



## Building the **Next Generation Digital Core**





Visit [www.silverlakeaxis.com](http://www.silverlakeaxis.com) or scan this QR Code with your smart phone to learn more about Silverlake Axis. You will need to download a QR code scanner on your mobile phone in order to use this feature.

The annual report is available for downloading as a PDF file at our website. Quarterly financial results, presentation slides and announcements are also available at our website.

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## BOARD OF DIRECTORS

**GOH PENG OOI**  
Group Executive Chairman

**ANDREW TAN TEIK WEI**  
Group Managing Director

**GOH SHIOU LING**  
Executive Director

**DR. KWONG YONG SIN**  
Executive Director

**ONG KIAN MIN**  
Lead Independent Non-Executive Director

**TAN SRI DATO' DR. MOHD MUNIR BIN ABDUL MAJID**  
Independent Non-Executive Director

**DATUK YVONNE CHIA P.M.W**  
Independent Non-Executive Director

**SEE CHUANG THUAN**  
Independent Non-Executive Director

**YANO SATORU**  
Independent Non-Executive Director

**MAH YONG SUN**  
Independent Non-Executive Director  
(appointed on 27 August 2020)

## REGISTERED OFFICE

80 Robinson Road #02-00  
Singapore 068898

Tel : 65 6236 3333  
Fax : 65 6236 4399

## CORPORATE OFFICE

6 Raffles Quay  
#18-00  
Singapore 048580

## SHARE REGISTRAR

Boardroom Corporate &  
Advisory Services Pte Ltd  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

Tel : 65 6536 5355  
Fax : 65 6438 8710

## COMPANY SECRETARY

Ang Siew Koon  
(appointed on 23 September 2021)

Tan Min-Li  
(resigned on 23 September 2021)

Priscilla Tan  
(resigned on 23 September 2021)

Conyers Corporate Services (Bermuda)  
Limited, Assistant Secretary  
(resigned on 23 September 2021)

## AUDITORS

Ernst & Young LLP  
Singapore  
Chartered Accountants  
Audit Partner: Tee Huey Yenn  
(with effect from financial year  
ended 30 June 2021)

A leading enterprise technology, software and services company in the high growth Asia Pacific Region



## Our Corporate Objective

To Deliver Long Term Value for All Our Stakeholders Through Technology Innovations and Business Collaborations

## Our Vision

To Be Asia Pacific's Largest Digital Economy Solutions Company

## Our Mission

To Be The Leading Fintech Company, Highly Valued by Our Customers and Partners



### MARKET SIZE

Over **40%** of the top **20** largest banks in South East Asia use Silverlake Axis' core banking solutions



### GLOBAL PRESENCE

Partnering clients in over **80** countries across Asia, Europe, Middle East, Africa and Americas



### TRACK RECORD

**30** years of successful implementation of enterprise core software applications with **100%** success rate



### OUR CLIENTS

Core system platform partner of choice for **3** of the **5** largest ASEAN financial institutions. Over **370** customers using the Group's software solutions and services

# Chairman's Statement

*Dear Fellow Shareholders,*

*It is with great pleasure that we present our annual report for the financial year ended 30 June 2021.*



## REVIEW OF FY2021

In summary, our year ended mixed with the prolonged COVID-19 pandemic impacting our business to an extent. There is however, some silver lining that give us a measure of confidence as we move into FY2022 and beyond.

The COVID-19 pandemic has extended longer than we had anticipated or planned for; with more lockdown days in the key countries we operate in compared to the prior year, and this has adversely affected our ability to deliver top line revenue growth, with customers largely staying on the sidelines and delaying key Information Technology ("IT") purchasing decisions mostly through the first half of FY2021.

FY2021 started slower than anticipated with the prolonged effects of the pandemic impacting our financial results. Nevertheless, we persevered and remained focused on executing our five-year organisation and business transformation strategy that we put in motion more than a year ago. The resilience that we built into the business has enabled us to navigate

and face the uncertainties with rigour and confidence.

Our priority has always been to continually earn the trust of our customers by optimally maintaining, supporting and ensuring the Silverlake solutions operate and run in an uninterrupted fashion. We continue to work in partnership with our customers to provide them the direction to modernise their core banking platforms and the cutting-edge solutions they need to take them forward into the digital age.

On a year-to-date basis, the Group recorded revenue of RM626 million, a drop of 6% resulting largely from customers deferring decisions on larger ticket-sized licensing and project services deals during the first half of the financial year. Recovery only visibly began in Quarter Four, albeit not fast enough for us to recognise as revenue in FY2021 but the upside is that we will see this revenue flow through into FY2022.

For the year, the Group recorded a total gross profit of RM377 million, a slight decrease of 1% from the prior

year. Gross profit margins improved from 57% to 60%, contributed largely by efforts in cost control and higher margins from software projects, maintenance and enhancement services.

On an actual basis, profit line items; Profit Before Tax ("PBT"), Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") and Net Profit ("NP"), declined for the year with PBT declining 7% to RM187 million, EBITDA declining 12% to RM235 million and NP declining 23% to RM143 million.

FY2021 had several one-off financial items that negatively impacted our reported bottom line. When we normalise for these one-off items for both FY2021 and FY2020, the results would show improvements as disclosed in the *Financial Performance Review* section of the Annual Report.

During the year, the Group continued with cost tightening initiatives and as a result, we recorded a 9% reduction in selling and distribution costs, and a 15% increase in administrative expenses due to one-off non-

## Chairman's Statement (cont'd)

operational losses recognised in FY2021 as presented in Financial Performance Review section. Going forward, we shall continue to rationalise costs and optimise efficiencies.

As a consequence of a slower start to our financial year, total revenue for the first half decreased by 13% but that was followed by an improvement in the second half by 3% contributed largely by a strong set of results in Quarter Four.

In Quarter Four FY2021, we recorded the highest revenue compared to the last 5 preceding quarters at RM177 million, a growth of 13% over the prior year and 25% over the preceding Quarter Three. All segments of our business did well. Software licensing and project services grew 32%, enhancement services grew 21% and even Software-as-a-Service ("SaaS") Insurance processing despite the lock downs seen in several countries, saw a 28% increase compared to the corresponding period in the prior year.

Quarter Four saw a significant turnaround. We believe our business and product positioning strategies are working and customers are also no longer prolonging or delaying their IT investment decisions. There are visible signs that they are returning to invest in our solutions and capabilities going forward.

Quarter Four also landed us a significant MÖBIUS deal with one of the largest banks in Thailand. We remain optimistic of more deal closures in the subsequent quarters for our range of banking solutions, including MÖBIUS.

MÖBIUS, launched in year 2020 is our latest product that has been in development for more than 8 years. It is the Next Generation cloud native open banking platform that offers

our customers an "out of the box" set of solutions that are modular and configurable.

The banking industry continues to evolve at a fast pace. Many banks grapple with complex, monolithic and inflexible systems that have failed to provide business insights and failed to deliver superior customer experience. The costs of maintaining these legacy systems continue to rise in addition to the operational risk which is a cause for concern for many regulators and is being monitored closely by them. These industry dynamics form the basis of our value proposition and strategy as we continue to partner with our customers in their transformation journeys.

I feel a sense of pride and accomplishment in our "Silverlakers" as they adapted quickly to the disruptions caused by the market and internal transformation activities. They continue to deliver for the customer whether on a remote, hybrid or on-premise basis and provide the seamless support as expected by our clients. Our priorities have always been to ensure our customers' core systems remained operational throughout while for our people, to ensure their welfare and health are safeguarded and that they get the sustainable support from the Group as they carry out their functions and duties. Overall, I am pleased that the Group was able to sustain its business operations commendably during the year.

I am also especially proud of adding our first customer in the pure and challenging digital banking space as an existing Europe, the Middle East and Africa ("EMEA") customer launched their digital bank in FY2021 and chose our solution to power it.

