



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

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## PROPOSED CHANGE OF AUDITOR

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### 1. Proposed Change of Auditor

The Board of Directors ("**Board**") of Silverlake Axis Ltd ("**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Group is proposing to change the current auditor of the Company from Ernst & Young PLT ("**EY Malaysia**") to Ernst & Young LLP ("**EY Singapore**") for the current financial year ending 30 June 2021 ("**Proposed Change of Auditor**").

A special general meeting ("**Special General Meeting**") shall be convened on or around 11 June 2021 to obtain approval from the shareholders of the Company ("**Shareholders**") for the Proposed Change of Auditor. The Company will update Shareholders on the location of the Special General Meeting in due course in the notice of the Special General Meeting.

### 2. Background and Rationale for the Proposed Change of Auditor

EY Malaysia has been the external auditor of the Company since October 2009 and was re-appointed as the external auditor at the last annual general meeting of the Company held on 27 October 2020, to hold office until the conclusion of the next annual general meeting of the Company.

On 12 February 2021, Rule 712 of the Listing Manual was amended to require issuers to appoint an auditing firm which is approved under the Accountants Act (Chapter 2) of Singapore ("**Accountants Act**"). As EY Malaysia is not an approved auditing firm under the Accountants Act, the Company intends to appoint EY Singapore to comply with the amended Rule 712 of the Listing Manual. A change of auditor would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, thus enhancing the value of the audit of the Group.

EY Singapore was selected for the proposed appointment after the Audit and Risk Committee of the Company ("**ARC**") invited and evaluated competitive proposals from various audit firms. The ARC reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration the Audit Quality Indicators Disclosure Framework introduced by the Accounting and Corporate Regulatory Authority of Singapore, and the criteria for the evaluation and selection of the external auditor contained in the Guidebook for Audit Committees in Singapore and the Audit Committee Guide issued by the Singapore Institute of Directors, including factors such as the adequacy of the resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's ability to tap into its network for auditing a multi-national corporation, audit approach, transition plan, and the number and experience of supervisory and professional staff to be assigned. The scope of audit services to be provided by EY Singapore will be comparable to those provided by EY Malaysia.

After evaluation, the Board, in consultation with the ARC, is satisfied that EY Singapore will be able to meet the audit requirements of the Company.

### 3. Requirements under Bermuda Law and Listing Manual

Under Section 89(3) of the Bermuda Companies Act, a person, other than an incumbent auditor, shall not be capable of being appointed auditor at a general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than twenty-one (21) days before the general meeting, and the company shall send a copy of any such notice to the incumbent auditor, and shall give notice thereof to the members, either by advertisement in an appointed newspaper or in any other mode provided by the bye-laws of the company, not less than seven (7) days before the general meeting, provided that the incumbent auditor may by notice in writing to the secretary of the company waive the requirements of Section 89(3) of the Bermuda Companies Act which shall then not have effect.

EY Malaysia has, by a written notice dated 7 April 2021 to the secretary of the Company, waived the requirements of Section 89(3) of the Bermuda Companies Act with respect to its replacement as auditor of the Company.

Further, Section 89(3A) of the Bermuda Companies Act provides that no person shall accept appointment or consent to be appointed as auditor of a Bermuda company if he is replacing an auditor who has resigned, been removed or whose term of office has expired or is about to expire, or who has vacated office, until he has requested and received from that auditor a written statement of the circumstances and the reasons why, in that auditor's opinion, he is to be replaced. Section 89(3B) of the Bermuda Companies Act provides that notwithstanding Section 89(3A) of the Bermuda Companies Act, a person may accept appointment or consent to be appointed as auditor of the company if, within fifteen (15) days after making the request referred to in Section 89(3A), he does not receive a written statement as requested.

Section 89(12) of the Bermuda Companies Act states that an appointment as auditor of a person who has not requested a written statement from the former auditor under Section 89(3A) of the Bermuda Companies Act is voidable by a resolution of the shareholders at a general meeting.

EY Singapore has confirmed to the Company in writing that they have requested and received from EY Malaysia a written statement pursuant to and in accordance with Section 89(3A) of the Bermuda Companies Act.

In addition, EY Malaysia has in a letter dated 7 April 2021, given notice to the Board of their resignation as external auditor of the Company. EY Singapore has, on 8 April 2021, given their consent to act as external auditor of the Company, subject to the approval of the Shareholders for the Proposed Change of Auditor at the Special General Meeting.

Pursuant to Rule 712(3) of the Listing Manual, the appointment of EY Singapore as external auditor of the Company in place of EY Malaysia must be specifically approved by Shareholders in a general meeting. The resignation of EY Malaysia and the appointment of EY Singapore as external auditor of the Company will therefore take effect upon the approval of the same by Shareholders at the Special General Meeting and, if appointed, EY Singapore will hold office until the conclusion of the next annual general meeting.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) the outgoing auditor, EY Malaysia, has confirmed by way of a letter dated 7 April 2021 that it is not aware of any professional reasons why the new auditor, EY Singapore, should not accept appointment as auditor of the Company;
- (b) the Company confirms that there were no disagreements with the outgoing auditor, EY Malaysia, on accounting treatments within the last twelve (12) months from the date of this announcement;

- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of Shareholders;
- (d) the specific reasons for the Proposed Change of Auditor are disclosed in this announcement; and
- (e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the Listing Manual in relation to the appointment of EY Singapore as the auditor of the Company.

The Board wishes to express its appreciation to EY Malaysia for past services rendered.

#### **4. Despatch of Circular**

A circular to the Shareholders containing further information on the Proposed Change of Auditor, together with the notice of Special General Meeting, will be despatched to Shareholders in due course.

#### **By Order of the Board**

Andrew Tan Teik Wei  
Group Managing Director  
15 April 2021