; and (ii) are prepared to accept the higher risk of holding the New Offeror RPS for a potentially higher return based on the Redemption Amount of S$0.18 per New Offeror RPS in an unlisted company (i.e. the Offeror) which shall be mandatorily redeemed on the expiry of five (5) calendar years from the issuance, and are prepared to comply with and provide particulars and supporting documents as may be prescribed by know-your-client and The Accounting and Corporate Regulatory Authority regulations, should accept the Offer Consideration and elect for the Combi Consideration. Shareholders should be aware of the risk associated with holding the New Offeror RPS as set out in paragraph 7.9.2 of this letter and Appendix 4 of the Offer Document and the outlook of the industry the Group operates in as elaborated in paragraph 8.1 of this letter.

We note that Shareholders may elect to receive the Cash Consideration or the Combi Consideration. We make no recommendation as to whether Shareholders should elect to receive the Cash Consideration or the Combi Consideration. In the event of an absence or failure of a valid election of the Offer Consideration by Shareholder, Shareholder will be deemed to have chosen to receive the Cash Consideration in respect of all of their Offer Shares tendered in acceptance of the Offer.

We also advise the Recommending Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.

The Recommending Directors should also note that transactions of the Shares are subject to possible market fluctuations and accordingly, our opinion on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

This letter is addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer and should not be relied on by any other party. The recommendation made by them to the Shareholders in relation to the Offer shall remain the sole responsibility of the Recommending Directors.

Whilst a copy of this letter may be reproduced Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Mark Liew	Pang Xu Xian
Chief Executive Officer and Executive Director	Associate Director, Corporate Finance

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. Goh Peng Ooi	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Executive Director and Group Executive Chairman
Ms. Goh Shiou Ling	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Executive Director, Deputy Executive Chairman and Group Chief Executive Officer
Mr. Chee Chin Leong	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Executive Director
Mr. Ong Kian Min	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Independent Non-Executive Deputy Chairman and Lead Independent Non-Executive Director
Mr. Mah Yong Sun	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Independent Non-Executive Director
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Independent Non-Executive Director
Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne)	c/o 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Non-Independent Non-Executive Director with effect from 1 June 2024

2. REGISTERED OFFICE

The registered office of the Company is 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619.

3. PRINCIPAL ACTIVITIES

The Company was incorporated in Bermuda on 29 July 2002 and was subsequently re-domiciled from Bermuda to Singapore on 23 September 2021. It was listed on the SESDAQ of the SGX-ST on 12 March 2003 and the Mainboard of the SGX-ST on 22 June 2011. The Group is a leading enterprise technology, software and services company in the high growth Asia Pacific region, focusing on seven main business segments, namely, software licensing, software project services (professional services), maintenance and enhancement services, sale of system software and hardware products, insurance ecosystem transactions and services, retail transactions processing and investment holding and other corporate activities.

4. SHARE CAPITAL

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has one (1) class of shares, being ordinary shares. Based on the business profile of the Company extracted from ACRA on the Latest

Practicable Date, the Company has an issued and paid-up share capital of US$520,887,229.08 comprising 2,514,757,359 ordinary shares (excluding 181,715,441 treasury shares). The issued Shares are listed and quoted on the Mainboard of the SGX-ST.

4.2 **Capital, Dividends and Voting**

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are set out in Appendix VI to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 **New Issues**

As at the Latest Practicable Date, there has been no other issuance of shares by the Company since 30 June 2024, being the end of the last financial year.

4.4 **Convertible Securities**

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting the Shares.

5. DISCLOSURE OF INTERESTS AND DEALINGS

5.1 **Interest of the Company in Offeror Securities**

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or deemed interest in the Offeror Securities.

5.2 **Dealings in Offeror Securities by the Company**

As at the Latest Practicable Date, neither the Company nor its subsidiaries have dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.3 **Interests of the Directors in Company Securities**

As at the Latest Practicable Date, save as disclosed below, none of the Directors has any direct or deemed interest in the Company Securities:

Directors/Substantial Shareholders	**Direct Interest (Number of Shares)**	**Indirect/Deemed Interest (Number of Shares)**	**Total Interest**	
			Number of Shares	**%[1]**
Directors:				
Goh Peng Ooi	-	1,862,760,568 [3]	1,862,760,568	74.07
Goh Shiou Ling[2]	-	630,400 [2]	630,400	0.025
Chee Chin Leong	120,000	-	120,000	0.005

Directors/Substantial Shareholders	Direct Interest (Number of Shares)	Indirect/Deemed Interest (Number of Shares)	Total Interest	
			Number of Shares	%(1)
Ong Kian Min	200,000	1,600,000 (4)	1,800,000	0.07
Datuk Yvonne Chia	-	610,000 (5)	610,000	0.02
Mah Yong Sun	-	-	-	-
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik	-	-	-	-

Notes:

(1) Based on an issued share capital of 2,514,757,359 (excluding 181,715,441 treasury shares) as at the Latest Practicable Date.

(2) Ms. Goh Shiou Ling is an associate of Mr. Goh Peng Ooi, being his daughter. Ms. Goh Shiou Ling's deemed interest arises from the 630,400 Shares held by UOB Kay Hian Nominees Private Limited.

(3) Mr. Goh Peng Ooi's deemed interest arises from the 1,862,760,568 shares held by his wholly-owned company, Zezz FundQ Pte. Ltd.

(4) Mr. Ong Kian Min's deemed interest arises from the 1,600,000 shares held by Bank of Singapore Nominees Pte. Ltd.

(5) Datuk Yvonne Chia's deemed interest arises from the 610,000 shares held by DBS Nominees Pte. Ltd. (Trust Account).

5.4 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.5 Interests of the Directors in Offeror Securities

At the Latest Practicable Date:

(a) Mr. Goh holds 100% of the ordinary shares in ZFPL and the Offeror Shares are 100% owned by ZFPL; and

(b) save as disclosed above, none of the other Directors has any direct or deemed interest in the Offeror Securities.

For completeness of disclosure, Ms. Goh, the Executive Director, Deputy Executive Chairman and Group Chief Executive Officer of the Company, is the daughter of Mr. Goh.

5.6 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 **Company Securities owned or controlled by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/ or its related corporations on a discretionary basis, owns or controls any Company Securities.

5.8 **Dealings in Company Securities by the IFA**

During the period commencing three (3) months prior to the Offer Announcement Date, and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/ or its related corporations on a discretionary basis, has dealt for value in the Company Securities.

5.9 **Offeror Securities owned or controlled by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Offeror Securities.

5.10 **Dealings in Offeror Securities by the IFA**

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis has dealt for value in the Offeror Securities.

5.11 **Intentions of the Directors in respect of their Offer Shares**

Mr. Goh does not hold Shares directly, but holds 100% of the ordinary shares in ZFPL, the controlling shareholder of the Company, thus giving rise to his deemed interest in the Shares as set out under Section 5.3 of Appendix II to this Circular. As of the Offer Announcement Date, ZFPL holds directly 1,862,760,568 Shares ("**ZFPL Shares**"), representing approximately 74.07% of the total number of issued Shares (excluding treasury shares).

On the Offer Announcement Date, ZFPL has provided an irrevocable undertaking ("**Irrevocable Undertaking**") in favour of the Offeror pursuant to which it has undertaken to, *inter alia*:

(a) accept and/or procure the acceptance of the Offer in respect of all the ZFPL Shares, and not withdraw such acceptance once it has been given;

(b) not transfer or otherwise dispose of any of the ZFPL Shares during the period commencing from the date of the Irrevocable Undertaking and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror) or the date on which the Irrevocable Undertaking is terminated or ceases to be binding, whichever is the earlier; and

(c) not acquire any further Shares.

The Irrevocable Undertaking shall terminate, lapse and cease to have any force and effect upon the Offer lapsing or being withdrawn for any reason other than a breach of ZFPL's obligations under the Irrevocable Undertaking.

As at the Latest Practicable Date, the other Directors (besides Mr. Goh) who hold or have a deemed interest in the Offer Shares have indicated their intention in relation to accepting or rejecting the Offer in respect of such Offer Shares as follows:

(a) Ms. Goh has informed the Company that she intends to accept the Offer in respect of all the Shares held directly or indirectly by her and to elect to receive the Combi Consideration (and not the Cash Consideration) for all those Shares;

(b) Mr. Chee Chin Leong has informed the Company that he intends to accept the Offer in respect of all the Shares held directly or indirectly by him and to elect to receive the Combi Consideration (and not the Cash Consideration) for all those Shares;

(c) Mr. Ong Kian Min has informed the Company that he intends to accept the Offer in respect of all the Shares held directly or indirectly by him and to elect to receive the Combi Consideration (and not the Cash Consideration) for all those Shares; and

(d) Datuk Yvonne Chia (Yau Ah Lan @ Fara Yvonne) has informed the Company that she intends to accept the Offer in respect of all the Shares held directly or indirectly by her and to elect to receive the Cash Consideration (and not the Combi Consideration) for all those Shares.

Save for the above, none of the other Directors has an interest, direct or deemed, in the Company Securities.

For more details on the interests of the Directors in the Company Securities, please refer to Section 5.3 of Appendix II to this Circular above. For more details on the Irrevocable Undertaking and Rollover Arrangement, please refer to Section 5 of the Offer Document and as reproduced in Section 4 of this Circular.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and

(b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit be made or given to any Director or to any director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) there is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and

(c) there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

For completeness of disclosure, ZFPL is the Offeror's sole shareholder, and has provided an Irrevocable Undertaking in favour of the Offeror, as well as entered into the Rollover Arrangement. Further, in connection with the Offer, the Offeror has obtained Third-Party Financing.

Mr. Goh (Executive Director and Group Executive Chairman of the Company) holds 100% of the ordinary shares in ZFPL; Mr. Goh and Ms. Goh (Executive Director, Deputy Executive

Chairman and Group Chief Executive Officer of the Company, daughter of Mr. Goh) are directors of ZFPL. Mr. Goh and Ms. Goh are also amongst the directors of the Offeror.

Please refer to Section 5 of the Offer Document and reproduced in Section 4 of this Circular for details of the Irrevocable Undertaking and Rollover Arrangement. Please refer to Section 3 of this Circular for details of the Third-Party Financing.

8. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed on the SGXNET, in the Company's annual reports, or any publicly available information on the Group, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole, and the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2021, FY2022 and FY2023 (based on the audited consolidated financial statements of the Group for each of FY2021, FY2022 and FY2023 respectively) and FY2024 (based on the unaudited financial information of the Group for FY2024) is set out below.

The summary of the financial information of the Group as set out in this Section 10 should be read together with, the annual reports and the financial statements of the Group for the relevant years and the related notes thereto, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered office of the Company at 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619, during normal business hours, for the period during which the Offer remains open for acceptance.

The audited consolidated financial statements of the Group for FY2023 are set out in Appendix IV to this Circular.

The unaudited financial information of the Group for FY2024 are set out in Appendix V to this Circular.

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10.1 **Consolidated Statement of Comprehensive Income**

	Unaudited FY2024 RM	Audited FY2023 RM	Audited FY2022 RM	Audited FY2021 RM
Revenue	783,454,953	765,915,225	736,541,682	626,122,804
Exceptional items	-	-	-	-
Net profit before tax	157,609,119	229,561,758	231,857,613	186,737,043
Net profit after tax	105,176,361	170,279,043	182,703,485	143,078,639
Profit for the year attributable to:				
Non-controlling interests	1,826,974	687,112	550,644	(8,288)
Net earnings per share (sen)	4.11	6.76	6.85	5.49
Net dividends per share (sen)	0.0130	0.0210	0.0230	0.0160

10.2 **Consolidated Statement of Financial Position**

	Unaudited FY2024 RM	Audited FY2023 RM	Audited FY2022 RM	Audited FY2021 RM
Assets				
Non-current assets				
Property, plant and equipment	11,084,905	11,713,163	10,175,801	11,592,903
Right-of-use assets	25,451,525	26,703,864	25,624,070	26,071,251
Intangible assets	426,402,989	409,304,299	342,151,697	317,327,488
Investment in an associate	12,710,643	5,650,767	6,118,674	-
Financial assets at fair value through other comprehensive income - quoted equity shares	178,337,413	2,800,000	1,645,000	-
Derivative asset	-	-	1,137,060	-
Deferred tax assets	45,144,335	49,984,324	58,187,085	60,210,484
	699,131,810	506,156,417	445,039,387	415,202,126
Current assets				
Inventories	886,005	399,155	432,012	622,071
Trade and other receivables	172,001,500	185,797,367	127,643,736	138,917,765
Contract assets	185,351,347	154,441,619	73,929,019	58,594,091
Prepayments	4,387,153	4,000,523	3,293,945	3,340,056
Amounts due from related parties	21,238,508	7,747,946	16,892,738	8,035,057
Tax recoverable	2,968,423	6,433,217	5,897,617	5,854,048
Financial assets at fair value through other comprehensive income - quoted equity shares	-	236,434,408	206,250,863	288,154,976

Consolidated Statements of financial position (contd.)

	Unaudited FY2024 RM	Audited FY2023 RM	Audited FY2022 RM	Audited FY2021 RM
Financial assets at fair value through profit or loss - money market fund	7,844,763	27,544,302	54,659,549	27,665,942
Derivative asset	-	2,586	-	752,296
Cash and bank balances	497,222,962	504,249,343	558,056,893	417,118,185
	891,900,661	1,127,050,466	1,047,056,372	949,054,487
Total assets	1,591,032,471	1,633,206,883	1,492,095,759	1,364,256,613
Equity and Liabilities				
Equity				
Share capital	1,845,200,087	1,845,200,087	1,845,200,087	191,040,654
Share premium	-	-	-	186,497,272
Treasury shares	(193,093,213)	(196,600,677)	(197,775,703)	(25,769,645)
Other reserves	(57,842,297)	(1,967,926)	(63,103,242)	2,055,419
Merger deficit	(1,943,942,990)	(1,943,942,990)	(1,943,942,990)	(476,280,829)
Retained profits	1,484,854,267	1,433,502,822	1,321,682,810	1,176,873,429
Equity attributable to owners of the parent	1,135,175,854	1,136,191,316	962,060,962	1,054,416,300
Non-controlling interests	15,631,626	13,804,652	13,117,540	52,188
Total equity	1,150,807,480	1,149,995,968	975,178,502	1,054,468,488
Non-current liabilities				
Loans and borrowings	133,914,057	171,950,644	193,327,688	16,831,002
Deferred tax liabilities	23,093,054	44,130,441	41,667,392	50,167,076
Provision for defined benefit liabilities	13,900,749	13,763,331	12,346,780	11,886,913
	170,907,860	229,844,416	247,341,860	78,884,991
Current liabilities				
Trade and other payable	99,706,517	112,308,808	116,992,544	76,922,903
Contract liabilities	135,518,326	112,978,637	131,158,374	108,820,801
Loans and borrowings	8,224,167	7,561,360	7,594,070	9,380,879
Put liability	-	-	-	18,659,307
Provision for defined benefit liabilities	567,388	-	80,330	116,680
Amounts due to related parties	1,548,228	873,424	394,274	1,367,305
Tax payable	23,752,505	19,644,270	13,355,805	15,635,259
	269,317,131	253,366,499	269,575,397	230,903,134
Total liabilities	440,224,991	483,210,915	516,917,257	309,788,125
Net current assets	622,583,530	873,683,967	777,480,975	718,151,353
Total equity and liabilities	1,591,032,471	1,633,206,883	1,492,095,759	1,364,256,613

10.3 **Significant Accounting Policies**

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited consolidated financial statements of the Group for FY2023, which is reproduced in Appendix IV to this Circular.

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, the FY2024 Results and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there are no significant accounting policies or any matters from the notes to the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

10.4 **Changes in Accounting Policies**

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, the FY2024 Results, and the announcements released by the Company on the SGXNET), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

10.5 **Material Changes in Financial Position**

Save as disclosed in publicly available information on the Company (including but not limited to that contained in the annual report of the Company for FY2023, the FY2023 Results, the FY2024 Results and the announcements released by the Company on the SGXNET) and in this Circular, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 30 June 2023, being the date to which the Company’s last published audited accounts were made up.

10.6 **Material Changes in Information**

Save as disclosed in this Circular and save for the information relating to the Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

11. COST AND EXPENSES

All costs and expenses incurred by the Company in relation to the Offer will be borne by the Company.

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The following information on the Offeror has been extracted from Appendix 3 to the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the Offer Document.

APPENDIX 3
ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	***Address***	***Description***
Mr Goh Peng Ooi	*c/o 6 Raffles Quay, #18-00, Singapore 048580*	*Director*
Ms Goh Shiou Ling	*c/o 6 Raffles Quay, #18-00, Singapore 048580*	*Director*
Mr Ng Lip Chi, Lawrence	*c/o 6 Raffles Quay, #18-00, Singapore 048580*	*Director*

2. PRINCIPAL ACTIVITIES

The Offeror is a company incorporated in the Republic of Singapore on 10 July 2024 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Offer.

3. SHARE CAPITAL

3.1 ***Share Capital****. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$2.00 comprising 2 Offeror Shares, all of which are owned by ZFPL, a controlling shareholder of the Company. Save for the issuance of the 2 Offeror Shares at S$1.00 each to ZFPL on 10 July 2024, no new Offeror Shares have been issued since its incorporation on 10 July 2024.*

3.2 ***Offeror Shares and New Offeror RPS****. The Offeror Shares and New Offeror RPS are not and will not be listed on any securities exchange.*

No securities in the Offeror have been sold during the period between the date of incorporation of the Offeror and the Latest Practicable Date.

As at the Latest Practicable Date, the Offeror has only one class of ordinary shares. The New Offeror RPS to be allotted and issued pursuant to the Combi Consideration will, on issue, be credited as fully paid and free from all Encumbrances. The New Offeror RPS will not carry any voting or dividend rights and will be mandatorily redeemed by the Offeror on the expiry of five (5) calendar years from the date of its issuance at the price of S$0.18 per New Offeror RPS. The New Offeror RPS will have liquidation preference rights such that in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Offeror, the holders of New Offeror RPS shall preferentially be entitled to be paid an amount equal to the Redemption Amount, prior to and in preference to any payments to holders of ordinary shares in the capital of the Offeror.

3.3 ***Offeror Convertible Securities****. As at the Latest Practicable Date, there are no outstanding convertible securities, warrants, options or derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror.*

3.4 ***Capital Re-organisation****. Between the date of incorporation of the Offeror and the Latest Practicable Date, there has been no re-organisation in the share capital of the Offeror.*

3.5 ***Rights of Shareholders**. The rights of the shareholders of the Offeror in respect of capital, dividends and voting are set out in the Offeror Constitution, a copy of which is available for inspection during the normal business hours at the registered office of the Offeror at 6 Raffles Quay, #18-00, Singapore 048580 for the period which the Offer remains open for acceptance.*

For ease of reference, selected texts of the Offeror Constitution have been reproduced, without amendment, below. The capitalised terms in this paragraph which are not otherwise defined shall bear the same meanings as ascribed to them in the Offeror Constitution. The following provisions of the Offeror Constitution relate to:

Rights and restrictions attaching to the New Offeror RPS

10A. The Company may allot and issue the Preference Shares, at such issue price and on such terms and conditions as the Directors may determine, which shall carry the following rights, benefits and privileges and be subject to the following restrictions: *Redeemable Preference Shares*

(a) DIVIDEND

No Preference Shareholder shall be entitled to receive any dividend or distribution from the Company.

(b) LIQUIDATION PREFERENCE

On a return of capital by, or on liquidation of, the Company or otherwise (but not on redemption of the Preference Shares), the assets of the Company available for distribution among the Members shall be applied as follows:

(i) firstly, in paying to the Preference Shareholders, an amount equal to the Redemption Amounts for their Preference Shares; and
(ii) secondly, the balance of such assets and profits shall belong to and be distributed among the holders of Ordinary Shares.

(c) MANDATORY REDEMPTION

(i) The Company shall, on the Redemption Date, mandatorily redeem, pay the Redemption Amount and cancel all the Preference Shares which are issued and outstanding held by Preference Shareholder.

The redemption of the Preference Shares under this regulation 10A(c) shall be at the Redemption Amount.

(ii) Upon redemption, the Share certificates in respect of Preference Shares shall be cancelled and cease to have any effect whatsoever.

(d) VOTING

Subject to the provisions of Section 64(4) of the Act, the Preference Shares do not carry any voting rights and the Preference Shareholders shall have no rights to receive notice of, and to attend and speak at, General Meetings of the Company.

(e) ***NO CONVERSION RIGHTS***

Each Preference Shareholder shall not have any right to convert any of his/her/its Preference Shares into Ordinary Shares

Restrictions attaching to the transfer of Offeror Shares and New Offeror RPS

TRANSFER OF SHARES

25. Subject to this Constitution, any Member may transfer all or any of his Shares by instrument in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer must be executed or signed by the transferor and the transferee (such execution to be witnessed) including by electronic/digital means (such as DocuSign), and the transferor remains the holder of the Share(s) transferred until the name of the transferee is entered in the Electronic Register of Members in place thereof. *Instrument of transfer.*

26. Shares of different classes shall not be comprised in the same instrument of transfer. *Only Shares of same class to be in the same instrument.*

27. No Share shall in any circumstances be transferred to any person below the age of eighteen (18) or bankrupt or person of unsound mind. *Restrictions on transfers.*

28. The Directors may, in their absolute discretion, decline to register any transfer of Shares if the Shares are not fully paid Shares or on which the Company has a lien or to a person of whom they do not approve but shall in such event, within 30 days after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal. *Directors' power to decline registration of any transfer.*

29. Where an application is made to the Company to lodge with the Registrar a notice of transfer in the prescribed form in respect of any Share which has been transferred or transmitted to a person by act of parties or operation of law, the Company shall not refuse to do so by virtue of any discretion in that behalf conferred by the Constitution unless it has served on the applicant, within 30 days beginning with the day on which the application was made, a notice in writing stating the facts which are considered to justify refusal in the exercise of that discretion. *Directors' power to decline registration of any transfer by operation of law.*

30. The Directors may decline to register any instrument of transfer unless: *Instrument of transfer.*

(a) such fee not exceeding S$2/- or such other sum as the Directors may from time to time require under the provisions of this Constitution, is paid to the Company in respect thereof; and

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of stamp duty (if any), the certificates of the Shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do.

31.	*The Company shall lodge a notice of transfer of Shares with the Registrar for the purpose of updating the Electronic Register of Members with the particulars of every transfer of Shares that is to be registered under this Constitution.*	*Updating of Electronic Register of Members.*
32.	*The lodging of any notice of transfer of Shares with the Registrar for the purpose of updating the Electronic Register of Members may be suspended at any time and for any period as the Directors may from time to time determine, but not for more than a total of 30 days in any year.*	*Suspension of registration of transfer.*

Rights of the holders of Offeror Shares and New Offeror RPS in respect of capital

ALTERATION OF CAPITAL

58.	*Subject to the Act, the Company may from time to time by Ordinary Resolution, whether all the Shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new Shares, such aggregate increase to be of such amount as the Company by the resolution authorising such increase shall direct.*	*Power to increase capital.*
59.	*Subject to any special rights for the time being attached to any existing class of Shares, the new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.*	*Rights and privileges of new Shares.*
60.	*Unless otherwise determined by the Company in General Meeting any new Ordinary Shares shall before issue be offered in the first instance to all the then holders of Ordinary Shares in proportion as nearly as may be to the number of existing Ordinary Shares to which they are entitled. In offering such Ordinary Shares in the first instance to all the then holders of Ordinary Shares, the offer shall be made by notice specifying the number of Ordinary Shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Ordinary Shares offered, the Directors may dispose of those Ordinary Shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such Ordinary Shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Regulation.*	*Right of Pre-Emption*
61.	*Except so far as otherwise provided by the conditions of issue or by this Constitution, all new Shares shall be subject to the provisions of this Constitution.*	*New Shares subject to provisions of Constitution.*

62. *The Company may from time to time by Ordinary Resolution do any of the following:* — *Power to consolidate, cancel, subdivide and convert Shares*

(a) consolidate and divide all or any of its Share capital;

(b) cancel the number of Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its Share capital by the number of the Shares so cancelled;

(c) subdivide its Shares or any of them such that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share is the same as it was in the case of the Share from which the reduced Share is derived; and

(d) subject to this Constitution, the Act and any applicable laws, convert any class of Shares into any other class of Shares.

63. *(a) The Company may, by Special Resolution and with any consent required by law, reduce its Share capital in any manner.* — *Power to reduce capital.*

(b) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire Shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All Ordinary Shares purchased or acquired by the Company shall, other than those Ordinary Shares that are to be held in treasury in accordance with the provisions of this Constitution and the Act, shall be deemed to be cancelled. Preference Shares that are purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a Share as aforesaid, the rights and privileges attached to that Share shall expire.

64. *Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of this Constitution and the Act.* — *Treasury shares.*

65. *Where the Shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Electronic Register of Members as the Member holding the Shares.* — *Ownership of treasury shares.*

66. *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.* — *Rights of treasury shares.*

<u>*Rights of the holders of Offeror Shares in respect of meetings and voting*</u>

GENERAL MEETINGS

71. *(a) Subject to the provisions of the Act and the provisions contained in this Constitution, the Company shall hold a general meeting (to be called an "**Annual General Meeting**"), within 6 months after the end of each financial year, and its first financial year shall not be longer than 18 months from the date of its incorporation, unless permitted in accordance with the Act.* — *Annual General Meetings.*

*(b) All General Meetings other than Annual General Meetings shall be called "**Extraordinary General Meetings**".* — *Extraordinary General Meetings.*

(c) *The time and place of any General Meeting shall be determined by the Directors.* *Time and place.*

72. (a) *The Company may dispense with the holding of Annual General Meetings in accordance with the provisions of the Act:* *Dispensation of Annual General Meetings.*
(i) *if a resolution to this effect is passed at a General Meeting by all Members as, being entitled to do so, vote in person or by proxy present at the General Meeting;*
(ii) *if the Company sends the requisite financial statements to all persons entitled to receive notice of general meetings of the Company within 5 months after its financial year end; or*
(iii) *on such other grounds as permitted by the Act.*

(b) *In any year in which the Company has dispensed with the holding of an Annual General Meeting, any member of the Company may, by notice to the Company not later than 14 days before the date by which an Annual General Meeting would have been required under Section 175 to be held, require the holding of an Annual General Meeting in that year.*

(c) *Where a resolution has been passed to dispense with the holding of Annual General Meetings and a Member gives notice to the Company not later than 14 days before the date by which an Annual General Meeting would have been required to be held, the Company shall proceed to convene the Annual General Meeting for that year in accordance with this Constitution but shall not be required to convene Annual General Meetings for the subsequent years unless a notice by a Member to require the Company to do so (such notice to be given in accordance with the Act) has been received.*

(d) *Where the Company dispenses with the holding of an Annual General Meeting and after the requisite financial statements have been sent to all persons entitled to receive notice of general meetings, any member or auditor of the Company may, by notice to the Company not later than 14 days after the day on which the requisite financial statements were sent out, require that a General Meeting be held (within the prescribed period in accordance with the Act) for the purpose of laying those documents before the Company.*

(e) *Where a resolution has been passed to dispense with the holding of Annual General Meetings, any reference in the Act to a deed, act or thing which is required to be done in Annual General Meetings shall be regarded as being done if a resolution or resolutions of the Members has or have been passed by written means in accordance with these provisions to the effect that such deed, act or thing has been done, and any reference in the Act to the date or conclusion of an Annual General Meeting shall, unless an Annual General Meeting is held, be regarded as the date of expiry of the period within which the Annual General Meeting is required by law to be held.*

73. *The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may, subject to the Act and any other applicable laws, convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.* *Calling Extraordinary General Meetings.*

NOTICE OF GENERAL MEETINGS

74. Subject to the provisions of the Act relating to special resolutions or special notice and subject to any agreement amongst persons who are entitled to receive notices of General Meetings from the Company, at least 14 days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained and the Act entitled to receive such notice from the Company PROVIDED that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed: *Notice of Meetings.*

(a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
(b) in the case of an Extraordinary General Meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the Members having a right to vote at that Meeting, as is required by the Act.

75. (a) Every notice calling a General Meeting shall specify the place and the date and time of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member. *Contents of notice.*
(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.
(c) In the case of any General Meeting at which special business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

76. All business that is transacted at an Extraordinary General Meeting is special business. *Special business.*

77. All business that is transacted at an Annual General Meeting is special business, except: *Routine business.*

(a) the declaration of a dividend;
(b) the consideration of the financial statements, the reports of the auditors and the statements of the Directors;
(c) the election of Directors in the place of retiring Directors;
(d) the appointment and fixing of the remuneration of the auditors; and
(e) the approval of the remuneration of the Directors.

*(such exceptions shall be known as "**Routine Business**")*

PROCEEDINGS AT GENERAL MEETINGS

78.	*Where there are two (2) or more Members, no business shall be transacted at any General Meeting unless two (2) Members are present to form a quorum. In the event of a corporation being beneficially entitled to the whole of the issued capital of the Company or there is only one (1) Member, one (1) person representing such corporation or the sole Member shall be a quorum and shall be deemed to constitute a Meeting and, if applicable, the provisions of Section 179 of the Act shall apply. For the purpose of this Regulation, "**Member**" includes a person attending by proxy or by attorney or as representing a corporation or a limited liability partnership which is a Member.*	*Quorum.*
79.	*If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting, in the case where it is convened upon the requisition of Members, shall be dissolved. In any other case, the Meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members.*	*Adjournment if quorum not present.*
80.	*The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there is no such Chairman or if at any Meeting he is not present within 15 minutes after the time appointed for the holding of the Meeting or he is unwilling to act as such, the Members present shall choose one (1) Director to be the Chairman of the Meeting or, if no Director is present or if all the Directors present decline to take the Chair, one (1) Member present to be the Chairman of the Meeting.*	*Chairman.*
81.	*The Members may, if the Directors at their absolute discretion deem fit, participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for the purposes of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.*	*Meeting by Tele-Conference by Members.*
82.	*The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.*	*Adjournment.*

82A. *Subject to this Constitution and any applicable legislation, the Board may, at its sole discretion, approve and implement, subject to which security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail, or facsimile.* *Voting in Absentia*

83. *At any General Meeting, a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:* *Right to demand poll.*

(a) by the Chairman;
(b) by at least one (1) Member present in person or by proxy or by attorney or other duly authorised representative;
(c) by any Member or Members present in person or by proxy and representing not less than 5% of the total voting rights of all the Members having the right to vote at the Meeting; or
(d) by a Member or Members holding Shares in the company conferring a right to vote at the Meeting being Shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the Shares conferring that right,

PROVIDED ALWAYS that no poll shall be demanded on the election of a Chairman of a Meeting or on a question of adjournment.

Unless a poll is demanded (and such demand is not withdrawn), a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

A demand for a poll may be withdrawn.

84. *If a poll is duly demanded (and the demand is not withdrawn), it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman may direct.* *Taking a poll.*

85. *The result of the poll is a resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*

86. *If any vote shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same Meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the Meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.* *Votes counted in error.*

87. *In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.* *Chairman's casting vote.*

88. *The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.* *Continuance of business.*

VOTES OF MEMBERS

89. *Subject to this Constitution and to any rights or restrictions for the time being attached to any class or classes of Shares (including as set out at regulation 10A(d)), at Meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. Subject to this Constitution and to any rights or restrictions for the time being attached to any class or classes of Shares (including as set out at regulation 10A(d)), on a show of hands every Member or representative of a Member who is present in person has one (1) vote. Subject to this Constitution and to any rights or restrictions for the time being attached to any class or classes of Shares (including as set out at regulation 10A(d)), on a poll every Member present in person or by proxy or by attorney or other duly authorised representative has one (1) vote for each Share the Member holds.* *Voting rights of Members.*

90. *Subject to this Constitution and to any rights or restrictions for the time being attached to any class or classes of Shares (including as set out at regulation 10A(d)), where there are joint registered holders of any Share any one (1) of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one (1) of such joint holders are so present at any Meeting that one (1) of such persons so present whose name stands first in the Electronic Register of Member in respect of such Share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any Share stands shall for the purpose of this Regulation be deemed joint holders thereof.* *Voting rights of joint holders.*

91. *A Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show of hands or on a poll, by a person who properly has the management of the estate of the Member, and any such person may vote by proxy or attorney, PROVIDED that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two hours before the time appointed for holding the Meeting.* *Voting rights of Members of unsound mind.*

92. *Subject to the provisions of this Constitution (including regulation 10A(d)) and the Act, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation or limited liability partnership by a representative and to be reckoned in a quorum in respect of Shares fully paid and in respect of partly paid Shares where calls are not due and unpaid.* *Right to vote.*

93. *No objection shall be raised as to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting, whose decision shall be final and conclusive.* *Objections.*

94. *On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.* *Votes on a poll.*

95.	*An instrument appointing a proxy shall be in writing, in the common or usual form, and:* *(a) where the appointer is a corporation or a limited liability partnership, either under seal or under the hand of an officer or attorney duly authorised; and* *(b) in any other case, under the hand of the appointer or of the attorney of the appointer duly authorised in writing.* *The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.*	*Appointment of proxies.*
96.	*A proxy may but need not be a Member.*	*Proxy need not be a Member.*
97.	*An instrument appointing a proxy is treated as conferring authority to demand or join in demanding a poll.*	*Proxy has poll rights.*
98.	*(1) The following documents must be either (a) deposited physically at the Office, or at such other place in Singapore or sent by way of electronic communication, both the respective physical address and electronic mailing address as are specified in the notice convening the Meeting not less than seventy-two (72) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) for the purpose of appointing a proxy:* *(a) the instrument appointing a proxy;* *(b) the power of attorney or other authority appointing the proxy, if any, signed only in wet ink, or a notarially certified copy of that power of attorney or authority.* *(2) An instrument of proxy is not valid if paragraph (1) above is not complied with.*	*Deposit of proxies.*
99.	*An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the Meeting:* ***"E2I PTE. LTD."*** *"I/We*, [name(s)], of [address(es)], being a member/members* of the abovenamed company, appoint [name] of [address], or failing him/her, [name] of [address], as my/our* proxy to vote for me/us* on my/our* behalf at the [annual or extraordinary, as the case may be] general meeting of the company, to be held on [date], and at any adjournment of the meeting.* *Signed on [date].* *This form is to be used in favour of/against* the resolution.* **Delete whichever is not applicable.* *[Unless otherwise instructed, the proxy may vote as he or she thinks fit.]"*	*Form of proxies.*

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

100. *(1) Subject to paragraph (2) of this Regulation, a vote given in accordance with the terms of an instrument of proxy or attorney is valid despite:-* *Intervening death or insanity of principal not to revoke proxy.*

(a) the previous death or mental disorder of the principal;
(b) the revocation of the instrument or of the authority under which the instrument was executed; or
(c) the transfer of the Share in respect of which the instrument is given.

(2) Paragraph (1) above does not apply if an intimation in writing of such death, mental disorder, revocation, or transfer has been received by the Company at its Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the instrument is used.

101. *Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any Meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder and such corporate Member shall for the purpose of these Regulations (but subject to the Act) be deemed to be present in person at any such Meeting if a person so authorised is present thereat.* *Corporations acting by representatives.*

MEMBERS' RESOLUTION BY WRITTEN MEANS

102. *Save for a resolution to dispense with the convening of Annual General Meetings or a resolution for which special notice is required under the Act, any resolution required to be passed by the Members of the Company in General Meeting may be passed by written means in accordance with the provisions of Sections 184A to 184F of the Act and this Constitution. Where a resolution is deemed to be duly passed by written means, the requirements as to the procedures in this Constitution concerning the giving of notice of General Meetings, proceedings of such General Meetings and voting by Members at such General Meetings shall be deemed to be satisfied. The expression "**passed by written means**" shall include approval by any such Member by telefax or electronic/digital signature or any form of electronic communication for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices.* *Passing Members' resolutions by written means.*

103. *A resolution proposed to be passed by written means lapses if it is not passed within 28 days beginning with the date on which the written resolution is circulated to the members of the Company.* *Section 184DA applicable.*

104. *A Special Resolution is passed by written means if the resolution indicates that it is a Special Resolution and if it has been formally agreed on any date by one (1) or more Members who on that date represent at least 75 per cent. (75%) of the total voting rights of all Members who on that date would have the right to vote on that resolution had a General Meeting been convened.* *Special Resolutions by written means*

An Ordinary Resolution is passed by written means if the resolution does not indicate that it is a Special Resolution and if it has been formally agreed on any date by one (1) or more Members who on that date represent a majority of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting had a General Meeting been convened.

For the avoidance of doubt, the requisite number of Members need not give their formal agreement to any Special Resolution or Ordinary Resolution on a single day.

105. *For the purpose of the immediately preceding Regulation, a resolution is formally agreed by a Member if:* *Formal Agreement.*

(a) the Company receives from the Member (or his proxy) a document that:

(i) is given to the Company in legible form or a permitted alternative form;
(ii) indicates the Member's agreement (or agreement on his behalf) to the resolution by way of the Member's (or his proxy's) signature or such other method as the Company decide; and
(iii) includes the text of the resolution or otherwise makes clear that it is that resolution that is being agreed to; and

(b) the Member (or his proxy) had a legible text of the resolution before giving that document.

*In this Regulation and also for the purpose of Regulation 107, something is "**in legible form or a permitted alternative form**" if, and only if, it is sent or otherwise supplied in a form (such as a paper document) that is legible before being sent or otherwise supplied and does not change form during that process.*

106. *A resolution of the Company may only be passed by written means if agreement was first sought by the Directors in accordance with the immediately following Regulation or under the circumstances described in Section 184B(1)(a)(ii) of the Act. For the avoidance of doubt, other than the requirements stated in the relevant Regulations in this Constitution, there is no other condition in the Constitution or relating to the passing of resolutions by written means that needs to be satisfied.* *Agreement to be sought.*

107. *In seeking the agreement of the Members to pass any resolution by written means, the Directors shall send to each Member who would have the right to vote on that resolution had a General Meeting been convened, a copy of the text of the resolution in legible form or a permitted alternative form. As far as practicable, the Directors shall send the text of the resolution as respects every Member at the same time and without delay, and the provisions of Section 184C of the Act shall apply.* *Text of resolution.*

108. Any Member or Members representing at least 5% of the total voting rights of all the Members having the right to vote on a resolution at a General Meeting may, within 7 days after: *Right to convene General Meeting.*

(a) the text of the resolution has been sent to him or them in accordance with Section 184C of the Act; or

(b) the documents referred to in Section 183(3A) of the Act in respect of the resolution have been served on him or them, as the case may be,

give notice to the Company requiring that a General Meeting be convened for the purpose of considering, and if thought fit, passing that resolution. Upon receipt of such a notice, the Directors shall proceed to convene a General Meeting in accordance with this Constitution.

109. Where a resolution of the Members is passed by written means, the Company shall notify every Member that the resolution has been passed and do so within 15 days from the earliest date on which a Director or Secretary of the Company is aware that it has been passed. The Company shall cause a record of the resolution passed by written means and the indication of each Member's agreement (or agreement on his behalf) to be entered in a book in the like manner for recording proceedings of General Meetings in the minute book. Any such record, if purporting to be signed by a Director or the Secretary shall be evidence of the proceedings in passing the resolution, and until the contrary is proved, the record shall also be evidence that the requirements of the Act with respect to the proceedings in passing the resolution have been complied with. *Notification and record of resolution passed.*

110. Notwithstanding anything in this Constitution, where there is only one (1) Member of the Company, a resolution passed by written means may be passed by the Member recording the resolution and signing the record in accordance with the provisions of Section 184G of the Act. *Written record of Sole Member.*

<u>Rights of the holders of Offeror Shares in respect of dividends</u>

DIVIDENDS

145. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on Share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, and any dividend declared shall not be in excess of the amount recommended by the Directors. Any dividends declared by the Company may be so declared in Singapore Dollars or any other currency. *Payment of dividends.*

146. Unless and to the extent that the rights attached to any Share or the terms of issue thereof otherwise provide and except as otherwise permitted under the Act or any applicable law: *Apportionment of dividends.*

(a) all dividends in respect of Shares must be paid in proportion to the number of Shares held by a Member but where Shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.

For the purposes of this Regulation, no amount paid or credited as paid on a Share in advance of calls shall be treated as paid on the Share.

147. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of Shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the Shares, and subject thereto may also from time to time pay to the holders of any other class of Shares interim dividends thereon of such amounts and on such dates as they may think fit. *Payment of preference and interim dividends.*

148. No dividend or other moneys payable on or in respect of a Share shall bear interest against the Company. *Dividends not to bear interest.*

149. The Directors may deduct from any dividend (or from any moneys on or in respect of a Share or Shares) payable to any Member all sums of money, if any, presently payable by the Member to the Company on account of calls or otherwise in relation to the Shares of the Company. *Deduction of debts due to Company.*

150. The Directors may retain any dividend or other moneys payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Retention of dividends on Shares subject to lien.*

151. The Directors may retain the dividends payable on Shares in respect of which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such Shares or shall duly transfer the same. *Retention of dividends on Shares pending trans- mission.*

152. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a Share into a separate account shall not render the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a Share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any such dividends or moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. *Unclaimed dividends.*

153. (1) Any Ordinary Resolution declaring a dividend may by resolution direct payment of the dividend wholly or partly by the distribution of specific assets, including:- *Payment of dividend in specie.*

(a) paid up shares of any other company;
(b) debentures or debenture stock of any other company; or
(c) any combination of any specific assets, and the Directors must give effect to the resolution.

(2) Where any difficulty arises with regard to a distribution directed under paragraph (1) above, the Directors may do all or any of the following:

(a) settle the distribution as they think expedient;
(b) fix the value for distribution of the specific assets or any part of the specific assets;
(c) determine that cash payments be made to any Members on the basis of the value fixed by the Directors, in order to adjust the rights of all parties;
(d) vest any specific assets in trustees as may seem expedient to the Directors.