We have been recognised and won several awards for our achievements during the year. Gartner rated us

as among the top 5 Core Banking solution providers in Thailand, Indonesia, Malaysia and Vietnam and International Data Corporation ("IDC") rated us as among the Top 100 Fintech companies globally. The Edge Singapore "Billion Dollar Club" awarded us with 2 awards for "Most Profitable Company" and "Best in Sector Award" for Software and IT Services and our Corporate Governance ranking as measured by National University of Singapore saw improvement in the Group's ranking to 26<sup>th</sup> position for FY2020 from 111<sup>th</sup> the year earlier, FY2019 Corporate Governance Statement as published in the Annual Reports.

On 25 June 2021, we successfully completed our hybrid Special General meeting ("SGM") whereby we received unanimous approval for the three resolutions tabled and we are well advanced in the exercise to complete the re-domiciliation of Silverlake Axis Ltd. from Bermuda to Singapore as planned. The re-domiciliation was approved by Accounting and Corporate Regulatory Authority of Singapore ("ACRA") on 23 September 2021.

We also completed and announced the full and final settlement of the "Earn-Out-Consideration" payable for the acquisition of Silverlake Investment (SG) Pte. Ltd. Group in FY2018.

The Group's investment in 37.1 million shares (an 8.30% ownership stake) of Global InfoTech Co. Ltd. ("GIT") is valued at RM288 million as at 30 June 2021 and has performed commendably over the volatile period. We remain bullish on the long-term growth and prospects of the IT market in China. We believe there is further potential and we remain committed to both existing and potential future investments as China continues its quest for global leadership in technology.

During the year, we continued to support our staff with flexible work-from-home arrangements and invested in infrastructure to ensure work could proceed unimpeded. As part of our corporate social responsibility ("CSR") program, we sponsored a virtual cancer run and we have a new initiative with the Fintech Association of Malaysia to be a participant and a catalyst for change and innovation in the years to come.

For FY2021, the Board of Directors proposed a final dividend of SGD0.52 cents per share for shareholders' approval at the forthcoming Annual General Meeting and while this represents a 30% dividend payout ratio, we believe this strikes a balance between providing returns to our shareholders and taking a conservative view of the future. We closed the year with circa RM420 million in cash reserves after the full settlement of RM122 million of revolving credit facility. Our capital structure remains strong and we are constantly on the lookout for any opportunities that potentially can be accretive to the Group.

## PROSPECTS IN FY2022 AND BEYOND

We begin the year cautiously optimistic in terms of our outlook of the market and opportunities. However, with the prolonged pandemic, there potentially are risks that are difficult to model. Despite this we are experiencing an increase in activity and this data point is supported by our total deal wins in FY2021 totalling RM356 million which is an increase of 30% compared to the prior year.

FY2021 largely was a year where our customers continued to be hesitant

in making major IT investments, particularly the larger ticket-sized transformation deals. However, we are seeing more positive sentiments from our customers and market during the latter half of FY2021 as evidenced by a strong Quarter Four of the financial year both in terms of revenue and deal closures which will bode well for us as we enter into FY2022.

We foresee the industry has started to budget and plan for an expansionary future, in a new normal with the COVID-19 virus being a part of the landscape for the foreseeable future. We observe that large deals that were deferred are now being brought to table for discussion and negotiation. We continue to focus on our customers' requirements, providing them the right solutions and staying on message to promote digital adoption and transformation. In the market we have engaged with global analyst firms such as Gartner, Forrester and IDC and we will continue to engage them to validate our solutions, products and value proposition.

Protecting our existing franchise and ensuring the recurring revenue segments continue to grow are key pillars of our strategy and during the year, the recurring revenue segment grew 3% in challenging circumstances and now accounts for 81% of our total revenue.

Our product strategy has demonstrated some early success with the booking of our first DSP Digital upgrade contract and we have also secured our first next generation MÖBIUS deal with a large and prestigious bank in Thailand. In addition, the prospects for both SIBS and MÖBIUS remain strong with a robust pipeline of deals. We remain confident that we have the right

product roadmap for our customers and that they will continue to support us. We offer compelling strategies and value propositions to help our customers navigate through this crisis and become stronger. Our products innovation roadmap continues to yield success as we innovate and spend 4% of revenue on research and development ("R&D"). We have a dedicated Centre of Excellence ("COE") for product innovation and we are able to track, deliver and deploy these solutions maintaining our 100% implementation track record.

In the insurance sector, our Fermion initiative has been repositioned and refreshed with the hiring of new senior leadership and a new strategy is being developed that will see us as an end-to-end provider of cutting-edge digital insurance and bancassurance solutions.

We have substantially completed the restructuring and integration of our Latvian acquisition, SIA X Infotech Group ("XIT") into the Group and their core expertise in digital identity and government ID projects have been much sought after by large European system integrators and intermediaries. We have secured two deals in this financial year that are being implemented and the prospects in this sector remain strong and encouraging.

For the retail industry segment, we have pivoted to a cloud and SaaS model that has been well received by our customers. In Malaysia, we signed the largest prescription pharmacy chain to the SaaS model and our focus going forward will be to offer this new cloud-based retail solution to the SME market in the region.

Execution remains our focus and we are largely tracking to plan.



We continue to refine and pivot where necessary and we have seen good results in product and sales / marketing efficiency, collaboration and synergies. We remain customer focused and are able to offer compelling IT solutions for them to compete. Internally, we have created a culture of adopting industry leading governance and risk awareness practices. Across the Group, we have a project to modernise and streamline our financial and management reporting. Our people remain our most valuable asset and we have invested in training and people strategy programs to ensure effective resource allocation and continuity as we execute projects and product innovation. Holistic compensation and benefits programs have been implemented to get the right mix of short and long-term talent alignment.

Our customers, in particular the Banks are now taking action to transform, not just to simply achieve a seamless and harmonious melding of technology into their businesses, but rather to ensure that the delivery of their financial services occurs in a manner that is consistent with the opportunities and challenges of our time. In Asia, we watch the digital banking story unfold in real time with Hong Kong, Singapore and Malaysia all in advanced stages of issue or issuance.

We also appreciate more than ever in this crisis the role we play as a responsible corporate citizen and remain committed to all our stakeholders and continue to integrate sustainability strategy into our business. We have identified three key pillars; Our Business, People and Operations as our core focus for sustainability and this will guide us as we innovate and deliver on

our business mission and we make positive, measurable contributions to our society and the planet.

With over 30 years of experience, the Group has come a long way to where we are today. We are confident of our current market position and we are certainly well prepared to meet any challenges and deliver positive returns in the coming years.

### A WORD OF THANKS

On behalf of the Board, I would like to thank our management and staff for their contributions throughout this difficult period and they have managed the company admirably and engaged customers and supported them throughout. We are proud of our achievements this financial year and we are committed to a dynamic and sustainable business model evolving well into the future. Our business is about building strong connections and trust with all our stakeholders and we look forward to the future.

At the upcoming Annual General Meeting ("AGM"), Mr. See Chuang Thuan will be retiring from the Board after 3.3 years of service and I would like to thank him for his contributions over the years. I am deeply appreciative of the advice and guidance from all my fellow directors and I am grateful to our customers, shareholders, business associates and bankers for their continuing support.

**Goh Peng Ooi**  
Group Executive Chairman  
28 September 2021



## Software Licensing

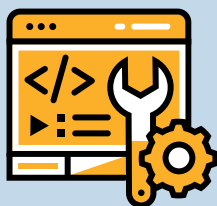
Silverlake Axis offers innovative Digital Economy Propositions and Enterprise Solutions to its customers engaged in multiple ecosystems including Banking, Insurance, Government, Retail, Payment and Logistics.

**Over 40% of the top 20 largest banks in South East Asia run on Silverlake Axis' Core Banking solutions.** Leveraging on superior solutions and emerging technologies, Silverlake Axis is committed to achieving operational excellence and has transformed over **370 business entities across Asia, Europe, Middle East, Africa and Americas.**

**silverlake**  
SYMMETRY AT WORK



# Synergy of Software and Services



## Maintenance and Enhancement Services

Silverlake Axis works with our customers to ensure daily business operations are running smoothly and able to keep up with dynamic industry changes. We perform **Maintenance Services** for the Silverlake Axis software solutions that we have implemented for our customers. Our professional teams are dedicated to ensure that **Enhancements** are planned and deployed per the required software release schedule.



