



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

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## **PROPOSED SALE OF VACANT COMMERCIAL LAND IN MALAYSIA BY SILVERLAKE AXIS SDN BHD (“PROPOSED SALE”)**

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### **1. INTRODUCTION**

The Board of Directors of Silverlake Axis Ltd (“**Company**”) wishes to announce that Silverlake Axis Sdn Bhd (“**SASB**”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (“**Agreement**”) with Immortal Entity Sdn Bhd (“**Purchaser**”) in respect of the proposed sale (“**Proposed Sale**”) of 2 adjoining parcels of vacant commercial land in Malaysia held under:

- (a) Geran 207220, Lot No. 23585, Mukim Dengkil, District of Sepang, Selangor measuring 6266 square metres and
- (b) Geran 207221, Lot No. 23586, Mukim Dengkil, District of Sepang, Selangor measuring 6224 square metres

(collectively, the “**Land**”)

for a disposal price of RM16,000,000 (“**Disposal Price**”), on a willing buyer willing seller basis.

### **2. RATIONALE FOR THE PROPOSED SALE**

SASB has decided to dispose the Land as it is surplus to the business and operational needs of the Company and its subsidiaries (“**SAL Group**”).

### **3. USE OF PROCEEDS**

The SAL Group intends to use the proceeds from the Proposed Sale for investment and business expansion, including potential acquisitions, and general working capital purposes.

### **4. VALUATION**

On 14 May 2018, Henry Butcher Real Estate Sdn Bhd (“**Valuer**”) was engaged by SASB to perform valuation of the Land. The professional valuation report issued on 25 May 2018 (“**Valuation Report**”), valued the Land in the range of RM14 million to RM20 million. The Valuer has adopted the “Comparison Approach” in arriving at the valuation, which is based on comparing the Land with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities.

Following the issuance of the Valuation Report, the Valuer was engaged to carry out an “expression of interest” through an open sale bid process which included advertising the Land for sale in leading Malaysian newspapers and sourcing for potential purchasers from the Valuer’s marketing database.

Following the 6-week open sale bid process, QW Prosper Holding Sdn Bhd (“**QWPH**”) successfully secured the bid at RM16,000,000.

QWPH, a company owned by the same controlling shareholder of the Purchaser, subsequently nominated the Purchaser as the party to enter into the Agreement with SASB to acquire the Land.

## **5. DISPOSAL PRICE**

Pursuant to the Agreement, the Disposal Price will be satisfied in the following manner:

- (a) an initial deposit of RM320,000 representing 2% of the Disposal Price has been paid to SASB prior to the entry into the Agreement;
- (b) a balance deposit of RM1,280,000 representing 8% of the Disposal Price has been paid to SASB upon entry into the Agreement as follows:
  - (i) a sum of RM800,000 representing 5% of the Disposal Price has been paid by the Purchaser to SASB; and
  - (ii) a sum of RM480,000 representing 3% of the Disposal Price has been paid by the Purchaser to SASB’s solicitors as stakeholders for onward forwarding to the Director General of Inland Revenue in accordance with the Agreement; and
- (c) the balance of the Disposal Price of RM14,400,000 representing 90% of the Disposal Price shall be paid during the completion period for the sale of the Land, the initial completion period being the period of 90 days from the date when the last of the condition precedents has been satisfied or waived, as the case may be.

## **6. MATERIAL CONDITION PRECEDENTS**

Completion of the Proposed Sale is conditional, upon the fulfilment of the following condition precedents:

- (a) SASB obtaining consent from the appropriate authorities to transfer the title of the Land to the Purchaser; and
- (b) in the event the Purchaser is taking a loan to finance the purchase of the Land, the Purchaser obtaining the appropriate authorities’ consent(s) to create a charge on the Land in favour of the Purchaser’s financier.

## **7. FINANCIAL EFFECTS**

For illustrative purposes only, based on the audited consolidated financial statements of the SAL Group for the financial year ended 30 June 2018, the financial effects of the Proposed Sale are set out below:

	Before the Proposed Sale	After the Proposed Sale
Net tangible asset per share (assuming the Proposed Sale was effected at the end of the financial year ended 30 June 2018) (in sen)	11.91	12.23
Earnings per share (assuming the Proposed Sale was effected at the beginning of the financial year ended 30 June 2018) (in sen)	5.09	5.40

The Proposed Sale is expected to result in a net gain on disposal of approximately RM8.31 million, after taking into account the book value of the Land of RM7.15 million and expenses incurred in connection with the Proposed Sale.

#### 8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL (“LISTING MANUAL”) OF THE SINGAPORE SECURITIES EXCHANGE TRADING LIMITED

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Sale are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of assets to be disposed of, compared with the SAL Group's net asset value as at 30 September 2018	1.3% <sup>(1)</sup>
(b)	Net profits attributable to the assets disposed of, compared with the SAL Group's net profits for the first quarter ended 30 September 2018	13.0% <sup>(2)</sup>
(c)	Aggregate value of consideration received, compared with the Company's market capitalisation as at the market day preceding the date of the announcement	0.5% <sup>(3)</sup>
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not Applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the SAL Group's proved and probable reserves	Not Applicable <sup>(5)</sup>

Notes:

(1) Based on the net asset value of the Land of RM7.15 million over the SAL Group's net asset value of RM552.05 million.

(2) Based on the estimated gain before tax on the disposal of the Land of RM8.75 million over the SAL Group's profit before tax of RM67.44 million.

(3) *The market capitalisation of the Company of S\$1,077.98 million (equivalent to approximately RM3,287.84 million using exchange rate of S\$1:RM3.05) was determined by multiplying 2,649,252,732 shares, being the number of issued shares (excluding Treasury Shares) of the Company, by S\$0.4069, being the weighted average price per share transacted on 22 November 2018, the market day immediately preceding the date of the Agreement.*

(4) *No equity securities will be issued by the Company as consideration for the Proposed Sale.*

(5) *This is not applicable as the Proposed Sale does not involve a disposal of mineral, oil or gas assets by a mineral, oil and gas company.*

Based on the above, the Proposed Sale constitutes a Discloseable Transaction as defined in Chapter 10 of the Listing Manual.

## **9. SERVICE CONTRACTS**

No person will be appointed as a Director of the Company in connection with the Proposed Sale and accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

## **10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

The Purchaser is owned by Dato' Sri Tong Seech Wi, who is the brother-in-law of Mr Goh Peng Ooi (Executive Chairman of the SAL Group and the ultimate controlling shareholder of the Company) and the uncle of Ms Goh Shiou Ling (Executive Director of the Company).

Other than the above-stated relationships, Mr Goh Peng Ooi and Ms Goh Shiou Ling do not have any interest, direct or indirect, in the Proposed Sale other than through their shareholding interests in the Company.

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

## **11. DOCUMENTS FOR INSPECTION**

A copy of the Agreement 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.

## **12. CAUTION IN TRADING**

Shareholders are cautioned that there is no certainty that the Proposed Sale will be completed as contemplated and are advised to exercise caution when dealing in the shares of the Company.

## **BY ORDER OF THE BOARD**

Dr Kwong Yong Sin  
Group Managing Director  
23 November 2018