154. Unless otherwise determined by the Board of Directors, any dividend or other moneys payable in cash on or in respect of a Share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the Share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one (1) of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the Share in consequence of the death or bankruptcy of the holder may direct and payment (by way of cheque or warrant) if purporting to be endorsed or received by any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. *Dividend payment.*

155. A transfer of Shares shall not pass the right to any dividend declared on such Shares before the registration of the transfer. *Effect of transfer.*

4. FINANCIAL SUMMARY

As the Offeror was incorporated on 10 July 2024, no audited or unaudited financial statements of the Offeror have been prepared to date.

As no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date, there are no significant accounting policies to be noted.

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and financing of the Offer, there has been no known material change in the financial position of the Offeror since its incorporation.

6. REGISTERED AND PRINCIPAL OFFICE

The registered office of the Offeror is at 6 Raffles Quay, #18-00, Singapore 048580. The Offeror does not have a principal office in Singapore.

7. INDEBTEDNESS

*The Offeror has entered into a facility agreement dated 26 August 2024, pursuant to which a six-month bridging loan arranged by UOB ("**Bridging Loan**") of up to S$250,000,000 has been made available by UOB as original lender to the Offeror for the purposes of, inter alia, financing the Offer Consideration.*

The Bridging Loan is secured against the following, inter alia:

(a) a fixed charge over the bank accounts maintained with UOB;

(b) a charge granted by ZFPL in favour of UOB in respect of all its Offeror Shares (including the Offeror Shares which will be issued to it pursuant to the Rollover Arrangement as described in Section 5.2 of the Letter to Shareholders in this Offer Document) and all related rights of those Offeror Shares;

(c) a charge in respect of all the Shares to be acquired by the Offeror and all related rights of such Shares;

(d) a debenture granted by the Offeror;

(e) subordination of all present and future indebtedness owing or incurred by the Offeror to ZFPL; and

(f) as a condition subsequent and subject to the occurrence of the privatisation of the Company, (i) a debenture granted by the Company and (ii) a charge over all the shares of each designated material subsidiary of the Company.

Save as disclosed in the Offer Document, as at the Latest Practicable Date, there is no material indebtedness such as bank overdrafts or loans, or other similar indebtedness, mortgages, charges or guarantees or other material contingent liabilities of the Offeror.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Offeror or any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Offeror.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in this Offer Document, the Offeror has not entered into material contracts (other than those in the ordinary course of business) with an interested person (within the meaning set out in the Note on Rule 23.12 of the Code) from the date of incorporation of the Offeror to the Latest Practicable Date.

The audited consolidated financial statements of the Group for FY2023 which are set out below have been reproduced from the Company's annual report for FY2023, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited consolidated financial statements of the Group for FY2023 set out below shall have the same meanings given to them in the annual report of the Company for FY2023.

A copy of the annual report of the Company for FY2023 is available for inspection at the registered office of the Company at 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.

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Directors' Report

The directors are pleased to present their report together with the audited consolidated financial statements of Silverlake Axis Ltd. (the Company) and its subsidiaries (collectively, the Group) and the statement of financial position of the Company for the financial year ended 30 June 2023.

1. Directors

The directors of the Company in office at the date of this report are:

Goh Peng Ooi
Andrew Tan Teik Wei
Goh Shiou Ling
Chee Chin Leong (appointed on 14 February 2023)
Dr. Kwong Yong Sin
Chee Hin Kooi
Ong Kian Min
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid
Datuk Yvonne Chia
Yano Satoru
Mah Yong Sun

2. Arrangement to enable directors to acquire shares

Except as disclosed in the financial statements, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

3. Directors' interests in shares

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and its related corporations as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year/At the date of appointment**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Goh Peng Ooi	-	-	1,862,760,568	1,862,760,568
Andrew Tan Teik Wei	8,600,000	14,000,000	-	-
Goh Shiou Ling	630,400	630,400	-	-
Chee Chin Leong	120,000	120,000	-	-
Dr. Kwong Yong Sin	18,972,000	18,972,000	2,275,000	2,275,000
Ong Kian Min	1,800,000	1,800,000	-	-
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	200,000	200,000	-	-
Datuk Yvonne Chia	200,000	200,000	410,000	410,000
Ordinary shares of the holding company (Zezz FundQ Pte. Ltd.)				
Goh Peng Ooi	602,996,927	602,996,927	-	-

Directors' Report (cont'd)

3. Directors' interests in shares (cont'd)

Name of director	Direct interest: At the end of financial year	Direct interest: At 21 July 2023	Deemed interest: At the end of financial year	Deemed interest: At 21 July 2023
Ordinary shares of the Company				
Goh Shiou Ling	630,400	-	-	630,400
Ong Kian Min	1,800,000	200,000	-	1,600,000
Datuk Yvonne Chia	200,000	-	410,000	610,000

Except as disclosed above, there was no change in any of the abovementioned interests between the end of the financial year and 21 July 2023.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Performance share plan

The first Silverlake Axis Ltd. Performance Share Plan ("PSP") was approved by the Company's shareholders at the Special General Meeting held on 28 October 2010 and subsequently expired and lapsed on 28 October 2020 after a maximum period of 10 years from the date it was first adopted.

The new PSP approved by the Company's shareholders at the Special General Meeting held on 27 October 2020 has been effected to replace the expired PSP under which awards ("Awards") of fully-paid shares will be issued free of charge to eligible employees, executive directors and non-executive directors of the Company and its subsidiaries, provided certain prescribed performance targets are met.

The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the total number of shares available under any other share-based schemes of the Company, will not exceed 10% of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The new PSP shall continue to be in force at the discretion of the Remuneration Committee ("RC"), subject to the maximum period of 10 years commencing on 27 October 2020.

The RC comprises Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid as the Chairman and Ms. Goh Shiou Ling, Mr. Ong Kian Min and Datuk Yvonne Chia as members of RC, who undertakes the duties of overseeing the administration of the PSP. In the event that the share awards are granted to non-executive directors who are members of RC, for good governance, the Board of Directors of the Company shall be responsible for the administration of the PSP.

(i) PSP shares granted to Group Managing Director

On 28 February 2023, 5,400,000 (2022: 4,100,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 (2022: SGD0.315) per share at grant date, amounting to RM5,862,065 (2022: RM4,126,342) to the Group Managing Director, Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2022 (2022: 30 June 2021).

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

(ii) PSP shares granted to key management personnel and contract employee

On 28 February 2023, 600,000 (2022: 2,000,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 (2022: SGD0.315) per share at grant date, amounting to RM651,340 (2022: RM2,012,850) to a key management personnel (2022: a key management personnel and a contract employee), in recognition of their services and contribution to the Group for the financial year ended 30 June 2022 (2022: 30 June 2021).

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

Details of the PSP are disclosed in Note 25(d) to the financial statements.

Directors' Report (cont'd)

6. Treasury shares

On 28 February 2023, 6,000,000 (2022: 6,100,000) treasury shares were released at the price of SGD0.335 (2022: SGD0.315) each, which reflected the fair values of shares at release date, for the purposes of award of shares to the Group Managing Director and a key management personnel (2022: a key management personnel and a contract employee) under the PSP.

During the financial year, the Company purchased 4,498,700 (2022: 171,663,388) shares pursuant to the share purchase mandate approved by shareholders on 27 October 2022 (2022: 27 October 2021). These shares were acquired and are held as treasury shares by the Company, as follows:

(a) 4,498,700 (2022: 1,432,400) shares by way of market acquisition for a total consideration of RM5,377,265 (2022: RM1,309,938); and
(b) in the previous financial year, 170,230,988 shares by way of off-market acquisition on equal access scheme for a consideration of RM177,264,081.

Further details of the treasury shares are disclosed in Note 25(c) to the financial statements.

7. Significant event during the financial year

Details of significant event during the financial year is disclosed in Note 41 to the financial statements.

8. Significant event after the financial year end

There is no significant event noted after the financial year end.

9. Board opinion on the adequacy and effectiveness of risk management and internal control systems addressing financial, operational, compliance and information technology risks

Based on the risk management framework and internal controls established and maintained by the Group, work performed by the internal auditors and external auditors (in the course of their annual statutory audit), and reviews performed by the Management and the Board, the Board with the concurrence of the Audit and Risk Committee, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective for the financial year ended 30 June 2023 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

10. Audit and Risk Committee ("ARC")

Information on the functions and activities of the ARC are disclosed in the Corporate Governance Statement.

11. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

GOH PENG OOI
Director

ANDREW TAN TEIK WEI
Director

26 September 2023

Statement by Directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position of the Company together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of the results of the business, changes in equity and cash flows of the Group for the year then ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

GOH PENG OOI
Director

ANDREW TAN TEIK WEI
Director

26 September 2023

Independent Auditors' Report

To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Silverlake Axis Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

(1) Revenue and cost of sales from software licensing and software project services (professional services)

(Refer to Note 2.4(g) Summary of significant accounting policies - Revenue recognition, Note 2.5(a) - Key sources of estimation uncertainty, Note 3 - Revenue)

For the financial year ended 30 June 2023, the Group's revenue from the provision of software licensing and software project services (professional services), amounted to RM74 million and RM102 million respectively. Software licensing contracts comprise of sale of license and provision of design and implementation which contain one or more performance obligations while software project services (professional services) are long-term contracts which span more than one accounting period.

We identified revenue and cost of sales from the provision of software licensing and software project services (professional services) as areas requiring audit focus as significant management judgement and estimates are involved, particularly in the following areas:

(a) in determining whether sale of license and provision of design and implementation should be considered as one performance obligation; and

(b) in respect of long-term contracts where revenue is recognised over time in accordance with SFRS(I) 15, estimates made by the management in respect of total budgeted costs in measuring progress towards complete satisfaction of a performance obligation.

Independent Auditors' Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

(1) Revenue and cost of sales from software licensing and software project services (professional services) (cont'd)

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we read the relevant contracts to obtain an understanding of the specific terms and conditions impacting revenue recognition, including the relative proportion of the fees for service and license and the project timeline, in evaluating management's identification and assessment of the performance obligations;

(b) we obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls related to estimating total budgeted costs and profit margin;

(c) we have inquired the management to understand the current status of the project. Depending on the status of the project, we reviewed the available supporting documents, which include vouching of customer's email approval for acknowledgement of work and issuance of billing, purchase orders and relevant documents to evidence testing status of software implementation;

(d) we evaluated the completion status of each significant stage of implementation (e.g. functional specification, system integration test, user acceptance test, go live) against sign-offs by customers;

(e) we evaluated the key assumptions applied by management in estimating the total budgeted costs by examining the documentary evidence, such as approved purchase orders, subsequent invoices and letters of award issued to the sub-contractors which support the total budgeted costs;

(f) we also considered the historical accuracy of management's budgets for similar contracts in assessing the estimated total contract costs; and

(g) we reviewed and recomputed the progress towards completion of a performance obligation using input method, including checking the actual costs incurred to date to sub-contractors' claims, invoices and time cost sheets.

(2) Impairment assessment of goodwill

(Refer to Note 2.4(o) Summary of significant accounting policies - Impairment of non-financial assets, Note 2.5(c) - Key sources of estimation uncertainty, Note 13 - Intangible assets)

As at 30 June 2023, the carrying amount of goodwill recognised by the Group amounted to RM152 million, representing 30% and 9% of the Group's total non-current assets and total assets respectively. The Group is required to perform annual impairment assessment of the cash-generating units ("CGU") or groups of CGUs to which goodwill has been allocated.

The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value in use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.

We identified this as an area of audit focus as the VIU determined using discounted cash flows is complex and involves significant management judgement and estimates, specifically the key assumptions on the revenue growth rate, gross profit margin, long-term growth rate and discount rate.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of the methodology adopted by the management in estimating the VIU;

Independent Auditors' Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

(2) Impairment assessment of goodwill (cont'd)

Our audit response: (cont'd)

In addressing this area of audit focus, we performed, amongst others, the following procedures: (cont'd)

(b) we obtained an understanding and assessed management's basis of assigning probability to the potential contracts included in the VIU by reference to the stage of negotiation with customers. We evaluated management's other key assumptions on revenue growth rate, gross profit margin and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective business segments and geographical regions of the CGUs, business plans and growth strategies. We also compared the key assumptions against past actual outcomes;

(c) we involved our internal valuation experts in assessing the reasonableness of the discount rate and terminal growth rate used by management;

(d) we performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs; and

(e) we assessed the adequacy of disclosures of key assumptions to which the outcome of the impairment assessment is most sensitive.

(3) Impairment assessment on investments in subsidiaries

(Refer to Note 2.4(o) Summary of significant accounting policies - Impairment of non-financial assets, Note 2.5(d) - Key sources of estimation uncertainty, Note 14 - Investments in subsidiaries)

As at 30 June 2023, the carrying amount of the Company's investments in subsidiaries amounted to RM2,259 million.

The Company is required to perform impairment assessment of its investments in subsidiaries whenever there is an indication that the investments may be impaired. Management reviewed the Company's cost of investments in subsidiaries for indicators of impairment by comparing the carrying amount of the cost of the investment and the Company's share of their net assets of the subsidiary.

Accordingly, the Company performed an impairment assessment on the cash-generating units ("CGUs") relating to certain subsidiaries. The Company estimated the recoverable amounts of the CGUs based on its value in use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.

We identified this as an area of audit focus as the VIU determined using discounted cash flows is complex and involves significant management judgement and estimates, specifically the key assumptions on the revenue growth rate, gross profit margin, long-term growth rate and discount rate.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of the methodology adopted by the management in estimating the VIU;

(b) we obtained an understanding and assessed management's basis of assigning probability to the potential contracts included in the VIU by reference to the stage of negotiation with customers. We evaluated management's other key assumptions on revenue growth rate, gross profit margin and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective subsidiaries. We also compared the key assumptions against past actual outcomes;

(c) we involved our internal valuation experts in assessing the discount rate and terminal growth rate used by management;

Independent Auditors' Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

(3) Impairment assessment on investments in subsidiaries (cont'd)

Our audit response: (cont'd)

In addressing this area of audit focus, we performed, amongst others, the following procedures: (cont'd)

(d) we performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the investments in subsidiaries; and

(e) we assessed the adequacy of disclosures of impairment testing of investments in subsidiaries.

(4) Capitalisation of software development expenditure as intangible assets

(Refer to Note 2.4(n) Summary of significant accounting policies - Intangible assets, Note 2.5(b) - Key sources of estimation uncertainty, Note 13 - Intangible assets)

As at 30 June 2023, the carrying amount of software development expenditure recognised by the Group amounted to RM227 million, representing 45% and 14% of the Group's total non-current assets and total assets respectively.

We identified this as an area of audit focus due to significant judgement required to determine appropriateness of types of expenditure and amounts capitalised in accordance with SFRS(I) 1-38 Intangible Assets, of which specific criteria has to be met before a particular expense item can be capitalised.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of management's process and controls in place which govern the capitalisation of software development expenditure;

(b) we tested controls over the process which tracks and records payroll costs specifically incurred for the software development projects;

(c) we reviewed management's assessment of the eligibility of the development costs for capitalisation as intangible asset in accordance with SFRS(I) 1-38;

(d) on a sampling basis, we inspected supporting documents to verify that the costs were incurred during the development stage and only qualifying costs are capitalised in accordance with SFRS(I) 1-38. For samples selected, we also obtained and reviewed the development plan from management to understand the progress of the development projects and consider whether they are consistent with the originally approved budget. Projects with significant delays were investigated to determine if completion of those projects are probable;

(e) we involved our internal technology specialists in the review of significant software development plans and activities carried out by the Group during the financial year;

(f) we reviewed the adequacy of disclosures in the financial statements.

Independent Auditors' Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The signing partner on the audit resulting in this independent auditors' report is Tee Huey Yenn.

ERNST & YOUNG LLP
Public Accountants and Chartered Accountants

Singapore
26 September 2023

Consolidated Income Statement

For the financial year ended 30 June 2023

		Group	
	Note	2023 RM	2022 RM
Revenue	3	765,915,225	736,541,682
Cost of sales		(314,903,304)	(317,927,616)
Gross profit		451,011,921	418,614,066
Other items of income			
Finance income	4	11,746,754	3,079,286
Other income	5	3,383,782	11,324,242
Other items of expenses			
Selling and distribution costs		(50,258,324)	(42,094,581)
Administrative expenses		(177,016,356)	(156,266,148)
Finance costs	6	(8,351,752)	(2,799,252)
Share of loss of an associate	15	(954,267)	-
Profit before tax	7	229,561,758	231,857,613
Income tax expense	9	(59,282,715)	(49,154,128)
Profit for the year		170,279,043	182,703,485
Profit for the year attributable to:			
Owners of the parent		169,591,931	182,152,841
Non-controlling interests		687,112	550,644
		170,279,043	182,703,485
Earnings per share attributable to the owners of the parent:			
- Basic (sen)	10	6.76	6.85
- Diluted (sen)	10	6.76	6.85

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2023

	Note	Group 2023 RM	Group 2022 RM
Profit for the year		170,279,043	182,703,485
Other comprehensive income/(loss):			
Item that may be reclassified to profit or loss in the subsequent periods:			
- Foreign currency translation gain		45,829,596	17,522,000
Items that will not be reclassified to profit or loss in the subsequent periods:			
- Fair value gain/(loss) on financial assets - quoted equity shares	26(d)	16,994,912	(91,480,413)
- Deferred tax relating to fair value (gain)/loss on financial assets - quoted equity shares	30	(1,650,306)	9,228,521
- Actuarial (loss)/gain on defined benefit plans	33	(272,070)	924,969
- Deferred tax relating to actuarial loss/(gain) on defined benefit plans	30	70,790	(251,728)
		15,143,326	(81,578,651)
Other comprehensive income/(loss) for the year, net of tax		60,972,922	(64,056,651)
Total comprehensive income for the year		231,251,965	118,646,834
Total comprehensive income for the year attributable to:			
Owners of the parent		230,564,853	118,096,190
Non-controlling interests		687,112	550,644
		231,251,965	118,646,834

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 30 June 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Assets					
Non-current assets					
Property, plant and equipment	11	11,713,163	10,175,801	29,648	35,039
Right-of-use assets	12	26,703,864	25,624,070	-	-
Intangible assets	13	409,304,299	342,151,697	-	-
Investments in subsidiaries	14	-	-	2,259,360,871	2,111,538,501
Investment in an associate	15	5,650,767	6,118,674	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	16	2,800,000	1,645,000	-	-
Amount due from a subsidiary	21	-	-	145,607,986	152,665,519
Derivative asset	17	-	1,137,060	-	-
Deferred tax assets	30	49,984,324	58,187,085	-	-
		506,156,417	445,039,387	2,404,998,505	2,264,239,059
Current assets					
Inventories	18	399,155	432,012	-	-
Trade and other receivables	19	185,797,367	127,643,736	156,811	46,718
Contract assets	20	154,441,619	73,929,019	-	-
Prepayments		4,000,523	3,293,945	42,518	91,760
Dividend receivable		-	-	41,262,000	-
Amounts due from subsidiaries	21	-	-	93,954	64,981
Amounts due from related parties	21	7,747,946	16,892,738	-	-
Loans to subsidiaries	22	-	-	4,865,478	-
Tax recoverable		6,433,217	5,897,617	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	16	236,434,408	206,250,863	-	-
Financial assets at fair value through profit or loss - money market fund	23	27,544,302	54,659,549	-	-
Derivative asset	17	2,586	-	-	-
Cash and bank balances	24	504,249,343	558,056,893	120,155,839	182,344,511
		1,127,050,466	1,047,056,372	166,576,600	182,547,970
Total assets		1,633,206,883	1,492,095,759	2,571,575,105	2,446,787,029

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position as at 30 June 2023 (cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Equity and liabilities					
Equity					
Share capital	25(a)	1,845,200,087	1,845,200,087	1,845,200,087	1,845,200,087
Treasury shares	25(c)	(196,600,677)	(197,775,703)	(196,600,677)	(197,775,703)
Other reserves	26	(1,967,926)	(63,103,242)	265,644,529	67,357,946
Merger deficit	27	(1,943,942,990)	(1,943,942,990)	-	-
Retained profits		1,433,502,822	1,321,682,810	498,095,391	549,240,210
Equity attributable to owners of the parent		1,136,191,316	962,060,962	2,412,339,330	2,264,022,540
Non-controlling interests		13,804,652	13,117,540	-	-
Total equity		1,149,995,968	975,178,502	2,412,339,330	2,264,022,540
Non-current liabilities					
Loans and borrowings	28	171,950,644	193,327,688	152,731,692	175,341,516
Deferred tax liabilities	30	44,130,441	41,667,392	-	-
Provision for defined benefit liabilities	33	13,763,331	12,346,780	-	-
		229,844,416	247,341,860	152,731,692	175,341,516
Current liabilities					
Trade and other payables	31	112,308,808	116,992,544	3,560,926	3,344,044
Contract liabilities	20	112,978,637	131,158,374	-	-
Loans and borrowings	28	7,561,360	7,594,070	-	-
Provision for defined benefit liabilities	33	-	80,330	-	-
Amounts due to subsidiaries	21	-	-	2,548,370	4,069,033
Amounts due to related parties	21	873,424	394,274	-	-
Tax payable		19,644,270	13,355,805	394,787	9,896
		253,366,499	269,575,397	6,504,083	7,422,973
Total liabilities		483,210,915	516,917,257	159,235,775	182,764,489
Net current assets		873,683,967	777,480,975	160,072,517	175,124,997
Total equity and liabilities		1,633,206,883	1,492,095,759	2,571,575,105	2,446,787,029

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2023

2023		Attributable to owners of the parent							
			<--------- Non-distributable	--------->					
Group	**Note**	**Share capital (Note 25(a)) RM**	**Treasury shares (Note 25(c)) RM**	**Other reserves (Note 26) RM**	**Merger deficit (Note 27) RM**	**Distributable retained profits RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 July 2022		1,845,200,087	(197,775,703)	(63,103,242)	(1,943,942,990)	1,321,682,810	962,060,962	13,117,540	975,178,502
Profit for the year		-	-	-	-	169,591,931	169,591,931	687,112	170,279,043
Other comprehensive income/(loss) for the year		-	-	61,174,202	-	(201,280)	60,972,922	-	60,972,922
Total comprehensive income for the year		-	-	61,174,202	-	169,390,651	230,564,853	687,112	231,251,965
Transactions with owners									
Purchase of treasury shares	25(c)	-	(5,377,265)	-	-	-	(5,377,265)	-	(5,377,265)
Grant of shares under Performance Share Plan	25(d)	-	-	6,513,405	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	25(c)	-	6,552,291	(6,552,291)	-	-	-	-	-
Dividends on ordinary shares	34	-	-	-	-	(57,570,639)	(57,570,639)	-	(57,570,639)
Total transactions with owners in their capacity as owners		-	1,175,026	(38,886)	-	(57,570,639)	(56,434,499)	-	(56,434,499)
At 30 June 2023		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity (cont'd)
For the financial year ended 30 June 2023

2022		Attributable to owners of the parent		<--------- Non-distributable	--------->				
Group	Note	Share capital (Note 25(a)) RM	Share premium (Note 25(b)) RM	Treasury shares (Note 25(c)) RM	Other reserves (Note 26) RM	Merger deficit (Note 27) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2021		191,040,654	186,497,272	(25,769,645)	2,055,419	(476,280,829)	1,176,873,429	1,054,416,300	52,188	1,054,468,488
Profit for the year		-	-	-	-	-	182,152,841	182,152,841	550,644	182,703,485
Other comprehensive (loss)/income for the year		-	-	-	(64,729,892)	-	673,241	(64,056,651)	-	(64,056,651)
Total comprehensive (loss)/income for the year		-	-	-	(64,729,892)	-	182,826,082	118,096,190	550,644	118,646,834
Transactions with owners										
Purchase of treasury shares	25(c)	-	-	(178,574,019)	-	-	-	(178,574,019)	-	(178,574,019)
Reclassification of share premium upon re-domiciliation - transition to no par value concept *	25(a),(b)	1,654,159,433	(1,654,159,433)	-	-	-	-	-	-	-
Reclassification of share premium upon re-domiciliation - set off against merger deficit for business combinations involving entities under common control **	25(b),27	-	1,467,662,161	-	-	(1,467,662,161)	-	-	-	-
Grant of shares under Performance Share Plan	25(d)	-	-	-	6,139,192	-	-	6,139,192	-	6,139,192
Release of shares under Performance Share Plan	25(c)	-	-	6,567,961	(6,567,961)	-	-	-	-	-
Gain on deemed disposal of 20% equity interest in a subsidiary without loss of control	14	-	-	-	-	-	4,926,844	4,926,844	12,514,708	17,441,552
Dividends on ordinary shares	34	-	-	-	-	-	(42,943,545)	(42,943,545)	-	(42,943,545)
Total transactions with owners in their capacity as owners		1,654,159,433	(186,497,272)	(172,006,058)	(428,769)	(1,467,662,161)	(38,016,701)	(210,451,528)	12,514,708	(197,936,820)
At 30 June 2022		1,845,200,087	-	(197,775,703)	(63,103,242)	(1,943,942,990)	1,321,682,810	962,060,962	13,117,540	975,178,502

* Pursuant to Singapore Companies Act 1967 Sections 62A and 62B, there is no par value concept ("No Par Value Concept") after 30 January 2006. Accordingly, the Company reclassified the amount in "share premium" to "share capital" after the re-domiciliation of the Company from Bermuda to Singapore. Any future share issuance shall be credited in full to "share capital" in the statement of financial position of the Company.

** Pursuant to Section 40(1) of Bermuda Companies Act 1981, the share premium from the reissuance of treasury shares for the acquisition of subsidiaries accounted for using the pooling of interest method ("Acquisition Share Premium") can be set off against the merger deficit arising from the acquisition. Following the re-domiciliation of the Company from Bermuda to Singapore, the Company applied No Par Value Concept in accordance with Singapore Companies Act 1967 and the set off of Acquisition Share Premium against the merger deficit had been reversed.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

	Note	Group 2023 RM	Group 2022 RM
Operating activities			
Profit before tax		229,561,758	231,857,613
Adjustments for:			
Amortisation of intangible assets	7, 13	27,253,208	23,725,260
Depreciation of property, plant and equipment	7, 11	3,597,195	3,762,328
Depreciation of right-of-use assets	7, 12	8,549,998	9,221,862
Write off of property, plant and equipment	7	28,943	38,120
Net loss on disposal of property, plant and equipment	7	38,647	-
Net gain on disposal of right-of-use assets	5	(103,490)	(753)
Net gain on lease modifications	5	(173,984)	(59,475)
Derecognition of derivative asset upon expiry of call option	7	-	756,928
Bad debts written off	7	73,007	739,923
Expected credit losses on trade receivables	7	1,948,852	131,816
Expected credit losses on contract assets	7	-	376,688
Reversal of expected credit losses on trade receivables	5	(289,316)	(1,301,330)
Reversal of expected credit losses on contract assets	5	(150,382)	-
Reversal of provision for foreseeable losses	7	(508,068)	-
Dividend income from financial assets - quoted equity shares	5	(63,000)	-
(Gain)/loss on redemption of financial assets - money market fund	5, 7	(861,177)	324,707
Net unrealised foreign currency exchange loss/(gain)	7, 5	3,231,581	(4,198,123)
Fair value adjustment on subsequent measurement of put liability	5	-	(1,461,018)
Loss/(gain) on derivative asset at fair value through profit or loss	7, 5	1,176,968	(1,117,620)
Performance shares issued	8	6,595,272	6,022,312
Waiver of debts	5	(108,112)	(7,646)
Allowance for unutilised leave	8	1,853,268	763,716
Defined benefit obligation	8, 33	590,497	1,846,619
Share of loss of an associate	15	954,267	-
Finance costs	6	8,351,752	2,799,252
Finance income	4	(11,746,754)	(3,079,286)
Total adjustments		50,239,172	39,284,280
Operating cash flows before changes in working capital		279,800,930	271,141,893
Changes in working capital:			
Inventories		21,124	161,342
Trade and other receivables		(56,439,341)	12,130,197
Contract assets/liabilities		(95,887,698)	5,934,851
Amounts due from/to related parties, net		9,621,422	(9,822,918)
Trade and other payables		(9,764,967)	40,011,701
Total changes in working capital		(152,449,460)	48,415,173
Cash flows from operations		127,351,470	319,557,066
Net (placement)/uplift of deposits pledged		(414,937)	655,633
Defined benefits paid	33	(89,886)	-
Income tax paid		(46,142,514)	(48,822,497)
Interest paid		(8,086,832)	(1,094,971)
Net cash flows from operating activities		72,617,301	270,295,231

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 June 2023

	Note	Group 2023 RM	Group 2022 RM
Investing activities			
Purchases of property, plant and equipment	11	(5,121,089)	(2,035,389)
Purchases of right-of-use assets	(a)	(46,401)	-
Payments for software development expenditure	13	(78,110,516)	(47,463,065)
Payments for other intangible assets	13	(2,131,855)	(2,623,196)
Proceeds from disposal of property, plant and equipment		152,191	507
Proceeds from disposal of right-of-use assets		275,314	10,387
Proceeds from redemption of financial assets - money market fund		27,976,424	1,131,097
Investment in an associate		-	(6,014,064)
Purchases of financial assets - money market fund		-	(28,449,410)
Purchases of financial assets - quoted equity shares	16	-	(735,000)
Interest received		11,209,177	3,037,647
Dividend income received from financial assets - quoted equity shares		63,000	-
Net cash flows used in investing activities		(45,733,755)	(83,140,486)
Financing activities			
Dividends paid	34	(57,570,639)	(42,943,545)
Purchase of treasury shares	25(c)	(5,377,265)	(178,574,019)
Proceeds from revolving credit	38	-	173,852,000
Repayment of term loan and revolving credit	38	(36,582,936)	(246,598)
Payment of upfront fee for revolving credit	38	-	(1,508,250)
Payment of principal portion of lease liabilities	38	(8,265,745)	(9,497,123)
Net cash flows used in financing activities		(107,796,585)	(58,917,535)
Net (decrease)/increase in cash and cash equivalents		(80,913,039)	128,237,210
Effects of exchange rate changes on cash and cash equivalents		26,687,864	13,356,431
Cash and cash equivalents at beginning of the year		548,934,776	407,341,135
Cash and cash equivalents at end of the year	24	494,709,601	548,934,776

(a) Additions of right-of-use assets during the financial year were by way of:

	Group 2023 RM	Group 2022 RM
Cash	46,401	-
Leases	5,167,388	70,092
	5,213,789	70,092

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2023

1. Corporate information

Silverlake Axis Ltd. (the Company) was an exempt company with limited liability and incorporated in Bermuda. On 23 September 2021, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

The Company regards Zezz FundQ Pte. Ltd. ("Zezz"), an exempt private company incorporated in Singapore, as its holding company.

The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is located at 80 Robinson Road, #02-00 Singapore 068898.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14. There have been no significant changes in the nature of these activities during the financial year.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by Accounting Standards Council Singapore ("ASC"). SFRS(I)s are equivalent to International Financial Reporting Standards ("IFRSs").

The financial statements have been prepared on a historical cost basis, except as disclosed in the summary of significant accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.5.

2.2 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to SFRS(I) which is effective 1 July 2022 for the Group and the Company:

Amendments to SFRS(I) 3 – Reference to the Conceptual Framework
Amendments to SFRS(I) 1-16 – Property, Plant and Equipment - Proceeds Before Intended Use
Amendments to SFRS(I) 1-37 – Onerous Contracts - Costs of Fulfilling a Contract
Annual Improvements to SFRS(I)s 2018 - 2020 Cycle

- Amendments to SFRS(I) 1 – First-time Adoption of Singapore Financial Reporting Standards (International) - Subsidiary as A First-time Adopter
- Amendments to SFRS(I) 9 – Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to SFRS(I) 1-41 – Agriculture - Taxation in Fair Value Measurements

The adoption of the above amendments to standards did not have any significant effect on the financial performance or position of the Group and of the Company.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description		Effective for annual periods beginning on or after
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-8	Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-12	International Tax Reform - Pillar Two Model Rules	1 January 2023 or immediately
Amendments to SFRS(I) 1-12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 17	Initial Application of SFRS(I) 17 and SFRS(I) 9 - Comparative Information	1 January 2023
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group intends to adopt these standards when they become effective. The directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any resultant gain or loss in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(b) Business combinations and goodwill (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Contingent consideration, resulting from business combinations, is recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the equity of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Expenditure incurred in relation to a business combination under common control is recognised as an expense in the period in which it is incurred. Such expenditure includes professional fees, registration fees and all other incidental expenses.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(c) Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate. At each reporting date, the Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit or loss of an associate' in the income statement.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Investments in subsidiaries and associate

Investments in subsidiaries and associate are carried at cost less accumulated impairment losses in the Group and the Company's statements of financial position. Where an indication of impairment exists, the carrying amounts of the investments are assessed and written down immediately to its recoverable amount. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

On disposal of investments in subsidiaries and associate, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in the Group and the Company's income statements.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(e) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal of non-controlling interests is recognised directly in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(f) Foreign currency translation

The Company's functional currency is Singapore Dollar ("SGD"). The Group's consolidated financial statements are presented in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(g) Revenue recognition

Revenue from contracts with customers

The Group is in the business of providing digital economy solutions such as software licensing, software project services (professional services), maintenance and enhancement services, sale of software and hardware products, insurance ecosystem transactions and services and retail transactions processing. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, since it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.5.

(i) Software licensing

Revenue from software licensing is recognised at a point in time when there are no remaining obligations in accordance with the substance of the agreement. When there are no obligations subsequent to the delivery of the software source codes, license fees are recognised upon transfer of title to the customer, which takes place upon delivery and customer acceptance.

When there is significant modification required subsequent to the delivery of the software source codes, the performance obligation on software licensing is satisfied over time, where revenue is recognised using the input method in measuring the progress towards complete satisfaction of the performance obligation. Payment is generally due upon completion of customisation and acceptance by the customer.

(ii) Software project services (professional services)

Revenue from the rendering of software project services (professional services) is recognised over time. The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services), by reference to the actual cost incurred for work performed to date bear to the estimated total costs for each contract, as disclosed in Note 2.4(h).

(iii) Maintenance and enhancement services

The Group provides maintenance and enhancement services that are either sold separately or bundled together with software licensing and software project services (professional services) to a customer.

Contracts for bundled software project services (professional services) and maintenance services comprise multiple performance obligations as the promises to perform the software implementation and to provide maintenance services subsequent to the completion of software implementation are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of each performance obligation.

The Group recognises revenue from maintenance services over the contractual period and enhancement services over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(g) Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

(iv) Sale of software and hardware products

Revenue from the sale of software and hardware products is recognised at a point in time upon delivery of products and customer acceptance, net of discounts.

When another party is involved in providing the software and hardware to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis when it controls the promised goods or services before transferring them to the customer (e.g. provides services of integrating software and hardware products provided by another party into the specified service for which the customer has contracted). When the Group's role is only to arrange for another party to provide the software and hardware products, the Group is an agent and records revenue at the net amount that it retains for its agency services.

(v) Insurance ecosystem transactions and services

Revenue on insurance ecosystem transactions and services comprises service fee received from customers which are recognised at a point in time and integration services which are recognised over time. The payments for these services are generally due upon rendering of services and acceptance by customers respectively.

(vi) Retail transactions processing

Revenue from retail transactions processing comprises cloud subscriptions received from customers which are recognised over the subscription period. The payment for this service is generally due at the beginning of the subscription period.

The Group considers whether there are other promises in each of the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. options to acquire additional licensing or services at a discount and free man-days or maintenance services for specified period in bundled contract). The Group allocates a portion of the transaction price to each separate performance obligation identified. The revenue allocated to these separate performance obligations are deferred until they are utilised, exercised, expired or lapsed, and presented within contract liabilities when the consideration is received.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Note 2.4(p).

(ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The accounting policies of financial assets are as disclosed in Note 2.4(p).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(g) Revenue recognition (cont'd)

Contract balances (cont'd)

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other income

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Commission income

Commission income is recognised as earned when the right to receive the commission is established.

(h) Income recognition on contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the progress towards complete satisfaction of a performance obligation in the contract at the reporting date. An expected loss on the contract is recognised as an expense immediately when it is probable that total contract costs will exceed total revenue.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is adjusted based on the stand-alone selling prices for contracts with bundled services in accordance with the requirements for determining the transaction price in SFRS(I) 15.

The progress towards complete satisfaction of a performance obligation in a contract is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Contract costs include staff costs, allowances and other directly attributable costs.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are completed.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific qualifying asset, in which case the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowings, will be capitalised.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unutilised tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unutilised tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(j) Taxes (cont'd)

Deferred tax (cont'd)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax and service tax

Revenues, expenses and assets are recognised net of the amount of sales and/or service tax, except:

- when the sales and/or service tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and/or service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- when receivables and payables that are stated with the amount of sales and/or service tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The payable amount of sales and service tax ("SST") in Malaysia is included as part of payables in the statements of financial position.

(k) Current versus non-current classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(l) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Components of costs

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such costs also include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives, as follows:

Furniture and fittings	3 to 10 years
Motor vehicles	5 to 7 years
Office equipment	2 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(iv) Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

(m) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(m) Leases (cont'd)

Group as a lessee (cont'd)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicles	5 to 7 years
Office equipment	2 to 5 years
Office premises	2 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in loans and borrowings as disclosed in Note 28.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in the income statement on a straight-line basis over the lease term.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(m) Leases (cont'd)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

(n) Intangible assets

(i) Software development expenditure

Software development expenditure comprises purchased software, manpower and related overhead incurred directly in the development of computer software. Software development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and use or sell the asset;
- the ability to use or sell the intangible asset generated;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit (to the maximum of 10 years), at the principal annual amortisation rate of 10% to 20%. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Software development expenditures which are not or have ceased to be commercially viable are written off. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

(ii) Other intangible assets

Other intangible assets of the Group comprise purchased software, proprietary software, customer relationship and customer contracts.

Other intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding software development expenditures, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Other intangible assets with finite lives are amortised over the economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(n) Intangible assets (cont'd)

(ii) Other intangible assets (cont'd)

Other intangible assets of the Group are amortised on a straight-line basis over their estimated economic useful lives, as follows:

Purchased software	5 to 10 years
Proprietary software	10 years
Customer relationship	2 to 12 years
Customer contracts	2 years

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The value in use calculation is based on a Discounted Cash Flows ("DCF") model. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for different CGUs, including a sensitivity analysis are further explained in Note 2.5.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(o) Impairment of non-financial assets (cont'd)

Goodwill

Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in those units or groups of units on a pro-rata basis.

(p) Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of SFRS(I) 9 are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SFRS(I) 15. The accounting policies for recognition of revenue from contracts with customers are as disclosed in Note 2.4(g).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's and the Company's financial assets comprise financial assets measured at amortised cost, fair value through OCI, and fair value through profit or loss.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amounts due from related parties, amounts due from subsidiaries and loans to subsidiaries.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under SFRS(I) 1-32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its investment in quoted equity shares under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss (cont'd)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative are required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group's and the Company's financial assets at fair value through profit or loss include investment in money market fund and derivative instrument which the Group and the Company had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's and the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due based on the Group's policy. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties, amounts due to subsidiaries and loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS(I) 9 are satisfied. The Group and the Company have no financial liabilities designated or classified at fair value through profit or loss in the current financial year.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(ii) Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Fair value measurement

The Group and the Company measure financial instruments such as quoted investments, money market fund and derivative asset at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(q) Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The methods and assumptions used to estimate the fair values of the Group's and the Company's financial instruments are disclosed in Note 37(e).

(r) Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in/first-out method, and includes expenditure incurred in bringing the inventories to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

(s) Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash at banks and on hand and short-term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, and are subject to an insignificant risk of changes in values, net of pledged deposits.

(t) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against the share capital.

(u) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(v) Share-based payment transactions

Equity-settled transactions - Performance share plan ("PSP")

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions). The cost of equity-settled transactions is measured by reference to the fair value of shares at the date when the award is granted using an appropriate valuation model.

The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in the PSP reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the performance shares are released on the release date, the PSP reserve is transferred to share capital if new shares are issued, or to treasury shares if the performance shares are satisfied by the reissuance of treasury shares.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, if the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of performance shares awarded but not yet vested is reflected as additional share dilution in the computation of diluted earnings per share.

(w) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(x) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employees' Provident Fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee benefits expense in the period in which the related service is performed, unless they can be capitalised as an asset.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(x) Employee benefits (cont'd)

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(y) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in income statement. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change in the net defined benefit liability during the period, that arises from the passage of time and determined by applying the discount rate based on high quality corporate bonds to measure the net defined benefit liability. The net interest is recognised in the income statement.

Remeasurements, comprising actuarial gains and losses, are recognised immediately in the statements of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to income statement in subsequent periods.

(z) Related parties

A related party is defined as follows:

(i) A person or a close member or that person's family is related to the Group and the Company if that person:

(1) Has control or joint control over the Company;
(2) Has significant influence over the Company; or
(3) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Group and the Company if any of the following condition applies:

(1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(3) Both entities are joint ventures of the same third party;
(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(5) The entity is a post-employment benefit plan for the benefit of employees of either the Company or any entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(6) The entity is controlled or jointly controlled by a person identified in (i); or
(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(aa) Contingencies

A contingent liability is:

(i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) A present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(ab) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.5 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Measurement of progress towards complete satisfaction of software project services (professional services)

The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services) in accounting for its contract revenue for rendering of these services where it is probable that contract costs are recoverable. The progress towards complete satisfaction of software project services (professional services) is determined by the proportion that the contract costs incurred to date bear to the estimated total costs for the contract.