## Software Project Services

Silverlake Axis also prides in its ability to deliver projects on time, within budgetary means and with the highest quality. To-date, Silverlake Axis has achieved **100% success track record** in **Project Implementation** for customers.



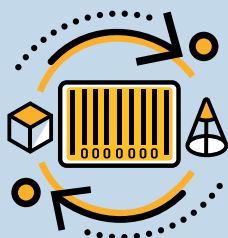
## Sale of Software and Hardware Products

For customers requiring third party hardware and system software to run the Silverlake Axis software solutions in their core banking implementations, Silverlake Axis includes the sale of **Software and Hardware Products** as a bundled offering with our software licensing and project implementation services.



## Software-as-a-Service - Insurance Processing

Silverlake Axis offers solutions and services for the Insurance and Takaful industry in Asia. **Merimen**, a subsidiary of Silverlake Axis, provides a **Software-as-a-Service (SaaS)** collaborative platform that connects different parties in the **Insurance Ecosystem** to ensure faster processing speed, improved efficiency and easier performance evaluation.



## Software-as-a-Service - Retail

Silverlake Axis offers our customers a multichannel cloud-based retail Software-as-a-Service solution as an alternative and to drive retail innovation and agility. Our **cloud-based digital platform, QR AgoraCloud**, provides greater control and flexibility augmented with best in class customer engagement tools and is designed to cater for the next generation of retail players.

## Board of Directors

### GOH PENG OOI

Group Executive Chairman

Member of Nominating Committee

Mr. Goh was appointed the Group Executive Chairman on 23 May 2006. Prior to that, he was the Non-Executive Chairman since 2002.

Mr. Goh has been working on mathematical and digital sciences since 1977. After graduating with a Bachelor of Engineering majoring in Electronics Engineering on a Monbusho scholarship at the University of Tokyo, he began his career in IBM Malaysia where he held several senior positions over a nine-year tenure, the last being Marketing Manager for Banking and Finance.

In 1989, he founded the Silverlake Group which was based on his foresight on the future of economic and digital demands. Within the first ten years, Silverlake established itself as a leading provider of state-of-the-art universal banking solutions. Today, the Group

First appointment as a director: 23 August 2002  
Last re-election as a director: 24 October 2019  
Due for re-election as a director: 27 October 2021

is a multibillion-dollar organisation with key offices around the globe and some of its member companies listed on various stock exchanges.

The Group's original tagline, 'Symmetry at Work', was recently revised to 'Symmetry at Work Powering Hundreds of Deep Tech and New Tech Companies', to reflect not only the Supply Side of the economy, but also the Demand Side, such as in Fintech, Digital Finance, Cloud Computing, Digital Franchising and other various high-tech areas.

The Silverlake Group and associate companies have a staff force of more than 4,800 worldwide, excluding that of its associated and related companies, supporting over 370 large customers who are located in over 80 countries across all continents. The Group has earned many industry recognitions since its inception including the IBM Partner Excellence Award (2012), IBM ASEAN Golden Circle Award (2012), Forbes' Best Under A Billion – Best of the Best (2013), The Asian Banker Vendor Satisfaction Survey Gold Award (2014), Forbes' Best Under A Billion (2015).

Personally, Mr. Goh has twice won the Ernst & Young Entrepreneur of the Year Award Malaysia, recognising entrepreneurial excellence, first in 2005 under the Technology Entrepreneur category; and the second in 2014 in the Master Technology Entrepreneur category. The World Chinese Economic Summit in 2015 presented a Lifetime Achievement Award for Excellence in Information Technology to Mr. Goh. In 2017 he was conferred the ASEAN Legacy Award in the ASEAN Business Awards, which recognises ASEAN entrepreneurs that have created positive impact and inspiration within ASEAN communities. Most recent in 2019 at the ASEAN Community Leadership and Partnership Forum 2019, Mr. Goh was the sole recipient of the ASEAN Entrepreneur of the Year Award bestowed to distinguished

business personalities who have contributed significantly to ASEAN. In 2015 article about Silverlake, Forbes referred to Mr. Goh as the first tech-billionaire in Malaysia.

Aside from his business and professional achievements, Mr. Goh is very much involved in academics – especially in Science and Mathematics. He is particularly interested in the research of Science of Intelligence and its application to Human Actions and Economy, and where possible enjoys giving talks in various schools of higher learning. He specialises in the application of Category Theory, leading to the formulation of his Sigma Scheme, a new Time-Space view verses physics' Space-Time view, and with that clarity, developed something known as Sigma Excellence Insights, and with that insight, he built a high-tech enterprise group based on 'Symmetry at Work Powering Hundreds of Deep Tech and New Tech'.

Mr. Goh is an Executive Committee of Malaysia-Japan Economic Association (MAJECA), Fellow of the Academy of Sciences Malaysia (ASM), an Industry Advisor of the Lee Kong Chian Faculty of Engineering and Science in Universiti Tunku Abdul Rahman, a Fellow of the ASEAN Academy of Engineering and Technology (AAET), a Member of the ASM Science and Technology and Industry Linkage Committee, an Adviser of the ACCCIM Science, Technology and Innovations Committee, a Member of the Board of Governors of First City University College, a member of the Azman Hashim Advisory Council (AAC) of Universiti Teknologi Malaysia; an Advisor for Japan Graduates Association of Malaysia (JAGAM), and a member of the International Advisory Council of the Association of Malaysian Economics Undergraduate.

Mr. Goh currently holds directorships in a number of his private investment companies. He does not hold any directorships in other listed companies.



## Board of Directors (cont'd)

### **ANDREW TAN TEIK WEI** Group Managing Director

Mr. Tan was appointed as Group Managing Director on 1 July 2019. He joined the Group in April 2018 where he led and grew the Group's core banking business, prior to his current role.

Mr. Tan has a 38-year career history in the management consulting and IT industry. Prior to joining the Group, Mr. Tan was the Managing Director of SAS Institute in Malaysia and Indonesia – a leader in transforming businesses using analytics. A large part of Mr. Tan's career was with the Big 4 Professional Services firms, in their advisory and consulting divisions. His career began with Andersen Consulting (now Accenture) where he was an associate partner for the financial services industry sector. He played leading roles in bank advisory and transformational initiatives, particularly for banks in ASEAN. Subsequently, he became the Managing Partner of Arthur Andersen

First appointment as a director: 1 July 2019  
Last re-election as a director: 24 October 2019

Business advisory division in ASEAN, based in Singapore and was responsible for over 500 consultants. In 2002, he led the merger of the Arthur Andersen Singapore business advisory team with BearingPoint – formerly the consulting arm of KPMG U.S.

Mr. Tan spent 3 years in Central Asia based in Almaty Kazakhstan where he was a partner in charge for Deloitte Consulting covering Central Asia. Through his career history, Mr. Tan has served clients in various industries – predominantly in financial services and in industrial/retail, telecommunications, energy and the public sector.

Mr. Tan graduated from the University of Exeter, U.K. with a combined honours degree in Geology and Chemistry. He holds an MBA from the University of Aston in Birmingham.



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### **GOH SHIOU LING** Executive Director

Chairman of Strategic Investment Committee  
Member of Remuneration Committee

Ms. Goh was appointed as Executive Director on 1 April 2018, leading the Group's strategic acquisitions and investments team to contribute to the growth and value creation of the Company. Prior to that, she was a Non-Executive Director.

