



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

PROPOSED DISPOSAL OF AN ASSOCIATED COMPANY, EPETROL SILVERSWITCH SDN BHD

1. INTRODUCTION

1.1 Background

On 26 December 2007, Silverlake Axis Ltd (“**SAL**” or the “**Company**”) announced that it had entered into an agreement with EC Switch Sdn Bhd (now known as ‘Dialog Innovation Ventures Sdn Bhd’) (“**DIV**”), Elite Capital Limited (“**Elite**”) and Silverswitch Sdn Bhd (now known as ‘ePetrol Silverswitch Sdn Bhd’) (“**Silverswitch**”), to acquire a 24.5% interest in Silverswitch, with the remainder being taken-up by DIV (65%) and Elite (10.5%).

It was also disclosed that Silverswitch had obtained certain non-exclusive licences of proprietary software from each of the Company and DIV to develop a cashless payment solution (“**Project**”).

Following the investment, Silverswitch became an associated company of the Company.

1.2 Proposed Disposal

The Board of Directors of the Company now wishes to announce that the Company and Elite have entered into a sale and purchase agreement (“**SPA**”) with DIV, on 26 February 2019, for the proposed disposal by the Company and Elite of their entire respective interests in the share capital of Silverswitch (“**Sale Shares**”), to DIV (“**Proposed Disposal**”).

Following completion of the Proposed Disposal, Silverswitch will cease to be an associate of the Company.

2. INFORMATION RELATING TO THE PROPOSED DISPOSAL

2.1 Rationale for the Proposed Disposal

The Company has decided to dispose of its interest in Silverswitch as the Project was not profitable and Silverswitch no longer has any business operations and has been dormant since July 2017.

Silverswitch is also indebted to the Company and Elite in the amount of RM735,000 (“**Silverlake Loan**”) and RM315,000 (“**Elite Loan**”) respectively, pursuant to loans extended to Silverswitch in February 2009 by the Company and Elite in proportion to their respective interests in the share capital of Silverswitch.

The Silverlake Loan has been fully written-off by the Company since June 2014.

2.2 Consideration

The consideration for the Sale Shares comprises the sum of RM2, to be paid by DIV to each of the Company and Elite, in equal proportions, on completion.

The consideration for Sale Shares was arrived at on a willing-buyer, willing-seller basis, taking into account that:

- (a) the net book value of the Sale Shares in the Company's financial statements is presently nil; and
- (b) it is condition of the SPA that, on completion, Silverswitch shall pay to the Company the sum of RM135,210 as full and final settlement of the Silverlake Loan, and pay to Elite the sum of RM57,947 as full and final settlement of the Elite Loan. The payments were derived based on the remaining cash and bank balance of RM976,655 held by Silverswitch as at 30 June 2018 and takes into account the percentage that the respective Silverlake Loan and Elite Loan bears to the total outstanding amount owed by Silverswitch to its shareholders.

2.3 Financial Effects

The Proposed Disposal is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 30 June 2019.

Additionally, the relative figures computed under Chapter 10 of the Listing Manual do not exceed 5%.

3. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Mr Goh Peng Ooi ("**Mr Goh**"), the Executive Chairman of the SAL Group and the ultimate controlling shareholder of the Company, is also a director and holds 100% of the shareholding of Elite.

In addition, Mr Goh and Dr Kwong Yong Sin (the Group Managing Director of the SAL Group) ("**Dr Kwong**") are also the directors of Silverswitch. Upon completion of the Proposed Disposal, Mr Goh and Dr Kwong will resign as the directors of Silverswitch.

Ms Goh Shiou Ling ("**Ms Goh**"), the Executive Director of the Company, is the daughter of Mr Goh.

Other than the above-stated relationships, Mr Goh, Dr Kwong and Ms Goh do not have any interest, direct or indirect, in the Proposed Disposal other than through their shareholding interests in the Company.

Save as disclosed above, no other Director or substantial shareholder of the Company has an interest, direct or indirect, in the Proposed Disposal, otherwise than through their shareholding interests in the Company.

4. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 for three (3) months from the date hereof.

BY ORDER OF THE BOARD

Dr Kwong Yong Sin
Group Managing Director

26 February 2019