Significant judgement is required in determining the progress towards complete satisfaction of software project services (professional services), the extent of the contract costs incurred and the estimated total contract costs, as well as the recoverability of the contract costs. In making the estimation, the Group evaluates based on its past experience of similar types of contracts.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(a) Measurement of progress towards complete satisfaction of software project services (professional services) (cont'd)

Sensitivity analysis on the estimated remaining contract costs

If the estimated remaining contract costs (excluding sub-contractor fees) for material contracts increase by 10%, the net profit of the Group will decrease by approximately RM1,110,000 (2022: RM942,000).

(b) Capitalisation and economic useful lives of software development expenditure

The Group capitalised costs relating to the development and enhancement of its new and existing software respectively, upon meeting the criteria for capitalisation as disclosed in Note 2.4(n)(i). Amortisation of the software begins when development is complete and the software is available for use over the period of expected future benefit (to the maximum of 10 years). The Group reviews the economic useful lives of the software at least once a year. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

Sensitivity analysis on economic lives of software development expenditure

If the economic lives of these intangible assets vary by 1 year from management's estimates, the Group's amortisation will vary as follows:

	Group	
	2023 RM	**2022 RM**
If economic lives increase by 1 year: Decrease in amortisation	1,645,730	1,364,784
If economic lives decrease by 1 year: Increase in amortisation	(2,011,448)	(1,668,070)

(c) Impairment of goodwill

An impairment exists when the carrying value of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flows model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amounts are most sensitive to the discount rate used for the discounted cash flows model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are further explained in Note 13. No further impairment loss on goodwill has been recognised in the current and previous financial years.

(d) Impairment of investments in subsidiaries

The Company assesses, at each reporting date, whether there is an indication that the investments in subsidiaries may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 30 June 2023 was RM2,259,360,871 (2022: RM2,111,538,501) (Note 14).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(d) Impairment of investments in subsidiaries (cont'd)

The carrying value of the Company's investments in subsidiaries has been tested for impairment by discounting the total estimated future cash flows of the subsidiaries' business using long-term growth rate ranging from 2% to 3% (2022: 2% to 3%) and discount rate ranging from 11% to 16% (2022: 12% to 14%), varying in accordance to country and industry, taking into consideration the nature and basis for valuation adjustments and calculations. No impairment loss was recognised on investments in subsidiaries in the current and previous financial years.

Sensitivity analysis on discount rate and terminal growth rate used

On the basis that all other assumptions in the value in use calculation remain constant, an increase of 0.5% in discount rate and a decrease of 0.5% in terminal growth rate would result in potential impairment loss amounting to RM57,668,000 and RM42,578,000 respectively, on investments in two subsidiaries of the Company.

(e) Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated with the changes in the forward-looking estimates.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs require estimation. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amounts of the Group's trade receivables and contract assets at the reporting date are disclosed in Note 19 and Note 20 respectively. The assessment of credit risk and the information about the ECLs on the Group's trade receivables and contract assets are disclosed in Note 37(c).

(f) Income tax and deferred tax

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the written-down allowance of intellectual property rights, capital and other tax allowances, and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimation of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unutilised tax losses and other tax benefits to the extent that it is probable that taxable profit will be available against which the losses and tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has RM12,385,640 (2022: RM9,857,322) of unutilised tax losses carried forward in which no deferred tax assets have been recognised. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries do not have sufficient taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(f) Income tax and deferred tax (cont'd)

If the Group was able to recognise these unrecognised deferred tax assets, profit and equity would have increased by RM2,715,497 (2022: RM2,091,089). Further details on taxes are disclosed in Note 9 and Note 30.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effects on the amounts recognised in the consolidated financial statements.

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the environment in which the entities operate and the entities' process of determining sales prices.

(b) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Identifying separate performance obligations in a bundled contract

The Group provides software license, software project services (professional services), maintenance and enhancement services that are either sold separately or bundled together to a customer. These promises are part of the negotiated exchange between the Group and the customer.

The Group determined that for software that is to be substantially customised to add significant new functionality to enable the software to interface with other software applications used by the customer, both the license and the implementation services are not capable of being distinct. The contract results in a promise to provide a significant service of integrating the licensed software into the existing software system by performing a customisation. In other words, the Group is using the license and the customisation as inputs to produce the combined output (i.e. a functional and integrated software system). The software is significantly modified and customised by the implementation service.

The Group also determined that the promises to transfer the customised software solution and to provide maintenance services are distinct within the context of the contract. The customised software solution and maintenance services are not inputs to a combined item in the contract. The Group is not providing a significant integration service as the presence of the customised software solution and maintenance services together in this contract do not result in any additional or combined functionality and neither the customised software solution nor the maintenance services modify or customise the other. In addition, the customised software solution and maintenance services are not highly interdependent or highly interrelated since the Group would be able to transfer the customised software solution even if the customer does not engage the Group for the maintenance services.

The Group also identified a small number of maintenance service contracts with customers that contain free man-days and certain contracts that grants options to customers to acquire additional goods or services at discounts. The free man-days and the options that provide the customers material rights are accounted for as separate performance obligations.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Judgements made in applying accounting policies (cont'd)

(b) Revenue from contracts with customers (cont'd)

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers: (cont'd)

(ii) Determining the timing of satisfaction of performance obligations

The Group concluded that revenue from the provision of software implementation services is to be recognised over time because the Group creates or enhances the customised software solution that the customer controls as it is created or enhanced; and the Group's performance does not create a software solution with alternative use and the Group has a right to payment for performance completed to date.

The Group determined that the input method is the appropriate method in measuring progress of the implementation services because there is a direct relationship between the Group's effort and the transfer of implementation service to the customer.

For maintenance services, the Group concluded that revenue is to be recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the maintenance services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

(c) Determining the lease term of contracts with renewal and termination options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3. Revenue

		Group	
	Note	2023 RM	2022 RM
Sale of goods or rendering of services			
Software licensing	(a)	73,913,899	84,151,905
Software project services (professional services)	(b)	102,014,974	90,947,063
Maintenance and enhancement services	(c)	513,111,353	499,140,446
Sale of software and hardware products	(d)	20,630,038	20,841,268
Insurance ecosystem transactions and services	(e)	52,260,628	39,357,041
Retail transactions processing	(f)	3,984,333	2,103,959
Total revenue from contracts with customers		765,915,225	736,541,682
Timing of revenue recognition			
At a point in time		70,251,568	54,351,467
Over time		695,663,657	682,190,215
Total revenue from contracts with customers		765,915,225	736,541,682

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

3. Revenue (cont'd)

Performance obligations

Information about the Group's performance obligations are summarised below:

(a) Software licensing

The performance obligation is satisfied at a point in time when there are no obligations subsequent to the delivery of the software source codes, and payment is due upon transfer of title to the customer, which takes place upon delivery and acceptance by customer.

When there is significant modification required subsequent to the delivery of the software source codes, the performance obligation on software licensing is satisfied over time, where revenue is recognised using the input method in measuring the progress towards complete satisfaction of the performance obligation. Payment is generally due upon completion of customisation and acceptance by the customer.

Included in software licensing revenue disclosed above is software licensing revenue recognised over time using the input method amounting to RM67,089,232 (2022: RM81,764,728).

(b) Software project services (professional services)

The performance obligation is satisfied over time and payment is generally due upon completion of customisation and acceptance by the customer. For some contracts, short-term advances are required before the customisation service is provided.

In compliance with SFRS(I) 15, software licensing together with software project services (professional services) which involve significant customisation are treated as a single performance obligation. For SFRS(I) 15 disclosure purpose, total software licensing and software project services revenue (professional services) recognised over time amounted to RM169,104,206 (2022: RM172,711,791).

(c) Maintenance and enhancement services

Revenue from maintenance and enhancement services comprise two separate performance obligations i.e. maintenance services and enhancement services, amounting to RM257,314,483 and RM255,796,870 (2022: RM245,594,407 and RM253,546,039) respectively.

Maintenance services are satisfied over time and payment is generally due in advance at the beginning of the maintenance period.

Enhancement services are satisfied over time and payment is generally due upon completion of customisation and acceptance by the customer. For some contracts, short-term advances are required before the customisation service is provided.

(d) Sale of software and hardware products

The performance obligation is satisfied at a point in time and payment is due upon delivery and acceptance by customer.

(e) Insurance ecosystem transactions and services

Revenue from insurance ecosystem comprises service fee received from customers which are recognised at a point in time and integration services which are recognised over time, amounting to RM42,796,863 and RM9,463,765 (2022: RM31,123,022 and RM8,234,019) respectively. Payments for these services are generally due upon rendering of services and acceptance by customer respectively.

(f) Retail transactions processing

This represents cloud subscription received from customers which are recognised over time and payment for this service is generally due at the beginning of the subscription period.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

3. Revenue (cont'd)

Performance obligations (cont'd)

Information about the Group's performance obligations are summarised below: (cont'd)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	Group	
	2023 RM	**2022 RM**
Within one year	354,564,852	321,676,697
More than one year	139,769,154	133,583,565
	494,334,006	455,260,262

The Group applies the practical expedient on the exemption to disclose the information on the remaining performance obligations that have original expected durations of one year or less.

Included in the aggregate amount of remaining performance obligations (unsatisfied or partially unsatisfied) to be recognised within one year are maintenance services contracts with auto-renewal term amounting to RM146,571,303 (2022: RM134,136,884), which is recurring in nature unless notice of termination is made available and mutually agreed before renewal.

The remaining performance obligations expected to be recognised in more than one year relate to the customisation of software solutions to be satisfied within three years (2022: two years) and maintenance services to be satisfied within five years (2022: within five years).

4. Finance income

	Group	
	2023 RM	**2022 RM**
Interest income from deposits with licensed banks	11,328,559	3,079,286
Unwinding of discount on amounts due from customers (receivables) *	418,195	-
Total finance income	11,746,754	3,079,286

* *This represents unwinding of discount on project related contracts with deferred billing arrangements.*

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

5. Other income

	Group	
	2023 RM	2022 RM
Commission income and other incentives	738,715	125,983
Dividend income from financial assets - quoted equity shares	63,000	-
Gain on redemption of financial assets - money market fund	861,177	-
Gain on derivative asset at fair value through profit and loss	-	1,117,620
Net unrealised foreign currency exchange gain	-	4,198,123
Net gain on disposal of right-of-use assets	103,490	753
Net gain on lease modifications	173,984	59,475
Rental income of office premises	241,014	230,465
Fair value adjustment on subsequent measurement of put liability (Note 14)	-	1,461,018
Reversal of expected credit losses on trade receivables (Note 37(c))	289,316	1,301,330
Reversal of expected credit losses on contract assets (Note 37(c))	150,382	-
Rent concessions	-	288,875
Government subsidies	181,651	1,181,627
Waiver of debts	108,112	7,646
Miscellaneous income	472,941	1,351,327
Total other income	3,383,782	11,324,242

6. Finance costs

	Group	
	2023 RM	2022 RM
Interest expense on:		
- Revolving credit	7,522,022	333,938
- Lease liabilities (Note 29)	783,878	746,263
- Term loan	5,623	14,770
	8,311,523	1,094,971
Unwinding of discount on put liability for business combination	-	1,704,281
Unwinding of discount on amounts due to customers (payables) *	40,229	-
Total finance costs	8,351,752	2,799,252

** This represents unwinding of discount on sub-contracted software projects with deferred billing arrangements.*

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2023 RM	**2022 RM**
Amortisation of intangible assets (Note 13)	27,253,208	23,725,260
Depreciation of property, plant and equipment (Note 11)	3,597,195	3,762,328
Depreciation of right-of-use assets (Note 12)	8,549,998	9,221,862
Write off of property, plant and equipment	28,943	38,120
Derecognition of derivative asset upon expiry of call option	-	756,928
Loss on derivative asset at fair value through profit or loss (Note 17)	1,176,968	-
Net loss on disposal of property, plant and equipment	38,647	-
Loss on redemption of financial assets - money market fund	-	324,707
Bad debts written off	73,007	739,923
Expected credit losses on trade receivables (Note 37(c))	1,948,852	131,816
Expected credit losses on contract assets (Note 37(c))	-	376,688
Reversal of provision for foreseeable losses	(508,068)	-
Net foreign currency exchange loss:		
- Realised	1,179,717	1,402,625
- Unrealised	3,231,581	-
Directors' fees	3,792,202	3,430,473
Employee benefits expense (Note 8)	323,684,694	325,297,056
Audit fees:		
- Auditors of the Company	435,000	376,731
- Other auditors	2,131,000	1,647,149
Non-audit fees:		
- Auditors of the Company	377,089	76,215
- Other auditors	248,989	363,655
Lease expenses (Note 29)	4,651,111	2,716,712

Total software project costs (including employee benefits expense) recognised in cost of sales amounted to RM69,229,292 (2022: RM63,121,986).

8. Employee benefits expense (including directors' remuneration)

	Group	
	2023 RM	**2022 RM**
Wages and salaries	320,669,339	309,084,019
Defined contribution plans	29,944,413	28,595,054
Defined benefit obligation (Note 33)	590,497	1,846,619
Performance shares issued	6,595,272	6,022,312
Allowance for unutilised leave	1,853,268	763,716
Retirement benefits	216,703	3,846,367
Other employee benefits	7,238,058	6,617,188
	367,107,550	356,775,275
Less: Capitalised under intangible assets (Note 13)	(40,399,897)	(29,605,576)
Less: Capitalised under contract assets (Note 20)	(3,022,959)	(1,872,643)
	323,684,694	325,297,056

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

9. Income tax expense

	Group 2023 RM	Group 2022 RM
Current income tax:		
- Malaysia	36,360,118	31,636,211
- Singapore	4,941,803	3,833,343
- Thailand	3,047,530	2,825,256
- Brunei	1,495,232	1,429,393
- Indonesia	3,900,742	2,629,133
- Philippines	1,310,501	1,081,457
- Slovakia	143,657	349,209
- Others	112,408	32,784
	51,311,991	43,816,786
Deferred tax (Note 30)		
- Origination and reversal of temporary differences	7,492,120	2,612,138
Under/(over) provision in prior financial years:		
- Income tax	(69,394)	(39,286)
- Deferred tax (Note 30)	547,998	34,361
	478,604	(4,925)
Income tax expense for the year	59,282,715	46,423,999
Foreign and withholding tax	-	2,730,129
	59,282,715	49,154,128

The corporate income tax rates applicable to companies within the Group are as follows:

	2023	2022
Malaysia	24%	24%
Singapore	17%	17%
Thailand	20%	20%
Brunei	19%	19%
Indonesia	22%	22%
Philippines	25%	25%
Slovakia	21%	21%
Other jurisdictions	17% - 31%	17% - 31%

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

9. Income tax expense (cont'd)

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the financial years ended 30 June 2023 and 2022 are as follows:

	Group	
	2023 RM	2022 RM
Profit before tax	229,561,758	231,857,613
Tax calculated at a tax rate of:		
- Malaysia 24% (2022: 24%)	34,769,055	36,200,404
- Singapore 17% (2022: 17%)	1,173,743	2,451,563
- Thailand 20% (2022: 20%)	2,958,791	2,766,554
- Brunei 19% (2022: 19%)	1,598,950	1,652,149
- Indonesia 22% (2022: 22%)	4,144,302	2,676,522
- Philippines 25% (2022: 25%)	1,261,057	1,795,683
- Slovakia 21% (2022: 21%)	425,213	(150,624)
- Other jurisdictions 17% - 31% (2022: 17% - 31%)	403,995	(774,818)
Taxation at respective jurisdictions	46,735,106	46,617,433
Tax effect of:		
- Partial exemption and tax relief	(849,464)	(788,670)
- Exempted income under pioneer status [1]	-	(1,772,618)
- Exempted income under Increase in Value of Export Incentive [2]	(1,991,477)	(9,362,143)
- Expenses not deductible for tax purposes:		
Unwinding of discount on put liability for business combination	-	289,728
Derecognition of derivative asset upon expiry of call option	-	128,678
Loss on derivative asset at fair value through profit or loss	200,085	-
Others	18,378,919	19,505,471
- Income not subject to tax	(1,330,317)	(3,036,037)
- Income tax at different tax rate	167,992	871,101
- Others	(139,517)	(146,200)
Utilisation of deferred tax assets on tax allowance claimable in relation to acquired intellectual property (Note 30)	3,494,998	9,239,806
Deferred tax assets not recognised	681,248	67,060
Recognition of deferred tax assets previously not recognised	(63,286)	(688)
Deferred tax on undistributed profits of subsidiaries (Note 30)	2,571,338	(191,645)
Effect of temporary difference originating and reversing during the pioneer period	-	(2,233,157)
Utilisation of previously unrecognised deferred tax assets on capital allowances and tax losses	(51,187)	(17,489)
Utilisation of bilateral tax credit	(9,000,327)	(12,741,706)
Over provision of income tax in prior financial years	(69,394)	(39,286)
Under provision of deferred tax in prior financial years	547,998	34,361
Income tax expense for the year	59,282,715	46,423,999
Foreign and withholding tax	-	2,730,129
	59,282,715	49,154,128

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction and eliminating intra-group transactions.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

9. Income tax expense (cont'd)

[1.] Two Malaysian subsidiaries of the Group, Silverlake Digital Economy Sdn. Bhd. ("SDE") and Silverlake One Paradigm Sdn. Bhd. ("SOP"), were Multimedia Super Corridor Status Companies and enjoyed the incentives, rights and privileges provided for under the Bill of Guarantees.

The pioneer period of these subsidiaries were as follows:

Subsidiaries	Commencement date	Expiry date	Extended expiry date
SDE	23 May 2012	22 May 2017	22 May 2022
SOP	23 March 2016	22 March 2021	30 June 2022

There were no further extension of time for these tax incentives following their expiration in the previous financial year.

[2.] Five Malaysian subsidiaries of the Group as follows are qualified for exemption on income for value of increased export of services under Income Tax Act, 1967 (Exemption) (No.2) 2001 - P.U. (A) 154 and (No.9) 2002 - P.U. (A) 57 and (Amendment) 2006 - P.U. (A) 275, for services rendered to foreign customers.

- Silverlake Structured Services Sdn. Bhd.
- Silverlake Holdings Sdn. Bhd.
- Silverlake Symmetri (Malaysia) Sdn. Bhd.
- Silverlake Digitale Sdn. Bhd.
- Silverlake One Paradigm Sdn. Bhd.

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group	
	2023	**2022**
Profit net of tax attributable to owners of the parent (RM)	169,591,931	182,152,841
Weighted average number of ordinary shares for basic earnings per share computation *	2,510,047,364	2,660,008,090
Basic earnings per share (RM sen)	6.76	6.85
Weighted average number of ordinary shares for diluted earnings per share computation	2,510,047,364	2,660,008,090
Diluted earnings per share (RM sen)	6.76	6.85

* The weighted average number of shares has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

11. Property, plant and equipment

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2023				
Cost				
At 1 July 2022	8,771,361	1,931,621	15,505,840	26,208,822
Additions	1,409,441	391,229	3,320,419	5,121,089
Disposals	(795,447)	(345,242)	(127,374)	(1,268,063)
Written off	(140,067)	-	(480,324)	(620,391)
Transfer (Note a)	-	365,708	-	365,708
Currency translation differences	271,124	39,635	479,185	789,944
At 30 June 2023	9,516,412	2,382,951	18,697,746	30,597,109
Accumulated depreciation				
At 1 July 2022	3,526,766	928,080	11,578,175	16,033,021
Charge for the year (Note 7)	1,584,452	234,392	1,778,351	3,597,195
Disposals	(605,077)	(345,242)	(126,906)	(1,077,225)
Written off	(114,451)	-	(476,997)	(591,448)
Transfer (Note a)	-	283,423	-	283,423
Currency translation differences	236,454	8,126	394,400	638,980
At 30 June 2023	4,628,144	1,108,779	13,147,023	18,883,946
Net carrying amount	4,888,268	1,274,172	5,550,723	11,713,163
At 30 June 2022				
Cost				
At 1 July 2021	8,072,719	1,217,835	15,479,757	24,770,311
Additions	77,087	561,100	1,397,202	2,035,389
Disposals	-	-	(18,918)	(18,918)
Written off	(5,859)	-	(1,307,130)	(1,312,989)
Transfer (Note a)	750,532	150,187	74,237	974,956
Currency translation differences	(123,118)	2,499	(119,308)	(239,927)
At 30 June 2022	8,771,361	1,931,621	15,505,840	26,208,822
Accumulated depreciation				
At 1 July 2021	1,435,732	646,030	11,095,646	13,177,408
Charge for the year (Note 7)	1,792,069	169,144	1,801,115	3,762,328
Disposals	-	-	(18,411)	(18,411)
Written off	(4,761)	-	(1,270,108)	(1,274,869)
Transfer (Note a)	384,648	114,518	58,631	557,797
Currency translation differences	(80,922)	(1,612)	(88,698)	(171,232)
At 30 June 2022	3,526,766	928,080	11,578,175	16,033,021
Net carrying amount	5,244,595	1,003,541	3,927,665	10,175,801

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

11. Property, plant and equipment (cont'd)

Company	Office equipment RM
At 30 June 2023	
Cost	
At 1 July 2022	42,008
Currency translation differences	3,724
At 30 June 2023	45,732
Accumulated depreciation	
At 1 July 2022	6,969
Charge for the year	8,096
Currency translation differences	1,019
At 30 June 2023	16,084
Net carrying amount	29,648
At 30 June 2022	
Cost	
At 1 July 2021	7,381
Additions	38,358
Transfer (Note a(ii))	(4,495)
Currency translation differences	764
At 30 June 2022	42,008
Accumulated depreciation	
At 1 July 2021	5,445
Charge for the year	4,742
Transfer (Note a(ii))	(3,371)
Currency translation differences	153
At 30 June 2022	6,969
Net carrying amount	35,039

(a)(i) Transfer of ownership at the end of the lease term

During the financial year, motor vehicles with net carrying amount of RM82,285 (2022: furniture and fittings, motor vehicles and office equipment with net carrying amount of RM418,283) that had been previously used under lease agreement were transferred from right-of-use assets (Note 12) to property, plant and equipment at the end of their lease terms.

(a)(ii) Transfer of assets

In the previous financial year, office equipment with net carrying amount of RM1,124 was transferred to a former director of the Company as retirement gratuity.

The amounts are included in "other employee benefits" in Note 8.

Assets pledged as security for borrowings

Property, plant and equipment of a subsidiary with an aggregate carrying amount of RM322,529 (2022: RM336,148) are pledged to secure the term loan facility of that subsidiary (Note 28). The term loan has been fully settled during the financial year.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

12. Right-of-use assets

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office premises RM	Total RM
Net carrying amount					
At 1 July 2021	365,884	1,984,533	1,088,189	22,632,645	26,071,251
Additions	-	-	70,092	-	70,092
Charge for the year (Note 7)	-	(620,456)	(294,694)	(8,306,712)	(9,221,862)
Modification	-	-	-	9,066,790	9,066,790
Disposals	-	(1)	(9,633)	-	(9,634)
Transfer (Note a)	(365,884)	(35,669)	(16,730)	-	(418,283)
Currency translation differences	-	(136)	(2,019)	67,871	65,716
At 30 June 2022	-	1,328,271	835,205	23,460,594	25,624,070
At 1 July 2022	-	1,328,271	835,205	23,460,594	25,624,070
Additions	-	483,401	63,358	4,667,030	5,213,789
Charge for the year (Note 7)	-	(535,594)	(312,891)	(7,701,513)	(8,549,998)
Modification	-	-	-	3,492,094	3,492,094
Disposals	-	(166,077)	(5,747)	-	(171,824)
Transfer (Note a)	-	(82,285)	-	-	(82,285)
Currency translation differences	-	19,160	8,031	1,150,827	1,178,018
At 30 June 2023	-	1,046,876	587,956	25,069,032	26,703,864

(a) Transfer of ownership at the end of the lease term
During the financial year, motor vehicles with net carrying amount of RM82,285 (2022: furniture and fittings, motor vehicles and office equipment with net carrying amount of RM418,283) that had been previously used under lease agreement were transferred from right-of-use assets to property, plant and equipment (Note 11) at the end of their lease terms.

Modification of right-of-use assets
The Group has several lease contracts for office premises that contain extension and termination options. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The right-of-use asset is subsequently adjusted for any remeasurement of the lease liability resulting from reassessments during the financial year.

Assets held under finance leases
Right-of-use assets of the Group with net carrying amount of RM1,634,832 (2022: RM2,138,880) are held under finance leases and these assets are pledged as security for the related finance lease liabilities as at the reporting date.

Assets pledged as security for borrowings
Right-of-use assets of a subsidiary with an aggregate carrying amount of RM62,706 (2022: RM82,809) are pledged to secure the term loan facility of that subsidiary (Note 28). The term loan has been fully settled during the financial year.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

13. Intangible assets

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Goodwill RM	Total RM
At 30 June 2023							
Cost							
At 1 July 2022	277,613,317	16,280,881	92,812,645	28,284,539	2,016,000	157,159,207	574,166,589
Additions							
- internal development	78,110,516	-	-	-	-	-	78,110,516
- purchased	-	2,131,855	-	-	-	-	2,131,855
Currency translation differences	5,143,136	1,474,704	6,110,141	1,252,887	-	8,639,681	22,620,549
At 30 June 2023	360,866,969	19,887,440	98,922,786	29,537,426	2,016,000	165,798,888	677,029,509
Accumulated amortisation							
At 1 July 2022	110,462,878	10,017,913	70,514,456	18,415,804	2,016,000	-	211,427,051
Charge for the year (Note 7)	18,103,034	919,749	5,767,686	2,462,739	-	-	27,253,208
Currency translation differences	1,845,796	1,471,534	4,470,020	669,760	-	-	8,457,110
At 30 June 2023	130,411,708	12,409,196	80,752,162	21,548,303	2,016,000	-	247,137,369
Accumulated impairment losses							
At 1 July 2022/30 June 2023	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
Net carrying amount	226,886,173	4,515,491	18,170,624	7,989,123	-	151,742,888	409,304,299
At 30 June 2022							
Cost							
At 1 July 2021	227,709,748	10,271,513	93,598,475	28,576,427	2,016,000	158,816,976	520,989,139
Additions							
- internal development	47,463,065	-	-	-	-	-	47,463,065
- purchased	-	2,623,196	-	-	-	-	2,623,196
Currency translation differences	2,440,504	3,386,172	(785,830)	(291,888)	-	(1,657,769)	3,091,189
At 30 June 2022	277,613,317	16,280,881	92,812,645	28,284,539	2,016,000	157,159,207	574,166,589
Accumulated amortisation							
At 1 July 2021	94,647,455	6,523,473	63,963,574	15,923,308	2,016,000	-	183,073,810
Charge for the year (Note 7)	15,012,626	103,684	6,141,332	2,467,618	-	-	23,725,260
Currency translation differences	802,797	3,390,756	409,550	24,878	-	-	4,627,981
At 30 June 2022	110,462,878	10,017,913	70,514,456	18,415,804	2,016,000	-	211,427,051
Accumulated impairment losses							
At 1 July 2021/30 June 2022	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
Net carrying amount	163,581,351	3,300,215	22,298,189	9,868,735	-	143,103,207	342,151,697

13. Intangible assets (cont'd)

Software development expenditure
Included in software development expenditure capitalised during the financial year is employee benefits expense amounted to RM40,399,897 (2022: RM29,605,576) (Note 8).

Purchased software
Purchased software represents mainly software acquired from third parties for enhancing front-end customer interaction software components and expansion of the capabilities of the Group's existing software solutions as well as the Enterprise Resource Planning ("ERP") system acquired and implemented during the financial year for internal process improvement.

Proprietary software
Proprietary software represents software acquired through the acquisition of SIA X Infotech Group ("XIT") Group, Silverlake Symmetri (Singapore) Pte. Ltd. ("Symmetri") Group, Cyber Village Sdn. Bhd. ("CVSB"), Merimen Ventures Sdn. Bhd. ("Merimen") Group and Symmetric Payments & Integration Holdings Pte. Ltd. ("SPI") Group in prior years.

Customer relationship
Customer relationship acquired through:
(i) the acquisition of XIT Group in financial year 2019 represents the relationships that existed between XIT Group and its major recurring customers in Latvia as at the acquisition date;
(ii) the acquisition of Symmetri Group in financial year 2016 represents the relationships that existed between Symmetri Group and its major recurring customers in Malaysia and Singapore as at the acquisition date;
(iii) the acquisition of CVSB in financial year 2014 represents the relationships that existed between CVSB and its major recurring banking customers in Malaysia as at the acquisition date; and
(iv) the acquisition of Merimen Group in financial year 2013 represents the relationships that existed between Merimen Group and its major recurring customers in Malaysia, Singapore and Indonesia as at the acquisition date.

Customer contracts
Customer contracts acquired through the acquisition of CVSB in financial year 2014 represents software licensing and software project services contracts entered by CVSB with its major banking customers.

Goodwill
Goodwill represents the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed arising from the acquisition of XIT Group, Symmetri Group, CVSB, Merimen Group and SPI Group.

Goodwill acquired through business combinations has been allocated to five cash-generating units ("CGUs"), as follows:

	2023 RM	2022 RM
Payments and integration solution	21,532,381	18,634,389
Insurance ecosystem transactions processing solution	37,894,012	37,894,012
Mobile and internet solution	23,032,343	23,032,343
Silverlake Symmetri retail banking solution	18,899,181	17,854,523
Digital identity and security software solution	50,384,971	45,687,940
	151,742,888	143,103,207

Amortisation expense
The amortisation of intangible assets (other than goodwill) of RM26,354,411 (2022: RM23,671,705) is included in the cost of sales line item in the consolidated income statement.

Impairment testing for intangible assets (other than goodwill)
The carrying value of intangible assets (other than goodwill) is expected to be recovered from the probable future economic benefits that are expected to be generated from the commercial exploitation of these intangible assets. The remaining amortisation period at financial year end is less than 10 years (2022: less than 10 years).

The Group performed a review on the commercial prospects and marketability of software development expenditure and purchased software of subsidiaries. No impairment loss was recognised in the current and previous financial years.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

13. Intangible assets (cont'd)

Impairment testing for goodwill

The recoverable amounts of the CGUs have been determined based on value in use calculations using projected cash flows from financial budgets approved by management covering a five-year period. The discount rates applied to the cash flow projections and the forecast growth rates used to extrapolate the cash flows beyond the five-year period are as follows:

	Payments and integration solution		Insurance ecosystem transactions processing solution		Mobile and internet solution		Silverlake Symmetri retail banking solution		Digital identity and security software solution	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	13%	14%	13%	13%	12%	12%	13%	13%	13%	13%
Terminal growth rate	2%	2%	3%	3%	3%	3%	3%	3%	3%	3%

Discount rate - Discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both cost of debt and cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rate - Rate is based on management's expectation of the long-term average growth rate of the industry.

The Group tests goodwill, proprietary software, customer relationship and customer contracts for impairment by assessing the value in use of the underlying CGU. No impairment loss was recognised in the current and previous financial years.

14. Investments in subsidiaries

	Company	
	2023 RM	2022 RM
Shares at cost, unquoted		
At beginning of the year	2,411,130,014	2,353,459,541
Disposal of subsidiaries	(108,337,291)	-
Contribution to subsidiaries arising from:		
- Internal restructuring	71,036,370	-
- Performance Share Plan granted to key management personnel and contract employee	651,340	2,012,850
Currency translation differences	211,030,641	55,657,623
At end of the year	2,585,511,074	2,411,130,014
Accumulated impairment losses		
At beginning of the year	299,591,513	292,667,283
Currency translation differences	26,558,690	6,924,230
At end of the year	326,150,203	299,591,513
Net carrying amount	2,259,360,871	2,111,538,501

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2023 %	2022 %
Held by the Company:				
Silverlake Axis Sdn. Bhd. *	Rendering of software project, maintenance and enhancement services and provision of management services to related companies	Malaysia	100	100
Silverlake Adaptive Applications & Continuous Improvement Services Ltd. *	Dormant	Bermuda	100	100
Silverlake Adaptive Applications & Continuous Improvement Services (SG) Pte. Ltd. ("SAACIS SG") *	Software licensing and the rendering of enhancement services	Singapore	100	100
QR Technology Sdn. Bhd. ("QRT") *	Investment holding	Malaysia	100	100
Silverlake Global Structured Services Pte. Ltd. ("SGSS") *	Investment holding	Singapore	100	100
Silver Team Technology Limited *	Investment holding	Hong Kong	100	100
Symmetric Payments & Integration Holdings Pte. Ltd. ("SPI") *	Investment holding	Singapore	100	100
Silverlake Symmetri (Singapore) Pte. Ltd. ("Symmetri") *	Provision of customised software solutions for banking and financial services industry	Singapore	100	100
Silverlake Investment (SG) Pte. Ltd. ("SISG") *	Investment holding	Singapore	100	100
SIA X Infotech Group ("XIT") ^	Investment holding	Latvia	80	80
Silvirture Limited *	Investment holding	Hong Kong	100	100
Fermion Pte. Ltd. ("FPL") *	Investment holding	Singapore	100	100
Merimen Ventures Sdn. Bhd. ("Merimen") * ##	Investment holding	Malaysia	-	100
Cyber Village Sdn. Bhd. ("CVSB") *##	Provision of internet and mobile services, portal, customer loyalty and e-commerce solutions and services	Malaysia	-	100
Held by SAACIS SG:				
Silverlake Holdings Sdn. Bhd. *	Trading of IBM products in Malaysia, rendering of enhancement services and provision of management services to related companies	Malaysia	100	100
Silverlake Axis MSC Sdn. Bhd. *	Rendering of software project services and provision of enhancement services	Malaysia	100	100

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2023 %	2022 %
Held by QRT:				
QR Retail Automation (Asia) Sdn. Bhd. *	Software trading, development and maintenance services	Malaysia	100	100
QR Retail Automation (S) Pte. Ltd. *	Software trading, development and maintenance services	Singapore	100	100
QR Agoracloud Sdn. Bhd. *	Provision of cloud-based Software-as-a-Service solution for retailers of all sizes	Malaysia	100	100
QR Retail Automation Vietnam Company Limited *	Provision of application management services and software maintenance support services	Vietnam	100	100
Held by SGSS:				
Silverlake Structured Services Sdn. Bhd. *	Services and maintenance of Silverlake customised software	Malaysia	100	100
Silverlakegroup Pte. Ltd. *	Services and maintenance of Silverlake customised software	Singapore	100	100
Silverlakegroup Pte. Ltd. (Philippines branch) *	Services and maintenance of Silverlake customised software	Philippines	100	100
Silverlake Structured Services Ltd. *	Services and maintenance of Silverlake customised software	Thailand	100	100
PT Structured Services *	Services and maintenance of Silverlake customised software	Indonesia	100	100
Silverlake Sistem Sdn. Bhd. *	Services and maintenance of Silverlake customised software	Brunei	100	100
Held by SPI:				
Symmetric Payments & Integration Pte. Ltd. *	Sales of computer software and provision of technical support services	Singapore	100	100
Symmetric Payments & Integration Sdn. Bhd. *	Sales of computer software and provision of technical support services	Malaysia	100	100
Held by Symmetri:				
Silverlake Symmetri (Malaysia) Sdn. Bhd. *	Provision of card and payment software solution services	Malaysia	100	100
Silverlake Symmetri (Philippines) Enterprises, Inc. *	Provision of services related to designing, selling and installing computer hardware and software	Philippines	100	100
Silverlake Symmetri Pakistan (PVT.) Limited *	Provision of services related to designing, developing, engineering, promoting, exporting, marketing and selling computer related technologies, products and services	Pakistan	100	100
Silverlake Symmetri (Slovakia) spol. s.r.o. *	Provision of services related to designing, developing, engineering, promoting, exporting, marketing and selling computer related technologies, products and services	Slovakia	100	100

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2023 %	2022 %
Held by Symmetri: (cont'd)				
Representative Office of Silverlake Symmetri (Singapore) Pte. Ltd. in Hanoi	Provision of customised software solutions for banking and financial services industry	Vietnam	100	100
Silverlake Symmetri (Singapore) Pte. Ltd. (Dubai Branch) *	Provision of customised software solutions for banking and financial services industry	United Arab Emirates	100	100
Held by SISG:				
Silverlake Digital Economy Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Silverlake Digitale Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Silverlake One Paradigm Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Held by XIT:				
SIA X Infotech ^	Provision of software product development and solution implementation in area of banking and government sector	Latvia	100	100
X-Infotech Africa Limited ^^^	Sale of payments and card systems to government and banking sector, software support and allied services	Kenya	100	100
Held by FPL:				
Silverlake Fermion Sdn. Bhd. *	Investment holding and provision of management services	Malaysia	100	100
Fermion Labs Sdn. Bhd. * #	Provision of solution and services using digital technologies, internet and e-commerce	Malaysia	100	100
Merimen Ventures Sdn. Bhd. ("Merimen") * ##	Investment holding	Malaysia	100	-
Cyber Village Sdn. Bhd. ("CVSB") * ##	Provision of internet and mobile services, portal, customer loyalty and e-commerce solutions and services	Malaysia	100	-
Held by Merimen:				
Merimen Online Sdn. Bhd. *	Provision of electronic insurance claim solution services	Malaysia	100	100
Merimen Technologies (Singapore) Pte. Ltd. *	Provision of electronic insurance claim solution services	Singapore	100	100
P.T. Merimen Technologies Indonesia *	Provision of electronic insurance claim solution services	Indonesia	100	100

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2023 %	2022 %
Held by Merimen: (cont'd)				
Merimen Technologies Philippines Inc. *	Provision of electronic insurance claim solution services	Philippines	100	100
Motobiznes Online Sdn. Bhd. *	Provision of electronic insurance claim solution services	Malaysia	51	51
Merimen Technologies (Vietnam) Company Limited *	Provision of electronic insurance claim solution services	Vietnam	100	100
Merimen Technologies (Thailand) Co. Ltd. *	Provision of electronic insurance claim solution services	Thailand	100	100
Merimen Technologies Hong Kong Limited *	Provision of electronic insurance claim solution services	Hong Kong	100	100
Merimen Technologies (Malaysia) Sdn. Bhd. *	Develop and commercialise a data science and machine learning product for insurance industry	Malaysia	100	100
Merimen Technologies Japan K. K. ^^	Provision of electronic insurance claim solution services and other services	Japan	100	100
Merimen Technologies - FZE *	Provision of a collaborative and information exchange platform for insurance ecosystem, including portal and software house	United Arab Emirates	100	100
Held by CVSB:				
Affinities Village Sdn. Bhd. *	Provision of innovative insurance and financial services ecosystem solutions including the offers of Software-as-a-Service and licensing of fintech and insurtech platforms	Malaysia	100	100

* Audited by Ernst & Young Global network firm
^ Audited by SIA Deloitte Audits Latvia
^^ Audited by Baker Tilly, Japan
^^^ Audited by Deloitte, Kenya
\# 100% issued share capital of Fermion Labs Sdn. Bhd. was transferred from Silverlake Fermion Sdn. Bhd. to Fermion Pte. Ltd. on 8 July 2022.
\## 100% issued share capital of Merimen Ventures Sdn. Bhd. and Cyber Village Sdn. Bhd. were transferred to Fermion Pte. Ltd. on 5 September 2022 and 8 September 2022 respectively.

Contribution to subsidiaries

Internal restructuring

As part of the internal restructuring, the Company has transferred its investments in Merimen Ventures Sdn. Bhd. ("MVSB") and Cyber Village Sdn. Bhd. ("CVSB") to Fermion Pte. Ltd. ("FPL") during the financial year at a consideration mutually agreed by both parties ("Disposal"). FPL is an investment holding company incorporated to support the Group's business expansion for Fermion Insurtech ecosystem.

As a result of the Group's internal restructuring, the Company recognised a resultant loss on Disposal of RM38,157,427 in the income statement and contributed RM71,036,370 in assets to FPL for the financial year ended 30 June 2023.

The internal restructuring which involved the transfer of subsidiaries within the Group did not have any impact to the financial performance and position of the Group.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Contribution to subsidiaries (cont'd)

Performance Share Plan

During the financial year, the Company contributed RM651,340 (2022: RM2,012,850) to subsidiaries as a result of the shares granted and released to a key management personnel (2022: a key management personnel and a contract employee) pursuant to the Silverlake Axis Ltd. Performance Share Plan (Note 25 (d)(ii)).

Acquisition of subsidiaries in financial year ended 30 June 2019

SIA X Infotech Group ("XIT")

On 25 January 2019, the Company acquired 80% equity interest with a call and put options on the remaining 20% equity interest in XIT, a private limited liability company incorporated in Latvia. As of date of acquisition, the Company did not have a present ownership interest in the remaining 20% equity interest in XIT subject to call and put options. At date of acquisition, the Company has chosen to base its accounting policy on SFRS(I) 1-32 Financial instruments: Presentation as the Company intended to acquire 100% equity interest in XIT and had therefore recognised a financial liability on the put option for the non-controlling interest and consolidated 100% of XIT's results.

Consideration for acquisition of XIT Group

The purchase consideration comprises:

(i) an Initial Consideration amounted EUR17,600,000 which comprises an Upfront Amount of EUR12,608,000 (equivalent to RM59,213,472) made on the completion date and a Deferred Amount of EUR4,992,000 payable upon achievement of key financial targets. It was determined that no initial deferred consideration to be paid for the acquisition of 80% equity interest in XIT in the financial year ended 30 June 2020;

(ii) an Earn-Out Consideration ("EOC") payable dependent on whether XIT Group is able to undertake an initial public offering ("IPO") on or before 31 December 2021. It was determined that no EOC to be paid as the condition was not met; and

(iii) put and call options on the remaining 20% equity interest in XIT Group. The seller and the Company did not exercise the put and call options within the stipulated period in the previous financial year.