Ms. Goh's early career started at Cornerstone Research, a leading U.S. based economic consulting firm that provides analytical support and expert testimony in complex litigation and regulatory proceedings. While being based in the United States as their economic consultant, Ms. Goh was responsible to analyse litigation cases involving market manipulation in the Financial Services, Energy and Commodities sectors. She also conducted investment decisions analysis involving complex foreign tax, auction rate securities and mortgage-backed securities. These analyses were used to backup testifying experts' reports for large litigation cases involving class-

First appointment as a director: 1 June 2015  
Last re-election as a director: 27 October 2020

action lawsuits, U.S. Futures Commodity Trading Commission, Securities Exchange Commission and Department of Justice.

In 2014, Ms. Goh returned to Malaysia after spending 12 years in the United States and joined the Silverlake Private Entities. Here, she was responsible for evaluating investment opportunities and led several corporate initiatives, including corporate restructuring and financing, that focused on growth and value creation in the Silverlake Private Entities.

Ms. Goh graduated from Duke University in 2010 with a Bachelor Degree in Economics and Mathematics (Dean's List).

Ms. Goh is a Non-Executive Director for several privately held companies and does not hold any directorships in other listed companies.



## Board of Directors (cont'd)

### **DR. KWONG YONG SIN** Executive Director

Dr. Kwong was appointed as Executive Director on 1 July 2019. He takes on the role of Senior Advisor to the Group and leads the Strategic Digital Value Program to accelerate the growth and value creation of the Group's Digital Ecosystem Platforms. Prior to that, he was the Group Managing Director.

Dr. Kwong was the Managing Director of Silverlake Corporation and Connectif Commerce Sdn. Bhd. (both were under Silverlake Group) from 2001 to December 2003 and October 2005 respectively, where he led the successful implementation of several key SIBS customer transformation projects. Prior to joining Silverlake Group, he was a Partner/Vice President of Ernst & Young Global Consulting and Cap Gemini Ernst & Young for 11 years from 1989 to 2000.

First appointment as a director: 20 August 2004  
Last re-election as a director: 24 October 2019

He was the Senior Manager and Head of IT Consulting for Coopers & Lybrand (South East Asia) from 1984 to 1989. He started his professional career as a Senior Systems Analyst for Pacific Power (Australia) from 1979 to 1983. Dr. Kwong was previously a Non-Executive Director of Finzsoft Solutions Limited during the preceding 3 years.

Dr. Kwong has over 42 years of experience in Information Technology, Business Transformation and Solution Implementation in financial services, utilities and technology industries. He has a Bachelor of Commerce (Honours) from the University of New South Wales (Australia) and Ph.D in Information Systems. He is also a Certified Practising Accountant (Australia).



### **ONG KIAN MIN** Lead Independent Non-Executive Director Chairman of Audit and Risk Committee Chairman of Nominating Committee Member of Remuneration Committee

Mr. Ong was called to the Bar of England and Wales in 1988, and to the Singapore Bar the following year. In his more than 30 years of legal practice, he focused on corporate and commercial law, such as mergers and acquisitions, joint ventures, IPOs and corporate finance. Mr. Ong was awarded the President's Scholarship and Singapore Police Force Scholarship in 1979, and holds a Bachelor of Laws (Honours) external degree from the University of London and a Bachelor of Science (Honours) degree from the Imperial College of Science & Technology in England. Mr. Ong was an elected Member of the Singapore Parliament from 1997 to 2011. He

First appointment as a director: 9 January 2003  
Appointment as lead independent non-executive director: 1 July 2018  
Last re-election as a director: 24 October 2019  
Due for re-election as a director: 27 October 2021

was previously an independent Non-Executive Director of BreadTalk Group Limited, and Penguin International Ltd during the preceding 3 years.

In addition to practicing as consultant with Drew & Napier LLC, a Singapore law firm, Mr. Ong is also a senior advisor with Alpha Advisory Pte. Ltd., an independent financial and corporate advisory firm. He is also an Independent Non-Executive Director of Food Empire Holdings Limited, and OUE Commercial REIT Management Pte. Ltd.



## Board of Directors (cont'd)

### TAN SRI DATO' DR. MOHD MUNIR BIN ABDUL MAJID

Independent Non-Executive Director

Chairman of Remuneration Committee  
Member of Audit and Risk Committee

First appointment as a director: 1 June 2015  
Last re-election as a director: 27 October 2020

Tan Sri Dr. Munir returned from his studies and work experience in the UK as a university tutor and research analyst in the City of London at the end of 1978, and started work in Malaysia as leader writer for the New Straits Times. He progressed to the position of Group Editor before leaving in 1986 to become Chief Executive Officer of a small merchant Bank Pertanian Baring Sanwa, whose name he changed to Commerce International Merchant Bankers (CIMB), which was then transformed into one of Malaysia's leading merchant banks. In 1993, he was invited by the Government of Malaysia to establish the Securities Commission, where he served as founder Executive Chairman for two terms until 1999. He was instrumental in shaping the legal and regulatory framework of the capital markets in Malaysia, particularly in establishing disclosure-based regulation. He was also responsible for drafting the country's first code of corporate governance in the aftermath of the Asian Financial Crisis of 1997-1998. He was the Chairman of the Emerging Markets Committee of the International Organisation of Securities Commissions during his term at Malaysia's Securities Commission. After leaving the Securities Commission, he became Independent Non-Executive Director of Telekom Malaysia Berhad, Chairman of Celcom (Malaysia) Berhad

and Non-Executive Chairman of Malaysian Airline System Berhad. He was the Founder President of the Kuala Lumpur Business Club, established in 2003 and is a member of the Court of Fellows of the Malaysian Institute of Management. He was a member of Economic Action Council Malaysia appointed by the 7<sup>th</sup> Prime Minister, Tun Dr. Mahathir Mohamad and was also Chairman of Bank Muamalat Malaysia Berhad.

Tan Sri Dr. Munir is currently Chairman of ASEAN Business Advisory Council Malaysia, of CARI Asean Research and Advocacy, of Institute for Capital Market and Research Malaysia (ICMR), as well as President of the Asean Business Club. He also sits on the board of the Institute of Strategic and International Studies (ISIS) Malaysia. He is a Fellow Chartered Banker of the Asian Institute of Chartered Bankers.

Tan Sri Dr. Munir obtained a B.Sc. (Econ) and Ph.D in International Relations from the London School of Economic and Political Science (LSE) in 1971 and 1978. He is an Honorary Fellow of LSE and continues the long association with his alma mater as Visiting Senior Fellow at the Centre of International affairs, Diplomacy and Strategy, where he also sits on its advisory council.



Group Overview

Performance Overview

Sustainability Report



### DATUK YVONNE CHIA P.M.W

Independent Non-Executive Director

Member of Remuneration Committee  
Member of Nominating Committee  
Member of Strategic Investment Committee

First appointment as a director: 1 June 2015  
Last re-election as a director: 26 October 2018  
Due for re-election as a director: 27 October 2021

Datuk Yvonne Chia has more than 40 years of experience in the financial services industry, having held leading positions in foreign and local institutions. She is a trailblazer for women in banking and was the first female Chief Executive Officer of any commercial bank in Malaysia. An award-winning senior banker, she was named among the '50 business women in the mix' in 2013 by Forbes Asia and two-time finalist in the CNBC Asia Business Leader Award.

Datuk Yvonne Chia has held various positions in the region with an American Bank for over 15 years and then joined the Malaysian banking scene in 1994. Until June 2013, she was the Group Managing Director of Hong Leong Banking Group Malaysia (2003 - 2013); Group Managing Director of RHB Banking Group (1996 - 2002) and led both banks expansion to be leading and high performing banks in Malaysia and the Region. She has played a distinctive role in shaping the

Malaysian banking scene with the mergers and acquisitions she led.

Datuk Yvonne Chia is currently the Independent Non-Executive Chairman of Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad, a Senior Independent Non-Executive Director of Astro Malaysia Holdings Berhad, an Independent Non-Executive Chairman of Press Metal Aluminium Holdings Berhad and a Trustee for Teach For Malaysia Foundation. As well, she is a Council Member of the Asian Institute of Chartered Bankers (AICB). Since January 2020 she is Cradle Fund Sdn Bhd's Non-Executive Chairman and a Trustee for the Merdeka Award Trust.