(a) Upon the expiry of the put and call options

- The put liability was reclassified as non-controlling interests in the consolidated statement of financial position and the resultant gain on deemed disposal of the 20% equity interest in XIT Group to its non-controlling interest of RM4,926,844 has been recognised in retained earnings in the previous financial year.

  As a result of the above, an amount of RM12,514,708 was accounted for as non-controlling interest in the consolidated statement of changes in equity in the previous financial year.

- The derivative asset was derecognised with a corresponding loss of RM756,928 (Note 7) recognised in the "Administrative expenses" line item in the consolidated income statement for the financial year ended 30 June 2022.

(b) Subsequent measurement of financial liability on put option before derecognition

In the previous financial year, the fair value of the put liability has been remeasured with a fair value adjustment of RM1,461,018 (Note 5) recognised in the consolidated income statement.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI which is material to the Group.

Name of subsidiary	Principal place of business/Country of incorporation	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period RM	NCI balance at the end of reporting period RM
2023				
SIA X Infotech Group ("XIT")	Latvia	20	697,623	13,756,148
2022				
SIA X Infotech Group ("XIT")	Latvia	20	543,817	13,058,525

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

(i) Summarised statement of financial position

	XIT	
	2023 RM	**2022 RM**
Non-current assets	10,121,523	8,008,951
Current assets	24,413,514	20,019,999
Total assets	34,535,037	28,028,950
Non-current liabilities	1,602,257	506,529
Current liabilities	25,148,453	24,116,534
Total liabilities	26,750,710	24,623,063
Total equity	7,784,327	3,405,887
Goodwill and intangible assets	60,996,413	61,886,736
Group's carrying amount of the investment	68,780,740	65,292,623
Attributable to:		
Owners of the Company	55,024,592	52,234,098
NCI	13,756,148	13,058,525
	68,780,740	65,292,623

(ii) Summarised statement of comprehensive income

	XIT	
	2023 RM	**2022 RM**
Revenue	30,817,964	8,297,317
Profit before tax	3,493,814	2,723,552
Tax expense	(5,697)	(4,463)
Profit after tax and total comprehensive income	3,488,117	2,719,089
Profit attributable to:		
Owners of the Company	2,790,494	2,175,272
NCI	697,623	543,817
	3,488,117	2,719,089

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

14. Investments in subsidiaries (cont'd)

Interest in a subsidiary with material non-controlling interest ("NCI") (cont'd)

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations. (cont'd)

(iii) Summarised cash flow information

	XIT	
	2023 RM	2022 RM
Net cash inflows/(outflows) from operating activities	1,221,765	(718,981)
Net cash outflows from investing activities	(2,639,739)	(215,409)
Net cash outflows from financing activities	(887,215)	(194,879)
Net decrease in cash and cash equivalents	(2,305,189)	(1,129,269)

15. Investment in an associate

	Group	
	2023 RM	2022 RM
Shares at cost, unquoted		
At beginning of the year	6,118,674	-
Addition	-	6,118,674
Share of loss for the year	(954,267)	-
Currency translation differences	486,360	-
At end of the year	5,650,767	6,118,674

On 21 January 2022, a subsidiary of the Company, Fermion Pte. Ltd. ("FPL"), entered into a share subscription and purchase agreement ("Share Subscription Agreement") with Ancileo Pte. Ltd. ("Ancileo") and original founder in relation to the subscription and acquisition of shares in the issued and paid-up capital of Ancileo, representing 38.05% equity interest in Ancileo.

On 30 June 2022, the parties entered into a Supplemental Agreement where FPL:

(a) executed and completed the first tranche acquisition of 21.68% equity interest in Ancileo for a cash consideration of SGD1,937,209 (equivalent of RM6,118,674) ("First Tranche Acquisition"); and

(b) was granted by the vendors a right to a call option to acquire the remaining 16.37% equity interest in Ancileo for a cash consideration of SGD2,362,984 upon satisfaction of the conditions stipulated in the Supplemental Agreement (i.e. Second Tranche Acquisition).

Following the completion of the First Tranche Acquisition on 30 June 2022, Ancileo became an associate of the Group.

Ancileo is a private company limited by shares incorporated and principally operating in Singapore, which principally engaged in the provision of software technology for the insurance ecosystem, including technology solutions to enable digital partnerships between insurers and their distribution partners.

The Group's investment in an associate is accounted for using the equity method in the consolidated financial statements. The summarised financial information of the Group's investment in Ancileo is provided below.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

15. Investment in an associate (cont'd)

(i) Summarised statement of financial position

	Unaudited Ancileo	
	2023 RM	2022 RM
Non-current assets	312,898	133,038
Current assets	2,707,728	1,055,925
Current liabilities	(1,232,617)	(435,705)
Total equity	1,788,009	753,258
Group's share in equity	387,571	163,306
Goodwill	5,263,196	5,955,368
Group's carrying amount of the investment	5,650,767	6,118,674

The associate had no contingent liabilities or capital commitments as at 30 June 2023 and 30 June 2022.

(ii) Summarised statement of comprehensive income

	Unaudited Ancileo	
	2023 RM	2022 RM
Revenue	6,333,714	4,906,149
(Loss)/profit before tax	(4,367,100)	499,428
Tax expense	(35,292)	(45,659)
(Loss)/profit for the year and total comprehensive (loss)/income	(4,402,392)	453,769

16. Financial assets at fair value through other comprehensive income - quoted equity shares

	Group	
	2023 RM	2022 RM
Shares at fair value, quoted		
At beginning of the year	207,895,863	288,154,976
Addition	-	735,000
Subsequent fair value gain/(loss) through other comprehensive income (Note 26(d))	16,994,912	(91,480,413)
Currency translation differences	14,343,633	10,486,300
At end of the year	239,234,408	207,895,863
Presented as:		
Current	236,434,408	206,250,863
Non-current	2,800,000	1,645,000
	239,234,408	207,895,863

At the reporting date, these represent investment in equity interest in Global InfoTech Co. Ltd. and an investment held by a subsidiary in DynaFront Holdings Berhad which have been measured at fair value. The fair values are derived based on Level 1 valuation input under the fair value hierarchy. The investment classified as current asset is available for sale.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

17. Derivative asset

	Group	
	2023 RM	2022 RM
Financial asset at fair value	2,586	1,137,060
Presented as:		
Current	2,586	-
Non-current	-	1,137,060
	2,586	1,137,060

This represents the fair value of call option in connection with the Second Tranche Acquisition of Ancileo Pte. Ltd. as disclosed in Note 15(b), accounted for as a derivative asset in accordance with SFRS(I) 9 Financial Instruments. The derivative asset has been remeasured at the reporting date and the change in fair value of RM1,176,968 (Note 7) was recognised in the "Administrative expenses" line in the consolidated income statement for the financial year ended 30 June 2023.

The derivative asset was reclassified from non-current asset to current asset in the current financial year as the call option will be exercisable by the Company in the financial year ending 30 June 2024.

18. Inventories

	Group	
	2023 RM	2022 RM
Finished products for re-sale	399,155	432,012

Inventories recognised as an expense under "Cost of sales" in the consolidated income statement for the financial year ended 30 June 2023 amounted to RM2,782,969 (2022: RM1,675,530).

19. Trade and other receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables				
Third parties	182,909,280	124,625,632	-	-
Less: Expected credit losses (Note 37(c))	(9,145,593)	(7,634,980)	-	-
Net trade receivables (Note 37(c))	173,763,687	116,990,652	-	-
Other receivables				
Sundry receivables	8,158,435	7,234,733	156,811	46,718
Deposits	3,875,245	3,418,351	-	-
	12,033,680	10,653,084	156,811	46,718
Total trade and other receivables	185,797,367	127,643,736	156,811	46,718
Trade and other receivables	185,797,367	127,643,736	156,811	46,718
Dividend receivable	-	-	41,262,000	-
Amounts due from:				
- Subsidiaries (Note 21)	-	-	145,701,940	152,730,500
- Related parties (Note 21)	7,747,946	16,892,738	-	-
Loans to subsidiaries (Note 22)	-	-	4,865,478	-
Total debt instruments at amortised cost *	193,545,313	144,536,474	191,986,229	152,777,218

* Debt instruments at amortised cost, other than cash and short-term deposits

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

19. Trade and other receivables (cont'd)

Trade receivables
Trade receivables are non-interest bearing and are generally on 30 days to 45 days (2022: 30 days to 45 days) term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

As at the reporting date, the Group's significant concentration of credit risk is as disclosed in Note 37(c).

Trade receivables that are impaired
Trade receivables that are impaired at the reporting date relate to debtors collectively or individually assessed for expected credit losses in accordance with SFRS(I) 9 Financial Instruments as disclosed in Note 37(c).

Other receivables
Other receivables are unsecured, non-interest bearing and repayable on demand.

Other information on financial risks of trade and other receivables are disclosed in Note 37(c).

20. Contract assets/(liabilities)

	Group	
	2023 RM	**2022 RM**
Contract assets		
Amounts due from customers for contract work-in-progress	126,661,624	65,376,171
Advance maintenance costs	11,828,180	7,509,710
Prepaid license and hardware costs	16,368,588	1,610,151
	154,858,392	74,496,032
Less: Expected credit losses (Note 37(c))	(416,773)	(567,013)
Net contract assets	154,441,619	73,929,019
Contract liabilities		
Amounts due to customers for contract work-in-progress	(16,179,439)	(42,090,688)
Advance maintenance fees	(87,134,562)	(77,114,922)
Deferred revenue	(9,664,636)	(11,952,764)
	(112,978,637)	(131,158,374)

Contract assets include amounts due from customers for contract work-in-progress, which are initially recognised for revenue earned from project implementation services and enhancement services as the timing of billing may not coincide with service rendered. Upon acceptance of work progress by the customer and issuance of billing to customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets also include advance maintenance costs where billings are received or payments are made in advance for which the maintenance costs will be recognised over the contractual period, as well as prepaid costs where the costs will be recognised when the goods are received from the suppliers or upon sale of licenses or expiry.

Contract liabilities include amounts due to customers for contract work-in-progress where billings have been issued to or amounts collected from customers for work yet to be performed, maintenance fees billed in advance for which revenue will be recognised over the contractual period, as well as deferred revenue where transaction price is allocated to unexpired free man-days and options for the customers to acquire additional goods or services at discounts.

Set out below is the amount of revenue recognised from:

	Group	
	2023 RM	**2022 RM**
Amounts included in contract liabilities at the beginning of the year	124,746,860	101,132,535

Included in contract assets capitalised during the financial year is employee benefits expense amounted to RM3,022,959 (2022: RM1,872,643) (Note 8).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

21. Amounts due from/(to) subsidiaries and related parties

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Amounts due from subsidiaries (Note 19)				
- Current	-	-	93,954	64,981
- Non-current	-	-	145,607,986	152,665,519
	-	-	145,701,940	152,730,500
Amounts due to subsidiaries (Note 31)	-	-	(2,548,370)	(4,069,033)
Amounts due from related parties (Note 19)				
- Trade (Note 37(c))	7,680,326	16,827,599	-	-
- Non-trade	67,620	65,139	-	-
	7,747,946	16,892,738	-	-
Amounts due to related parties (Note 31)				
- Trade	(617,090)	(332,808)	-	-
- Non-trade	(256,334)	(61,466)	-	-
	(873,424)	(394,274)	-	-

Amounts due from/(to) subsidiaries
The non-current amounts due from a subsidiary is non-trade in nature, unsecured and non-interest bearing. The Company does not intend to call for the settlement of this amount within 12 months after the end of the reporting period.

The current amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable in cash on demand.

Amounts due from related parties
The amounts due from related parties are unsecured and non-interest bearing except for amounts owing by related parties to certain subsidiaries amounting to RM2,226,650 (2022: RM4,298,050) which carry interest at 1.0% (2022: 1.0%) per month for debts past due credit terms. The trade amounts due from related parties have a credit term of 30 days (2022: 30 days). The amounts due from related parties are to be settled in cash.

Amounts due to related parties
The amounts due to related parties are unsecured, non-interest bearing and repayable in cash on demand.

Further details on related party transactions are disclosed in Note 35(a).

Other information on financial risks of amounts due from/(to) subsidiaries and related parties are disclosed in Note 37.

22. Loans to subsidiaries

	Company	
	2023 RM	2022 RM
Loans to subsidiaries	4,865,478	-

Loans to subsidiaries are unsecured, repayable on demand and carry interest at a range of 3.1% to 5.6% per annum.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

23. Financial assets at fair value through profit or loss - money market fund

	Group	
	2023 RM	**2022 RM**
Money market fund	27,544,302	54,659,549

Financial assets at fair value through profit or loss of the Group represent investment in money market fund with financial institutions. Fair value of this investment is determined by reference to the net asset value of the fund. Any subsequent changes in fair value is recognised in profit or loss.

24. Cash and bank balances

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Cash at banks and on hand	289,219,959	238,845,124	15,298,782	17,854,114
Short-term deposits with licensed banks	215,029,384	319,211,769	104,857,057	164,490,397
Cash and bank balances	504,249,343	558,056,893	120,155,839	182,344,511

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and twelve months (2022: one day and twelve months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The interest rates of short-term deposits of the Group and of the Company at the reporting date range from 0.05% to 5.10% (2022: 0.05% to 4.25%) and 3.70% to 5.10% (2022: 0.22% to 1.35%) per annum respectively.

As at the reporting date, short-term deposits with licensed banks of the Group amounting to RM9,539,742 (2022: RM9,122,117) are pledged by certain subsidiaries for bank guarantee facilities in relation to project tenders.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group	
	2023 RM	**2022 RM**
Cash and bank balances	504,249,343	558,056,893
Less: Pledged deposits	(9,539,742)	(9,122,117)
Cash and cash equivalents	494,709,601	548,934,776

25. Share capital, share premium, treasury shares and performance share plan

(a) Ordinary share capital

(i) Authorised

	Group and Company Number of ordinary shares of USD0.02 each	
	2023	**2022**
At beginning of the year	-	5,000,000,000
At end of the year	-	-*

* The Company has re-domiciled from Bermuda to Singapore on 23 September 2021 and the concept of authorised share capital is no longer applicable in Singapore as it has been abolished on 30 January 2006.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

25. Share capital, share premium, treasury shares and performance share plan (cont'd)

(a) Ordinary share capital (cont'd)

(ii) Issued and fully paid

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	2023	2022	2023 RM	2022 RM
At beginning of the year	2,696,472,800	2,696,472,800	1,845,200,087	191,040,654
Reclassification from share premium (Note b) *	-	-	-	1,654,159,433
At end of the year	2,696,472,800	2,696,472,800	1,845,200,087	1,845,200,087

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

* Pursuant to Singapore Companies Act 1967 Sections 62A and 62B, there is no par value concept ("No Par Value Concept") after 30 January 2006. Accordingly, the Company reclassified the amount in "share premium" to "share capital" after the re-domiciliation of the Company from Bermuda to Singapore. Any future share issuance shall be credited in full to "share capital" in the statement of financial position of the Company.

(b) Share premium

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of the year	-	186,497,272	-	1,654,159,433
Arising from:				
- Reclassification to share capital (Note a(ii))	-	(1,654,159,433)	-	(1,654,159,433)
- Reversal of set off against merger deficit (Note 27) *	-	1,467,662,161	-	-
At end of the year	-	-	-	-

* Pursuant to Section 40(1) of Bermuda Companies Act 1981, the share premium from the reissuance of treasury shares for the acquisition of subsidiaries accounted for using the pooling of interest method ("Acquisition Share Premium") can be set off against the merger deficit arising from the acquisition. Following the re-domiciliation of the Company from Bermuda to Singapore, the Company applied No Par Value Concept in accordance with Singapore Companies Act 1967 and the set off of Acquisition Share Premium against the merger deficit had been reversed.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

25. Share capital, share premium, treasury shares and performance share plan (cont'd)

(c) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2021	20,569,091	25,769,645
Purchase of treasury shares by way of:		
- Market acquisition (Note (i))	1,432,400	1,309,938
- Off-market acquisition on equal access scheme (Note (ii))	170,230,988	177,264,081
Release of treasury shares pursuant to Performance Share Plan	(6,100,000)	(6,567,961)
At 30 June 2022	186,132,479	197,775,703
At 1 July 2022	186,132,479	197,775,703
Purchase of treasury shares (Note (i))	4,498,700	5,377,265
Release of treasury shares pursuant to Performance Share Plan	(6,000,000)	(6,552,291)
At 30 June 2023	184,631,179	196,600,677

Treasury shares relate to ordinary shares of the Company that are held by the Company.

Purchase of treasury shares

During the financial year, the Company purchased 4,498,700 (2022: 171,663,388) shares pursuant to the share purchase mandate approved by shareholders on 27 October 2022 (2022: 27 October 2021). These shares were acquired as follows:

(i) 4,498,700 (2022: 1,432,400) shares by way of market acquisition for a total consideration of RM5,377,265 (2022: RM1,309,938); and
(ii) in the previous financial year, 170,230,988 shares by way of off-market acquisition on equal access scheme* for a consideration of RM177,264,081.

* An equal access scheme is used when all shareholders are offered the buy-back, in proportion to their shareholding. Offers under the scheme can only relate to ordinary shares.

The percentage of treasury shares over total ordinary shares net treasury shares amounts to 7.4% (2022: 7.4%).

(d) Performance share plan ("PSP")

	Group and Company	
	2023 RM	2022 RM
At beginning of the year	-	-
Grant of PSP	6,513,405	6,139,192
Release of PSP	(6,513,405)	(6,139,192)
At end of the year	-	-

(i) PSP shares granted to Group Managing Director

On 28 February 2023, 5,400,000 (2022: 4,100,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 (2022: SGD0.315) per share at grant date, amounted to RM5,862,065 (2022: RM4,126,342) to the Group Managing Director, Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2022 (2022: 30 June 2021).

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

25. Share capital, share premium, treasury shares and performance share plan (cont'd)

(d) Performance share plan ("PSP") (cont'd)

(ii) PSP shares granted to key management personnel and contract employee

On 28 February 2023, 600,000 (2022: 2,000,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 (2022: SGD0.315) per share at grant date, amounted to RM651,340 (2022: RM2,012,850) to a key management personnel (2022: a key management personnel and a contract employee), in recognition of their services and contribution to the Group for the financial year ended 30 June 2022 (2022: 30 June 2021).

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

During the financial year, the deficit on reissuance of treasury shares of RM38,886 (2022: RM428,769) was recognised in the loss on reissuance of treasury shares reserve.

26. Other reserves

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Foreign currency translation reserve	(a)	94,381,070	48,551,474	266,112,184	67,786,715
Capital reserve	(b)	466,828	466,828	-	-
Statutory reserve	(c)	141,159	141,159	-	-
Fair value reserve of financial assets at FVOCI	(d)	(96,489,328)	(111,833,934)	-	-
Loss on reissuance of treasury shares	(e)	(467,655)	(428,769)	(467,655)	(428,769)
		(1,967,926)	(63,103,242)	265,644,529	67,357,946

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of all entities within the Group whose functional currencies are different from that of the Group's presentation currency.

(b) Capital reserve

This represents non-distributable capital reserve of a subsidiary arising from the issuance of bonus shares in prior years.

(c) Statutory reserve

This represents non-distributable reserve of a subsidiary incorporated in Thailand. As required by Thailand Civil and Commercial Code, an entity shall allocate at least 5% of its annual net profit to a reserve, when dividend is declared, until the reserve reaches an amount not less than 10% of the entity's authorised capital.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

26. Other reserves (cont'd)

(d) Fair value reserve of financial assets at fair value through other comprehensive income ("FVOCI")

Group	Fair value loss/(gain) on financial assets RM	Deferred tax relating to fair value (loss)/gain on financial assets (Note 30) RM	Total RM
At 1 July 2021	32,428,861	(2,846,819)	29,582,042
Remeasurement of financial assets (Note 16)	91,480,413	(9,228,521)	82,251,892
At 30 June 2022	123,909,274	(12,075,340)	111,833,934
At 1 July 2022	123,909,274	(12,075,340)	111,833,934
Remeasurement of financial assets (Note 16)	(16,994,912)	1,650,306	(15,344,606)
At 30 June 2023	106,914,362	(10,425,034)	96,489,328

This represents non-distributable reserve arising from cumulative fair value changes, net of tax, of financial assets until they are disposed of.

(e) Loss on reissuance of treasury shares

This represents the loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

(f) Performance share plan reserve

This represents non-distributable reserve arising from performance shares. The movement in this reserve during the current and previous financial year is as shown in Note 25(d) above. As at current and previous reporting dates, there were no outstanding shares awarded.

The above reserves are not available for dividend distribution to shareholders.

27. Merger deficit

	Group	
	2023 RM	2022 RM
At beginning of the year	1,943,942,990	476,280,829
Reclassification from share premium (Note 25(b))	-	1,467,662,161
At end of the year	1,943,942,990	1,943,942,990

The merger deficit represents the excess of nominal value of the shares issued by the Company over the book value of the assets and liabilities of the acquired subsidiaries, accounted for using the pooling of interest method.

The above reserve is not available for dividend distribution to shareholders.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

28. Loans and borrowings

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Unsecured				
Lease liabilities (Note 29)	7,293,999	6,577,967	-	-
Secured				
Lease liabilities (Note 29)	267,361	790,227	-	-
Term loan	-	225,876	-	-
	267,361	1,016,103	-	-
	7,561,360	7,594,070	-	-
Non-current				
Unsecured				
Lease liabilities (Note 29)	18,420,389	17,398,476	-	-
Revolving credit - Committed	152,731,692	175,341,516	152,731,692	175,341,516
	171,152,081	192,739,992	152,731,692	175,341,516
Secured				
Lease liabilities (Note 29)	798,563	587,696	-	-
	171,950,644	193,327,688	152,731,692	175,341,516
Total loans and borrowings (Note 31)	179,512,004	200,921,758	152,731,692	175,341,516

Lease liabilities - fixed rate
This represents the present value of lease payments to be made over the lease term. The details and interest rate of the leases are disclosed in Note 29.

Term loan - fixed rate
This loan was repayable in 60 monthly instalments from the first drawdown on 24 May 2018 and was secured by guarantee provided by Development Finance Institution ALTUM and commercial pledge on property, plant and equipment (Note 11) and right-of-use assets (Note 12) of a subsidiary. The effective interest rate of this loan at the reporting date was 4.0% (2022: 4.0%) per annum. The term loan has been fully settled during the financial year.

Committed and uncommitted revolving credit facility - floating rate

(i) In the previous financial year, the Company secured a 5-year medium term committed revolving credit facility and an uncommitted revolving credit facility. Both facilities are guaranteed by subsidiaries of the Company, can be drawn down for one, three or six months and are repayable on the last day of its interest period. The principal amount of committed revolving credit facility may be rolled over at the discretion of the Company within the availability period, provided that any interest accrued on the facility is paid on the last day of its interest period. The utilisation of the uncommitted revolving credit facility is subject to the lender's review from time to time. The facilities will be due for termination on 2 March 2027.

As at the reporting date, the Company has outstanding balance of committed revolving credit amounting to SGD44,800,000, equivalent to RM152,731,692 (2022: SGD56,000,000, equivalent to RM175,341,516). The average effective interest rate of this committed revolving credit at the reporting date was 4.62% (2022: 1.97%) per annum. There was no amount drawdown from the uncommitted revolving credit facility as at the current and previous reporting dates.

(ii) A subsidiary has an uncommitted revolving credit facility. There was no amount drawdown as at the current and previous reporting dates.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

29. Lease liabilities

The Group has lease contracts for various items of furniture and fittings, motor vehicles, office equipment and office premises. These leases generally have lease terms between two to seven years.

The Group also has certain leases of office premises and office equipment with either lease terms of 12 months or less, or leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		
	Unsecured RM	**Secured RM**	**Total RM**
At 1 July 2021	23,434,960	2,279,126	25,714,086
Additions (Note 38)	-	70,092	70,092
Modification (Note 38)	9,007,315	-	9,007,315
Accretion of interest (Note 6)	655,517	90,746	746,263
Payments	(9,181,183)	(1,062,203)	(10,243,386)
Currency translation differences	59,834	162	59,996
At 30 June 2022	23,976,443	1,377,923	25,354,366
At 1 July 2022	23,976,443	1,377,923	25,354,366
Additions (Note 38)	4,667,030	500,358	5,167,388
Modification (Note 38)	3,318,110	-	3,318,110
Accretion of interest (Note 6)	700,134	83,744	783,878
Payments	(8,130,870)	(918,753)	(9,049,623)
Currency translation differences	1,183,541	22,652	1,206,193
At 30 June 2023	25,714,388	1,065,924	26,780,312

The maturity analysis of lease liabilities is as follows:

	Group					
	2023			2022		
	Unsecured RM	**Secured RM**	**Total RM**	**Unsecured RM**	**Secured RM**	**Total RM**
Future minimum lease payments:						
Not later than one year	8,090,962	311,541	8,402,503	7,123,032	858,148	7,981,180
Later than one year but not later than five years	19,349,408	788,150	20,137,558	17,297,152	626,980	17,924,132
Later than five years but not later than seven years	-	84,435	84,435	967,806	24,211	992,017
Total future minimum lease payments (Note 37(b))	27,440,370	1,184,126	28,624,496	25,387,990	1,509,339	26,897,329
Less: Amounts representing finance charges	(1,725,982)	(118,202)	(1,844,184)	(1,411,547)	(131,416)	(1,542,963)
Present value of lease liabilities	25,714,388	1,065,924	26,780,312	23,976,443	1,377,923	25,354,366
The present value of the lease liabilities may be analysed as follows:						
Not later than one year	7,293,999	267,361	7,561,360	6,577,967	790,227	7,368,194
Later than one year but not later than five years	18,420,389	716,179	19,136,568	16,442,162	563,713	17,005,875
Later than five years but not later than seven years	-	82,384	82,384	956,314	23,983	980,297
	25,714,388	1,065,924	26,780,312	23,976,443	1,377,923	25,354,366
Presented as:						
Current (Note 28)	7,293,999	267,361	7,561,360	6,577,967	790,227	7,368,194
Non-current (Note 28)	18,420,389	798,563	19,218,952	17,398,476	587,696	17,986,172
	25,714,388	1,065,924	26,780,312	23,976,443	1,377,923	25,354,366

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

29. Lease liabilities (cont'd)

The following are the amounts recognised in profit or loss:

	Group	
	2023 RM	2022 RM
Depreciation of right-of-use assets (Note 7 and 12)	8,549,998	9,221,862
Interest expense on lease liabilities (Note 6)	783,878	746,263
Expenses (included in administrative expenses) (Note 7) relating to:		
- Short-term leases	1,047,698	934,655
- Leases of low-value assets	3,603,413	1,782,057
	4,651,111	2,716,712
Total amount recognised in profit or loss	13,984,987	12,684,837

During the financial year, the Group had total cash outflows for leases of RM13,700,734 (2022: RM12,960,098), and non-cash additions to right-of-use assets and lease liabilities of RM5,167,388 (2022: RM70,092).

The weighted average incremental borrowing rate of unsecured lease liabilities was 3.65% (2022: 2.59%).

The effective interest rates for secured lease liabilities at the reporting date ranged from 1.88% to 4.29% (2022: 1.88% to 3.20%) per annum.

30. Deferred tax

	Group	
	2023 RM	2022 RM
At beginning of the year	(16,519,693)	(10,043,408)
Recognised in income statement (Note 9):		
Provision in current year	7,492,120	2,612,138
Under provision in prior financial years	547,998	34,361
Recognised in other comprehensive income:		
Provision in current year	1,579,516	(9,000,115)
Under provision in prior financial years	-	23,322
Currency translation differences	1,046,176	(145,991)
At end of the year	(5,853,883)	(16,519,693)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(93,241,847)	(82,133,717)
Offsetting	43,257,523	23,946,632
Deferred tax assets (after offsetting)	(49,984,324)	(58,187,085)
Deferred tax liabilities	87,387,964	65,614,024
Offsetting	(43,257,523)	(23,946,632)
Deferred tax liabilities (after offsetting)	44,130,441	41,667,392
Deferred tax	(5,853,883)	(16,519,693)

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

30. Deferred tax (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Software development expenditure RM	Proprietary software RM	Customer relationship RM	Property, plant and equipment RM	Right-of-use assets RM	Undistributed profits of subsidiaries (Note 9) RM	Financial assets at fair value through OCI RM	Others RM	Total RM
At 1 July 2021	20,362,758	6,901,514	2,639,310	584,181	3,862,623	6,231,215	28,057,516	10,416	68,649,533
Recognised in income statement:									
Provision in current year	6,597,532	(1,406,776)	(527,526)	72,420	508,116	(191,645)	-	222,814	5,274,935
Under/(over) provision in prior financial years	1,232	-	-	65,845	8,959	-	-	(94,078)	(18,042)
Recognised in other comprehensive income (Note 26(d)):									
Provision in current year	-	-	-	-	-	-	(9,228,521)	-	(9,228,521)
Currency translation differences	13,768	(105,941)	(65,384)	2,469	41,183	46,661	1,011,918	(8,555)	936,119
At 30 June 2022	26,975,290	5,388,797	2,046,400	724,915	4,420,881	6,086,231	19,840,913	130,597	65,614,024
At 1 July 2022	26,975,290	5,388,797	2,046,400	724,915	4,420,881	6,086,231	19,840,913	130,597	65,614,024
Recognised in income statement:									
Provision in current year	14,101,851	(1,536,334)	(525,731)	58,855	(858,432)	2,571,338	-	3,467,611	17,279,158
Under/(over) provision in prior financial years	-	38,613	-	3,583	(114,043)	-	-	(886,990)	(958,837)
Recognised in other comprehensive income (Note 26(d)):									
Provision in current year	-	-	-	-	-	-	1,650,306	-	1,650,306
Currency translation differences	58,457	1,636,734	243,375	10,219	176,070	182,261	1,385,763	110,434	3,803,313
At 30 June 2023	41,135,598	5,527,810	1,764,044	797,572	3,624,476	8,839,830	22,876,982	2,821,652	87,387,964

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

30. Deferred tax (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd)

Deferred tax assets of the Group:

	Provision for defined benefit liabilities RM	Allowance for unutilised leave RM	Contract liabilities RM	Unutilised tax losses RM	Lease liabilities RM	Tax allowance claimable on acquired intellectual property (Note 9) RM	Others RM	Total RM
At 1 July 2021	(2,680,793)	(2,839,982)	(13,673,542)	(20,913,997)	(3,995,339)	(32,224,192)	(2,365,096)	(78,692,941)
Recognised in income statement:								
Provision in current year	(413,948)	(511,620)	(725,476)	(1,935,447)	(399,611)	9,239,806	(7,916,501)	(2,662,797)
(Under)/over provision in prior financial years	(79,133)	463	(365,856)	521,977	(7,113)	-	(17,935)	52,403
Recognised in other comprehensive income (Note 33):								
Provision in current year	228,406	-	-	-	-	-	-	228,406
Under provision in prior financial years	23,322	-	-	-	-	-	-	23,322
Currency translation differences	117,589	1,363	3,393	(470,107)	(42,857)	(601,676)	(89,815)	(1,082,110)
At 30 June 2022	(2,804,557)	(3,349,776)	(14,761,481)	(22,797,574)	(4,444,920)	(23,586,062)	(10,389,347)	(82,133,717)
At 1 July 2022	(2,804,557)	(3,349,776)	(14,761,481)	(22,797,574)	(4,444,920)	(23,586,062)	(10,389,347)	(82,133,717)
Recognised in income statement:								
Provision in current year	(104,546)	(361,911)	(1,853,967)	(13,290,803)	867,041	3,494,998	1,462,150	(9,787,038)
(Under)/over provision in prior financial years	-	(2,872)	(11,212)	101,368	11,484	-	1,408,067	1,506,835
Recognised in other comprehensive income (Note 33):								
Provision in current year	(70,790)	-	-	-	-	-	-	(70,790)
Currency translation differences	(128,663)	(54,618)	(23,613)	(345,660)	(182,668)	(1,917,758)	(104,157)	(2,757,137)
At 30 June 2023	(3,108,556)	(3,769,177)	(16,650,273)	(36,332,669)	(3,749,063)	(22,008,822)	(7,623,287)	(93,241,847)

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

30. Deferred tax (cont'd)

As at reporting date, the deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 RM	2022 RM
Unutilised tax losses	12,385,640	9,857,322
- Expiring within 1 to 5 years	2,831,673	2,695,012
- Expiring within 6 to 10 years	7,413,499	4,767,682
- No expiry period	2,140,468	2,394,628
Unabsorbed capital allowances	1,383,656	1,370,529
Other deductible temporary differences	773,545	1,052,321
	14,542,841	12,280,172

Tax consequences of proposed dividends
There are no income tax consequences (2022: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 34).

Unutilised tax losses
The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate. The number of years ("Utilisation Period") for which the unutilised tax losses can be carried forward varies for each country and any excess at the end of the Utilisation Period will be disregarded. Deferred tax assets have not been recognised in respect of these losses as it is not probable that future taxable profits will be available in these subsidiaries against which the Group can utilise the benefits. If the Group was able to recognise the unrecognised deferred tax assets, profit would increase by RM2,715,497 (2022: RM2,091,089).

Unrecognised earnings
At 30 June 2023, deferred tax liabilities of RM8,839,830 (2022: RM6,086,231) have been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries. There was no other recognised deferred tax liability for taxes that would be payable on the undistributed earnings of other subsidiaries of the Group as the Group has determined that undistributed profits of other subsidiaries will not be distributed in the foreseeable future. At the reporting date, deferred tax liability on undistributed earnings of other subsidiaries amounting to RM3,073,520 (2022: RM2,547,854) has not been recognised.

31. Trade and other payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
Third parties	14,873,561	6,996,367	-	-
Accrual of sub-contractor fees	9,140,257	12,198,781	-	-
Total trade payables	24,013,818	19,195,148	-	-
Other payables				
Sundry payables and accruals	68,586,005	80,435,424	3,560,926	3,344,044
Allowance for unutilised leave	19,708,985	17,361,972	-	-
Total other payables	88,294,990	97,797,396	3,560,926	3,344,044
Total trade and other payables	112,308,808	116,992,544	3,560,926	3,344,044
Trade and other payables	112,308,808	116,992,544	3,560,926	3,344,044
Loans and borrowings (Note 28)	179,512,004	200,921,758	152,731,692	175,341,516
Amounts due to:				
- Subsidiaries (Note 21)	-	-	2,548,370	4,069,033
- Related parties (Note 21)	873,424	394,274	-	-
Total financial liabilities carried at amortised cost	292,694,236	318,308,576	158,840,988	182,754,593

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

31. Trade and other payables (cont'd)

Trade and other payables
These amounts are non-interest bearing. Trade payables are normally settled on 60 days (2022: 60 days) term while other payables have an average term of 6 months (2022: 6 months).

Other information on financial risks of trade and other payables are disclosed in Note 37.

32. Put liability

	Group
	2022 RM
Put liability at acquisition	11,939,294
Unwinding of discount on put liability (cumulative)	4,186,632
Fair value changes recognised in profit or loss (cumulative)	2,776,644
Derecognition of put liability upon expiry	(18,902,570)
Put liability at end of the year	-

This represents the present value of the estimated exercise price for the put option on the remaining 20% equity interest in SIA X Infotech Group ("XIT Group"). Any subsequent changes in the fair value was recognised in profit or loss.

In the previous financial year, the put option granted by the Company to the seller was not being exercised within the stipulated period. Upon the expiry of the put and call options (Note 14), the put liability was reclassified as non-controlling interest in the consolidated statement of financial position and the resultant gain on deemed disposal of the 20% equity interest in XIT Group to its non-controlling interest of RM4,926,844 was recognised in retained earnings in the previous financial year.

33. Provision for defined benefit liabilities

The Group has defined benefit pension plans in Indonesia, Thailand and Philippines respectively, for its employees.

(a) Indonesia plans

Two subsidiaries in Indonesia provide benefits for their employees who achieve the retirement age. The retirement age varies from 57 to 58 years old and will increase gradually for every 3 years until reaching 65 years old (2022:57). The benefits are determined based on Job Creation Law 11/2020 and Government Regulation 35/2021 dated 2 February 2021.

The employee benefits liability is unfunded.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

(a) Indonesia plans (cont'd)

The details of the defined benefit pension plans for two subsidiaries in Indonesia are as follows:

(i) The employee benefits liability of an Indonesian subsidiary was determined by an independent actuarist in its report dated 5 July 2023 for financial year ended 30 June 2023 and 5 July 2022 for financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	6.75%	7.75%
Salary increment rate	10%	10%
Mortality rate	100% *	100% *
Disability rate	5% *	5% *
Resignation rate	10% to age 35, then decreasing linearly to 0% at Normal Retirement age	10% to age 35, then decreasing linearly to 0% at age 57
Normal Retirement Age	58 years old and will increase gradually for every 3 years until reaching 65 years old	57

* Based on Indonesian Mortality Table 4

(ii) The employee benefits liability of another Indonesian subsidiary was determined by an independent actuarist in its report dated 4 July 2023 for financial year ended 30 June 2023 and 1 July 2022 for financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	7.00%	7.75%
Salary increment rate	10%	10%
Mortality rate	100% *	100% *
Disability rate	5% *	5% *
Resignation rate	5% to age 30, then decreasing linearly to 0% at age 57	5% to age 30, then decreasing linearly to 0% at age 57

* Based on Indonesian Mortality Table 4

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

(b) Thailand plans

Two subsidiaries in Thailand provide benefits for their employees who achieve the retirement age at 60 based on the provisions of Labour Protection Act (A.D. 2019), on Severance Pay.

The employee benefits liability is unfunded.

The details of the defined benefit pension plans for two subsidiaries in Thailand are as follows:

(i) The employee benefits liability of a Thailand subsidiary was determined by an independent actuarist in its report dated 7 July 2023 for financial year ended 30 June 2023 and 9 July 2021 for financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	2.70%	1.90%
Salary increment rate	15% per annum for ages up to 29; 8% per annum for ages 30 to 39; 4% per annum for ages 40 to 49; 2% per annum for ages 50 and above	14% per annum for ages up to 29; 7% per annum for ages 30 to 39; 3% per annum for ages 40 to 49; 1% per annum for ages 50 and above
Mortality rate	Thailand Mortality Ordinary 2017 Table	Thailand Mortality Ordinary 2017 Table
Disability rate	0%	0%
Resignation rate	7% per annum for ages up to 29; 7% per annum for ages 30 to 39; 4% per annum for ages 40 to 49; 0% per annum for ages 50 and above	6% per annum for ages up to 29; 4% per annum for ages 30 to 39; 4% per annum for ages 40 to 49; 0% per annum for ages 50 and above

(ii) The employee benefits liability of another Thailand subsidiary was determined by an independent actuarist in its report dated 26 July 2023 for financial year ended 30 June 2023 and 4 July 2022 for financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	3.40%	4.40%
Salary increment rate	10% per annum	10% per annum
Mortality rate	Thailand Mortality Ordinary 2017 Table	Thailand Mortality Ordinary 2017 Table
Disability rate	0%	0%
Resignation rate	15% per annum for ages up to 29; 10% per annum for ages 30 to 39; 5% per annum for ages 40 to 49; 0% per annum for ages 50 and above	15% per annum for ages up to 29; 10% per annum for ages 30 to 39; 5% per annum for ages 40 to 49; 0% per annum for ages 50 and above

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

(c) Philippines plans

Three subsidiaries in Philippines conform to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) and provide retirement benefits equal to 22.5 days pay for every year of credited service for employees who attain the normal retirement age of 60 with at least five years of service. The regulatory benefit is paid in a lump sum upon retirement.

The employee benefits liability is unfunded.

The details of the defined benefit pension plans for three subsidiaries in Philippines are as follows:

(i) The employee benefits liability of a Philippines subsidiary was determined by an independent actuarist in its report dated 1 July 2022 for financial years ended 30 June 2023 and 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	6.18%	6.53%
Salary increment rate	9%	9%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above

(ii) The employee benefits liability of another Philippines subsidiary was determined by an independent actuarist in its report dated 10 July 2023 for the financial year ended 30 June 2023 and 5 July 2022 for the financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	6.24%	6.93%
Salary increment rate	5%	5%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	8.6% per annum for ages 19 to 24; 10.0% per annum for ages 25 to 29; 18.3% per annum for ages 30 to 34; 13.5% per annum for ages 35 to 39; 3.9% per annum for ages 40 to 44; 4.7% per annum for ages 45 and above	9.4% per annum for ages 19 to 24; 10.9% per annum for ages 25 to 29; 10.9% per annum for ages 30 to 34; 11.7% per annum for ages 35 to 39; 4.3% per annum for ages 40 to 44; 4.4% per annum for ages 45 and above

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

(c) Philippines plans (cont'd)

The details of the defined benefit pension plans for three subsidiaries in Philippines are as follows: (cont'd)

(iii) The employee benefits liability of another Philippines subsidiary was determined by an independent actuarist in its report dated 18 May 2023 for the financial year ended 30 June 2023 and 29 July 2022 for the financial year ended 30 June 2022.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2023	2022
Discount rate	5.98%	6.32%
Salary increment rate	10%	10%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	3.8% per annum for ages 19 to 24; 3% per annum for ages 25 to 29; 2.3% per annum for ages 30 to 34; 14% per annum for ages 35 to 39; 1% per annum for ages 40 to 44; 1% per annum for ages 45 to 49; 0.5% per annum for ages 50 to 54; 0.5% per annum for ages 55 and above	3.8% per annum for ages 19 to 24; 3% per annum for ages 25 to 29; 2.3% per annum for ages 30 to 34; 14% per annum for ages 35 to 39; 1% per annum for ages 40 to 44; 1% per annum for ages 45 to 49; 0.5% per annum for ages 50 to 54; 0.5% per annum for ages 55 and above

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the statements of financial position as employee benefits liabilities.