Datuk Yvonne Chia is a Fellow Chartered Banker and holds a Bachelor of Economics (Honours) from University of Malaya.

Governance

Financial Statements

Others

## Board of Directors (cont'd)

### SEE CHUANG THUAN

Independent Non-Executive Director

Member of Audit and Risk Committee

Mr. See has 39 years of experience in the IT industry. After graduation, Mr. See spent the first 16 years of his career with IBM Malaysia. From his time at IBM, his roles encompassed a wide variety of skills, from Strategic IT Consulting, General Management, Sales and Marketing Management. He also acquired deep and broad knowledge of IT applications across many industries and in-depth expertise in manufacturing distribution and retail business processes.

In the early 1990s, Mr. See pioneered the introduction of Electronic Data Interchange (EDI) in Malaysia's manufacturing, distribution and retail industry and led the establishment of an IBM EDI joint venture company in 1992 where he served as its General Manager. In 1994, he was appointed as Executive Director of QR Retail Automation (Asia) Sdn.

First appointment as a director: 1 July 2018  
Last re-election as a director: 26 October 2018  
Due for re-election as a director: 27 October 2021

Bhd. where he was responsible for growing the business with leading retailers in the Asia Pacific and UK. In 2003, Mr. See moved on to become QR Retail Automation's Managing Director, whereby he was instrumental in repositioning the company's retail solution for higher segment global retailers. He remained as Managing Director until 2013.

Mr. See graduated with a Bachelor of Science (Honours) in Mathematics from University of Malaya in 1978.

Mr. See will not be offering himself for re-election at the coming Annual General Meeting ("AGM") and will retain office until the conclusion of the Company's FY2021 AGM. Subsequently, he will cease to be the Member of the Audit and Risk Committee.



### YANO SATORU

Independent Non-Executive Director

Member of Strategic Investment Committee

Mr. Yano has more than 30 years of a variety of unique international work experience in both the public and private sectors, especially in the Asia Pacific and Europe.

After graduation, he joined a governmental development finance institution as project finance officer. Afterwards, he worked as development consultant, where he was involved in socio-economic infrastructure projects worth billions of dollars in total in almost all Southeast Asian countries, particularly in Indonesia, Vietnam, Malaysia and Thailand, and other Asian countries such as Sri Lanka. His development sector experience spans from the transportation, electricity, healthcare, education, tourism, to poverty eradication and community development. Mr. Yano worked not only with the Japanese government agencies, but also with the World Bank, Asian Development Bank, UN Organisations such as the United Nations Development Programme, and many bilateral government agencies around the world. He was also working on international merger and acquisition deals

First appointment as a director: 24 October 2019

during his time with Baring Brothers & Co., a major U.K. merchant bank. Mr. Yano began his boutique firm in the early 1990s to focus on the Asia Pacific and Europe, and in 2001, he moved his base from Hanoi to Singapore.

Mr. Yano has been working extensively with the cross-border business and investment throughout his career, especially in the areas of international business development, partnership and alliance building, mergers and acquisitions, venture business support, and problem solving.

He has advised over 400 companies mainly in the Asia Pacific, where he also provided lectures, seminars, and training programmes to and in numerous companies and university classes. He is a director of Crossborder Pte. Ltd. and also holds positions of non-executive director with private companies and of advisor with listed companies in this region.

Mr. Yano graduated from Keio University, Tokyo with a Bachelor of Laws.





**MAH YONG SUN**

Independent Non-Executive Director  
Member of Strategic Investment Committee

First appointment as a director: 27 August 2020  
Last re-election as a director: 27 October 2020

Mr. Mah, upon returning from his studies in the United Kingdom at Imperial College, London joined the global management and technology consulting firm Accenture, where he served in various roles for 25 years until 2009.

At Accenture, he began his career focusing on management and technology consulting service work with clients in Malaysia, Singapore, Philippines, Indonesia, United Kingdom and Norway and was admitted to Accenture's Global Partnership in 1997. From 1997 to 2009, Mr. Mah served as Executive Partner at Accenture. As a global partner for 12 years, he held many leadership roles including the change management group lead for Asia, communications and high-technology lead for Thailand, Malaysia, Philippines and Indonesia, and the communications industry lead for Greater China. Mr. Mah has extensive experience in strategic information planning, complex systems implementation and business

operations in various industries in addition to being on the board of Accenture's local operating entities.

Since leaving Accenture in 2009, Mr. Mah has served as an Independent Non-Executive Director at Malaysian telecommunication conglomerates, such as Celcom Axiata Berhad (2010 - 2018), Catcha Digital Berhad (formerly known as Rev Asia Berhad) (2011 - present), Omesti Berhad (2013 - 2020) and Diversified Gateway Berhad (2015 - 2018) wherein he has acquired extensive experience operating at the board level.

He has strong associations with his alma mater Imperial College, London and has served as a member of its Development Board since 2011.

Mr. Mah graduated with a Bachelor of Science (Engineering) in Computer Science from Imperial College, London.



# Group Structure

## SILVERLAKE AXIS LTD.

### BANKING



- Software Licensing
- Software Project Services
- Maintenance and Enhancement Services
- Sale of Software and Hardware Products

**Silverlake Axis Sdn. Bhd.** 100%

**Silverlake Adaptive Applications & Continuous Improvement Services Ltd.** 100%

**Silverlake Adaptive Applications & Continuous Improvement Services (SG) Pte. Ltd.** 100%

Silverlake Holdings Sdn. Bhd. 100%

Silverlake Axis MSC Sdn. Bhd. 100%

**Silverlake Global Structured Services Pte. Ltd.** 100%

Silverlake Structured Services Sdn. Bhd. 100%

Silverlakegroup Pte. Ltd. 100%

Silverlakegroup Pte. Ltd. (Philippines branch) 100%

Silverlake Structured Services Ltd. 100%

PT Structured Services 100%

Silverlake Sistem Sdn. Bhd. 100%

**Symmetric Payments & Integration Holdings Pte. Ltd.** 100%

Symmetric Payments & Integration Pte. Ltd. 100%

Symmetric Payments & Integration Sdn. Bhd. 100%

**Silverlake Investment (SG) Pte. Ltd.** 100%

Silverlake Digital Economy Sdn. Bhd. 100%

Silverlake Digitale Sdn. Bhd. 100%

Silverlake One Paradigm Sdn. Bhd. 100%

**Silverlake Symmetri (Singapore) Pte. Ltd.** 100%

Silverlake Symmetri (Malaysia) Sdn. Bhd. 100%

Silverlake Symmetri (Philippines) Enterprises, Inc. 100%

Silverlake Symmetri (Thailand) Limited 100%

Silverlake Symmetri Pakistan (PVT.) Limited 100%

Silverlake Symmetri (Slovakia) spol. s.r.o. 100%

Representative Office of Silverlake Symmetri (Singapore) Pte. Ltd. in Hanoi 100%

Silverlake Symmetri (Singapore) Pte. Ltd. (Dubai branch) 100%

### FERMION INSURTECH



- Software-as-a-Service
- Insurance Processing

**Merimen Ventures Sdn. Bhd.** 100%

Merimen Online Sdn. Bhd. 100%

Merimen Technologies (Singapore) Pte. Ltd. 100%

P.T. Merimen Technologies Indonesia 100%

Merimen Technologies Philippines Inc. 100%

Motobiznes Online Sdn. Bhd. 51%

Merimen Technologies (Vietnam) Company Limited 100%

Merimen Technologies (Thailand) Co. Ltd. 100%

Merimen Technologies Hong Kong Limited 100%

Merimen Technologies (Malaysia) Sdn. Bhd. 100%

Merimen Automotive Group Sdn. Bhd. 100%

Merimen Technologies Japan K.K. <sup>(1)</sup> 100%

Merimen Technologies - FZE <sup>(2)</sup> 100%

**Cyber Village Sdn. Bhd.** 100%

Affinities Village Sdn. Bhd. 100%

### OTHERS



- Retail Automation
- Digital Identity and Security Technologies

**QR Technology Sdn. Bhd.** 100%

QR Retail Automation (Asia) Sdn. Bhd. 100%

QR Retail Automation (S) Pte. Ltd. 100%

QR Agoracloud Sdn. Bhd. 100%

QR Retail Automation Vietnam Company Limited 100%

**SIA X Infotech Group** 80%

SIA X Infotech 100%

X-Infotech Africa Limited 100%

### INVESTMENT



- Strategic Holdings

**Silver Team Technology Limited** 100%

Global InfoTech Co. Ltd.<sup>(3)</sup> 8.30%

**Silvirture Limited** 100%

**Silverlake Investment Holding Pte. Ltd.<sup>(4)</sup>** 100%

Silverlake Fermion Sdn. Bhd.<sup>(5)</sup> 100%

<sup>(1)</sup> Incorporated on 1 July 2020

<sup>(2)</sup> Incorporated on 21 July 2020

<sup>(3)</sup> Public listed company

<sup>(4)</sup> Incorporated on 15 March 2021

<sup>(5)</sup> Incorporated on 8 June 2021

# Management Team



## LIM EP BAN

Chief Executive Officer, Silverlake Digitale  
Chief Executive Officer, Silverlake One Paradigm

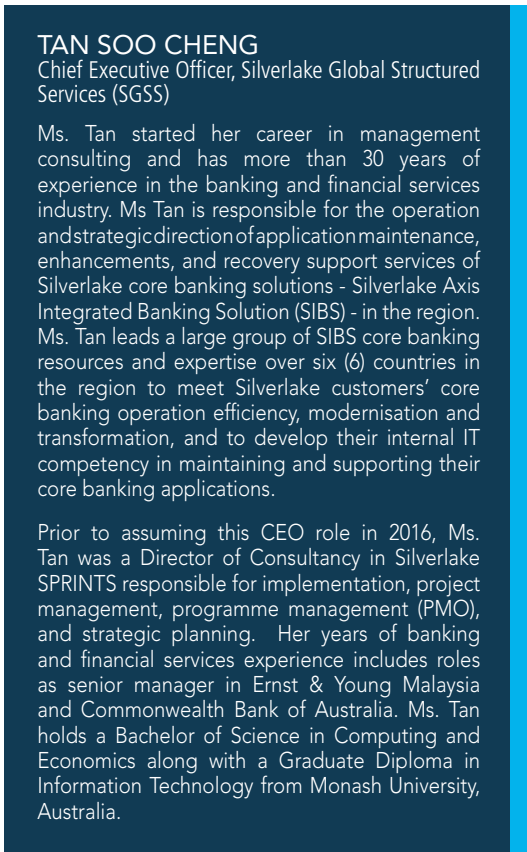
Mr. Lim is responsible for the overall strategy, operations, and performance of Silverlake Digitale and Silverlake One Paradigm. Both companies were acquired in April 2018. He has over 33 years of experience in information technology. Mr. Lim has managed and implemented more than 50 core banking, payments and provident fund projects including large-scale transformation programmes for banks and financial institutions in the region. Prior to joining Silverlake Private Entities in 1993, he spent 8 years working as a technical consultant for several firms in the United States. Mr. Lim holds a Master of Science Degree in Management Information Systems and a Bachelor of Science Degree (High Honors) in Business Administration from Southern Illinois University.



## CHOO SOO CHING

Group Managing Director, Silverlake Digital Economy

Ms. Choo founded Silverlake Digital Economy (SDE) in 2011, which was acquired by the Group in April 2018, and is responsible for its overall strategy, architecture, operations and performance. A former banker, Ms. Choo has an extensive banking and technology background including a long career in Standard Chartered Bank (SCB) where she held a number of senior banking, development, programme management and technology service roles in Malaysia, and for the Group in Singapore, Hong Kong and the United Kingdom. Her last major role was as Global Head of Technology Services where she was responsible for delivering technology services to all 53 countries in the Group. She left SCB in 2000 to pursue a software entrepreneurial opportunity which included the delivery of internet and mobile banking services to leading banks in Asia. Prior to founding SDE, she also ran a consultancy services business focusing on business transformation and programme management.



## TAN SOO CHENG

Chief Executive Officer, Silverlake Global Structured Services (SGSS)

Ms. Tan started her career in management consulting and has more than 30 years of experience in the banking and financial services industry. Ms. Tan is responsible for the operation and strategic direction of application maintenance, enhancements, and recovery support services of Silverlake core banking solutions - Silverlake Axis Integrated Banking Solution (SIBS) - in the region. Ms. Tan leads a large group of SIBS core banking resources and expertise over six (6) countries in the region to meet Silverlake customers' core banking operation efficiency, modernisation and transformation, and to develop their internal IT competency in maintaining and supporting their core banking applications.

Prior to assuming this CEO role in 2016, Ms. Tan was a Director of Consultancy in Silverlake SPRINTS responsible for implementation, project management, programme management (PMO), and strategic planning. Her years of banking and financial services experience includes roles as senior manager in Ernst & Young Malaysia and Commonwealth Bank of Australia. Ms. Tan holds a Bachelor of Science in Computing and Economics along with a Graduate Diploma in Information Technology from Monash University, Australia.





**PETER MILLER**  
Chief Executive Officer, Fermion Insurtech

Peter joined the Group in February 2021 to lead the Group's insurtech business, now branded as Fermion. His focus is on growth and value creation of Fermion's ecosystem-driven business.

He is an executive-level business leader and entrepreneur with an established track-record running both start-ups as well as established businesses with outstanding partnership development and projects globally.

Peter has more than 25 years of experience in the financial services holding various positions in consulting and insurance industry including as Group CEO listing Tune Insurance on KLSE; as CEO of Tune Money launching AirAsia Big, Head of Insurance for CIMB Group and Head of Bancassurance for AIA China, Indonesia and Malaysia.

Peter has been based in Asia for the last 25 years and has lead several influential and successful financial services projects in Asia Pacific, USA, MENA and Eastern Europe.

**DR. GYORGY TAMAS LADICS**  
Chief Executive Officer, Silverlake Symmetri

Dr. Gyorgy Tamas Ladics is a seasoned financial services professional with over 28 years of experience for digital strategies in the financial services industry and businesses transformation globally. Started his career in Hungary and held senior positions at Citigroup Central Europe based in Budapest and Prague, at Barclays Emerging Market region based in Dubai, where he had provided essential business capabilities, enabled business expansion, entries into new markets and geographies, technology upgrades and digital transformation. He has worked in markets across Central-Eastern Europe, Middle East, Africa, Asia & Russia. At Bank Islam Brunei Darussalam (BIBD) as Chief Operating Officer, he was also responsible for organisational transformation and led business and digital transformation successfully.

Prior to joining Silverlake Symmetri, Dr. Gyorgy Tamas Ladics was also advisor to Managing Director/CEO of BIBD and formulated strategies developed initiatives aligned with regional aspirations. He also holds positions as Independent Non-Executive Director and Chairman of Board Information Technology Committee Bank Alfalah, Pakistan, as well as Advisor at Fajr Capital (Private Equity Company).

Dr. Gyorgy Tamas Ladics holds a Doctorate Degree in Economics from Budapest University of Technology and Economics, as well as a Master's Degree in Electrical Engineering and Informatics from the same University.



**JONAS DANIEL JOAKIM LIND**  
Chief Executive Officer, X Infotech  
Chief Executive Officer, QR Retail Automation

Beginning his career in management consulting in Sweden, Mr. Lind has nearly 23 years of experience in technology of which 16 years have been spent in Asia.

Mr. Lind is concurrently holding the position of CEO of X Infotech in enabling financial institutions and governments to become Digital Leaders by focusing on bridging gaps between conventional operating models and the new digital world.