The details of the net employee benefits liability are as follows:

	Group							
	2023				2022			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Present Value of the Defined Benefit Obligation ("PVDBO") as at 1 July	3,368,205	3,915,234	5,143,671	12,427,110	2,790,668	3,611,459	5,601,466	12,003,593
Defined benefit obligation (Note 8)	(567,457)	418,770	739,184	590,497	592,310	438,977	815,332	1,846,619
Benefits paid	-	(89,886)	-	(89,886)	-	-	-	-
Gross amount of actuarial loss/(gain)	33,379	(108,155)	346,846	272,070	(14,773)	-	(910,196)	(924,969)
Currency translation differences	-	212,123	351,417	563,540	-	(135,202)	(362,931)	(498,133)
PVDBO as at 30 June	2,834,127	4,348,086	6,581,118	13,763,331	3,368,205	3,915,234	5,143,671	12,427,110
Analysis of funded and unfunded PVDBO								
PVDBO from plans that are wholly unfunded	2,834,127	4,348,086	6,581,118	13,763,331	3,368,205	3,915,234	5,143,671	12,427,110
Analysed as:								
Current	-	-	-	-	-	80,330	-	80,330
Non-current:								
Later than:								
- one year but not later than two years	190,553	-	-	190,553	170,393	120,772	-	291,165
- two years but not later than five years	436,648	1,185,883	428,308	2,050,839	505,140	244,890	-	750,030
- five years	2,206,926	3,162,203	6,152,810	11,521,939	2,692,672	3,469,242	5,143,671	11,305,585
Total non-current	2,834,127	4,348,086	6,581,118	13,763,331	3,368,205	3,834,904	5,143,671	12,346,780
	2,834,127	4,348,086	6,581,118	13,763,331	3,368,205	3,915,234	5,143,671	12,427,110

33. Provision for defined benefit liabilities (cont'd)

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the statements of financial position as employee benefits liabilities. (cont'd)

The details of the net employee benefits expense recognised in operations are as follows:

	Group							
	2023				2022			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Current service cost	368,059	345,561	389,041	1,102,661	380,807	367,608	524,512	1,272,927
Past service cost	(1,095,095)	-	-	(1,095,095)	-	-	-	-
Interest cost	159,579	73,209	350,143	582,931	211,503	71,369	290,820	573,692
Net employee benefits expense (Note 8)	(567,457)	418,770	739,184	590,497	592,310	438,977	815,332	1,846,619
Total amount recognised in statement of comprehensive income								
Actuarial loss/(gain) arising from changes in financial assumptions	231,098	104,943	391,337	727,378	(24,232)	-	(1,264,600)	(1,288,832)
Actuarial (gain)/loss arising from changes in demographic assumptions	(190,876)	(96,962)	(95,410)	(383,248)	-	-	26,666	26,666
Actuarial (gain)/loss arising from experience adjustments	(6,843)	(116,136)	50,919	(72,060)	9,459	-	327,738	337,197
Gross amount of actuarial loss/(gain)	33,379	(108,155)	346,846	272,070	(14,773)	-	(910,196)	(924,969)
Deferred tax (Note 30)	(7,343)	21,631	(85,078)	(70,790)	26,572	-	225,156	251,728
Net amount of actuarial loss/(gain)	26,036	(86,524)	261,768	201,280	11,799	-	(685,040)	(673,241)
Cumulative amount of actuarial (gain)/loss recognised in statement of comprehensive income	(651,223)	901,390	(2,498,128)	(2,247,961)	(677,259)	987,914	(2,759,896)	(2,449,241)

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

33. Provision for defined benefit liabilities (cont'd)

Sensitivity analysis:

The sensitivity analysis below have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Discount rate
A one percentage point change in the assumed discount rate would have the following effects:

	Increase in one percentage point on discount rate				Decrease in one percentage point on discount rate			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Increase/(decrease):								
2023								
Effect on the aggregate current service cost and interest cost	(251,921)	(392,110)	(648,527)	(1,292,558)	286,681	459,526	751,069	1,497,276
Effect on the PVDBO as at 30 June	(251,921)	(406,977)	(683,966)	(1,342,864)	286,681	476,949	791,925	1,555,555
2022								
Effect on the aggregate current service cost and interest cost	(310,903)	(366,818)	(600,016)	(1,277,737)	359,324	433,399	698,889	1,491,612
Effect on the PVDBO as at 30 June	(310,903)	(361,037)	(581,182)	(1,253,122)	359,324	426,569	677,029	1,462,922

33. Provision for defined benefit liabilities (cont'd)

Sensitivity analysis: (cont'd)

The sensitivity analysis below have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another. (cont'd)

Salary increment rate

A one percentage point change in the assumed salary increment rate would have the following effects:

	Increase in one percentage point on salary increment rate				Decrease in one percentage point on salary increment rate			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Increase/(decrease):								
2023								
Effect on the aggregate current service cost and interest cost	278,084	451,640	767,880	1,497,604	(249,192)	(394,161)	(675,087)	(1,318,440)
Effect on the PVDBO as at 30 June	278,084	468,764	809,820	1,556,668	(249,192)	(409,105)	(712,100)	(1,370,397)
2022								
Effect on the aggregate current service cost and interest cost	351,044	427,474	694,380	1,472,898	(309,468)	(369,813)	(607,815)	(1,287,096)
Effect on the PVDBO as at 30 June	351,044	420,737	672,623	1,444,404	(309,468)	(363,984)	(588,712)	(1,262,164)

Amounts for the current and previous periods are as follows:

	Indonesia Plans		Thailand Plans		Philippines Plans	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
PVDBO	2,834,127	3,368,205	4,348,086	3,915,234	6,581,118	5,143,671
Experience adjustments on plan liabilities	(6,843)	9,459	(120,540)	-	53,847	317,050

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

34. Dividends

	2023		2022	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
Declared and paid/payable during the financial year:				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2022/2021: - Final dividend paid per share, tax exempt (1-tier)	0.0070 / 0.0230	57,570,639	0.0052 / 0.0160	42,943,545
Proposed but not recognised as a liability as at 30 June:				
Final dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting	0.0060 / 0.0210	51,821,804	0.0070 / 0.0220	55,502,369

35. Significant related party transactions

(a) Sale and purchase of goods and services

The Group has the following significant related party transactions between the Group and the related parties, who are not members of the Group, which took place on terms agreed between the parties during the financial year:

	Group	
	2023 RM	2022 RM
Sale of goods and rendering of services to related parties:		
- Software licensing	597,780	300,000
- Software project services (professional services)	12,774,179	16,212,002
- Maintenance and enhancement services	58,838,318	51,279,489
- Sale of software and hardware products	12,008,586	215,686
Service fees paid to related parties	4,740,698	5,584,019
Administrative expenses paid to related parties	767,307	1,643,206
Data centre and infrastructure support expenses paid to related parties	3,057,488	2,620,044
Other costs reimbursed from related parties	26,239	22,610
Rental paid to related parties	153,664	100,125
Rental paid by related parties	214,775	231,180
Interest income from a related party	168	-
Purchase of property, plant and equipment from related parties	152,152	120,000
Purchase of intangible assets from a related party	31,000	-

Information regarding outstanding balances arising from related party transactions as at reporting date are disclosed in Note 21.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

35. Significant related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2023 RM	**2022 RM**
Salaries and other short-term employee benefits	28,193,312	20,877,350
Performance shares plan	6,595,272	5,015,887
Defined contribution plans	1,603,505	1,408,474
Benefits-in-kind	176,072	325,118
	36,568,161	27,626,829
Comprise amounts paid to:		
- Directors of the Company	18,955,203	14,047,011
- Other key management personnel	17,612,958	13,579,818
	36,568,161	27,626,829

36. Commitments and financial guarantees

(a) Capital commitments

At the reporting date, the Group has commitment of RM920,107 (2022: RM739,403) in relation to purchased software.

As at the previous financial year, the Group had commitment of RM13,203,000 for an exclusive reseller rights.

(b) Finance lease commitments

The Group has finance leases for its furniture and fittings, motor vehicles and office equipment (Note 12).

Future minimum lease payment under finance leases together with the present value of net minimum lease payments are disclosed in Note 29.

(c) Guarantees

At the reporting date, the Group has provided bank guarantees to third parties amounting to RM23,763,834 (2022: RM24,570,101). No liability is expected to arise.

At the reporting date, the Company has provided corporate guarantee to its subsidiaries amounting to RM59,926,500 (2022: RM57,609,000). No liability is expected to arise.

37. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instrument where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rate. The Group's policy is to manage its interest costs by obtaining the most favourable interest rates on its borrowings.

Surplus funds of the Group are placed with licensed banks as deposits or money market fund to generate interest income. The Group has no significant net exposure to interest rate risk.

Sensitivity analysis for interest rate risk
The Group's revolving credit at variable rate is denominated in Singapore Dollar (SGD). At the reporting date, assuming the market interest rate increases/decreases by 1% with other variables including tax rate being held constant, the Group's profit before tax for the financial year would have been lower/higher by RM1,527,317 (2022: RM1,753,415) arising mainly as a result of higher/lower interest expense on these revolving credit.

The assumed fluctuation in market interest rate sensitivity analysis is based on the observable market environment.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. There is no significant exposure to liquidity risk. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. The Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group's liquidity risk management policy is to match maturities of financial assets and liabilities, and to maintain available banking facilities of a reasonable level to its overall debt position.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contracted undiscounted repayment obligations.

Group	Less than 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
At 30 June 2023				
Trade and other payables (Note 31)	112,308,808	-	-	112,308,808
Amounts due to related parties (Note 21)	873,424	-	-	873,424
Revolving credit	-	178,670,682	-	178,670,682
Lease liabilities (Note 29)	8,402,503	20,137,558	84,435	28,624,496
	121,584,735	198,808,240	84,435	320,477,410
At 30 June 2022				
Trade and other payables (Note 31)	116,992,544	-	-	116,992,544
Amounts due to related parties (Note 21)	394,274	-	-	394,274
Revolving credit	-	191,390,703	-	191,390,703
Term loan	230,419	-	-	230,419
Lease liabilities (Note 29)	7,981,180	17,924,132	992,017	26,897,329
	125,598,417	209,314,835	992,017	335,905,269

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contracted undiscounted repayment obligations.

Company	Less than 1 year RM	Between 1 and 5 years RM	Total RM
At 30 June 2023			
Trade and other payables (Note 31)	3,560,926	-	3,560,926
Amounts due to subsidiaries (Note 21)	2,548,370	-	2,548,370
Revolving credit	-	178,670,682	178,670,682
	6,109,296	178,670,682	184,779,978
At 30 June 2022			
Trade and other payables (Note 31)	3,344,044	-	3,344,044
Amounts due to subsidiaries (Note 21)	4,069,033	-	4,069,033
Revolving credit	-	191,390,703	191,390,703
	7,413,077	191,390,703	198,803,780

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and amounts due from related parties. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises primarily from amounts due from subsidiaries and loans to subsidiaries.

<u>**Exposure to credit risk profile**</u>
At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 16 (2022: 12) customers, representing 63% (2022: 62%) of the Group's trade receivables and amounts due from related parties (trade).

<u>**Trade receivables and contract assets**</u>
The Group monitors its credit risk closely and trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group does not expect its related parties to default on their repayment obligations.

<u>**Other receivables**</u>
Credit risks on other receivables are mainly arising from deposits paid for office premises and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position and the Group did not recognise any expected credit losses.

<u>**Cash and bank balances and money market fund**</u>
Cash and deposits are placed with reputable licensed banks. At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These reputable licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Accordingly, the Group and the Company are of the view that the expected credit loss is minimal.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Amounts due from subsidiaries and loans to subsidiaries
These represents payment on behalf and loans given to in support of subsidiaries' principal activities. At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Credit risk concentration profile
The Group determines concentrations of credit risk by monitoring the region of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date is as follows:

	Group			
	2023 RM	%	2022 RM	%
By geographical areas				
South East Asia	130,131,091	72%	103,139,708	78%
North East Asia	3,619,125	2%	2,601,702	2%
South Asia	19,567,258	11%	17,952,670	13%
Middle East	13,609,538	8%	1,682,237	1%
Americas	1,241,427	-*	52,847	-*
Africa	7,722,029	4%	5,568,244	4%
Europe	5,553,545	3%	2,820,843	2%
	181,444,013	100%	133,818,251	100%

* Less than 1%

	Group	
	2023 RM	2022 RM
Represented by:		
Trade receivables - third parties (Note 19)	173,763,687	116,990,652
Amounts due from related parties - trade (Note 21)	7,680,326	16,827,599
	181,444,013	133,818,251

An impairment analysis is performed at the reporting date using a provision matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables past due more than one year are subjected to further assessment for impairment and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 19 and Note 21.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

Group	Expected credit loss rate %	Gross carrying amount: Trade receivables (including related parties) RM	Gross carrying amount: Contract assets RM	Expected credit losses: Collectively assessed RM	Expected credit losses: Individually assessed RM	Net balance RM
2023						
Current	0.18%	87,693,817	154,858,392	(440,362)	-	242,111,847
Past due 0 to 1 month	0.08%	34,839,588	-	(29,497)	-	34,810,091
Past due 1 to 2 months	0.19%	12,105,653	-	(23,386)	-	12,082,267
Past due 2 to 3 months	0.03%	19,439,386	-	(5,476)	-	19,433,910
Past due 3 to 6 months	2.74%	15,930,407	-	(437,161)	-	15,493,246
Past due over 6 months	41.92%	20,580,755	-	(1,478,306)	(7,148,178)	11,954,271
		190,589,606	154,858,392	(2,414,188)	(7,148,178)	335,885,632
2022						
Current	0.39%	80,254,321	74,496,032	(606,521)	-	154,143,832
Past due 0 to 1 month	0.16%	19,410,327	-	(31,322)	-	19,379,005
Past due 1 to 2 months	0.14%	8,310,937	-	(11,957)	-	8,298,980
Past due 2 to 3 months	0.31%	7,206,564	-	(22,598)	-	7,183,966
Past due 3 to 6 months	0.33%	10,844,865	-	(36,274)	-	10,808,591
Past due over 6 months	48.58%	15,426,217	-	(135,111)	(7,358,210)	7,932,896
		141,453,231	74,496,032	(843,783)	(7,358,210)	207,747,270

The movement of the loss allowance accounts used to record the impairment are as follows:

Group	Trade receivables (including related parties): Expected credit losses (collectively assessed) RM	Trade receivables (including related parties): Expected credit losses (individually assessed) RM	Trade receivables (including related parties): Total (Note 19) RM	Contract assets: Expected credit losses (collectively assessed) (Note 20) RM
2023				
At beginning of the year	276,770	7,358,210	7,634,980	567,013
Charge for the year (Note 7)	1,709,482	239,370	1,948,852	-
Reversal (Note 5)	-	(289,316)	(289,316)	(150,382)
Written off	-	(551,083)	(551,083)	-
Currency translation differences	11,163	390,997	402,160	142
At end of the year	1,997,415	7,148,178	9,145,593	416,773
2022				
At beginning of the year	1,208,069	7,916,549	9,124,618	190,346
Charge for the year (Note 7)	-	131,816	131,816	376,688
Reversal (Note 5)	(931,957)	(369,373)	(1,301,330)	-
Written off	-	(29,260)	(29,260)	-
Currency translation differences	658	(291,522)	(290,864)	(21)
At end of the year	276,770	7,358,210	7,634,980	567,013

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The companies in the Group primarily transact in their respective functional currencies. The Group's business is exposed to foreign exchange risk arising from various currency exposures primarily with respect to sales and operating expenses denominated mainly in Singapore Dollar (SGD), United States Dollar (USD) and Thailand Baht (Baht).

The Group holds short-term deposits denominated in USD and SGD which also give rise to foreign currency exposure. The Group is also exposed to currency translation risk arising from its net investments in foreign operations whose functional currencies are not in RM, the Group's presentation currency. The Company's net investments in foreign operations are not hedged as currency positions of the respective companies are considered to be long-term in nature.

At the reporting date, the Group does not hedge its foreign currency exposure using any financial instruments. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis for foreign currency risk
The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the SGD, USD, Baht, Hong Kong Dollar (HKD), Chinese Renminbi (RMB) and Brunei Dollar (BND) exchange rates against the respective functional currencies of the Group entities and the Group's presentation currency, with all other variables including tax rate being held constant.

	Group			
	Profit net of tax		Equity	
	2023 RM	2022 RM	2023 RM	2022 RM
SGD/RM				
- strengthened by 9% (2022: 2%)	2,099,554	241,478	242,573,566	48,819,931
- weakened by 9% (2022: 2%)	(2,099,554)	(241,478)	(242,573,566)	(48,819,931)
USD/RM				
- strengthened by 6% (2022: 6%)	9,103,692	10,675,485	17,241,643	17,688,021
- weakened by 6% (2022: 6%)	(9,103,692)	(10,675,485)	(17,241,643)	(17,688,021)
Baht/RM				
- strengthened by 5% (2022: 4%)	11,177	175,706	1,799,312	1,064,196
- weakened by 5% (2022: 4%)	(11,177)	(175,706)	(1,799,312)	(1,064,196)
HKD/RM				
- strengthened by 7% (2022: 5%)	8,804	43,770	15,004,633	9,359,082
- weakened by 7% (2022: 5%)	(8,804)	(43,770)	(15,004,633)	(9,359,082)
RMB/RM				
- strengthened by 2% (2022: 2%)	(86,872)	(95,254)	4,641,816	4,029,763
- weakened by 2% (2022: 2%)	86,872	95,254	(4,641,816)	(4,029,763)
BND/RM				
- strengthened by 9% (2022: 2%)	94,521	65,826	1,818,781	566,281
- weakened by 9% (2022: 2%)	(94,521)	(65,826)	(1,818,781)	(566,281)

The changes in exchange rates of other foreign currencies will not have a material impact on the financial statements of the Group.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)
The following table demonstrates the sensitivity of the Company's profit net of tax and equity to a reasonably possible change in the SGD and USD exchange rates against the functional and presentation currencies of the Company, with all other variables including tax rate being held constant.

	Company			
	Profit net of tax		Equity	
	2023 RM	2022 RM	2023 RM	2022 RM
SGD/RM				
- strengthened by 9% (2022: 2%)	-	-	217,110,540	45,280,451
- weakened by 9% (2022: 2%)	-	-	(217,110,540)	(45,280,451)
USD/RM				
- strengthened by 6% (2022: 6%)	4,239,323	4,401,727	4,239,323	4,401,727
- weakened by 6% (2022: 6%)	(4,239,323)	(4,401,727)	(4,239,323)	(4,401,727)

The changes in exchange rates of other foreign currencies will not have a material impact on the financial statements of the Company.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows:

At 30 June 2023	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Chinese Renminbi RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Euro RM	Hong Kong Dollar RM	Others RM	Total RM
Financial assets												
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	-	236,434,408	-	-	-	-	-	-	239,234,408
Financial assets at fair value through profit or loss - money market fund	27,544,302	-	-	-	-	-	-	-	-	-	-	27,544,302
Cash and bank balances	96,735,797	135,709,702	149,841,128	4,748,518	67,598	25,786,366	21,333,713	54,084,704	4,477,861	2,122,061	9,341,895	504,249,343
Trade receivables	59,985,372	12,621,987	54,816,576	145,032	222,124	16,421,095	9,975,884	9,177,953	8,431,597	338,273	1,627,794	173,763,687
Other receivables	3,267,156	1,218,305	784,949	724,660	-	1,596,193	8,837	3,107,549	551,032	28,532	746,467	12,033,680
Amounts due from related parties	6,628,390	67,620	-	-	981,025	-	-	-	-	70,911	-	7,747,946
Derivative asset	-	2,586	-	-	-	-	-	-	-	-	-	2,586
	196,961,017	149,620,200	205,442,653	5,618,210	237,705,155	43,803,654	31,318,434	66,370,206	13,460,490	2,559,777	11,716,156	964,575,952
Financial liabilities												
Loans and borrowings	8,568,244	164,255,325	114,859	-	-	1,028,908	-	1,821,991	2,915,190	-	807,487	179,512,004
Trade payables	12,458,200	699,840	8,478,025	28,529	105,837	750,580	560,677	99,287	793,444	35,316	4,083	24,013,818
Other payables	45,937,766	10,717,148	1,921,062	2,984,841	5,508,539	5,248,262	1,204,009	2,655,155	7,046,563	366,154	4,705,491	88,294,990
Amounts due to related parties	611,099	-	-	8,381	-	184,486	69,458	-	-	-	-	873,424
	67,575,309	175,672,313	10,513,946	3,021,751	5,614,376	7,212,236	1,834,144	4,576,433	10,755,197	401,470	5,517,061	292,694,236
Net financial assets/ (liabilities)	129,385,708	(26,052,113)	194,928,707	2,596,459	232,090,779	36,591,418	29,484,290	61,793,773	2,705,293	2,158,307	6,199,095	671,881,716
Less: Net financial position denominated in the respective entities' functional currencies	(125,759,354)	49,380,495	(43,200,515)	(2,596,459)	-	(36,367,879)	(28,418,058)	(61,491,179)	(699,688)	(2,032,542)	(4,903,050)	(256,088,229)
Currency exposure	3,626,354	23,328,382	151,728,192	-	232,090,779	223,539	1,066,232	302,594	2,005,605	125,765	1,296,045	415,793,487

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows: (cont'd)

At 30 June 2022	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Chinese Renminbi RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Euro RM	Hong Kong Dollar RM	Others RM	Total RM
Financial assets												
Financial assets at fair value through other comprehensive income - quoted equity shares	1,645,000	-	-	-	206,250,863	-	-	-	-	-	-	207,895,863
Financial assets at fair value through profit or loss - money market fund	54,659,549	-	-	-	-	-	-	-	-	-	-	54,659,549
Cash and bank balances	120,637,585	162,885,862	182,134,417	6,365,428	68,647	21,065,263	21,451,192	35,394,473	2,567,188	539,067	4,947,771	558,056,893
Trade receivables	34,288,931	5,416,547	35,124,388	132,624	47,083	13,810,421	14,560,916	6,909,243	4,266,427	200,293	2,233,779	116,990,652
Other receivables	2,488,914	925,763	501,167	1,386,722	-	2,015,798	7,896	1,851,950	597,286	40,593	836,995	10,653,084
Amounts due from related parties	15,897,325	60,901	-	-	-	-	-	-	-	934,512	-	16,892,738
Derivative asset	-	1,137,060	-	-	-	-	-	-	-	-	-	1,137,060
	229,617,304	170,426,133	217,759,972	7,884,774	206,366,593	36,891,482	36,020,004	44,155,666	7,430,901	1,714,465	8,018,545	966,285,839
Financial liabilities												
Loans and borrowings	10,367,244	188,379,303	-	-	-	113,384	-	-	1,571,228	-	490,599	200,921,758
Trade payables	14,591,495	649,258	2,299,137	27,195	-	356,010	953,140	60,026	160,439	64,907	33,541	19,195,148
Other payables	53,273,047	13,025,339	1,573,229	3,527,103	4,878,445	5,083,372	297,930	1,369,244	9,079,504	381,221	5,308,962	97,797,396
Amounts due to related parties	394,274	-	-	-	-	-	-	-	-	-	-	394,274
	78,626,060	202,053,900	3,872,366	3,554,298	4,878,445	5,552,766	1,251,070	1,429,270	10,811,171	446,128	5,833,102	318,308,576
Net financial assets/ (liabilities)	150,991,244	(31,627,767)	213,887,606	4,330,476	201,488,148	31,338,716	34,768,934	42,726,396	(3,380,270)	1,268,337	2,185,443	647,977,263
Less: Net financial position denominated in the respective entities' functional currencies	(145,568,959)	43,701,667	(35,962,854)	(4,330,476)	-	(26,946,056)	(31,986,673)	(42,663,964)	4,865,586	(392,928)	(2,868,257)	(242,152,914)
Currency exposure	5,422,285	12,073,900	177,924,752	-	201,488,148	4,392,660	2,782,261	62,432	1,485,316	875,409	(682,814)	405,824,349

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Company's currency exposure is as follows:

At 30 June 2023	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Hong Kong Dollar RM	Total RM
Financial assets					
Cash and bank balances	4,753,438	44,841,954	70,560,447	-	120,155,839
Dividend receivable	-	41,262,000	-	-	41,262,000
Other receivables	-	61,875	94,936	-	156,811
Loans to subsidiaries	3,490,078	1,375,400	-	-	4,865,478
Amounts due from subsidiaries	-	145,607,986	-	93,954	145,701,940
	8,243,516	233,149,215	70,655,383	93,954	312,142,068
Financial liabilities					
Loans and borrowings	-	152,731,692	-	-	152,731,692
Other payables	703,135	2,857,791	-	-	3,560,926
Amounts due to subsidiaries	2,536,291	12,079	-	-	2,548,370
	3,239,426	155,601,562	-	-	158,840,988
Net financial assets	5,004,090	77,547,653	70,655,383	93,954	153,301,080
Less: Net financial position denominated in the functional currency	-	(77,547,653)	-	-	(77,547,653)
Currency exposure	5,004,090	-	70,655,383	93,954	75,753,427
At 30 June 2022					
Financial assets					
Cash and bank balances	3,723,862	105,213,531	73,407,118	-	182,344,511
Other receivables	-	46,279	439	-	46,718
Amounts due from subsidiaries	8,112	152,665,519	-	56,869	152,730,500
	3,731,974	257,925,329	73,407,557	56,869	335,121,729
Financial liabilities					
Loans and borrowings	-	175,341,516	-	-	175,341,516
Other payables	747,644	2,550,961	45,439	-	3,344,044
Amounts due to subsidiaries	4,049,912	13,623	-	5,498	4,069,033
	4,797,556	177,906,100	45,439	5,498	182,754,593
Net financial (liabilities)/assets	(1,065,582)	80,019,229	73,362,118	51,371	152,367,136
Less: Net financial position denominated in the functional currency	-	(80,019,229)	-	-	(80,019,229)
Currency exposure	(1,065,582)	-	73,362,118	51,371	72,347,907

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial years.

(i) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements using			
Group	**Quoted prices in active markets for identical instruments (Level 1) RM**	**Significant observable inputs other than quoted prices (Level 2) RM**	**Significant unobservable inputs (Level 3) RM**	**Total RM**
Assets and liabilities measured at fair value				
2023				
Financial assets:				
Non-current asset				
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	2,800,000
Current assets				
Financial assets at fair value through other comprehensive income - quoted equity shares	236,434,408	-	-	236,434,408
Financial assets at fair value through profit or loss - money market fund	-	27,544,302	-	27,544,302
Derivative asset	-	-	2,586	2,586
	236,434,408	27,544,302	2,586	263,981,296
Financial assets as at 30 June 2023	239,234,408	27,544,302	2,586	266,781,296

There is no financial liability of the Group measured at fair value at the current reporting date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments (cont'd)

(i) Assets and liabilities measured at fair value (cont'd)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period: (cont'd)

	Fair value measurements using			
Group	Quoted prices in active markets for identical instruments (Level 1) RM	Significant observable inputs other than quoted prices (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
Assets and liabilities measured at fair value				
2022				
Financial assets:				
Non-current assets				
Financial assets at fair value through other comprehensive income - quoted equity shares	1,645,000	-	-	1,645,000
Derivative asset	-	-	1,137,060	1,137,060
	1,645,000	-	1,137,060	2,782,060
Current assets				
Financial assets at fair value through other comprehensive income - quoted equity shares	206,250,863	-	-	206,250,863
Financial assets at fair value through profit or loss - money market fund	-	54,659,549	-	54,659,549
	206,250,863	54,659,549	-	260,910,412
Financial assets as at 30 June 2022	207,895,863	54,659,549	1,137,060	263,692,472

There is no financial liability of the Group measured at fair value at the previous reporting date.

There is no financial asset or liability of the Company measured at fair value at the current and previous reporting dates.

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

- **Financial assets at fair value through other comprehensive income - quoted equity shares**

  Quoted equity shares are determined by reference to their published market closing price or the quoted closing bid price at the reporting date.

- **Financial assets at fair value through profit or loss - money market fund**

  Unquoted money market funds are valued based on the published Net Asset Value ("NAV") of the funds.

- **Cash and cash equivalents, other receivables, other payables, amounts due from/to subsidiaries/related parties, and loans to subsidiaries**

  The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

  The fair value of a particular amount due from a subsidiary was estimated by discounting the expected future payouts at intercompany loan interest rate, which approximates market interest rate, at the reporting date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

37. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments (cont'd)

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments: (cont'd)

- **Trade receivables and trade payables**

  The carrying amounts approximate fair values because these are subject to normal trade credit terms.

- **Loans and borrowings (non-current)**

  The fair values of the lease liabilities are determined by the present value of minimum lease payments, which are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of leases at the reporting date.

  The fair values of the revolving credit approximate their carrying amounts as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2023 and 2022 are shown below:

	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Group				
Derivative asset - Call option (FPL)	Binomial option pricing model	Expected volatility	**2023:** 30.97% - 32.97% (31.97%)	No material effect expected.
			2022: 25.0% - 35.1% (30.1%)	1% decrease would result in a decrease in fair value by RM33,227; 1% increase would result in an increase in fair value by RM33,177.
		Risk-free interest rate	**2023:** 2.95% - 4.95% (3.95%)	No material effect expected.
			2022: 2.3% - 2.7% (2.4%)	1% decrease would result in a decrease in fair value by RM44,781; 1% increase would result in an increase in fair value by RM45,628.

(f) Collateral

Other than part of short-term deposits pledged with banks as disclosed in Note 24, the Group has no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral as at current and previous reporting dates.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

38. Changes in liabilities arising from financing activities

Group	Dividends (Note 34) RM	Loans and borrowings (Note 28) RM	Total liabilities from financing activities RM
At 1 July 2021	-	26,211,881	26,211,881
Dividends declared during the year	42,943,545	-	42,943,545
Dividends paid	(42,943,545)	-	(42,943,545)
Proceeds from revolving credit	-	173,852,000	173,852,000
Repayment of term loan and revolving credit	-	(246,598)	(246,598)
Payment of upfront fee for revolving credit	-	(1,508,250)	(1,508,250)
Additions of leases during the year (Note 29)	-	70,092	70,092
Modification of leases during the year (Note 29)	-	9,007,315	9,007,315
Payment of principal portion of lease liabilities	-	(9,497,123)	(9,497,123)
Others	-	3,032,441	3,032,441
At 30 June 2022	-	200,921,758	200,921,758
At 1 July 2022	-	200,921,758	200,921,758
Dividends declared during the year	57,570,639	-	57,570,639
Dividends paid	(57,570,639)	-	(57,570,639)
Repayment of term loan and revolving credit	-	(36,582,936)	(36,582,936)
Additions of leases during the year (Note 29)	-	5,167,388	5,167,388
Modification of leases during the year (Note 29)	-	3,318,110	3,318,110
Payment of principal portion of lease liabilities	-	(8,265,745)	(8,265,745)
Others	-	14,953,429	14,953,429
At 30 June 2023	-	179,512,004	179,512,004

The 'Others' line item includes the effect of foreign currency translation on loans and borrowings denominated in foreign currencies. The Group classifies interest paid as cash flows from operating activities.

39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2023 and 2022.

The Group monitors capital using the net asset value of the Group, which is total assets less total liabilities of the Group. The net asset value of the Group as at 30 June 2023 is RM1,149,995,968 (2022: RM975,178,502).

The Group and its subsidiaries are not subject to any externally imposed capital requirements.

40. Segment information

For management purposes, the Group is organised into segments as follows:

Operating and non-operating segments

(i) Software licensing – provision of digital economy solutions to banks and corporations engaged in banking, insurance, government, retail, payment and logistics industries.

(ii) Software project services (professional services) – provision of software customisation and implementation services to deliver end-to-end core banking, payment, retail, digital identity and security software solutions.

(iii) Maintenance and enhancement services – provision of round-the-clock software maintenance support and software enhancement services.

(iv) Sale of software and hardware products – sale of software and hardware products to meet customers' software and hardware needs.

(v) Insurance ecosystem transactions and services – provision of cloud computing Software-as-a-Service collaborative platform for policy origination and insurance claim processing.

(vi) Retail transactions processing – provision of Software-as-a-Service subscription version of retail automation solution.

(vii) Others – comprising investment holding and corporate activities which costs cannot be directly attributable to the operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspect as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets which are expected to be used for more than one period.

Current taxes and deferred taxes are not allocated to individual segments as they are managed on a group basis.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

40. Segment information (cont'd)

(a) Business information

The following table presents the revenue and results information regarding the Group's business segments for the financial years ended 30 June 2023 and 2022 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2023 and 30 June 2022.

2023	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	73,913,899	102,014,974	513,111,353	20,630,038	52,260,628	3,984,333	-	-		765,915,225
At a point in time	6,824,667	-	-	20,630,038	42,796,863	-	-	-		70,251,568
Over time	67,089,232	102,014,974	513,111,353	-	9,463,765	3,984,333	-	-		695,663,657
Inter-segment	-	-	-	-	-	-	98,941,240	(98,941,240)	A	-
Results:										
Finance income	623,805	1,071,641	4,473,851	198,291	521,756	50,854	4,806,556	-		11,746,754
Finance costs	(82,934)	(119,822)	(564,818)	(17,764)	8,422	(21,423)	(7,553,413)	-		(8,351,752)
Selling and distribution costs	(4,761,894)	(7,598,427)	(23,355,809)	(1,593,688)	(3,254,017)	(547,907)	(9,146,582)	-		(50,258,324)
Depreciation of property, plant and equipment	(253,863)	(539,216)	(1,871,745)	(65,103)	(605,237)	(71,157)	(190,874)	-		(3,597,195)
Depreciation of right-of-use assets	(759,347)	(1,324,421)	(5,348,743)	(150,433)	(489,151)	(74,944)	(402,959)	-		(8,549,998)
Amortisation of intangible assets	(22,607,988)	-	(1,746,454)	-	(1,577,467)	(422,502)	(898,797)	-		(27,253,208)
Share of loss of an associate	-	-	-	-	-	-	(954,267)	-		(954,267)
Reversal of provision for foreseeable losses	-	508,068	-	-	-	-	-	-		508,068
Loss on derivative asset at fair value through profit or loss	-	-	-	-	-	-	(1,176,968)	-		(1,176,968)
Other non-cash (expenses)/income	(190,870)	(1,812,519)	(4,482,091)	(32,646)	849,308	25,050	(6,966,838)	-	B	(12,610,606)
Segment profit/(loss)	37,199,502	21,871,613	303,743,478	285,439	30,007,515	386,562	(163,932,351)	-		229,561,758
Assets:										
Capital expenditure	76,839,832	1,297,361	6,003,917	41,988	2,668,712	4,046	3,721,393	-	C	90,577,249
Segment assets	141,773,001	270,735,242	652,750,039	19,701,386	92,599,003	5,759,975	393,470,696	56,417,541	D	1,633,206,883
Segment liabilities	10,948,884	10,643,946	212,150,078	4,054,494	11,941,210	800,220	168,897,372	63,774,711	E	483,210,915

40. Segment information (cont'd)

(a) Business information (cont'd)

The following table presents the revenue and results information regarding the Group's business segments for the financial years ended 30 June 2023 and 2022 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2023 and 30 June 2022. (cont'd)

2022	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	84,151,905	90,947,063	499,140,446	20,841,268	39,357,041	2,103,959	-	-		736,541,682
At a point in time	2,387,177	-	-	20,841,268	31,123,022	-	-	-		54,351,467
Over time	81,764,728	90,947,063	499,140,446	-	8,234,019	2,103,959	-	-		682,190,215
Inter-segment	-	-	-	-	-	-	101,106,222	(101,106,222)	A	-
Results:										
Finance income	210,239	427,375	1,877,596	69,749	161,517	17,951	314,859	-		3,079,286
Finance costs	(370,446)	(912,694)	(1,021,009)	(33,122)	(72,296)	(6,796)	(382,889)	-		(2,799,252)
Selling and distribution costs	(5,137,892)	(5,549,771)	(22,775,160)	(1,002,683)	(2,566,028)	(332,020)	(4,731,027)	-		(42,094,581)
Depreciation of property, plant and equipment	(340,692)	(482,753)	(2,023,824)	(63,273)	(668,311)	(47,372)	(136,103)	-		(3,762,328)
Depreciation of right-of-use assets	(1,219,832)	(1,540,987)	(5,315,768)	(259,633)	(539,255)	(49,036)	(297,351)	-		(9,221,862)
Amortisation of intangible assets	(19,878,705)	-	(1,751,351)	-	(1,862,067)	(179,582)	(53,555)	-		(23,725,260)
Fair value adjustment on subsequent measurement of put liability	-	-	-	-	-	-	1,461,018	-		1,461,018
Gain on derivative asset at fair value through profit or loss	-	-	-	-	-	-	1,117,620	-		1,117,620
Derecognition of derivative asset upon expiry of call option	-	-	-	-	-	-	(756,928)	-		(756,928)
Other non-cash (expenses)/income	(266,681)	(669,176)	267,548	139,407	(1,683)	4,578	(4,150,567)	-	B	(4,676,574)
Segment profit/(loss)	43,569,952	17,984,226	281,542,469	3,298,879	19,144,331	(25,264)	(133,656,980)	-		231,857,613
Assets:										
Capital expenditure	45,232,846	216,226	1,728,954	45,358	1,696,244	3,239	3,268,875	-	C	52,191,742
Segment assets	160,335,350	169,918,862	562,817,587	26,077,649	87,361,907	3,752,711	417,746,991	64,084,702	D	1,492,095,759
Segment liabilities	53,442,432	12,054,466	188,311,702	4,968,649	10,706,606	847,112	191,563,093	55,023,197	E	516,917,257

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

40. Segment information (cont'd)

(a) Business information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment dividend is eliminated on consolidation.

B Other non-cash (expenses)/income consist of write off of property, plant and equipment, net gain on disposal of right-of-use assets, net loss on disposal of property, plant and equipment, net gain on lease modifications, (loss)/gain on redemption of financial assets - money market fund, reversal of/(provision for) expected credit losses on trade receivables and contract assets, reversal of provision for foreseeable losses, dividend income from financial assets - quoted equity shares, bad debts written off, waiver of debts, net unrealised foreign currency exchange (loss)/gain, allowance for unutilised leave, defined benefits obligations and performance shares issued as presented in the respective notes to the financial statements.

C Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, and intangible assets.

D The following tax items are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets to arrive at total assets reported in consolidated statement of financial position:

	2023 RM	2022 RM
Tax recoverable	6,433,217	5,897,617
Deferred tax assets	49,984,324	58,187,085
	56,417,541	64,084,702

E The following tax items are managed on a group basis and are not allocated to individual segment, and are herein added to segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2023 RM	2022 RM
Tax payable	19,644,270	13,355,805
Deferred tax liabilities	44,130,441	41,667,392
	63,774,711	55,023,197

(b) Geographical information

The Group's six main business segments operate in seven main geographical regions:

- South East Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; sale of software and hardware products; insurance ecosystem transactions and services; and retail transactions processing.

- North East Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and insurance ecosystem transactions and services.

- South Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); and maintenance and enhancement services.

- Middle East – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and insurance ecosystem transactions and services.

- Americas – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance services; and sale of software and hardware products.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

40. Segment information (cont'd)

(b) Geographical information (cont'd)

The Group's six main business segments operate in seven main geographical regions: (cont'd)

- Africa – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and sale of software and hardware products.

- Europe – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and sale of software and hardware products.

Revenue, trade receivables, contract assets and amounts due from related parties (trade) are based on the country in which the end-customer is located. Other assets and capital expenditure are shown by the geographical region where the assets are located.

	Group	
	2023 RM	2022 RM
Revenue		
South East Asia	613,613,838	597,305,583
North East Asia	25,749,873	24,699,830
South Asia	39,878,255	44,739,361
Middle East	44,983,701	22,209,300
Americas	4,312,143	4,540,301
Africa	16,466,634	16,733,687
Europe	20,910,781	26,313,620
	765,915,225	736,541,682
Capital expenditure		
South East Asia	87,545,535	50,170,816
North East Asia	5,196	10,024
South Asia	25,587	16,468
Middle East	35,150	5,628
Africa	1,492	12,625
Europe	2,964,289	1,976,181
	90,577,249	52,191,742
Segmental assets		
South East Asia	1,209,124,782	1,144,258,395
North East Asia	252,803,124	216,331,488
South Asia	30,743,621	26,257,334
Middle East	27,528,398	2,947,950
Americas	1,740,147	481,404
Africa	14,395,537	12,904,414
Europe	96,871,274	88,914,774
	1,633,206,883	1,492,095,759

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2023

40. Segment information (cont'd)

(b) Geographical information (cont'd)

No other individual country contributed more than 10% of consolidated revenue and non-current assets, except for:

	Group	
	2023 RM	2022 RM
Revenue		
Malaysia	264,844,270	243,996,981
Indonesia	118,303,692	122,415,917
Singapore	80,399,906	68,627,757
Thailand	77,059,895	87,577,457
Non-current assets *		
Malaysia	251,907,535	194,938,832
Singapore	100,094,232	97,034,018
Latvia	81,625,588	76,232,915

* Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

Information about major customers
In the previous financial year, there was one customer that contributed more than 10% of the total Group's revenue amounting to RM79,833,324. Revenue from the major customer arose from software licensing and maintenance and enhancement services. There is no such major customer during the financial year.

41. Significant event during the financial year

Internal restructuring

The Company incorporated Fermion Pte. Ltd. ("FPL") with a subsidiary, Silverlake Fermion Sdn. Bhd. ("SFSB"), on 15 March 2021 and 8 June 2021 respectively. FPL is an investment holding company incorporated to support the Group's business expansion for Fermion Insurtech ecosystem. As part of the internal restructuring, the Company entered into a share sale agreement with FPL on 4 July 2022 to transfer its investments in Merimen Ventures Sdn. Bhd. ("MVSB") and Cyber Village Sdn. Bhd. ("CVSB") to FPL at a consideration mutually agreed by both parties ("Disposal"). The shares transfer of MVSB and CVSB were completed on 5 September 2022 and 8 September 2022 respectively.