Prior to joining the Group, Mr. Lind co-founded and acted as CEO for several technology companies, enabling him to have extensive involvement with governments and commercial organisations across 50 countries. Over the years, Mr. Lind has acquired deep knowledge and specialisation in emerging technologies such as digital identification and authentication while also spearheading technology-driven business strategies to promote organisational growth, market expansion and operation efficiency. Mr. Lind holds a Master of Science in Business Administration from Sweden's Luleå University of Technology.



**PRISCILLA TAN**  
Senior EVP, Finance & Administration  
Chief Financial Officer

Ms. Tan was appointed to this role in October 2018 and is responsible for the Group's financial and administrative functions. She was also the Joint Company Secretary for the Group until 23 September 2021. Ms. Tan is a qualified accountant and a fellowship member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA). She has 22 years of experience in auditing and financial management having trained in professional accounting firms such as Grant Thornton and PwC, and worked in a Malaysian regulatory body and commercial sectors. Before taking on this position, she was the Head of Finance for one of the Group's wholly-owned group of companies.

**ANIL SINGH GILL**  
Senior EVP, Strategic Finance & Risk

Anil has over 21 years experience in commercial finance and financial services with roles as a commercial controller and in commercial and investment banking. Beginning his career at HSBC and then OCBC Bank, he has also had leadership roles at CIMB Investment Bank and AmBank in Malaysia prior to joining the Group. At the Group as Head of Risk (CRO) he leads the Enterprise Risk Management function with responsibility for the implementation of strategy and risk management best practices throughout the organisation. He is also responsible for strategic finance which encompasses investor relations, internal reporting, business analytics and strategy.

He holds a Bachelor of Commerce degree from University of Melbourne, an MBA from University of South Australia and is a fellow member of CPA Australia, a member of the Malaysian Institute of Accountants (MIA) and an associate of The Institute of Chartered Accountants Singapore (ISCA) and The Chartered Institute of Management Accountants (CIMA).



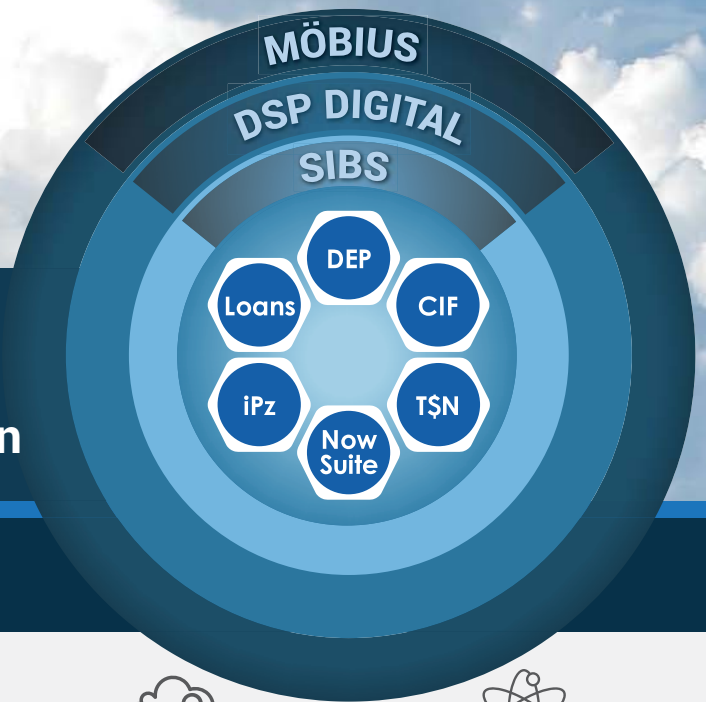
**TUNG SWEE CHER**  
Senior EVP, Programs & Practices

Ms. Tung has over 31 years of experience in management and technology consulting. She was a Managing Director in Accenture, a global leading edge consulting firm, where she led major client transformation projects and business units. Her expertise includes driving business change at global and regional companies across multiple industries for projects such as strategic planning, operational improvement, IT planning, shared services setup and, solution delivery and outsourcing. At the Group, she is responsible for defining and execution of strategic initiatives that will deliver business benefits such as strategy definition, revenue and cost optimisation, practice standardisation and new business opportunities.

Ms. Tung holds a Bachelor of Economy (Major in Business Administration) First Class Honours, from the University of Malaya.

# THE FUTURE OF BANKING

**Core on Cloud  
Digital Monolines  
Experience, Expertise and Execution**



## Customer Access

Digital Self-Service

Open Banking APIs

New Branch and Agent Models



## Business Orchestration

e2e real-time Process Orchestration:

Digital Onboarding, Loans Origination, Transactions, Limits Rewards



## Shared Services

Enterprise Customer Data

End-user Configured Product and Policy Rules and Data

Transaction Analytics



## Digital Core

Core Banking

Core Cards

Core Payment

Use Public, Private, Hybrid Cloud Infrastructure Capabilities to deliver Scalability, Fall-back, Dynamic Resource Management, Multiple Concurrent Releases etc.

## The Future of Banking is Core Banking on Cloud + Digital Monolines

Silverlake Axis has helped banks to transform over the last 3 decades. We continue to evolve ourselves into cloud and digital technology and are well positioned to help our existing and new customers to embrace cloud and digital technology in a big way.

Our digital monoline strategy allows banks to run their business while concurrently adopting new technologies without compromising current and future business effectively. With our latest products MÖBIUS, this can be implemented in a much shorter time for banks to be digitally competitive while without distraction to the existing business.

In overcoming the challenges of digital transformation, our flagship core banking products have undergone continuous enhancements over the years. The Silverlake Integrated Banking Solution (SIBS) suite, which powers over 50 banks across the Asia-Pacific region, has been redesigned to help our clients take advantage of a microservices-based architecture and reap all the benefits of modular IT delivery. In addition, through our network of global Cloud partners, Silverlake Axis now offers one of the most accessible core platforms that readily supports enterprise infrastructure hybridisation, real-time cloud-based digital information services and Software-as-a-Service composability.

Our skills extend to mitigating risk of digital transformation through extraction and abstraction. These skills combined with our unparalleled expertise, have been known to provide compelling and differentiated benefits to our customers for over 3 decades. We have been the partner of choice for having the 3E's - Experience, Expertise and Execution required for a successful digital transformation at an accelerated speed with minimised risk.

Silverlake Axis have been involved in numerous transformative, ranging from big bang roll outs, complex mergers and acquisitions, super-regional deployments, Digital Transformation (DX) across the region. With 100% successful track record, it is no doubt that we are the partner of choice for more than 40% of the top 20 largest banks in South East Asia.

Silverlake Axis is recognised by Gartner as a top 5 Core Banking solution providers in Thailand, Indonesia, Malaysia and Vietnam. (Gartner, A Banker's Guide to Core Banking Solutions for Emerging Asia/Pacific Published 26 May 2021 - by Vittorio D'Orazio). IDC also recognises Silverlake Axis as among the Top 100 Fintech companies globally.