The internal restructuring which involved the transfer of subsidiaries within the Group did not have any impact to the financial performance and position of the Group.

42. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 26 September 2023.

The FY2024 Results set out below have been extracted from the announcement by the Company on 23 August 2024 and were not specifically prepared for inclusion in this Circular. The figures have not been audited.

SILVERLAKE AXIS LTD.

(Registered in Singapore)
(Company Registration Number: 202133173M)

Condensed Consolidated Financial Statementsfor the six months and full year ended 30 June 2024

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A. Condensed Consolidated Income Statement

		Group					
		6 months ended 30 June			12 months ended 30 June		
		2024	2023	Change	2024	2023	Change
	Note	RM	RM	%	RM	RM	%
Revenue	4	386,083,101	373,638,311	3	783,454,953	765,915,225	2
Cost of sales		(196,193,634)	(152,020,461)	29	(373,410,664)	(314,903,304)	19
Gross profit		189,889,467	221,617,850	(14)	410,044,289	451,011,921	(9)
Other items of income							
Finance income		8,490,972	7,263,337	17	16,662,746	11,746,754	42
Other income		2,974,964	1,421,645	109	4,832,856	3,383,782	43
Other items of expenses							
Selling and distribution costs		(46,165,045)	(27,263,008)	69	(73,633,526)	(50,258,324)	47
Administrative expenses		(103,121,147)	(96,163,325)	7	(190,631,643)	(177,016,356)	8
Finance costs		(3,958,258)	(4,569,512)	(13)	(8,440,900)	(8,351,752)	1
Share of loss of an associate		(701,067)	(610,989)	15	(1,224,703)	(954,267)	28
Profit before tax	5	47,409,886	101,695,998	(53)	157,609,119	229,561,758	(31)
Income tax expense	6	(31,556,917)	(31,131,830)	1	(52,432,758)	(59,282,715)	(12)
Profit for the year		15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
Profit for the year attributable to:							
Owners of the parent		14,704,958	70,273,008	(79)	103,349,387	169,591,931	(39)
Non-controlling interests		1,148,011	291,160	294	1,826,974	687,112	166
		15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
Earnings per share attributable to the owners of the parent:							
- Basic (sen)	7	0.59	2.80	(79)	4.11	6.76	(39)
- Diluted (sen)	7	0.59	2.80	(79)	4.11	6.76	(39)

B. Condensed Consolidated Statement of Comprehensive Income

		Group					
		6 months ended 30 June			12 months ended 30 June		
		2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Profit for the period/year		15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
Other items of income							
Items that may be reclassified to profit or loss in the subsequent periods:							
- Foreign currency translation gain		4,975,687	36,413,001	(86)	1,577,703	45,829,596	(97)
		4,975,687	36,413,001	(86)	1,577,703	45,829,596	(97)
Items that will not be reclassified to profit or loss in the subsequent periods:							
- Fair value (loss)/gain on financial assets - quoted equity shares		(69,903,050)	42,382,780	(265)	(62,734,868)	16,994,912	(469)
- Deferred tax relating to fair value		7,001,858	(4,170,178)	(268)	6,333,872	(1,650,306)	(484)
- Actuarial loss on defined benefit plans		(87,302)	(272,070)	(68)	(87,302)	(272,070)	(68)
- Deferred tax relating to actuarial loss on defined benefit plans		6,113	8,943	(32)	6,113	70,790	(91)
		(62,982,381)	37,949,475	(266)	(56,482,185)	15,143,326	(473)
Other comprehensive (loss)/ income for the period/year, net of tax		(58,006,694)	74,362,476	(178)	(54,904,482)	60,972,922	(190)
Total comprehensive (loss)/ income for the period/year		(42,153,725)	144,926,644	(129)	50,271,879	231,251,965	(78)
Total comprehensive (loss)/ income for the period/year attributable to:							
Owners of the parent		(43,301,736)	144,635,484	(130)	48,444,905	230,564,853	(79)
Non-controlling interests		1,148,011	291,160	294	1,826,974	687,112	166
		(42,153,725)	144,926,644	(129)	50,271,879	231,251,965	(78)

C. Condensed Statements of Financial Position

	Note	Group		Company	
		30 June 2024 RM	30 June 2023 RM	30 June 2024 RM	30 June 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment		11,084,905	11,713,163	21,401	29,648
Right-of-use assets		25,451,525	26,703,864	-	-
Intangible assets	8	426,402,989	409,304,299	-	-
Investments in subsidiaries	9	-	-	2,205,432,727	2,259,360,871
Investment in an associate	10	12,710,643	5,650,767	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	11	178,337,413	2,800,000	-	-
Amount due from a subsidiary		-	-	150,570,098	145,607,986
Deferred tax assets		45,144,335	49,984,324	-	-
		699,131,810	506,156,417	2,356,024,226	2,404,998,505
Current assets					
Inventories		886,005	399,155	-	-
Trade and other receivables	12	172,001,500	185,797,367	117,843	156,811
Contract assets	13	185,351,347	154,441,619	-	-
Prepayments		4,387,153	4,000,523	178,259	42,518
Dividend receivable		-	-	-	41,262,000
Amounts due from subsidiaries		-	-	168,818	93,954
Amounts due from related parties		21,238,508	7,747,946	-	-
Loans to subsidiaries		-	-	-	4,865,478
Tax recoverable		2,968,423	6,433,217	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	11	-	236,434,408	-	-
Financial assets at fair value through profit or loss - money market fund		7,844,763	27,544,302	-	-
Derivative asset	14	-	2,586	-	-
Cash and bank balances		497,222,962	504,249,343	88,349,137	120,155,839
		891,900,661	1,127,050,466	88,814,057	166,576,600
Total assets		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105
EQUITY AND LIABILITIES					
Equity					
Share capital	16(a)	1,845,200,087	1,845,200,087	1,845,200,087	1,845,200,087
Treasury shares	16(c)	(193,093,213)	(196,600,677)	(193,093,213)	(196,600,677)
Other reserves	17	(57,842,297)	(1,967,926)	291,686,129	265,644,529
Merger deficit	18	(1,943,942,990)	(1,943,942,990)	-	-
Retained profits		1,484,854,267	1,433,502,822	378,540,099	498,095,391
Equity attributable to owners of the parent		1,135,175,854	1,136,191,316	2,322,333,102	2,412,339,330
Non-controlling interests		15,631,626	13,804,652	-	-
Total equity		1,150,807,480	1,149,995,968	2,322,333,102	2,412,339,330

C. Condensed Statements of Financial Position (cont'd)

	Note	Group		Company	
		30 June 2024 RM	30 June 2023 RM	30 June 2024 RM	30 June 2023 RM
EQUITY AND LIABILITIES (cont'd)					
Non-current liabilities					
Loans and borrowings	19	133,914,057	171,950,644	115,895,112	152,731,692
Deferred tax liabilities		23,093,054	44,130,441	-	-
Provision for defined benefit liabilities		13,900,749	13,763,331	-	-
		170,907,860	229,844,416	115,895,112	152,731,692
Current liabilities					
Trade and other payables		99,706,517	112,308,808	4,048,555	3,560,926
Contract liabilities	13	135,518,326	112,978,637	-	-
Loans and borrowings	19	8,224,167	7,561,360	-	-
Provision for defined benefit liabilities		567,388	-	-	-
Amounts due to subsidiaries		-	-	2,075,682	2,548,370
Amounts due to related parties		1,548,228	873,424	-	-
Tax payable		23,752,505	19,644,270	485,832	394,787
		269,317,131	253,366,499	6,610,069	6,504,083
Total liabilities		440,224,991	483,210,915	122,505,181	159,235,775
Net current assets		622,583,530	873,683,967	82,203,988	160,072,517
Total equity and liabilities		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105

D. Condensed Statements of Changes in Equity

Group	Note	Share capital (Note 16(a)) RM	Treasury shares (Note 16(c)) RM	Other reserves (Note 17) RM	Merger deficit (Note 18) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the parent							
		<------- Non-distributable ------->							
2024									
At 1 July 2023		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968
Profit for the year		-	-	-	-	103,349,387	103,349,387	1,826,974	105,176,361
Other comprehensive loss for the year		-	-	(54,823,293)	-	(81,189)	(54,904,482)	-	(54,904,482)
Total comprehensive (loss)/income for the year		-	-	(54,823,293)	-	103,268,198	48,444,905	1,826,974	50,271,879
Transactions with owners									
Purchase of treasury shares	16(c)	-	(144,218)	-	-	-	(144,218)	-	(144,218)
Grant of shares under Performance Share Plan	16(d)	-	-	2,600,604	-	-	2,600,604	-	2,600,604
Release of shares under Performance Share Plan	16(c)	-	3,651,682	(3,651,682)	-	-	-	-	-
Dividends on ordinary shares	20	-	-	-	-	(51,916,753)	(51,916,753)	-	(51,916,753)
Total transactions with owners in their capacity as owners		-	3,507,464	(1,051,078)	-	(51,916,753)	(49,460,367)	-	(49,460,367)
At 30 June 2024		1,845,200,087	(193,093,213)	(57,842,297)	(1,943,942,990)	1,484,854,267	1,135,175,854	15,631,626	1,150,807,480
2023									
At 1 July 2022		1,845,200,087	(197,775,703)	(63,103,242)	(1,943,942,990)	1,321,682,810	962,060,962	13,117,540	975,178,502
Profit for the year		-	-	-	-	169,591,931	169,591,931	687,112	170,279,043
Other comprehensive income/(loss) for the year		-	-	61,174,202	-	(201,280)	60,972,922	-	60,972,922
Total comprehensive income for the year		-	-	61,174,202	-	169,390,651	230,564,853	687,112	231,251,965
Transactions with owners									
Purchase of treasury shares	16(c)	-	(5,377,265)	-	-	-	(5,377,265)	-	(5,377,265)
Grant of shares under Performance Share Plan	16(d)	-	-	6,513,405	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	16(c)	-	6,552,291	(6,552,291)	-	-	-	-	-
Dividends on ordinary shares	20	-	-	-	-	(57,570,639)	(57,570,639)	-	(57,570,639)
Total transactions with owners in their capacity as owners		-	1,175,026	(38,886)	-	(57,570,639)	(56,434,499)	-	(56,434,499)
At 30 June 2023		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968

D. Condensed Statements of Changes in Equity (cont'd)

		Attributable to owners of the parent				
		Non-distributable				
Company	Note	**Share capital (Note 16(a)) RM**	**Treasury shares (Note 16(c)) RM**	**Other reserves (Note 17) RM**	**Distributable retained profits RM**	**Total equity RM**
2024						
At 1 July 2023		1,845,200,087	(196,600,677)	265,644,529	498,095,391	2,412,339,330
Profit for the year		-	-	-	(67,638,539)	(67,638,539)
Other comprehensive loss for the year		-	-	27,092,678	-	27,092,678
Total comprehensive (loss)/income for the year		-	-	27,092,678	(67,638,539)	(40,545,861)
<u>Transactions with owners</u>						
Purchase of treasury shares	16(c)	-	(144,218)	-	-	(144,218)
Grant of shares under Performance Share Plan	16(d)	-	-	2,600,604	-	2,600,604
Release of shares under Performance Share Plan	16(c)	-	3,651,682	(3,651,682)	-	-
Dividends on ordinary shares	20	-	-	-	(51,916,753)	(51,916,753)
Total transactions with owners in their capacity as owners		-	3,507,464	(1,051,078)	(51,916,753)	(49,460,367)
At 30 June 2024		1,845,200,087	(193,093,213)	291,686,129	378,540,099	2,322,333,102
2023						
At 1 July 2022		1,845,200,087	(197,775,703)	67,357,946	549,240,210	2,264,022,540
Profit for the year		-	-	-	6,425,820	6,425,820
Other comprehensive income/(loss) for the year		-	-	198,325,469	-	198,325,469
Total comprehensive income for the year		-	-	198,325,469	6,425,820	204,751,289
<u>Transactions with owners</u>						
Purchase of treasury shares	16(c)	-	(5,377,265)	-	-	(5,377,265)
Grant of shares under Performance Share Plan	16(d)	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	16(c)	-	6,552,291	(6,552,291)	-	-
Dividends on ordinary shares	20	-	-	-	(57,570,639)	(57,570,639)
Total transactions with owners in their capacity as owners		-	1,175,026	(38,886)	(57,570,639)	(56,434,499)
At 30 June 2023		1,845,200,087	(196,600,677)	265,644,529	498,095,391	2,412,339,330

E. Condensed Consolidated Statement of Cash Flows

	Note	Group	
		12 months ended 30 June	
		2024 RM	2023 RM
Operating activities:			
Profit before tax		157,609,119	229,561,758
Adjustments for:			
Amortisation of intangible assets	5	28,762,185	27,253,208
Write off of intangible assets		557,200	-
Depreciation of property, plant and equipment		3,951,405	3,597,195
Depreciation of right-of-use assets		9,220,769	8,549,998
Write off of property, plant and equipment		116,754	28,943
Net (gain)/loss on disposal of property, plant and equipment		(2,364)	38,647
Net gain on disposal of right-of-use assets		(1,526)	(103,490)
Net gain on lease modifications		-	(173,984)
Bad debts written off		277,608	73,007
Expected credit losses on trade receivables		2,490,265	1,948,852
Expected credit losses on contract assets		1,595,365	-
Reversal of expected credit losses on trade receivables		(561,258)	(289,316)
Reversal of expected credit losses on contract assets		-	(150,382)
Provision/(reversal of provision) for foreseeable losses		644,262	(508,068)
Dividend income from financial assets - quoted equity shares		(21,000)	(63,000)
Net gain on redemption of financial assets - money market fund		(188,364)	(861,177)
Net unrealised foreign currency exchange loss		2,459,197	3,231,581
Loss on derivative asset at fair value through profit or loss		-	1,176,968
Performance shares issued		2,556,090	6,595,272
Waiver of debts		(106,355)	(108,112)
Allowance for unutilised leave		2,242,534	1,853,268
Defined benefit obligation		1,465,978	590,497
Share of loss of an associate		1,224,703	954,267
Finance costs		8,440,900	8,351,752
Finance income		(16,662,746)	(11,746,754)
Total adjustments		48,461,602	50,239,172
Operating cash flows before changes in working capital		206,070,721	279,800,930
Changes in working capital:			
Inventories		(468,803)	21,124
Trade and other receivables		9,403,944	(56,439,341)
Contract assets/liabilities		(42,032,825)	(95,887,698)
Amounts due from/to related parties, net		(12,835,949)	9,621,422
Trade and other payables		9,767,508	(9,764,967)
Total changes in working capital		(36,166,125)	(152,449,460)
Cash flows from operations		169,904,596	127,351,470
Net placement of deposits pledged		(3,135,572)	(414,937)
Defined benefits paid		(415,686)	(89,886)
Income tax paid		(50,311,422)	(46,142,514)
Interest paid		(8,544,619)	(8,086,832)
Net cash flows from operating activities		107,497,297	72,617,301

E. Condensed Consolidated Statement of Cash Flows (cont'd)

	Note	Group	
		12 months ended 30 June	
		2024 RM	2023 RM
Investing activities:			
Purchases of property, plant and equipment		(3,465,400)	(5,121,089)
Downpayment for hire purchase assets		(87,400)	(46,401)
Payments for software development expenditure		(44,933,150)	(78,110,516)
Payments for other intangible assets		(648,854)	(2,131,855)
Proceeds from disposal of property, plant and equipment		6,261	152,191
Proceeds from disposal of right-of-use assets		2,234	275,314
Proceeds from redemption of financial assets - money market fund		19,907,903	27,976,424
Investment in an associate		(8,209,008)	-
Purchases of financial assets - money market fund		(20,000)	-
Interest received		15,802,212	11,209,177
Dividend income received from financial assets - quoted equity s hares		21,000	63,000
Net cash flows used in investing activities		(21,624,202)	(45,733,755)
Financing activities:			
Dividends paid	20	(51,916,753)	(57,570,639)
Purchase of treasury shares		(144,218)	(5,377,265)
Repayment of revolving credit and term loan		(38,546,713)	(36,582,936)
Payment of principal portion of lease liabilities		(8,424,651)	(8,265,745)
Net cash flows used in financing activities		(99,032,335)	(107,796,585)
Net decrease in cash and cash equivalents		(13,159,240)	(80,913,039)
Effects of exchange rate changes on cash and cash equivalents		2,983,823	26,687,864
Cash and cash equivalents at beginning of the year		494,709,601	548,934,776
Cash and cash equivalents at end of the year		484,534,184	494,709,601

	Note	Group	
		12 months ended 30 June	
		2024 RM	2023 RM
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:			
Cash and bank balances per Statements of Financial Position		497,222,962	504,249,343
Less: Pledged deposits		(12,688,778)	(9,539,742)
Cash and cash equivalents at end of the year		484,534,184	494,709,601

F. Notes to the Condensed Consolidated Financial Statements

1. Corporate information

Silverlake Axis Ltd. (the Company) was an exempt company with limited liability and incorporated in Bermuda. On 23 September 2021, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

The Company regards Zezz FundQ Pte. Ltd. ("Zezz"), an exempt private company incorporated in Singapore, as its holding company.

The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST).

On 14 November 2023, the registered office of the Company was relocated to 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 of the last annual financial statements for the year ended 30 June 2023. There have been no significant changes in the nature of these activities during the financial year.

2. Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by Accounting Standards Council Singapore ("ASC"). SFRS(I)s are equivalent to International Financial Reporting Standards ("IFRSs").

The condensed financial statements for the full year ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the ASC. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies and methods of computation adopted in the condensed financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 30 June 2023, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Ringgit Malaysia ("RM").

2.1 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to SFRS(I) which are effective 1 July 2023 for the Group and the Company:

SFRS(I) 17: Insurance Contracts
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
Amendments to SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 - Comparative Information

The adoption of the above amendments to standards did not have any significant effect on the financial performance or position of the Group and of the Company, except for:

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

2. Basis of preparation (cont'd)

2.1 New and amended standards and interpretations (cont'd)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.2 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group intends to adopt these standards when they become effective. The directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements.

2.3 Use of estimates and judgements

The preparation of the Group's condensed consolidated financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. These judgements, estimates and assumptions made were the same as those that applied to the audited consolidated financial statements as at 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

<u>Key sources of estimation uncertainty</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

2. Basis of preparation (cont'd)

2.3 Use of estimates and judgements (cont'd)

(a) Measurement of progress towards complete satisfaction of software project services (professional services)

The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services) in accounting for its contract revenue for rendering of these services where it is probable that contract costs are recoverable. The progress towards complete satisfaction of software project services (professional services) is determined by the proportion that the contract costs incurred to date bear to the estimated total costs for the contract.

Significant judgement is required in determining the progress towards complete satisfaction of software project services (professional services), the extent of the contract costs incurred and the estimated total contract costs, as well as the recoverability of the contract costs. In making the estimation, the Group evaluates based on its past experience of similar types of contracts.

(b) Capitalisation and economic useful lives of software development expenditure

The Group capitalised costs relating to the development and enhancement of its new and existing software respectively, upon meeting the criteria for capitalisation as disclosed in Note 2.4(n)(i) of the last annual financial statements for the year ended 30 June 2023. Amortisation of the software begins when development is complete and the software is available for use over the period of expected future benefit (to the maximum of 10 years). The Group reviews the economic useful lives of the software at least once a year. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

(c) Impairment of goodwill

The recoverable amounts of the cash-generating units ("CGUs") have been determined based on value in use calculations using projected cash flows from financial budgets approved by management covering a five-year period and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The Group tests goodwill for impairment by assessing the value in use of the underlying CGU. No further impairment loss on goodwill has been recognised in the current and previous financial years.

(d) Impairment of investments in subsidiaries

The Company assesses, at each reporting date, whether there is an indication that the investments in subsidiaries may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Company's investments in subsidiaries as at 30 June 2024 is disclosed in Note 9.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

2. Basis of preparation (cont'd)

2.3 Use of estimates and judgements (cont'd)

(e) Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated with the changes in the forward-looking estimates.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs require estimation. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amounts of the Group's trade receivables and contract assets as at 30 June 2024 are disclosed in Note 12 and Note 13 respectively.

(f) Income tax and deferred tax

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the written-down allowance of intellectual property rights, capital and other tax allowances, and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimation of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unutilised tax losses and other tax benefits to the extent that it is probable that taxable profit will be available against which the losses and tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

4. Revenue

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Sale of goods or rendering of services						
Software licensing	23,696,085	17,917,670	32	50,173,247	73,913,899	(32)
Software project services (professional services)	47,911,311	61,074,173	(22)	111,812,645	102,014,974	10
Maintenance and enhancement services	274,854,688	263,323,622	4	542,724,757	513,111,353	6
Sale of system software and hardware products	5,672,804	3,348,616	69	13,820,297	20,630,038	(33)
Insurance ecosystem transactions and services	31,198,820	25,920,864	20	59,775,793	52,260,628	14
Retail transactions processing	2,749,393	2,053,366	34	5,148,214	3,984,333	29
Total revenue from contracts with customers	386,083,101	373,638,311	3	783,454,953	765,915,225	2

A breakdown of revenue is presented as follows:

	Group		
	Financial year ended		
	2024 RM	2023 RM	Change %
Revenue reported for the first half of the financial year	397,371,852	392,276,914	1
Operating profit after tax before deducting non-controlling interests reported for the first half of the financial year	89,323,392	99,714,875	(10)
Revenue reported for the second half of the financial year	386,083,101	373,638,311	3
Operating profit after tax before deducting non-controlling interests reported for the second half of the financial year	15,852,969	70,564,168	(78)

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

5. Profit before tax

Profit before tax is arrived at after (charging)/crediting:

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Amortisation of intangible assets	(14,259,149)	(13,880,630)	3	(28,762,185)	(27,253,208)	6
Write off of intangible assets	(557,200)	-	N/M	(557,200)	-	N/M
Depreciation of property, plant and equipment	(1,976,511)	(1,818,791)	9	(3,951,405)	(3,597,195)	10
Depreciation of right-of-use assets	(4,669,419)	(4,394,469)	6	(9,220,769)	(8,549,998)	8
Write off of property, plant and equipment	(99,520)	(28,943)	244	(116,754)	(28,943)	303
Net gain**/(loss)* on disposal of property, plant and equipment	854	597	43	2,364	(38,647)	(106)
Net gain on disposal of right-of-use assets	1,526	103,490	(99)	1,526	103,490	(99)
Net gain on lease modifications	-	66,828	(100)	-	173,984	(100)
Bad debts written off*	(262,044)	(69,557)	277	(277,608)	(73,007)	280
Expected credit losses on trade receivables*	(2,490,265)	(1,948,852)	28	(2,490,265)	(1,948,852)	28
Expected credit losses on contract assets*	(1,595,365)	-	N/M	(1,595,365)	-	N/M
Reversal of expected credit losses on trade receivables**	547,628	141,588	287	561,258	289,316	94
Reversal of expected credit losses on contract assets**	-	150,382	(100)	-	150,382	(100)
(Provision)/reversal of provision for foreseeable losses	(771,910)	44,553	(1833)	(644,262)	508,068	(227)
Dividend income from financial assets - quoted equity shares**	-	21,000	(100)	21,000	63,000	(67)
Net gain on redemption of financial assets - money market fund	135,182	408,147	(67)	188,364	861,177	(78)
Net foreign currency exchange gain**/loss*:						
- Realised	2,854,886	2,213,781	29	1,518,853	(1,179,717)	(229)
- Unrealised	(1,079,062)	(2,814,303)	(62)	(2,459,197)	(3,231,581)	(24)
Loss on derivative asset at fair value through profit or loss*	-	(1,176,968)	(100)	-	(1,176,968)	(100)
Performance shares issued	-	-	N/M	(2,556,090)	(6,595,272)	(61)
Waiver of debts**	72,450	108,112	(33)	106,355	108,112	(2)

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

5. Profit before tax (cont'd)

Profit before tax is arrived at after (charging)/crediting: (cont'd)

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Allowance for unutilised leave	(2,178,074)	(4,785,999)	(54)	(2,242,534)	(1,853,268)	21
Adjustments for under provision of tax in respect of prior years	(256,482)	(1,021,419)	(75)	(257,112)	(478,604)	(46)

* Included in other operating expenses
** Included in other operating income
N/M = Not Meaningful

6. Income tax expense

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Current income tax	32,725,227	28,558,372	15	57,704,098	51,242,597	13
Deferred tax	(6,138,691)	2,573,458	(339)	(10,241,721)	8,040,118	(227)
Foreign and withholding tax	4,970,381	-	N/M	4,970,381	-	N/M
Total income tax expense	31,556,917	31,131,830	1	52,432,758	59,282,715	(12)

7. Earnings per share

	Group			
	6 months ended 30 June		12 months ended 30 June	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit net of tax attributable to owners of the parent (RM)	14,704,958	70,273,008	103,349,387	169,591,931
Weighted average number of ordinary shares for basic earnings per share computation *	2,512,804,236	2,510,047,364	2,512,804,236	2,510,047,364
Basic earnings per share (RM sen)	0.59	2.80	4.11	6.76
Weighted average number of ordinary shares for diluted earnings per share computation	2,512,804,236	2,510,047,364	2,512,804,236	2,510,047,364
Diluted earnings per share (RM sen)	0.59	2.80	4.11	6.76

* The weighted average number of shares has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial year.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

8. Intangible assets

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Software development expenditure	250,722,864	226,886,173
Purchased software	3,569,424	4,515,491
Proprietary software	14,305,111	18,170,624
Customer relationship	5,643,159	7,989,123
Goodwill	152,162,431	151,742,888
Net carrying amount	426,402,989	409,304,299

9. Investments in subsidiaries

	Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Shares at cost, unquoted		
At beginning of the year	2,585,511,074	2,411,130,014
Disposal of subsidiaries	-	(108,337,291)
Contribution to subsidiaries arising from:		
- Internal restructuring	-	71,036,370
- Performance Share Plan granted to key management personnel	-	651,340
Currency translation differences	29,603,905	211,030,641
At end of the year	2,615,114,979	2,585,511,074
Accumulated impairment losses		
At beginning of the year	326,150,203	299,591,513
Impairment loss for the year	79,790,832	-
Currency translation differences	3,741,217	26,558,690
At end of the year	409,682,252	326,150,203
Net carrying amount	2,205,432,727	2,259,360,871

Contribution to subsidiaries in financial year ended 30 June 2023

(i) Internal restructuring

As part of the internal restructuring, the Company has transferred its investments in Merimen Ventures Sdn. Bhd. ("MVSB") and Cyber Village Sdn. Bhd. ("CVSB") to Fermion Pte. Ltd. ("FPL") in the previous financial year at a consideration mutually agreed by both parties ("Disposal"). FPL is an investment holding company incorporated to support the Group's business expansion for Fermion Insurtech ecosystem.

As a result of the Group's internal restructuring, the Company recognised a resultant loss on Disposal of RM38,157,427 in the income statement and contributed RM71,036,370 in assets to FPL for the financial year ended 30 June 2023.

The internal restructuring which involved the transfer of subsidiaries within the Group did not have any impact to the financial performance and position of the Group.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

9. Investments in subsidiaries (cont'd)

Contribution to subsidiaries in financial year ended 30 June 2023 (cont'd)

(ii) Performance Share Plan
In the previous financial year, the Company contributed RM651,340 to a subsidiary as a result of the shares granted and released to a key management personnel pursuant to the Silverlake Axis Ltd. Performance Share Plan (Note 16(d)(ii)).

Impairment testing of investments in subsidiaries

During the financial year, management performed an impairment test on investments in subsidiaries with indications of impairment. The carrying value of the Company's investments in subsidiaries has been tested for impairment by discounting the total estimated future cash flows of the subsidiaries' business using long-term growth rate ranging from 2% to 3% (FY2023: 2% to 3%) and discount rate ranging from 11% to 15% (FY2023: 11% to 16%), varying in accordance to country and industry, taking into consideration the nature and basis for valuation adjustments and calculations. Based on the assessment, an impairment loss of RM79,790,832 (FY2023: Nil) was recognised during the financial year to write down the carrying amount of an investment in subsidiary to its recoverable amount in the Company's statement of financial position.

10. Investment in an associate

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Shares at cost, unquoted		
At beginning of the year	5,650,767	6,118,674
Addition by way of:		
- Cash	8,209,008	-
- Transfer from derivative asset upon exercised call option	2,612	-
Share of loss for the year	(1,224,703)	(954,267)
Currency translation differences	72,959	486,360
At end of the year	12,710,643	5,650,767

On 21 January 2022, a subsidiary of the Company, Fermion Pte. Ltd. ("FPL"), entered into a share subscription and purchase agreement ("Share Subscription Agreement") with Ancileo Pte. Ltd. ("Ancileo") and original founder in relation to the subscription and acquisition of shares in the issued and paid-up capital of Ancileo, representing 38.05% equity interest in Ancileo.

Ancileo is a private company limited by shares incorporated and principally operating in Singapore, which principally engaged in the provision of software technology for the insurance ecosystem, including technology solutions to enable digital partnerships between insurers and their distribution partners.

On 30 June 2022, the parties entered into a Supplemental Agreement where FPL:

(a) executed and completed the first tranche acquisition of 21.68% equity interest in Ancileo for a cash consideration of SGD1,937,209 (equivalent of RM6,118,674) ("First Tranche Acquisition"); and

(b) was granted by the vendors a right to a call option to acquire the remaining 16.37% equity interest in Ancileo for a cash consideration of SGD2,362,984 upon satisfaction of the conditions stipulated in the Supplemental Agreement (i.e. Second Tranche Acquisition).

Following the completion of the First Tranche Acquisition on 30 June 2022, Ancileo became an associate of the Group.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

10. Investment in an associate (cont'd)

The Group's investment in an associate is accounted for using the equity method in the consolidated financial statements.

On 3 October 2023, FPL exercised the call option to acquire the remaining 16.37% equity interest in Ancileo with a cash consideration of SGD2,362,984 (equivalent of RM8,209,008). Consequently, the derivative asset which represent the fair value of the call option recognised as at 30 June 2023 (Note 14) has been derecognised with an adjustment to the cost of investment in an associate in the current financial year.

11. Financial assets at fair value through other comprehensive income - quoted equity shares

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Shares at fair value, quoted		
At beginning of the year	239,234,408	207,895,863
Subsequent fair value (loss)/gain through other comprehensive income	(62,734,868)	16,994,912
Currency translation differences	1,837,873	14,343,633
At end of the year	178,337,413	239,234,408
Presented as:		
Current	-	236,434,408
Non-current	178,337,413	2,800,000
	178,337,413	239,234,408

At the reporting date, these represent investment in equity interest in Global InfoTech Co. Ltd. and an investment held by a subsidiary in DynaFront Holdings Berhad which have been measured at fair value. The fair values are derived based on Level 1 valuation input under the fair value hierarchy.

12. Trade and other receivables

	Group		Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM	As at 30 June 2024 RM	As at 30 June 2023 RM
Trade receivables				
Third parties	171,547,175	182,909,280	-	-
Less: Expected credit losses	(10,918,232)	(9,145,593)	-	-
Net trade receivables	160,628,943	173,763,687	-	-
Other receivables				
Sundry receivables	7,340,201	8,158,435	117,843	156,811
Deposits	4,032,356	3,875,245	-	-
	11,372,557	12,033,680	117,843	156,811
Total trade and other receivables	172,001,500	185,797,367	117,843	156,811

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

13. Contract assets/(liabilities)

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Contract assets		
Amounts due from customers for contract work-in-progress	159,890,690	126,661,624
Advance maintenance costs	13,072,399	11,828,180
Prepaid license and hardware costs	14,400,862	16,368,588
	187,363,951	154,858,392
Less: Expected credit losses	(2,012,604)	(416,773)
Net contract assets	185,351,347	154,441,619
Contract liabilities		
Amounts due to customers for contract work-in-progress	(24,967,938)	(16,179,439)
Advance maintenance fees	(99,050,041)	(87,134,562)
Deferred revenue	(11,500,347)	(9,664,636)
	(135,518,326)	(112,978,637)

Contract assets include amounts due from customers for contract work-in-progress, which are initially recognised for revenue earned from project implementation services and enhancement services as the timing of billing may not coincide with service rendered. Upon acceptance of work progress by the customer and issuance of billing to customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets also include advance maintenance costs where billings are received or payments are made in advance for which the maintenance costs will be recognised over the contractual period, as well as prepaid costs where the costs will be recognised when the goods are received from the suppliers or upon sale of licenses or expiry.

Contract liabilities include amounts due to customers for contract work-in-progress where billings have been issued to or amounts collected from customers for work yet to be performed, maintenance fees billed in advance for which revenue will be recognised over the contractual period, as well as deferred revenue where transaction price is allocated to unexpired free man-days and options for the customers to acquire additional goods or services at discounts.

14. Derivative asset

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Financial asset at fair value	-	2,586

This represents the fair value of call option in connection with the Second Tranche Acquisition of Ancileo Pte. Ltd. as disclosed in Note 10, accounted for as a derivative asset in accordance with SFRS(I) 9 Financial Instruments.

During the financial year, the call option has been exercised by Fermion Pte. Ltd. and the derivative asset was derecognised with an adjustment to the cost of investment in an associate in the current financial year.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

15. Net asset value

	Group		Company	
	As at 30 June 2024 sen	As at 30 June 2023 sen	As at 30 June 2024 sen	As at 30 June 2023 sen
Net asset value per ordinary share *	45.14	45.23	92.35	96.04

* Based on the issued share capital excluding treasury shares as at the end of the current financial year and the immediately preceding financial year.

16. Share capital, treasury shares and performance share plan

(a) Ordinary share capital issued and fully paid

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024 RM	As at 30 June 2023 RM
At beginning and end of the year	2,696,472,800	2,696,472,800	1,845,200,087	1,845,200,087

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

(b) Total number of issued shares excluding treasury shares

	Group and Company	
	As at 30 June 2024	As at 30 June 2023
Total number of issued shares	2,696,472,800	2,696,472,800
Less: Treasury shares	(181,715,441)	(184,631,179)
Total number of issued shares excluding treasury shares	2,514,757,359	2,511,841,621

(c) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2022	186,132,479	197,775,703
Purchase of treasury shares	4,498,700	5,377,265
Release of treasury shares pursuant to Performance Share Plan	(6,000,000)	(6,552,291)
At 30 June 2023	184,631,179	196,600,677
At 1 July 2023	184,631,179	196,600,677
Purchase of treasury shares	150,000	144,218
Release of treasury shares pursuant to Performance Share Plan	(3,065,738)	(3,651,682)
At 30 June 2024	181,715,441	193,093,213

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

16. Share capital, treasury shares and performance share plan (cont'd)

(c) Treasury shares (cont'd)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

Purchase of treasury shares

During the financial year, the Company purchased 150,000 (FY2023: 4,498,700) shares pursuant to the share purchase mandate approved by shareholders on 26 October 2023 (FY2023: 27 October 2022). These shares were acquired by way of market acquisition for a total consideration of RM144,218 (FY2023: RM5,377,265).

The percentage of treasury shares over total ordinary shares net of treasury shares amounts to 7.2% (FY2023: 7.4%).

(d) Performance share plan ("PSP")

	Group and Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM
At beginning of the year	-	-
Grant of PSP	2,600,604	6,513,405
Release of PSP	(2,600,604)	(6,513,405)
At end of the year	-	-

(i) PSP shares granted to Group Chief Executive Officer

On 26 February 2024, 3,065,738 (FY2023: 5,400,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.240 (FY2023: SGD0.335) per share at grant date, amounted to RM2,600,604 (FY2023: RM5,862,065) to the Group Chief Executive Officer (FY2023: Group Managing Director), Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2023 (FY2023: 30 June 2022).

(ii) PSP shares granted to key management personnel

On 28 February 2023, 600,000 PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 per share at grant date, amounted to RM651,340 to a key management personnel, in recognition of her service and contribution to the Group for the financial year ended 30 June 2022.

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

During the financial year, the deficit on reissuance of treasury shares of RM1,051,078 (FY2023: RM38,886) was recognised in the loss on reissuance of treasury shares reserve.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

17. Other reserves

	Group		Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM	As at 30 June 2024 RM	As at 30 June 2023 RM
Foreign currency translation reserve	95,958,773	94,381,070	293,204,862	266,112,184
Capital reserve	466,828	466,828	-	-
Statutory reserve	141,159	141,159	-	-
Fair value reserve of financial assets at FVOCI	(152,890,324)	(96,489,328)	-	-
Loss on reissuance of treasury shares	(1,518,733)	(467,655)	(1,518,733)	(467,655)
	(57,842,297)	(1,967,926)	291,686,129	265,644,529

These reserves are not available for dividend distribution to shareholders.

18. Merger deficit

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
At beginning and end of the year	1,943,942,990	1,943,942,990

The merger deficit represents the excess of nominal value of the shares issued by the Company over the book value of the assets and liabilities of the acquired subsidiaries, accounted for using the pooling of interest method.

19. Loans and borrowings

	Group		Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM	As at 30 June 2024 RM	As at 30 June 2023 RM
Amount repayable in one year or less, or on demand				
- Secured	390,985	267,361	-	-
- Unsecured	7,833,182	7,293,999	-	-
	8,224,167	7,561,360	-	-
Amount repayable after one year				
- Secured	685,282	798,563	-	-
- Unsecured	133,228,775	171,152,081	115,895,112	152,731,692
	133,914,057	171,950,644	115,895,112	152,731,692

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

19. Loans and borrowings (cont'd)

(a) Secured

Details of any collaterals
The secured facilities of the Group comprise finance leases.

The finance leases are secured by certain right-of-use assets of the Group with a total net carrying amount of RM1,322,646 as at 30 June 2024 (RM1,634,832 as at 30 June 2023).

(b) Unsecured

The unsecured facilities of the Group comprise lease liabilities and revolving credit facilities (committed and uncommitted).

20. Dividends

	Group and Company			
	As at 30 June 2024		As at 30 June 2023	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
Declared and paid/payable during the financial year:				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2023/2022:				
- Final dividend paid per share, tax exempt (1-tier)	0.0060 / 0.0210	51,916,753	0.0070 / 0.0230	57,570,639
Proposed but not recognised as a liability as at 30 June:				
Final dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting	0.0036 / 0.0130	31,486,774	0.0060 / 0.0210	51,821,804

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

21. Significant related party transactions

The Group has the following significant related party transactions between the Group and the related parties, who are not members of the Group, which took place on terms agreed between the parties during the financial year:

	Group	
	12 months ended 30 June	
	2024 RM	2023 RM
Sale of goods and rendering of services to related parties:		
- Software licensing	9,034,906	597,780
- Software project services (professional services)	17,436,762	12,774,179
- Maintenance and enhancement services	72,270,905	58,838,318
- Sale of system software and hardware products	4,114,372	12,008,586
Service fees paid to related parties	6,240,815	4,740,698
Administrative expenses paid to related parties	643,662	767,307
Data centre and infrastructure support expenses paid to related parties	4,302,452	3,057,488
Other costs reimbursed from related parties	30,517	26,239
Rental paid to related parties	232,677	153,664
Rental paid by related parties	226,533	214,775
Interest income from a related party	-	168
Purchase of property, plant and equipment from related parties	-	152,152
Purchase of intangible assets from a related party	-	31,000

22. Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

22. Fair values of financial instruments (cont'd)

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial years.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Fair value measurements using			Total
	Level 1 RM	Level 2 RM	Level 3 RM	RM
Assets and liabilities measured at fair value				
As at 30 June 2024				
Financial assets:				
Non-current asset				
Financial assets at fair value through other comprehensive income - quoted equity shares	178,337,413	-	-	178,337,413
Current asset				
Financial assets at fair value through profit or loss - money market fund	-	7,844,763	-	7,844,763
Financial assets as at 30 June 2024	178,337,413	7,844,763	-	186,182,176
As at 30 June 2023				
Financial assets:				
Non-current asset				
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	2,800,000
Current assets				
Financial assets at fair value through other comprehensive income - quoted equity shares	236,434,408	-	-	236,434,408
Financial assets at fair value through profit or loss - money market fund	-	27,544,302	-	27,544,302
Derivative asset	-	-	2,586	2,586
	236,434,408	27,544,302	2,586	263,981,296
Financial assets as at 30 June 2023	239,234,408	27,544,302	2,586	266,781,296

There is no financial asset of the Company and no financial liability of the Group and of the Company measured at fair value at the current and previous reporting dates.

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

23. Segment information

For management purposes, the Group is organised into segments as follows:

Operating and non-operating segments

(i) Software licensing – provision of digital economy propositions and enterprise solutions to banks and corporations engaged in banking, insurance, government, retail, payment and logistics industries.

(ii) Software project services (professional services) – provision of software customisation and implementation services to deliver end-to-end core banking, payment, retail, digital identity and security software solutions.

(iii) Maintenance and enhancement services – provision of round-the-clock software maintenance support and software enhancement services.

(iv) Sale of system software and hardware products – sale of system software and hardware products to meet clients' software and hardware needs.

(v) Insurance ecosystem transactions and services – provision of cloud computing Software-as-a-Service collaborative platform for policy origination and insurance claim processing.

(vi) Retail transactions processing – provision of Software-as-a-Service subscription version of retail automation solution.

(vii) Others – comprising investment holding and corporate activities which costs cannot be directly attributable to the operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspect as explained in Note (b) below, is measured differently from operating profit or loss in the condensed consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets which are expected to be used for more than one period.

Current taxes and deferred taxes are not allocated to individual segments as they are managed on a group basis.

(a) By geographical segments

	Group		
	12 months ended 30 June		
	2024 RM	2023 RM	Change %
Revenue			
Southeast Asia	614,511,115	613,613,838	0
Northeast Asia	27,481,766	25,749,873	7
South Asia	31,480,856	39,878,255	(21)
Middle East	51,962,518	44,983,701	16
Americas	5,006,074	4,312,143	16
Africa	28,590,053	16,466,634	74
Europe	24,422,571	20,910,781	17
Total	783,454,953	765,915,225	2

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

23. Segment information (cont'd)

Group	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Per consolidated financial statements RM
FY2024									
Revenue:									
External customers	50,173,247	111,812,645	542,724,757	13,820,297	59,775,793	5,148,214	-	-	783,454,953
At a point in time	9,378,478	-	-	13,820,297	47,987,647	-	-	-	71,186,422
Over time	40,794,769	111,812,645	542,724,757	-	11,788,146	5,148,214	-	-	712,268,531
Results:									
Finance income	718,740	1,754,592	7,893,916	126,923	1,167,838	83,671	4,917,066	-	16,662,746
Finance costs	(98,581)	(163,051)	(746,390)	(7,680)	(38,417)	(18,391)	(7,368,390)	-	(8,440,900)
Selling and distribution costs	(10,292,851)	(13,240,159)	(37,959,093)	(2,053,998)	(7,436,492)	(821,535)	(1,829,398)	-	(73,633,526)
Depreciation of property, plant and equipment	(320,652)	(638,803)	(1,992,784)	(50,486)	(547,263)	(70,366)	(331,051)	-	(3,951,405)
Depreciation of right-of-use assets	(724,778)	(1,349,585)	(5,808,513)	(59,317)	(607,148)	(78,285)	(593,143)	-	(9,220,769)
Amortisation of intangible assets	(24,821,028)	(4,014)	(1,621,736)	(324)	(723,667)	(512,206)	(1,079,210)	-	(28,762,185)
Share of loss of an associate	-	-	-	-	(1,224,703)	-	-	-	(1,224,703)
Provision for foreseeable losses	-	(644,262)	-	-	-	-	-	-	(644,262)
Other non-cash expenses	(980,357)	(1,624,793)	(6,175,483)	(99,345)	(750,928)	(8,591)	(3,240,627)	-	(12,880,124)
Segment profit/(loss)	9,147,703	(13,090,942)	296,377,719	584,944	32,612,780	153,986	(168,177,071)	-	157,609,119
As at 30 June 2024									
Assets:									
Capital expenditure	43,443,154	854,665	2,447,372	30,075	2,401,950	4,197	986,878	-	50,168,291
Segment assets	298,624,373	226,225,312	590,014,502	13,371,792	124,607,636	6,244,098	283,832,000	48,112,758 [1]	1,591,032,47
Segment liabilities	16,620,916	36,381,250	199,903,669	3,929,387	13,210,857	1,094,468	122,238,885	46,845,559 [1]	440,224,991

[1] Tax items such as tax recoverable/payable and deferred tax assets/liabilities are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets/liabilities to arrive at total assets/liabilities reported in

F. Notes to the Condensed Consolidated Financial Statements (cont'd)

23. Segment information (cont'd)

Group	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Per consolidated financial statements RM
FY2023									
Revenue:									
External customers	73,913,899	102,014,974	513,111,353	20,630,038	52,260,628	3,984,333	-	-	765,915,225
At a point in time	6,824,667	-	-	20,630,038	42,796,863	-	-	-	70,251,568
Over time	67,089,232	102,014,974	513,111,353	-	9,463,765	3,984,333	-	-	695,663,657
Results:									
Finance income	623,805	1,071,641	4,473,851	198,291	521,756	50,854	4,806,556	-	11,746,754
Finance costs	(82,934)	(119,822)	(564,818)	(17,764)	8,422	(21,423)	(7,553,413)	-	(8,351,752)
Selling and distribution costs	(5,240,331)	(8,493,381)	(26,723,964)	(1,709,844)	(5,122,759)	(577,315)	(2,390,730)	-	(50,258,324)
Depreciation of property, plant and equipment	(253,863)	(539,216)	(1,871,745)	(65,103)	(605,237)	(71,157)	(190,874)	-	(3,597,195)
Depreciation of right-of-use assets	(759,347)	(1,324,421)	(5,348,743)	(150,433)	(489,151)	(74,944)	(402,959)	-	(8,549,998)
Amortisation of intangible assets	(22,607,988)	-	(1,746,454)	-	(1,577,467)	(422,502)	(898,797)	-	(27,253,208)
Share of loss of an associate	-	-	-	-	(954,267)	-	-	-	(954,267)
Reversal of provision for foreseeable losses	-	508,068	-	-	-	-	-	-	508,068
Loss on derivative asset at fair value through profit or loss	-	-	-	-	-	-	(1,176,968)	-	(1,176,968)
Other non-cash (expenses)/income	(190,870)	(1,812,519)	(4,482,091)	(32,646)	849,308	25,050	(6,966,838)	-	(12,610,606)
Segment profit/(loss)	36,721,065	20,976,659	300,375,323	169,283	27,184,506	357,154	(156,222,232)	-	229,561,758
As at 30 June 2023									
Assets:									
Capital expenditure	76,839,832	1,297,361	6,003,917	41,988	2,668,712	4,046	3,721,393	-	90,577,249
Segment assets	141,773,001	270,735,242	652,750,039	19,701,386	92,599,003	5,759,975	393,470,696	56,417,541 [1]	1,633,206,883
Segment liabilities	10,948,884	10,643,946	212,150,078	4,054,494	11,941,210	800,220	168,897,372	63,774,711 [1]	483,210,915

[1] Tax items such as tax recoverable/payable and deferred tax assets/liabilities are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets/liabilities to arrive at total assets/liabilities reported in

G. Other Information required by Listing Rule Appendix 7.2

1. 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 auditors of the Company.

2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3. Review of the performance of the group

(a) INCOME STATEMENT REVIEW – Financial year ended 30 June 2024 ("FY2024") vs 30 June 2023 ("FY2023")

<u>Overview</u>
Silverlake Axis Ltd. ("SAL") is a leading enterprise technology, software, and services company with focus in the financial services industry and serving 40% of the top 20 largest banks in Southeast Asia. Across the globe, we serve more than 400 unique clients in 70 countries across Asia, Europe, the Indian subcontinent, Middle East, Africa, and the Americas. Founded in 1989, SAL is recognised for its consistent delivery track record and client retention. SAL has many use cases and success stories in the delivery of innovative and transformative solutions to its enterprise clients and their ecosystems.

Over the years, the Group has undertaken several strategic acquisitions to enlarge its suite of business enterprise software solutions and service offerings. The strategic intent is to strengthen its market position in existing and new markets. With expanded capabilities, the Group is well positioned to empower its clients with leading edge solution technologies to compete effectively in the digital age.

In FY2024, Group revenue grew 2% to RM783.5 million, compared to RM765.9 million recorded in FY2023. The Group achieved Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM191.3 million and Profit After Tax ("PAT") of RM105.2 million in FY2024, a decrease of 28% and 38% respectively as compared to previous year.

<u>Revenue</u>
By Business Activities

	Group		
	Financial year ended 30 June		
	2024 RM	2023 RM	Change %
Software licensing	50,173,247	73,913,899	(32)
Software project services (professional services)	111,812,645	102,014,974	10
Maintenance and enhancement services	542,724,757	513,111,353	6
Sale of system software and hardware products	13,820,297	20,630,038	(33)
Insurance ecosystem transactions and services	59,775,793	52,260,628	14
Retail transactions processing	5,148,214	3,984,333	29
Total	783,454,953	765,915,225	2
Delivered through:			
• Cloud computing	107,474,305	96,798,222	11
• Software-as-a-Service ("SaaS")	75,332,906	52,248,942	44

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

Total recurring revenue (maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing) achieved 7% growth from RM569.4 million to RM607.6 million in FY2024. Recurring revenue contributed 78% of total Group revenue and has consistently been a key revenue contributor for the Group.

- Maintenance revenue recorded double-digit growth of 10% from RM257.3 million to RM282.1 million and enhancement services revenue increased 2% from RM255.8 million to RM260.6 million.

  These two revenue streams consistently grew at a steady rate as new maintenance contracts and support will commence when current projects are completed and successfully handed over to the clients. Furthermore, the revision of maintenance rates for existing clients upon maintenance renewal and favourable foreign currencies movement had also contributed to the increase in maintenance revenue. Our clients have also continued to engage us to further enhance, modernise and provide up-to-date features required in the platforms they acquired from us for execution of their strategies in making new capabilities available for their customers. These capabilities can be in the areas of new channels, to augment customer experience and to address any new regulatory and emerging governance, risk and compliance requirements.

- Insurance ecosystem transactions and services revenue increased 14% from RM52.3 million to RM59.8 million in FY2024. This segment comprises revenue from the processing of motor and non-motor claims ("eClaims"), the processing of insurance policies ("ePolicy"), TrueSight suite of productivity & analytics solutions, and integration and maintenance services (where required). These solutions contributed approximately 71%, 11%, 9% and 9% respectively to the total Insurtech revenue in FY2024. A key statistic is the growing non-motor claims contribution to total insurance ecosystem revenue; from 20% 4 years ago to current 35%. As we expand our insurance ecosystem offerings, we are seeing greater customer adoption of our non-motor claims products.

  TrueSight continues its upward trajectory by onboarding more new clients to this product. In addition, higher volume of claims and policy processing particularly in countries such as Malaysia, Singapore, Indonesia and Hong Kong, integration revenue as a result of higher demand from clients in Southeast Asia also contributed to the double-digit growth.

- Retail transactions processing revenue of RM5.1 million was 29% higher as compared to FY2023. The growth in this revenue segment for the past three (3) years has been strong since the launch of our cloud-based retail solution – AgoraCloud in FY2021. It was first adopted by clients from the retail sector in FY2021 and subsequently extended to clients engaged in the pharmaceutical industry. Over the years, there are increased usage and subscriptions to new modules of AgoraCloud from our existing base of six (6) clients particularly pharmacy chains in Malaysia and this has contributed higher revenue year-on-year. AgoraCloud is also offered as an on-premise product and recently we signed up with one of the largest retail conglomerates in Cambodia and overall, our AgoraCloud pipeline remains strong.

In terms of ***total non-recurring revenue*** (software licensing, software project services (professional services) and sale of system software and hardware products), this revenue segment contributed RM175.8 million in FY2024, 11% lower compared to RM196.6 million achieved in prior year.

- Software licensing revenue declined 32% to RM50.2 million. Prior year FY2023, we recorded one significant license from a client in Indonesia which was not repeated in this financial year.

- Software project services (professional services) revenue increased 10% to RM111.8 million as a result of strong revenue flow from services contracts closed in current and previous financial years - namely new MÖBIUS, SIBS and Symmetri core banking installations in Malaysia, Thailand, Indonesia and the Middle East; and digital identity and security software project implementation in the Middle East and Africa. Despite the positive contributions from key core banking implementation projects, we experienced some delays in delivery projects. These projects involve new products launched recently which require more time to complete and also additional learning curve as we enter new markets. As a result, the remaining contract revenue will be recognised progressively in the subsequent periods as work progress towards the new timeline.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

- Sale of system software and hardware products reduced 33% from RM20.6 million to RM13.8 million in FY2024. Hardware sale is seasonal in nature and dependent on clients' data growth and upgrade requirements.

The Group adopts the revenue recognition standard in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") which mandates recognition of project revenue on a percentage of completion method whereby revenue is recognised based on the progression of actual project completion. Based on this, revenue from recently closed deals and projects will be recognised in future periods as work progresses.

RM107.5 million or 14% of total Group revenue was delivered via cloud computing, 11% higher than RM96.8 million recorded in prior year. The revenue from this segment increased as more and more of our clients are looking at cloud-based solution options to improve business and operational efficiency.

Revenue from SaaS grew 44% to RM75.3 million and now constitutes 10% of our total Group revenue in FY2024. Insurance ecosystem transactions and services, MÖBIUS SaaS contracts and retail transactions processing were the main contributors to the increase in SaaS revenue.

Profitability
The Group recorded a gross profit of RM410.0 million in FY2024, 9% lower than prior year with an aggregate gross profit margin of 52%, lower than the 59% achieved in FY2023. This was due to a change in revenue mix. The proportion of revenue from higher margin business segment such as software licensing, was lower in FY2024 as compared to the same period last year (i.e. software licensing revenue over total Group revenue was 6% in FY2024 versus 10% in FY2023). There were additional resources in place to support the implementation of new projects and the project with extended timeline in current year.

Finance income increased 42% from RM11.7 million to RM16.7 million in FY2024 as a result of higher interest earned from deposits placed with financial institutions.

Other income was 43% higher this year, an increase from RM3.4 million to RM4.8 million in FY2024 as the Group recorded foreign currency exchange gain on the cash reserves due to the fluctuation of foreign currencies in FY2024.

The Group incurred 16% higher operating expenses for the year.

- 47% of the increase was associated with annual salary increment, the new headcounts added into the organisation in the past twelve (12) months to support business development and business expansion for the future as well as improve sales and market coverage.

- 28% of the increase was associated with development efforts and investments to further expand and enhance our product offerings including MÖBIUS etc.

- 10% of the increase was related to IT expenses particularly in software subscription and support, laptop leasing for new headcounts as well as incurred license and implementation cost of a customer collaboration and service management system during the year.

- The remaining cost increase was related to other operating expenses such as professional and consultancy fees for acquisition of companies, business travels, conference held by SAL to foster relationships and information sharing with clients, business partners and industry export, and expected credit losses on contract assets and long outstanding receivables which are subject to local country lengthy remittance process.

Overall, the Group's expense over revenue ratio of 35% is below the industry benchmark of 40%. It is one of the key metrics used for cost monitoring to ensure the spending are within planned parameters to deliver the existing and future contracts. We continue to monitor the expenses throughout the implementation of transformation and restructuring plan to remain competitive and to improve operational efficiency.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

In aggregate, the Group achieved Profit Before Tax ("PBT") of RM157.6 million and EBITDA of RM191.3 million in FY2024.

Income tax expense decreased 12% from RM59.3 million to RM52.4 million in FY2024 mainly due to the decrease in chargeable income derived from lower profits from operations. However, effective tax rate has increased 7% from 26% to 33% in FY2024 as a result of lesser incentives and bilateral tax relief claimable in FY2024 as compared to previous year. In addition, deferred tax assets were not being recognised on unutilised tax losses for certain subsidiaries, as it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised in the near future, has also led to higher effective tax rate.

As a consequence of these factors, the Group reported a Profit After Tax ("PAT") of RM105.2 million in FY2024 and achieved net profit margin of 13%.

(b) STATEMENTS OF FINANCIAL POSITION REVIEW

Intangible assets
Intangible assets of the Group increased from RM409.3 million as at 30 June 2023 to RM426.4 million as at 30 June 2024 mainly due to the capitalisation of software development expenditure incurred for the development of core and digital banking, fintech and other solutions. The increase was partially offset by the amortisation of intangible assets for FY2024.

Investment in an associate
Following the completion of First Tranche Acquisition of 21.68% equity interest in Ancileo Pte. Ltd. ("Ancileo") on 30 June 2022, Ancileo became an associate of the Group. The call option to acquire the remaining 16.37% equity interest in Ancileo ("Second Tranche Acquisition") has been accounted for as a derivative asset in the consolidated statement of financial position in accordance with SFRS(I) 9 Financial Instruments.

The investment in an associate is accounted for using the equity method in the consolidated financial statements. The share of associate's losses for FY2024 of RM1.2 million has been recognised in the consolidated income statement for the financial year ended 30 June 2024.

On 3 October 2023, Fermion Pte. Ltd. has exercised the call option and paid a cash consideration of SGD2,362,984 (equivalent of RM8,209,008) for the Second Tranche Acquisition. Consequently, the derivative asset of RM2,586 as at 30 June 2023 has been derecognised in the current financial year with an adjustment to the cost of investment in an associate. As a result, the investment in an associate increased from RM5.7 million as at 30 June 2023 to RM12.7 million as at 30 June 2024.

Total current and non-current financial assets at fair value through other comprehensive income - quoted equity shares
Financial assets at fair value through other comprehensive income comprise of the Group's equity interest in Global InfoTech Co. Ltd. ("GIT") and DynaFront Holdings Berhad ("DynaFront"). These financial assets have been remeasured at fair value derived based on Level 1 valuation input under the fair value hierarchy.

The decrease in investment in quoted equity shares from RM239.2 million as at 30 June 2023 to RM178.3 million as at 30 June 2024 was due to the fair value adjustment of the GIT and DynaFront shares held at each reporting date in accordance with SFRS(I) 9 Financial Instruments. The RM62.7 million unrealised fair value loss from remeasurement of shares were recognised in other comprehensive income for the financial year ended 30 June 2024.

The carrying amount of the Group's investment in GIT was reclassified from current asset to non-current asset in the current financial year given the potential future growth in China market and the disposal of the Group's GIT shareholding is not expected to be realised within the next twelve months from the reporting year.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

Deferred tax

The Group recorded net deferred tax assets of RM22.1 million as at 30 June 2024 as compared to RM5.9 million as at 30 June 2023 mainly due to reversal of deferred tax liabilities in relation to the fair value loss on financial assets at fair value through other comprehensive income as well as the undistributed profit of foreign subsidiaries upon dividend declaration to holding company during the year.

Trade and other receivables

Trade and other receivables decreased from RM185.8 million as at 30 June 2023 to RM172.0 million as at 30 June 2024 mainly due to timing differences for billings to clients and improved collection from clients.

Contract assets/(liabilities)

The Group recorded net contract assets of RM49.8 million as at 30 June 2024 as compared to RM41.5 million as at 30 June 2023. The components of contract assets and contract liabilities are presented as follows:

	Group		
	As at 30 June 2024 RM	As at 30 June 2023 RM	Change %
Contract assets			
Amounts due from customers for contract work-in-progress *(Note (i))*	159,890,690	126,661,624	26
Advance maintenance costs *(Note (ii))*	13,072,399	11,828,180	11
Prepaid license and hardware costs *(Note (iii))*	14,400,862	16,368,588	(12)
Less: Expected credit losses	(2,012,604)	(416,773)	383
Total contract assets recognised under current assets	**185,351,347**	**154,441,619**	20
Contract liabilities			
Amounts due to customers for contract work-in-progress *(Note (i))*	(24,967,938)	(16,179,439)	54
Advance maintenance fees *(Note (ii))*	(99,050,041)	(87,134,562)	14
Deferred revenue *(Note (iv))*	(11,500,347)	(9,664,636)	19
Total contract liabilities recognised under current liabilities	**(135,518,326)**	**(112,978,637)**	20
Net contract assets	**49,833,021**	**41,462,982**	20

(i) The amounts due from/(to) customers for contract work-in-progress represent timing differences between revenue recognition on contract and billing to clients. Revenue recognition on contract is based on percentage of completion method, while billings to clients are in accordance with contracted payment milestones.

The Group recorded a net amount due from customers for contract work-in-progress of RM134.9 million as at 30 June 2024 as compared with RM110.5 million as at 30 June 2023, mainly due to the timing of billings and revenue recognition for current contracts.

(ii) Advance maintenance costs/fees represent maintenance fees billed in advance, for which costs/revenue will be recognised over the contractual period, typically twelve months. The net increase in advance maintenance fees from RM75.3 million as at 30 June 2023 to RM86.0 million as at 30 June 2024 was mainly due to the additional maintenance billings raised for new contracts secured during the year.

(iii) Prepaid license and hardware costs decreased from RM16.4 million as at 30 June 2023 to RM14.4 million as at 30 June 2024 mainly due to the charged out of prepaid fees paid for an exclusive reseller right secured upon expiry.

(iv) Deferred revenue increased from RM9.7 million as at 30 June 2023 to RM11.5 million as at 30 June 2024 mainly due to bulk man-days contracted by clients whereby the deferred revenue will be recognised as revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers when the man-days are either utilised, exercised, expired or lapsed over the contractual period.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

Amounts due from/(to) related parties

The amounts due from/(to) related parties are transactions between the Group and Interested Persons ("Silverlake Private Entities") under the approved General Mandate for Interested Person Transactions. These amounts vary from quarter to quarter mainly due to the timing of billings and payments received.

Current income tax

Current income tax assets and liabilities represent the amount expected to be recovered from or paid to the taxation authorities. The net tax payable of the Group was RM20.8 million as at 30 June 2024 as compared to RM13.2 million as at 30 June 2023 mainly due to higher profitability and taxable income from certain subsidiaries and lower tax credits available for use in current year.

Financial assets at fair value through profit or loss - money market fund

Financial assets at fair value through profit or loss of the Group represent investment in money market fund with financial institutions. Fair value of this investment is determined by reference to the net asset value of the fund.

The decrease in investment in money market fund from RM27.5 million as at 30 June 2023 to RM7.8 million as at 30 June 2024 was due to the reallocation of funds to fixed deposit placement during FY2024.

Cash and bank balances

The Group's cash and bank balances amounted to RM497.2 million as at 30 June 2024, 1% lower as compared to RM504.2 million as at 30 June 2023 mainly due to:

(i) cash inflow from operating activities during FY2024 of RM107.5 million;
(ii) cash inflow from investing activities of RM19.9 million from proceeds from the redemption of money market fund; offset by
(iii) cash outflow from financing activities of RM51.9 million and RM38.5 million for payment of dividend to shareholders and partial repayment of revolving credit facility respectively; and
(iv) cash outflow from investing activities of RM44.9 million for software development expenditure.

Total current and non-current loans and borrowings

The Group's loans and borrowings decreased from RM179.5 million as at 30 June 2023 to RM142.1 million as at 30 June 2024 following the partial repayment of revolving credit facility in FY2024.

Trade and other payables

Trade and other payables of the Group amounted to RM99.7 million as at 30 June 2024 as compared to RM112.3 million as at 30 June 2023 mainly due to performance incentives accruals in FY2023 and subsequently paid out in FY2024.

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

Not applicable.

5. 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 information technology ("IT") spend in the banking and financial services software industry in Southeast Asia and Asia is at best cautious as these institutions navigate economic uncertainties while positioning itself for future growth. By embracing digital transformation, regulatory alignment, and sustainability, the sector is building a resilient foundation to thrive in a rapidly evolving financial landscape.

As a leading software and technology firm, Silverlake remains deeply committed to understanding our customers and anticipating their evolving needs. By continuously analysing market trends and customer behaviour, we develop and implement targeted strategies to capture emerging opportunities and drive growth. Our approach centers on reinforcing our core business, ensuring that we deliver exceptional value through innovative solutions

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

and services. We are focusing on providing our customer and the market with the most relevant technology solutions that firmly meet their needs. We are of the opinion that these can be achieved by working closely with our key customers in their technology transformation planning initiatives.

Looking ahead, Silverlake plans to deepen our focus on strategic partnerships that foster mutual growth and success. By strengthening collaboration with our clients, we aim to align our goals more closely, ensuring that we continue to meet their evolving needs while delivering strong business outcomes. Our commitment to growing together remains a key priority as we navigate an increasingly dynamic market.

Operational excellence will remain a key priority. The business is committed to improving workforce efficiency and fostering collaboration across the Silverlake Group. By cultivating a culture of continuous improvement and innovation, Silverlake seeks to enhance productivity and performance. Investment in talent development will also continue, acknowledging the importance of skilled professionals in maintaining competitive strength.

FY2024 is a year filled with many project delivery engagements for a wide variety of clients in the territories we operate in. Presently, we have over 60 active projects that are running concurrently within our business and the reason which accounts for the double-digit growth of revenue in this segment.

The majority of projects are executed on time and on budget but there are some where we faced delays for a number of reasons and these projects in some cases impacted to our financials in FY2024. As an example, projects that involve new products that we launch recently require more time to project completion for a variety of reasons. Also, products that we launched into new markets also needed additional learning curve to cater to local country requirements.

In FY2025, a key focus and emphasis is that we will put processes in place to improve project delivery commitments.

Going forward, Silverlake will concentrate on advancing Artificial Intelligence ("AI") technology as a strategic area of growth. This ongoing investment is designed to keep the business aligned with industry trends and well-prepared for future challenges. By integrating AI capabilities, the business aims to unlock new opportunities and remain well-positioned in a rapidly changing market.

6. If a decision regarding dividend has been made:

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	Singapore 0.36 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	Singapore 0.60 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

Total dividends declared for FY2024 amounted to Singapore 0.36 cents compared with Singapore 0.60 cents declared for FY2023.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

(c) Date payable

The Directors have proposed a tax exempt (one tier) final dividend of Singapore 0.36 cents per ordinary share. The final dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 15 November 2024.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 7 November 2024 for the purpose of determining shareholders' entitlements to the proposed final dividend. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte.Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 7 November 2024 will be registered to determine members' entitlements to the proposed final dividend.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 7 November 2024 will be entitled to the proposed final dividend.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section G.3 above.

9. A breakdown of the total annual dividend for the issuer's latest full year and its previous full year.

	Latest Full Year RM	Previous Full Year RM
Ordinary		
Final dividend	31,486,774	51,916,753
Total	31,486,774	51,916,753

This proposed final dividend in relation to financial year ended 30 June 2024 is subject to approval by shareholders at the forthcoming Annual General Meeting. The dividend payable is computed based on the exchange rate of SGD equivalent to RM3.4780 as at 30 June 2024. The total amount to be paid to shareholders in relation to the proposed final dividend amounting to SGD9,053,126.

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

10. Recurrent Interested Person Transactions of a Revenue or Trading Nature

The aggregate value of recurrent Interested Person Transactions ("IPT") of revenue or trading nature conducted during the financial year ended 30 June 2024 by the Group in accordance with the shareholders' mandates were as follow:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
		1-7-23 to 30-6-24 RM	**1-7-23 to 30-6-24 RM**
Silverlake Private Entities ("SPE") [1]	Associates of Mr. Goh Peng Ooi		
IPT Mandate [2]			
Contract value from SPE:			
• Silverlake Cloud Computing Sdn. Bhd. [3]		-	6,265,560
• Silverlake Innovation Partners Sdn. Bhd.		-	46,567,100
• Silverlake Capital Market Solution Sdn. Bhd.		-	17,572,850
• Silverlake Processing Services Sdn. Bhd.		-	10,143,300
• Silver Peak Technology Integration Services (Beijing) Co. Ltd.		-	7,493,850
		-	**88,042,660**
Service contract fees to SPE:			
• Silverlake Cloud Computing Sdn. Bhd. [3]		-	(1,984,980)
• Silverlake Mobility Ecosystem Sdn. Bhd.		-	(1,125,508)
		-	**(3,110,488)**
Non-Mandate Transactions [4]			
Contract value from SPE:			
• Silverlake Processing Services Sdn. Bhd.		737,530	-
		737,530	**-**
Service contract fees to SPE:			
• Silverlake Cloud Computing Sdn. Bhd. [3]		(1,665,600)	-
• Sure-Reach Records Management Sdn. Bhd.		(611,819)	-
		(2,277,419)	**-**

(1) The interested persons are associates of Mr. Goh Peng Ooi (i.e., companies in which he and his immediate family together, directly or indirectly, have an interest of 30% or more), who is the Group Executive Chairman and controlling shareholder of the Company.

(2) The IPT Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement and Master Services Agreement, and the renewal with the amendments of IPT Mandate was approved by shareholders on 26 October 2023. The IPT Mandate is subject to annual renewal.

(3) As per the SGX announcement by the Company dated 21 May 2024, Silverlake Global Structured Services Pte. Ltd., a wholly-owned subsidiary the Company, entered into a share purchase agreement for the proposed acquisition ("Proposed Acquisition") of the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd., Silverlake MasterSAM Sdn. Bhd. and Silverlake MasterSAM Pte. Ltd. (collectively, the "Target Companies"). On 1 July 2024, the Company released a further announcement to announce that the acquisition has been completed. Please refer to the aforementioned announcements for details. The Target Companies are associates of Mr. Goh Peng Ooi prior to completion of the Proposed Acquisition and the aggregate value of the IPT contained in the table above includes the IPT entered into between the Group with the Target Companies during the financial year ended 30 June 2024 ("FY2024").

(4) The Non-Mandate Transactions were derived from the out-of-pocket expenses reimbursement from Silverlake Processing Services Sdn. Bhd. (associate of Mr. Goh Peng Ooi) by Silverlake Digitale Sdn. Bhd. (Group entity), provision of marketing support services by Silverlake Cloud Computing Sdn. Bhd. (associate of Mr. Goh Peng Ooi during FY2024) to Silverlake Sistem Sdn. Bhd. (Group entity) and provision of maintenance services by Sure-Reach Records Management Sdn. Bhd. (associate of Mr. Goh Peng Ooi) to Silverlake Structured Services Ltd. (Group entity).

G. Other Information required by Listing Rule Appendix 7.2 (cont'd)

11. Ageing for amounts owing from related parties

The ageing for amounts owing from related parties as at 30 June 2024 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-60 days RM	61-90 days RM	91-180 days RM	>180 days RM
Transactions conducted under the IPT Mandate						
Silverlake Private Entities [1]	21,068,663	12,201,486	8,521,428	345,749	-	-
Non-Mandate Transactions						
Silverlake Private Entities	27,885	-	27,885	-	-	-
Non-Trade Transactions						
Silverlake Private Entities	141,960	141,960	-	-	-	-
Grand Total	**21,238,508**	**12,343,446**	**8,549,313**	**345,749**	**-**	**-**
				(Note 2)		

(1) The Audit and Risk Committee confirms that collections from the Silverlake Private Entities were within the mandated terms.

(2) As at 23 August 2024, the amounts due from Silverlake Private Entities between 61-90 days have fully collected.

12. 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(13)

Pursuant to Rule 704(13) of the Listing Manual, Silverlake Axis Ltd. ("the Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company, except as stated below:

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Shiou Ling	37	Daughter of Mr. Goh Peng Ooi	Deputy Executive Chairman w.e.f. 27 October 2023, and Group Chief Executive Officer w.e.f. 1 July 2024	Deputy Chief Executive Officer w.e.f. 1 May 2022, thereafter Deputy Executive Chairman w.e.f. 27 October 2023, and Group Executive Officer w.e.f.1 July 2024

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Goh Shiou Ling
Group Chief Executive Officer

23 August 2024

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619, during normal business hours from the date of this Circular and for the period during which the Offer remains open for acceptance.

1. RIGHTS IN RESPECT OF CAPITAL

SHARE CAPITAL AND VARIATION OF RIGHTS

8. Save to the extent permitted by the Act, none of the funds of the Company or of its subsidiary, if any, shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares. — *Prohibition of dealing in its own shares.*

9. Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may think fit. All shares purchased by the Company shall (unless held as treasury shares in accordance with the provisions of the Act) be deemed to be cancelled, whereupon all rights and privileges attached to those shares shall expire. — *Share buyback.*

10. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. — *Treasury shares.*

11. Members holding preference shares shall have:- — *Rights of Members holding preference shares.*

(a) the same rights as Members holding ordinary shares as regards the receiving of notices, reports and financial statements (including balance sheets) and the attending of General Meetings of the Company; and

(b) the right to vote at any meeting convened for the purpose of reducing the capital of the Company, or winding up, or sanctioning the sale of the undertaking of the Company, or where the proposal to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is more than six (6) months in arrears.

12. Subject to the Act, if at any time the share capital is divided into different classes of shares, the repayment of preference capital other than redeemable preference capital and the rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with — — *Variation of rights.*

(a) the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of the class; or

(b) where the necessary majority for a special resolution under paragraph (a) is not obtained at the said meeting, the consent in writing of the holders of 75% of the issued shares of that class within 2 months of that meeting.

13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as is in force at the time of such issue, be treated as being varied by the creation or issue of further shares which ranks equally with the shares of that class. — *Creation or issue of further shares with special rights.*

14. Any expenses (including brokerage or commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company. *Payment of expenses in issue of shares.*

15. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions provided in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. *Power to charge interest on capital.*

16(1). Except as required by law, no person is to be recognised by the Company as holding any share upon any trust. *Exclusion of equities.*

16(2). Except as required by law or by this Constitution, the Company, even if having notice thereof, is not bound by or compelled in any way to recognise —

(a) any equitable, contingent, future or partial interest in any share or unit of a share; or

(b) any other rights in respect of any share or unit of share,

other than an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register as the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be.

17. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. *Fractional part of a share.*

18(1). The Company shall not be bound to register more than three (3) persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member. *Joint holders.*

18(2). The joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such share.

18(3). In the case of a share registered jointly in the names of several persons, the person whose name stands first in the Register as one of the joint holders shall be entitled to the delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed as good service to all the joint holders of such share.

18(4). Any one of the joint holders of any share may give effectual receipts for any dividend, return of capital or other sum of money payable in respect of such share.

19. Except as herein provided, no person shall exercise any rights of a Member in respect of a share until he is registered in the Register or in the Depository Register, as the case may be, as the registered holder thereof and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him. *Exercise of rights of Members.*

SHARE CERTIFICATE

20. Subject to regulation 18(3), every person whose name is entered as a Member in the Register is entitled to receive, without payment, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares allotted or transferred, within ten (10) Market Days (or such other period as may be approved by Exchange):- Entitlement to share certificates.

(a) after the closing date for applications to subscribe for a new issue of shares; or

(b) after the lodgement of a registrable transfer.

Where the Member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

21(1). The certificate of title to shares or debentures in the capital of the Company shall be issued under the seal in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two (2) Directors, or of one (1) Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, the amounts paid and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. Share certificates.

21(2). No share certificate shall be issued representing shares of more than one class.

22(1). Subject to the provisions of the Act, on payment of a fee not exceeding $2.00 as the Directors may determine (or such other amount as may be permitted under the Statutes), a new certificate or other document of title to shares or debentures may be issued to the holder of such shares or debentures if:- New certificates may be issued.

(a) the original certificate or document of title is worn out or defaced, provided that the same is produced to the Directors for cancellation; or

(b) the original certificate or document of title is lost or destroyed or stolen, provided that such proof thereof to the satisfaction of the Directors and such indemnity (given by the registered holder, transferee, person entitled, purchaser, member company of the Exchange or on behalf of its/their client(s)) as the Directors deem adequate are given. In such instances, the registered holder or the person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such theft, destruction or loss.

22(2). Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge.

22(3). Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and, at his request, the Company may, at the Directors' discretion, issue in lieu thereof 2 or more share certificates representing such shares in such proportions as such person may specify. Such person shall pay a maximum of $2.00 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine, taking into consideration any limitation thereof as may be prescribed by the Exchange.

22(4). Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge. Consolidation of share certificates.

22(5). Where shares are registered jointly in the names of several persons, any requests under this regulation 22 may be made by any one of the registered joint holders.

23. In the case of joint holders, the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders. Delivery of share certificate to joint holders.

TRANSFER OF SHARES

24. Except where required by law or by the rules, bye-laws or listing rules of the Exchange, there shall be no restriction on the transfer of fully paid shares. No restriction on transfer.

25(1). Subject to this Constitution, all transfers of shares shall be effected by either (a) any form being approved by the Directors and as required by the Exchange; or (b) by book-entry in the Depository Register in accordance with the applicable laws. Instrument of transfer.

25(2). The instrument of transfer shall be:-

(a) signed both by the transferor and by the transferee, and it shall be witnessed, provided always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository; and

(b) deposited at the Office, or at such other place as the Directors may determine, accompanied by the certificate(s) of the shares to be transferred, the certificate of payment of stamp duty (if any) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, proof of the authority of the person to do so.

25(3). Shares of different classes shall not be comprised in the same instrument of transfer.

26. The Directors may decline to accept any instrument of transfer unless:- Fees relating to transfers.

(a) all or any part of the stamp duty (if any) payable on each share transfer and such fee not exceeding $2.00 for each transfer or such other sum as may from time to time be prescribed by the Exchange is paid to the Company; and

(b) such fee not exceeding $2.00, as the Directors may from time to time determine, is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

27(1). The Directors may decline to register any instrument of transfer if the transfer is in respect of a partly paid security for which a call has been made and is unpaid. *Power of the Directors to refuse registration of transfer.*

27(2). If the Directors refuse to register a transfer, they shall provide notice of the refusal in writing to the transferor and transferee within ten (10) Market Days after the date on which the transfer was lodged with the Company, stating the facts which are considered to justify refusal in the exercise of that discretion.

27(3). The registration of transfers of shares may be suspended at any time and for any period as the Directors may from time to time determine, but not for more than a total of 30 days in any year and provided always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made. *Suspension of registration.*

28. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind or who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same. *Person under disability.*

29. The transferor remains the holder of the shares transferred until the name of the transferee is entered in the Register or the Depository Register in respect thereof. *Effective date of transfer.*

30(1). All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. *Retention of instrument of transfer and disposal of documents.*

30(2). The Company shall be entitled to destroy:-

(a) all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof;

(b) all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof;

(c) all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof;

(d) any allotment letters after the expiry of six (6) years from the date of issue thereof; and

(e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of six (6) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed.

30(3). It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that:-

(a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

(b) every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and

(c) every other document hereinbefore mentioned so destroyed was a valid and effective document,

in accordance with the recorded particulars thereof in the books or records of the Company.

30(4). Regulations 30(2) and 30(3) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.

30(5). Nothing contained in this regulation 30 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstance which would not attach to the Company in the absence of this regulation 30 and references in this regulation 30 to the destruction of any document include references to the disposal thereof in any manner.

30A. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, trustees, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto. Fraudulent transfer of shares etc.

TRANSMISSION OF SHARES

31(1). In the case of the death of a Member:- Transmission on death.

(a) where the deceased was a joint holder, the survivor(s); and

(b) where the deceased was a sole or only surviving holder, the legal personal representative who, where the deceased Member was a Depositor, is entered in the Depository Register in respect of the deceased Member's share(s),

shall be the only person(s) recognised by the Company as having any title to the deceased Member's interest in the shares.

31(2). Nothing in this regulation 31 shall release the estate of the deceased from any liability in respect of any share which had been held by the deceased.

32(1). Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member (the "**Beneficiary**") may, upon such evidence being produced as may from time to time properly be required by the Directors, elect to — Persons becoming entitled on death or bankruptcy of Member may be registered.

(a) be registered as holder of the share; or

(b) nominate another person to be registered as the transferee of the share.

32(2). If a Beneficiary elects to be registered as holder of the share pursuant to regulation 32(1)(a), the Beneficiary must deliver or send to the Company a notice in writing signed by the Beneficiary stating that the Beneficiary so elects.

32(3). If a Beneficiary elects to nominate another person to be registered as the transferee of the share pursuant to regulation 32(1)(b), the Beneficiary must execute to that other person a transfer of the share.

32(4). All the limitations, restrictions, and regulations of this Constitution relating to the right to transfer and the registration of transfer by the Company in relation to any transfer of shares are applicable to any notice referred to in regulation 32(2) or transfer referred to in regulation 32(3), as if the death or bankruptcy of the Member concerned had not occurred and the notice or transfer were a transfer signed by the Member.

33(1). Where the registered holder of any share dies or becomes bankrupt, until such time as another person is registered as holder of that share, the personal representative of the registered holder or the assignee of the registered holder's estate, as the case may be, is, upon the production of such evidence as may from time to time be properly required by the Directors, entitled to the same dividends and other advantages that the registered holder would have been entitled to if the registered holder had not died or become bankrupt except that he shall not be entitled to exercise any right conferred by membership in relation to General Meetings of the Company unless he has been registered as a Member in respect of the share or his name shall have been entered in the Depository Register, as the case may be. Rights of unregistered personal representative or assignee.

33(2). Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or transfer the share, and if the notice is not complied with within 90 days from the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with. Person entitled may be required to register or transfer share.

34. Where 2 or more persons are jointly entitled to any share in consequence of the death of the registered holder, they are, for the purposes of this Constitution, treated as joint holders of the share.

35. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding $2.00 as the Directors may from time to time require or prescribe. Fee for registration of probate, etc.

CALLS ON SHARES

36. The Directors may, from time to time as they deem fit, make calls upon the Members in respect of any money unpaid on their shares, other than in accordance with the conditions of the allotment of the shares, provided that at least 14 days' notice specifying the time or times and the place of payment is given by the Company to the Members. Calls on shares.

37(1). Each Member must pay to the Company the amount called on the Member's shares at the time or times and place specified in the notice referred to in regulation 36. Payment on calls.

37(2). A call may be made payable either in one lump sum or by instalments.

38(1). A call is treated as having been made at the time when the resolution of the Directors authorising the call was passed. Time when made.

38(2). The Directors may, in their discretion, extend, revoke or postpone a call.

39. Joint holders of a share are jointly and severally liable to pay all calls in respect of that share. Liability of joint holders.

40(1). If a sum called in respect of a share is not paid before or on the day appointed for payment of that sum, the person from whom the sum is due must pay interest on the sum for the period beginning on the day appointed for payment of that sum to the time of actual payment of that sum, at such rate not exceeding 20% per annum as the Directors may determine. Interest on calls.

40(2). The Directors may waive, wholly or in part, the payment of the interest referred to in regulation 40(1).

41(1). Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, is to be treated as a call duly made and payable on the date on which, by the terms of issue of the share, the sum becomes payable. Sum due on allotment.

41(2). In the case of non-payment of any sum referred to in regulation 41(1), all the regulations of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

42. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment. Power to differentiate.

43(1). The Directors may, if they think fit, receive in advance from any Member (if the Member is willing) all or any part of the money uncalled and unpaid upon any shares held by that Member. Such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made. Payment in advance of calls.

43(2). Upon the Company receiving the money referred to in regulation 43(1), the Directors may (until the amount would, but for the advance, become payable) pay interest to the Member at such rate not exceeding 8% per annum as may be agreed upon between the Directors and the Member.

43(3). Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

FORFEITURE OF SHARES

44. If a Member fails to pay any call or instalment of a call by the day appointed for payment of the call or instalment of the call, the Directors may, as long as any part of the call or instalment remains unpaid, serve a notice on the Member requiring payment of the unpaid part of the call or instalment, together with any interest which may have accrued and expenses which may have been incurred by the Company by reason of such non-payment. Notice requiring payment of calls.

45. The notice under regulation 44 must state — Notice to state time and manner of payment.

(a) a day (not earlier than 14 days after the date of service of the notice) on or before which the payment required by the notice is to be made;

(b) the manner by which the said payment is to be made; and

(c) that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made is liable to be forfeited.

46(1). If the payment requirements of a notice referred to in regulation 45 are not complied with, any share in respect of which the notice was given may, at any time after the notice is given but before the payment required by the notice has been made, be forfeited by a resolution of the Directors passed for the purpose of forfeiting the share. The Directors may accept a surrender of any share liable to be forfeited hereunder. Non-compliance with notice requiring payment.

46(2). Forfeiture under regulation 46(1) includes all dividends declared in respect of the forfeited shares and not paid before the forfeiture.

47. In the event of a forfeiture of shares, the Member, or other person who prior to such forfeiture was entitled thereto, shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the share or shares so forfeited. Certificate of forfeiture shares to be delivered to Company.

48(1). A forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of to any person (in this regulation 48, the "**Transferee**") on any terms and in any manner as the Directors think fit, and, at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on any terms as the Directors think fit. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon. Sale of forfeited or surrendered shares.

48(2). To give effect to any such sale referred to in regulation 48(1), the Directors may, if necessary, authorise some person to transfer or effect the transfer of, as the case may be, a forfeited or surrendered share to the Transferee.

48(3). The Company may receive the consideration, if any, given for a forfeited or surrendered share on any sale or disposition of the forfeited or surrendered share and may execute a transfer of the share in favour of the Transferee.

48(4). If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators or assignees or as he directs.

49(1). A person whose shares have been forfeited or surrendered ceases to be a Member in respect of the forfeited or surrendered shares. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. Rights and liabilities of Members whose shares have been forfeited or surrendered.

49(2). Notwithstanding regulation 49(1), the person referred to in that regulation remains liable to pay to the Company all money which, at the date of forfeiture, was payable by the person to the Company in respect of the shares (together with interest at the rate of 20% per annum (or such lower rate as the Directors may approve) beginning on the date of forfeiture on the money for the time being unpaid until such time as full payment is made, if the Directors think fit to enforce payment of such interest).

50(1). A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. Title to shares forfeited or surrendered.

50(2). A declaration under regulation 50(1) and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the share shall be registered in the name of the purchaser or allottee, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of.

50(3). The purchaser or allottee is not bound to see to the application of the purchase money, if any, and the purchaser's or allottee's title to the share is not affected by any irregularity or invalidity in the proceedings with respect to the forfeiture, surrender, sale, or disposal of the share.

LIEN

51(1). The Company has a first and paramount lien and charge on every share (that is not a fully paid share) registered in the name of each Member (whether solely or jointly with others) and dividends from time to time declared in respect of such shares in respect of all calls and instalments upon the specific shares in respect of which such monies that may be due and unpaid, and such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. Company's lien.

51(2). The Company's lien, if any, on a share extends to all dividends declared or payable on the share.

51(3). The Directors may at any time waive any lien that has arisen or declare any share to be wholly or partly exempt from regulations 51(1) or 51(2), or both.

52(1). The Company may sell, in any manner as the Directors think fit, any shares on which the Company has a lien if:- Sale of shares subject to lien.

(a) a sum in respect of which the lien exists is presently payable;

(b) a notice in writing, stating and demanding payment of the amount in respect of which the lien exists as is presently payable, has been given by the Company, in such manner as the Directors shall think fit, to the registered holder for the time being of the share, or the person entitled to the share by reason of the death or bankruptcy of the registered holder of the share (subject to satisfactory proof of such entitlement being provided to the Directors); and

(c) a period of 14 clear days has expired after the giving of the notice in paragraph (b).

52(2). To give effect to any sale of shares under regulation 52(1), the Directors may authorise any person to transfer or effect the transfer of, as the case may be, the shares sold to the purchaser of the shares.

53. In the event of a sale of shares under regulation 52(1), the Member, or other person who prior to such sale was entitled thereto, shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the share or shares so sold. Certificate of sale shares to be delivered to Company.

54(1). The proceeds of any sale of shares under regulation 52 received by the Company must be applied in payment of any part of the amount in respect of which the lien exists as is presently payable and any accrued interest and expenses. Application of proceeds of sales.

54(2). Any remaining proceeds from the sale of shares must (subject to any lien for sums not presently payable as existed upon the shares before the sale but which have become presently payable) be paid to the person whose shares have been sold, his executors, administrators, trustees or assignees or as he shall direct.

55(1). A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share. Title to shares sold to satisfy lien.

55(2). Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the share shall be registered in the name of the purchaser or allottee, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of.

55(3). The purchaser of any shares referred to in regulation 52(1) is not bound to see to the application of the purchase money, and the purchaser's title to the shares is not affected by any irregularity or invalidity in the proceedings with respect to the sale of the shares.

CONVERSION OF SHARES INTO STOCK

56. The Company may by ordinary resolution passed at a General Meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares. Power to convert.

57(1). Subject to regulation 57(2), the holders of stock may transfer the stock or any part of the stock in the same manner or as near thereto as circumstances admit, and subject to the same regulations, by which the shares from which the stock arose might, prior to conversion, have been transferred. Transfer of stock.

57(2). The Directors may from time to time fix the minimum amount of stock transferable, provided that such units shall not be greater than the issue price of the shares from which the stock arose, and restrict or forbid the transfer of fractions of that minimum.

58(1). Subject to regulation 58(2), the holders of stock shall, according to the amount of the stock held by the holders, have the same rights, privileges and advantages in relation to dividends, return of capital, voting at General Meetings of the Company and other matters as if they held the shares from which the stock arose. Rights of stockholders.

58(2). No privilege or advantage (except participation in the dividends, return of capital, profits of the Company and in the assets on winding up) is to be conferred by any aliquot part of stock on the holder of such stock which would not, if existing in shares, have conferred that privilege or advantage.

58(3). No conversion of shares to stock shall affect or prejudice any preference or other special privileges attached to the shares so converted.

59. Provisions of this Constitution applicable to paid-up shares apply to stock, and references to "**share**" and "**shareholder**" in this Constitution are to be read as if they were references to "**stock**" and "**stockholder**", respectively.

INCREASE IN CAPITAL

60(1). Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting. Issue of shares.

60(2). Notwithstanding regulation 63 but subject to regulation 60(3), the Company may, by ordinary resolution in General Meeting, give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:

(a) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise;

(b) make or grant offers, agreements or options, (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares; and/or

(c) notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force.

60(3). Regulation 60(2) is subject to the following:-

(a) the aggregate number of Shares to be issued pursuant to the said ordinary resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(b) in exercising the authority conferred by the said ordinary resolution, the Company shall comply with the Listing Manual (unless such compliance is waived by the Exchange) and this Constitution; and

(c) unless revoked or varied by the Company in General Meeting, the authority conferred by the said ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the said ordinary resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act, whichever is the earliest.

60(4). Subject to the regulations of this Constitution and any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any rights of renunciation), grant options over or otherwise dispose of shares to such persons on such terms and conditions (including such consideration, if any) and at such times as the Directors may determine.

60(5). The Company may issue shares for which no consideration is payable to the Company. Issue of shares for no consideration.

61.	No shares may be issued to transfer a controlling interest without prior approval of the Company in General Meeting.	No transfer of controlling interest.
62(1).	Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as the General Meeting, by ordinary resolution or, if required by the Act, by special resolution, resolving upon the creation thereof shall direct. Subject to the regulations of this Constitution, without prejudice to the generality of the foregoing, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.	Rights and privileges of new shares.
62(2).	Rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.	
62(3).	Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the regulations of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.	New shares otherwise subject to regulations of this Constitution.
63(1).	Unless otherwise determined by the Company in General Meeting or except as permitted under the Listing Manual, all new shares must, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, or as nearly as the circumstances admit, to the number of the existing shares to which they are entitled.	Offer of new shares to Members.
63(2).	An offer made pursuant to regulation 63(1) must be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, is treated to be declined.	
63(3).	After the expiration of the time referred to in regulation 63(2), or upon receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in any manner as they think is the most beneficial to the Company.	
63(4).	The Directors may dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this regulation 63.	
64(1).	The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.	Issue of further preference shares.
64(2).	The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.	
65(1).	Subject to the provisions of the Act, the Listing Manual and this Constitution, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as may be provided in this Constitution.	Issue of redeemable preference shares.
65(2)	The preference shares referred to in this regulation 65 shall not be redeemed unless they are fully paid up.	

66(1). Subject to the provisions of the Statutes, the Company may pay a commission or brokerage to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, for any share in the capital of the Company. Power to pay commission or brokerage for issue of shares.

66(2). Subject to the provisions of the Statutes, any such commission or brokerage may be paid in whole or in part in cash, or fully or partly paid shares of the Company as may be arranged.

66(3). Subject to the provisions of the Statutes, the Company may, in addition to, or in lieu of, such commission or brokerage, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price.

66(4). Subject to the provisions of the Statutes, the payment or agreement to pay a commission or brokerage or the conferring of an option shall be at the discretion of the Directors on behalf of the Company.

67(1). Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten (10) Market Days of the closing date (or such other period as may be approved by the Exchange) of any such application. Allotment.

67(2). The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.

68. If, by the conditions of allotment of any shares, the whole or any part of the amount of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. Payment of instalments.

OTHER ALTERATION OF CAPITAL

69. Subject to the regulations of this Constitution and the Act, the Company may from time to time by ordinary resolution (unless otherwise specified herein) do any of the following:-

(a) consolidate and divide all or any of its share capital;

(b) subdivide its shares or any of them provided always that, in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share is the same as it was in the case of the share from which the subdivided share is derived;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the number of the shares so cancelled; and

(d) convert any class of shares from one currency to another currency.

For as long as the Company is listed on the Exchange, it may convert one class of shares ("**Class A Shares**") into another class of shares ("**Class B Shares**") by special resolution if this Constitution permits Class B Shares to be issued and sets out the rights attached to Class B Shares.

70. The Company may, by special resolution and with any consent required by law, reduce its share capital in any manner. Power to reduce capital.

WINDING UP

194. Subject to the provisions of the Act and the IRDA, the Directors shall have the power to present a petition to the court in the name and on behalf of the Company for the Company to be wound up. Directors have power to present petition.

195. Without prejudice to the rights (and any limitation on the rights) of the holders of any shares issued upon special terms and conditions, if the Company shall be wound up and:- Distribution of assets.

(a) the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as near as may be the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively; and

(b) the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among all the Members in proportion to the capital paid up on the shares held by them respectively.

196(1). Without prejudice to the rights (and any limitation on the rights) of the holders of any shares issued upon special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act and the IRDA — Distribution of assets in specie.

(a) divide amongst the Members in kind, the whole or any part of the assets of the Company (including any shares in any other company received by the liquidator as consideration for the sale of the whole or part of the Company's assets), whether they consist of property of the same kind or not;

(b) set a value as the liquidator considers fair upon the property referred to in paragraph (a);

(c) determine how the division of property is to be carried out as between the Members or different classes of Members, which may be otherwise than in accordance with the existing rights of the Members; and

(d) vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

196(2). No Member shall be compelled to accept any shares or other securities on which there is any liability.

196(3). If any division is otherwise than in accordance with the existing rights of the Members, the Members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 178 of the IRDA.

197. On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it has been ratified by the Members. The amount of such payment shall be notified to all Members at least seven (7) days prior to the Meeting at which it is to be considered. Commission or fee to liquidators.

2. RIGHTS IN RESPECT OF VOTING

GENERAL MEETING

71. Subject to the provisions of the Act, the Listing Manual and applicable laws, the Annual General Meeting shall be held at such time and location in Singapore or, whether wholly or partly, by electronic means as the Directors shall determine. Subject to the provisions of applicable laws, the Company shall in each year hold an Annual General Meeting in addition to any other meetings in that year within four (4) months from the end of the financial year of the Company. Annual General Meetings.

72(1). All General Meetings other than the Annual General Meetings shall be called Extraordinary General Meetings. Extraordinary General Meetings.

72(2). The Directors may, whenever they think fit, convene an Extraordinary General Meeting. Subject to the provisions of the Act, the Listing Manual and applicable laws, such Extraordinary General Meetings may be held, whether wholly or partly, by electronic means. Calling Extraordinary General Meetings.

72(3). Extraordinary General Meetings shall also be convened by the Directors on such requisition or, in default, may be convened by such requisitionists, as provided by section 176 of the Act.

72A. For the avoidance of doubt, any reference in this Constitution to a General Meeting being held by electronic means includes a General Meeting held partly or wholly by electronic means.

73(1). Subject to the provisions of the Act and applicable laws, exclusive of both the day on which the notice is served or treated to be served and the day on which the meeting is to be held, notice of any General Meeting must be given in writing or by electronic means to persons entitled to receive notices of General Meetings from the Company:- Notice of General Meetings.

(a) in the case of a Meeting to pass a special resolution, at least twenty-one (21) days before the Meeting (excluding the date of notice and the date of meeting); and

(b) in the case of a Meeting to pass an ordinary resolution, at least 14 days before the Meeting (excluding the date of notice and the date of meeting).

73(2). Subject to applicable laws, every notice of a General Meeting shall be published in at least one English language daily newspaper circulating in Singapore, and given in writing to each stock exchange on which the Company is listed, at least fourteen (14) clear days before the Meeting.

74(1). Notice of every General Meeting must be given in any manner authorised in this Constitution to — *Persons entitled to receive notice of General Meetings.*

(a) every Member;

(b) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his or her death or bankruptcy, would be entitled to receive notice of the Meeting;

(c) each of the Directors;

(d) the Auditor for the time being of the Company; and

(e) where required, the Exchange.

74(2). No other person is entitled to receive notices of General Meetings.

75. Subject to the Act, the accidental omission to give notice to, or the nonreceipt by any person entitled thereto shall not invalidate the proceedings at any General Meeting. *Omission to give notice.*

76(1). A notice of a General Meeting must specify the following:- *Contents of notice.*

(a) the place (including online locations) at which the General Meeting is to be held;

(b) if the General Meeting is to be held by electronic means, the means by which the General Meeting can be electronically accessed;

(c) the date and time of the General Meeting;

(d) (with reasonable prominence) that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and to vote instead of him and that a proxy need not be a Member of the Company;

(e) if the General Meeting is to be held by electronic means, how the chairman of the General Meeting may be appointed by a Member entitled to vote at the General Meeting as the Member's proxy to vote at the General Meeting;

(f) if the General Meeting is to be held by electronic means and voting by electronic means through an electronic voting system is to be used:-

(i) how a Member entitled to vote at the meeting may vote by electronic means through the electronic voting system; and

(ii) (where applicable) how a Member entitled to vote at the meeting may appoint any person (other than the chairman) as the Member's proxy to vote at the meeting by electronic means through the electronic voting system and how the Member's proxy may vote at the meeting by electronic means through the electronic voting system;

(g) if the General Meeting is held by electronic means, how a Member may send to the chairman of the General Meeting the substantial and relevant matters which the Member wishes to raise, which may be by post, electronic mail and/or other electronic means;

(h) where the Company has one or more classes of shares that confer special, limited or conditional voting rights, or that confer no voting rights, the special, limited or conditional voting rights, or the absence of voting rights, in respect of each such class of shares; and

(i) in the case of any General Meeting at which business other than routine business is to be transacted (special business), the general nature of that business and the effect of any proposed resolutions in respect of such special business. In the event of the Company being listed on the Exchange, at least fourteen (14) days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange.

76(2). Routine business shall mean and include only business transacted at an Annual General Meeting of the following matters:— Routine business.

(a) the declaration of a dividend;

(b) the consideration and adoption of the financial statements, and the reports of the Auditors and the statements of the Directors required to be annexed thereto;

(c) the election of directors in the place of retiring directors;

(d) the fixing of the remuneration of the Directors; and

(e) the appointment and fixing of the remuneration (or determination of the manner in which the remuneration is to be fixed) of the Auditors.

PROCEEDINGS AT GENERAL MEETINGS

77(1). No business other than the appointment of a chairman of a meeting is to be transacted at any General Meeting unless a quorum of Members is present at the time when the General Meeting proceeds to business. Quorum.

77(2). Except as otherwise provided in this Constitution, two (2) Members present in person or electronically form a quorum provided that:-

(a) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum;

(b) where a Member is represented by more than one proxy, such proxies shall count only as one Member for the purpose of determining the quorum; and

(c) joint holders of any share shall be treated as one Member.

77(3). In this regulation 77, "**Member**" includes a person attending as a proxy or by attorney or as representing a corporation or a limited liability partnership which is a Member.

77(4). Where a meeting is held by electronic means, a Member is present electronically at a meeting if the Member: When Member is electronically present.

(a) attends the meeting in the manner set out in the notice of the General Meeting in relation to how the meeting may be electronically accessed;

(b) is verified by the share registrar as attending the meeting in the manner set out in the notice of the General Meeting in relation to how the meeting may be electronically accessed; and

(c) is acknowledged by electronic means by the chairman of the General Meeting as present at the General Meeting.

78(1). If, within 30 minutes after the time appointed for a General Meeting, a quorum is not present, the Meeting — Absence of quorum.

(a) if convened upon the requisition of Members, shall be dissolved; or

(b) in any other case, shall be adjourned to the same day in the next week (or if that day is a public holiday, the next business day following that public holiday) at the same time and place, or to another day and at another time and place as the chairman may determine.

78(2). If, at a Meeting adjourned under regulation 78(1), a quorum is not present within 30 minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved.

79. The chairman of a General Meeting shall be — Chairman of General Meeting.

(a) where the Board of Directors has appointed a chairman amongst the Directors, the chairman of the Board of Directors; or

(b) where —

(i) the chairman of the Board of Directors is unwilling to act as the chairman of the General Meeting;

(ii) the chairman of the Board of Directors is not present within 15 minutes after the time appointed for the holding of the General Meeting; or

(iii) the Board of Directors has not appointed a chairman amongst the Directors,

a Director or, if no Director is present or if all the Directors present decline to take the chair, one of the Members present, elected by the Members present for the purpose of being the chairman of the General Meeting.

80(1). The chairman may, with the consent of a General Meeting at which a quorum is present, and must if so directed by a General Meeting, adjourn the General Meeting from time to time (or sine die) and from place to place. Where a General Meeting is adjourned sine die, the time and place for the adjourned Meeting shall be fixed by the Directors. Adjournment.

80(2). No business is to be transacted at any adjourned Meeting other than the unfinished business which might lawfully have been transacted at the Meeting from which the adjournment took place unless all the Members agree otherwise.

81. There is no need to give any notice of an adjourned Meeting (whether adjourned pursuant to regulation 78(1) or 80(1)) or of the business to be transacted at an adjourned Meeting unless:- Notice of adjourned Meeting.

(a) the Meeting is adjourned sine die; or

(b) the adjourned Meeting is to be held more than 14 days but less than 30 days after the date of the original General Meeting – in which case, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted; or

(c) the adjourned Meeting is to be held more than 30 days after the date of the original General Meeting.

82(1). If required by the Exchange, all resolutions at General Meetings shall be voted by poll. Method of voting.

82(2). Subject to regulation 82(1), at any General Meeting, a resolution put to the vote of the Meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by —

(a) the chairman (being a person entitled to vote thereat);

(b) at least three (3) Members present in person or by proxy or by attorney or in the case of a corporation by its representative and entitled to vote thereat;

(c) any Member or Members present in person or by proxy or by attorney or in the case of a corporation by its representative and representing not less than 5% of the total voting rights of all the Members having the right to vote at the Meeting; or

(d) a Member or Members holding shares in the Company conferring a right to vote at the Meeting, being shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right.

82(3). A demand for a poll under regulation 82(2) may be withdrawn.

83. Unless required by the Exchange, no poll shall be demanded on the election of a chairman or on a question of adjournment.

84. Unless a poll is taken, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. Declaration of chairman conclusive.

85(1). A poll, if taken, shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman directs. Taking a poll.

85(2). A poll demanded on any question shall be taken either immediately or at such subsequent time and place as the chairman may direct (being not later than thirty (30) days after the date of the demand or the date of the meeting when the poll was required).

85(3). The result of the poll taken pursuant to regulation 85(1) shall be deemed to be the resolution of the Meeting at which the poll was demanded.

85A(1). Where a General Meeting is held by electronic means, the Member may appoint the chairman of the General Meeting as the Member's proxy to vote at the General Meeting by depositing with the Company an instrument of appointment by post, or by electronic mail to an electronic mail address stated in the notice of the General Meeting. Method of voting where meeting is held by electronic means.

85A(2). In addition to (but not in place of) regulation 85A(1), the Company may provide for either or both of the following:-

(a) provide for the Member to appoint the chairman of the General Meeting as the Member's proxy to vote at the General Meeting by depositing with the Company an instrument of appointment by such other electronic means as the Directors consider appropriate;

(b) provide for the Member:

(i) to vote at the General Meeting by electronic means through an electronic voting system; and

(ii) to appoint any person (other than the chairman) as the Member's proxy to vote at the meeting by electronic means through an electronic voting system, by depositing with the Company an instrument of appointment appointing a proxy and any other supporting documents by post or by electronic mail to the electronic mail address stated in the notice of the General Meeting; and, in addition to (but not in place of) post and electronic mail, by such other electronic means as the Directors consider appropriate.

85A(3). Where voting by electronic means through an electronic voting system is provided for, the Company shall ensure that:- Electronic voting system.

(a) the electronic voting system that is used accurately counts all votes cast at the meeting;

(b) the electronic voting system that is used is capable of providing records from which the operation of the electronic voting system may be audited and for verification of the accuracy of the recording and counting of votes;

(c) each vote that is cast is verified by the Company as cast by the Member (or the Member's proxy) entitled to vote; and

(d) the chairman of the General Meeting must, during the meeting, declare, by electronic means, the result of any matter put to a vote at the meeting.

86. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the Meeting at which the show of hands takes place or at which a poll is required under this Constitution, as the case may be, is entitled to a second or casting vote. Chairman's casting vote.

87. The chairman may, and if so requested, or if so required by Exchange, shall, appoint at least one scrutineer who shall be independent of the persons undertaking the polling process, and may adjourn the Meeting to some place (within Singapore) and time fixed by him for the purpose of declaring the result of any poll taken. Scrutineers.

88. If any votes, which ought not to have been counted or might have been rejected, are counted, the error shall not vitiate the result of the voting unless it is pointed out at the same Meeting or at any adjournment thereof, and is, in the opinion of the chairman, of sufficient magnitude. Votes counted in error.

89. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. Continuance of business after demand for a poll.

90. After the chairman of any Meeting has declared the General Meeting to be over and has left the chair, no business or question shall, under any pretext whatsoever, be brought forward or discussed. End of General Meeting.

91(1). The regulations of this Constitution relating to General Meetings apply with the necessary modifications to every separate General Meeting of the holders of the shares of the class referred to in regulations 12 and 13, except that — Regulation of class meetings.

(a) the necessary quorum is at least 2 persons holding or representing by proxy or by attorney one-third of the issued shares of the class; and

(b) any holder of shares of the class present in person or by proxy or by attorney may demand a poll.

91(2). Section 184 of the Act applies with the necessary modifications to every special resolution passed at a separate General Meeting of the holders of the shares of the class under regulations 12 and 13.

91A(1). Where the General Meeting is held by electronic means, the Company may require a Member who wishes to raise any matter at the General Meeting to, before the General Meeting, send to the chairman of the General Meeting in the manner set out in the notice of the General Meeting, the matters which the Member wishes to raise. Each such matter, if substantial and relevant and sent before the Cut-Off Time or such other time as the Directors may determine, shall be responded to by the Directors at or before the General Meeting by electronic means. Members right to speak on a resolution where General Meeting is held by electronic means.

91A(2). For the avoidance of doubt, in addition to (but not in place of) regulation 91A(1), the Company may provide for any matter to be raised by a Member or person at a General Meeting and for the matter to be responded to at the General Meeting through real-time electronic communication such as video conferencing, tele-conferencing, live chat, or such other form of communication which the Directors may determine. Participation via real-time electronic communication.

VOTES OF MEMBERS

92(1). Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of shares, at Meetings of Members or classes of Members, each Member who is present in person or by proxy or by attorney or, in the case of a corporation, by a representative shall have:- Voting rights of Members.

(a) on a show of hands, one vote; and

(b) on a poll, one vote for each share the Member holds.

92(2). On a show of hands:-

(a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member, or failing such determination, by the chairman of the Meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote on a show of hands; and

(b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

92(3). Subject to the regulations of this Constitution, no Member is entitled to vote, whether personally or by proxy or by attorney or, in the case of a corporation, by a representative, at any General Meeting unless all calls or other sums presently payable in respect of such shares in the Company have been paid by the Member to the Company.

Entitlement to vote only upon full payment.

93. On a poll, a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Voting on a poll.

94(1). In the case of joint holders of any share(s), any of such persons may vote but if more than one of such persons is present at the meeting, whether in person or by proxy or by attorney or, in the case of a corporation, by a representative, the vote of the senior who tenders a vote is accepted to the exclusion of the votes of the other joint holders.

Voting rights of joint holders.

94(2). For the purposes of regulation 94(1), seniority is to be determined by the order in which the names stand in the Register or (as the case may be) the Depository Register in respect of the share.

95. Member who becomes or is found to be mentally disordered and incapable of managing himself or his affairs or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity, may vote, whether on a show of hands or on a poll, by a person who properly has the management of the estate of the Member, and any such person may vote by proxy or attorney provided that such evidence, as the Directors may require, of the authority of the person claiming entitlement to vote shall have been deposited at the Office before the Cut-Off Time.

Votes of Members who are mentally disordered.

96(1). No objection may be raised as to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered.

Objections as to qualification of voter.

96(2). Any objection made in due time must be referred to the chairman of the Meeting, whose decision is final and conclusive.

96(3). Every vote not disallowed at the Meeting is valid for all purposes.

97(1). Save as otherwise provided in the Act and in this Constitution:- Appointment of proxies.

(a) subject to paragraph (b), a Member may appoint not more than 2 proxies to attend, speak and vote at the same General Meeting. Where a Member's instrument of proxy appoints 2 proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument; and

(b) a Member who is a relevant intermediary may appoint more than 2 proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's instrument of proxy appoints more than 2 proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

97(2). If no proportion of shareholding is specified in the instrument of proxy referred to in regulation 97(1)(a), the Company shall be entitled to treat:-

(a) the first named proxy as representing the entire number of shares entered against the Member's name in the Register or Depository Register, as the case may be, and any second named proxy as an alternate to the first name; or

(b) the instrument of proxy as invalid.

97(3). A proxy may but need not be a Member of the Company.

98(1). An instrument appointing a proxy shall be in writing, in any usual or common form or such other form as the Directors may approve. Instrument appointing proxy.

98(2). The instrument referred to in regulation 98(1) must be —

(a) where the appointer is a corporation or a limited liability partnership:-

(i) if the instrument is delivered personally or sent by post, either under seal in accordance with its constitutional documents or under the hand of an officer or attorney duly authorised; or

(ii) if the instrument is sent by electronic communication, authorised by the appointor through such method and in such manner as may be approved by the Directors; and

(b) in any other case:-

(i) if the instrument is delivered personally or sent by post, under the hand of the appointer or of the attorney of the appointer duly authorised in writing; or

(ii) if the instrument is sent by electronic communication, authorised by the appointor through such method and in such manner as may be approved by the Directors.

98(3). The signature on, or authorisation of, such instrument need not be witnessed.

98(4). The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, approve the method and manner for an instrument to be authorised as contemplated in regulations 98(2)(a)(ii) and 98(2)(b)(ii). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulations 98(2)(a)(i) and 98(2)(b)(i) shall apply.

98(5). The Directors may, for the purposes of 98(2)(a)(ii) and 98(2)(b)(ii), designate procedures for authenticating any such instrument, and if so designated, any such instrument not authenticated by use of such procedures shall be deemed not to have been received by the Company.

98(6). The deposit of an instrument of proxy does not preclude a Member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the Meeting.

99. In determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, the Company is entitled and bound to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Instructions on instrument of proxy.

100. The instrument appointing a proxy is treated as conferring authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting.

Deemed authority.

101. An instrument appointing a proxy shall, unless the contrary is stated thereon be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and, having been once delivered to the Company in accordance with regulation 102, shall not be required to be delivered to the Company again.

Validity of instrument of proxy for adjourned Meetings.

102(1). For the purpose of appointing a proxy, the instrument appointing a proxy:-

Deposit of instrument appointing proxies.

(a) if delivered personally or sent by post, must be deposited at the Office of the Company, or at such other place in Singapore as is specified in the notice convening the Meeting; or

(b) if sent by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting,

not later than the Cut-Off Time for the holding of the Meeting or adjourned Meeting to which it is to be used.

102(2). Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for the purposes of this regulation include a Depositor) by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) be deposited at the Office with the instrument of proxy pursuant to regulation 102(1).

102(3). An instrument of proxy is not valid if regulations 102(1) and 102(2) are not complied with.

102(4). The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in regulation 102(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulation 102(1)(a) shall apply.

102(5). Where a Member is a Depositor, the Company shall be entitled and bound to:-

(a) reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company; and

(b) accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll, a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

103(1). Subject to regulation 103(2), a vote given in accordance with the terms of an instrument of proxy or attorney is valid despite — Intervening events not to revoke proxy.

(a) the previous death or mental disorder of the principal;

(b) the revocation of the instrument or of the authority under which the instrument was executed; or

(c) the transfer of the share in respect of which the instrument is given.

103(2). Regulation 103(1) does not apply if an intimation in writing of such death, mental disorder, revocation, or transfer has been received by the Company at its Office not less than two (2) hours before the Meeting or adjourned Meeting at which the instrument is used.

104. Any corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Regulations be deemed to be present in person at any such meeting if a person so authorised is present thereat. Corporations acting by representatives.

104A. Subject to this Constitution and the Act, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. Voting in absentia.

NOTICES

183(1). Subject to the provisions of the Act and the Listing Manual, any notice, financial statements, reports or other document may be given by the Company to any Member in any of the following ways:- Manner of giving notice.

(a) by delivery in person; or

(b) by sending it by prepaid mail to the Member at the Member's registered address or, if he has no registered address within Singapore, to the address, if any, within Singapore supplied by him to the Company or the Depository as his address for the service of notices; or

(c) by sending an electronic communication containing the text of the notice or other document to him at such address as might have been previously notified by the Member concerned to the Company for the purpose of receiving electronic communication; or

(d) by making the notice or other document available on a website prescribed by the Company from time to time.

183(2). For the purposes of regulation 183(1), a Member shall be implied to have agreed to receive such notice or other document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document, insofar as may be permitted under applicable laws. Implied consent.

183(3). Notwithstanding regulation 183(2), the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document, insofar as may be permitted under applicable laws. If upon receipt of information, notice or documents, a Member elects to receive such information, notice or documents in physical form, the Company shall send to that Member such information, notice or documents within seven (7) days of receipt of that Member's election. Deemed consent.

183(4). Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to regulation 183(1)(d), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:- Notice to be given of service on website.

(a) by sending such separate notice to the Member personally or through the post pursuant to regulation 183(1)(a) or regulation 183(1)(b);

(b) by sending such separate notice to the Member using electronic communications to his current address pursuant to regulation 183(1)(c);

(c) by way of advertisement in the daily press; and/or

(d) by way of announcement on the Exchange.

184(1). Any notice or other document sent in conformity with regulation 183 shall be deemed to have been sent at any of the following times as may be appropriate:- When service effected.

(a) when it is delivered personally to the Member, at the time when it is so delivered;

(b) when it is sent by prepaid mail, on the day following that on which it was posted;

(c) when the notice or other document is sent by electronic communication at the time of the transmission of the electronic communication (notwithstanding any delayed receipt, non-delivery or "**returned mail**" reply message or other error message indicating that the electronic communication was delayed or not successfully sent), insofar as may be permitted under applicable laws; and

(d) when the notice or other document is made available on a website, on the date on which the notice or other document is first made available on the website, insofar as may be permitted under applicable laws.

184(2). In proving such sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post as a prepaid letter or airmail letter as the case may be or that an electronic communication was properly addressed and transmitted.

185. All notices and documents with respect to any share to which persons are jointly entitled shall be given by the Company to the joint holder first named in the Register or Depository Register in respect of the share and notice so given shall be sufficient notice to all the holders of such share. Notice to joint holders.

186. Any Member described in the Register or the Depository Register, as the case may be, by an address not within Singapore who shall from time to time give the Company an address within Singapore at which notices and documents may be served upon him shall be entitled to have served upon him at such address any notice or document to which he would be entitled under this Constitution. Where address not within Singapore.

187. A notice or document posted up in the Office shall be deemed to be duly served on the following persons at the expiration of twenty four (24) hours after it is so posted up:- Where no address given.

(a) Members who have no address appearing in the Register or the Depository Register, as the case may be; and

(b) subject to regulation 186, Members who are described in the Register or the Depository Register by an address not within Singapore.

188. Any notice or document served upon or sent to, or left at the address of any Member in the Register or in the Depository Register (or given or sent to, or served on, any Member using electronic communications as the case may be) pursuant to this Constitution, shall, notwithstanding that such Member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share held by such Member, whether held solely or jointly with other persons, until some other person be registered in his stead as the holder or joint holder of such share, and such service shall, for all purposes of this Constitution, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share. Service of notices after death, etc. of Member.

189. Every person who, by operation of law, transfer or any other means whatsoever, becomes entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being registered in the Register or in the Depository Register, as the case may be, has been duly given to the person from whom he derives his title to such share. Transferees bound by prior notice.

190. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature/name of the Secretary or other duly authorised officer of the Company, whether such signature/name is printed or written, and to the extent permitted by the applicable laws, such signature may be in the form of an electronic signature. Signature/name on notice.

191. Any notice or other document required to be sent or served upon the Company or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper or by telex or facsimile transmission addressed to the Company or to such officer at the Office. Service on Company.

192(1). When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall, unless it is otherwise provided or required by this Constitution or by the Act, not be counted in such number of days or period. Day of service not counted.

192(2). In the event a notice or document is given pursuant to regulation 183(1)(d), where required under the Constitution to be given to a person not less than a specified number of days before a Meeting, that notice or document made available on a website, shall be treated as given or sent or served on that person not less than the specified number of days if:-

(a) the document is published on and remains accessible to that person from the website through a period beginning not less than the specified number of days before the date of the Meeting and ending with the conclusion of the Meeting; and

(b) the person is notified of the publication of the document on the website, the address of the website and the place on that website where document may be accessed, and how it may be accessed, no less than the specified number of days before the date of the Meeting.

193. Regulations 183, 184, 190 and 192 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors. Notice of meetings of Directors or any committee of Directors.

3. RIGHTS IN RESPECT OF DIVIDENDS

DIVIDENDS AND RESERVES

168. The Company in General Meeting may by ordinary resolution declare dividends, but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company or in excess of the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Act, to the Company in respect of treasury shares. Payment of dividends.

169. Any dividends declared by the Company may be so declared in Singapore Dollars or any other currency. Currency of dividends declared.

170. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may from time to time pay:- Payment of preference and interim dividends.

(a) the fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares; and

(b) subject to paragraph (a), to the other Members such interim dividends of such amounts and on such dates as they may think fit.

171(1). Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:- Apportionment of dividends.

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

171(2). For the purposes of this regulation 171, an amount paid or credited as paid on a share in advance of a call is to be ignored.

171(3). If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

172. No dividend or other monies payable on or in respect of a share shall bear interest against the Company. Dividends not to bear interest.

173. The Directors may retain any dividend or other monies payable on shares:- Retention of dividends.

(a) on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists; or

(b) in respect of which any person is, under the regulations as to the transmission of shares hereinbefore contained, entitled to become a Member or which any person under those regulations is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.

174. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be. Effect of transfer.

175(1). Any General Meeting declaring a dividend or bonus may, upon recommendation of the Directors, by ordinary resolution, direct payment of the dividend or bonus wholly or partly by the distribution of specific assets, including — Payment of dividend in specie.

(a) paid-up shares of any other company;

(b) debentures or debenture stock of any other company; and/or

(c) any combination of any specific assets,

and the Directors must give effect to the said resolution.

175(2). Where any difficulty arises with regard to a distribution directed under regulation 175(1), the Directors may settle the distribution as they think expedient, including doing all or any of the following:-

(a) fix the value for distribution of the specific assets or any part of the specific assets;

(b) determine that cash payments be made to any Members on the basis of the value fixed by the Directors, in order to adjust the rights of all parties; and

(c) vest any specific assets in trustees as may seem expedient to the Directors.

175(3). No valuation, adjustment or arrangement made under regulation 175(2) shall be questioned by any Member.

176(1). Whenever the Company in General Meeting has resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.

Scrip dividend scheme.

176(2). Where a resolution is made pursuant to regulation 176(1), the following provisions shall apply:-

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors may determine, in their sole discretion, that allotment of shares or the rights of election shall not be made available to certain Members or classes of Members including, without limitation:-

(i) Members who are registered in the Register or the Depository Register after such date as may be fixed by the Directors; or

(ii) Members having registered addresses outside Singapore and in such event, the only entitlement to such Members shall be to receive cash in the relevant dividend resolved or proposed to be paid or declared;

(c) the Directors shall determine the manner in which Members shall be entitled to make such election and shall make all such arrangements and do all such things, as the Directors consider necessary or expedient, in connection with the provisions of this paragraph (c) including:-

(i) making such arrangements as to the giving of not less than two (2) weeks' notice to Members;

(ii) determining the procedure for making such elections or revoking the same;

(iii) providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally); and

(iv) determining the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged;

(d) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

(e) subject to regulation 176(4)(c), the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "**elected ordinary shares**") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid.

176(3). Unless otherwise specified by the Directors, the ordinary shares allotted pursuant to the provisions of this regulation 176 shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above.

176(4). Notwithstanding any provision to the contrary in this Constitution, the Directors may do all acts and things considered necessary or expedient to give effect to the resolution made pursuant to regulation 176(1), including, without limitation:-

(a) making of each necessary allotment of shares and appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment;

(b) capitalising and applying:-

(i) the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the financial statements or otherwise for distribution as the Directors may determine, such sum as may be required; or

(ii) the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares,

towards full payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis;

(c) making such provisions as they think fit in the case of shares becoming distributable in fractions (including, provisions whereby in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members concerned); and

(d) authorising any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

176(5). Notwithstanding the foregoing provisions of this regulation 176, if at any time after a resolution is made pursuant to regulation 176(1) but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that allotment, the Directors may, at their own discretion and without assigning any reason therefore, cancel the proposed application of this regulation 176.

177(1). Any dividend, interest, or other money payable in cash in respect of a share may be paid by cheque, draft, post office order or warrant sent through the post directed — Dividend payable by cheque.

(a) if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder —
(i) to any one of such persons; or
(ii) to a person or to an address as such persons may in writing direct; or

(b) in any other case —
(i) to the registered address of the Member; or
(ii) to a person or to an address as the Member may in writing direct.

177(2). Every cheque or warrant made under regulation 177(1) shall be made payable to the order of the person to whom it is sent or to such person as the Member or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the Member may direct.

177(3). Payment of the cheque if purporting to be endorsed or the receipt by any such person under regulation 177(1) shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby and the Company shall not be responsible for the loss of any cheque, draft, warrant or post office order which shall be sent by post duly addressed to the person for whom it is intended.

178. Notwithstanding the provisions of this Constitution, payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

Unclaimed dividends.

179(1). The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

179(2). All dividends unclaimed for one (1) year after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company.

179(3). Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so, shall revert to the Company but the Directors may, at any time thereafter, at their absolute discretion, annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Power to carry profits to reserve or carry forward profits.

180(1). The Directors may, from time to time —

(a) set aside out of the profits of the Company sums as they think proper as reserves; or

(b) carry forward any profits which they may think prudent not to divide, without placing the profits to reserve.

180(2). The reserves set aside under regulation 180(1)(a) —

(a) are, at the discretion of the Directors, to be applied for:-
(i) meeting contingencies;
(ii) the gradual liquidation of any debt or liability of the Company;
(iii) repairing or maintaining the works, plant and machinery of the Company;
(iv) special dividends or bonuses;
(v) equalising dividends; or
(vi) any other purpose to which the profits of the Company may be properly applied;

(b) may, pending any application under paragraph (a) and at the discretion of the Directors, be employed in the business of the Company or be invested in any investments as the Directors may from time to time think fit.

CAPITALISATION OF PROFITS AND RESERVES

181(1). The Company in General Meeting may, upon the recommendation of the Directors, resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the financial statements or otherwise available for distribution, provided that such sum is not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend.

Power to capitalise profits.

181(2). The amount capitalised under regulation 181(1) is set free for distribution amongst Members who would have been entitled to the amount had it been distributed by way of dividend and in the same proportions, and is to be applied in or towards either or both of the following:-

(a) paying up any amounts for the time being unpaid on any shares held by the Members respectively;

(b) paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the same proportions.

182(1). Whenever a resolution under regulation 181(1) has been passed, the Directors must —

Implementation of resolution to capitalise profits.

(a) make all appropriations and applications of the undivided profits resolved to be capitalised by the resolution;

(b) make all allotments and issues of fully paid shares or debentures, if any; and

(c) do all acts and things required to give effect to the resolution.

182(2). The Directors have full power to —

(a) make provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions; and

(b) authorise any person to enter on behalf of all the Members entitled to the distribution into an agreement with the Company providing —

(i) for the allotment to the Members respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon the capitalisation; or

(ii) for the payment up by the Company on the Member's behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the profits resolved to be capitalised,

and any agreement made under such authority is effective and binding on all Members entitled to the distribution.