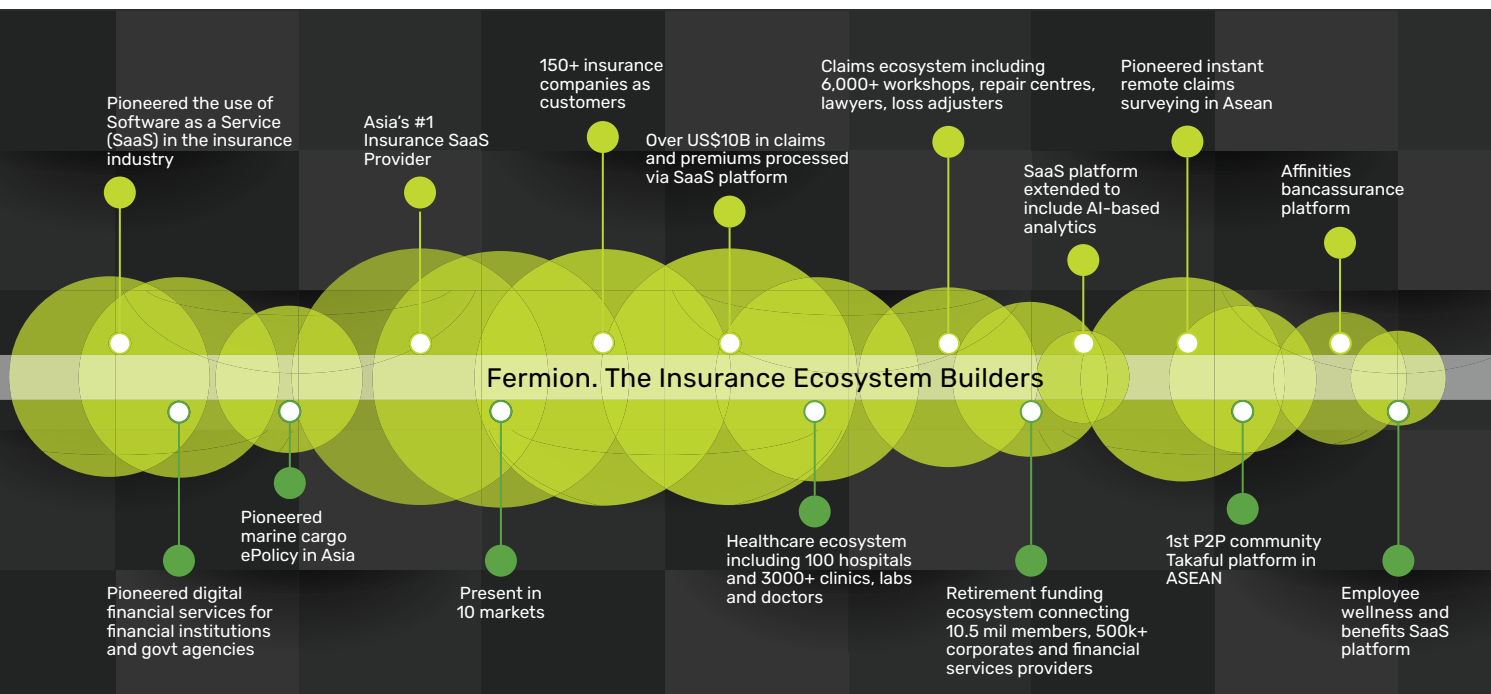
The lines between banking, insurance and the non-financial services industries are increasingly blurred. Digital-centric delivery systems, AI-backed technologies and always-on customers are catalysts to this change, resulting in an insurance ecosystem that is fluid, constantly in motion, ever-evolving. As this insurance value chain becomes more complex, there is a critical need to connect the entire ecosystem – customers, sales channels, distribution systems, processing platforms and the people who serve the industry – in a seamless, cohesive, efficient and cost-effective environment.

The launch of FERMION marks a pivotal step in the evolution of the insurtech industry in the region, and a quantum leap in how banking, insurance and other industries will co-exist and collaborate in the future.

Backed by the formidable stature and track record of the Silverlake Axis Group, FERMION brings together capabilities in insights, advisory, solutions and innovative design, drawn from the extensive footprint of Merimen, ASEAN’s leading insurance claims platform and the considerable experience of Cyber Village, a market leader in bespoke digital engagement technology solutions for financial institutions and government agencies.

By leveraging technologies and collaborating with leading insurtech players, FERMION aims to innovate and transform the critical touchpoints across the insurance ecosystem with a breadth of digital solutions at every contact point.

Delivering, every day and in a myriad of ways, on its promise: **FERMION, the insurance ecosystem builders.**



# Financial Highlights

<b>Revenue</b>	<b>Gross Profit</b>	<b>Other Income</b>	<b>EBITDA</b>	<b>Net Profit</b>
<b>RM626.1</b>	<b>RM376.9</b>	<b>RM11.5</b>	<b>RM235.3</b>	<b>RM143.1</b>
million	million	million	million	million
↓6%	↓1%	↓51%	↓12%	↓23%

Financial Year Ended 30 June	2017 <sup>(1)</sup>	2018	2019	2020	2021
<b>1. Financial Results (RM' million)</b>					
Revenue	549.9	541.8	680.8	663.7	626.1
Gross Profit	307.5	304.9	426.1	379.6 <sup>(4)</sup>	376.9
Other income	808.3 <sup>(2)</sup>	4.5	55.6 <sup>(3)</sup>	23.6 <sup>(5)</sup>	11.5 <sup>(6)</sup>
EBITDA	985.3 <sup>(2)</sup>	167.0	332.5 <sup>(3)</sup>	266.7 <sup>(4)(5)</sup>	235.3 <sup>(6)</sup>
Profit Before Tax	968.2 <sup>(2)</sup>	147.2	284.7 <sup>(3)</sup>	201.4 <sup>(4)(5)</sup>	186.7 <sup>(6)</sup>
Net Profit	863.7 <sup>(2)</sup>	134.1	245.6 <sup>(3)</sup>	184.7 <sup>(5)</sup>	143.1 <sup>(6)</sup>
<b>2. Financial Positions (RM' million)</b>					
Share Capital	191.0	191.0	191.0	191.0	191.0
Shareholders' Fund	1,192.3	523.1	592.3	746.6	1,054.4
Total Assets	1,497.9	1,007.3	1,182.4	1,468.2	1,364.3
Total Liabilities	305.6	484.1	590.0	721.6	309.8
<b>3. Financial Ratio</b>					
Gross Profit Margin (%)	56%	56%	63%	57% <sup>(4)</sup>	60%
Net Profit Margin (%)	157% <sup>(2)</sup>	25%	36% <sup>(3)</sup>	28% <sup>(5)</sup>	23% <sup>(6)</sup>
Return on Equity (%)	72% <sup>(2)</sup>	26%	41% <sup>(3)</sup>	25% <sup>(5)</sup>	14% <sup>(6)</sup>
Current Assets/Current Liabilities (Times)	4.8	3.6	3.8	2.1	4.1
<b>4. Per Share (RM sen)</b>					
Basic Earnings Per Share	32.65 <sup>(2)</sup>	5.09	9.27 <sup>(3)</sup>	7.04 <sup>(5)</sup>	5.49 <sup>(6)</sup>
Diluted Earnings Per Share	32.62 <sup>(2)(7)</sup>	5.08 <sup>(7)</sup>	9.27 <sup>(3)</sup>	7.04 <sup>(5)</sup>	5.49 <sup>(6)</sup>
Net Assets Per Share	45.05	19.70	22.39	28.83	39.40
<b>5. Dividends</b>					
Dividends Per Share (SGD cents)	4.50	3.00	1.80	0.93	0.52
Dividend Payout (%)	43% <sup>(2)</sup>	175% <sup>(2)</sup>	59%	40%	30%



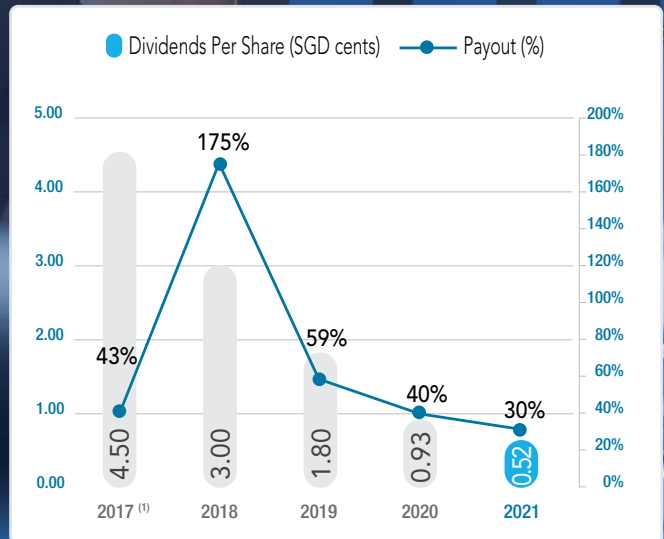
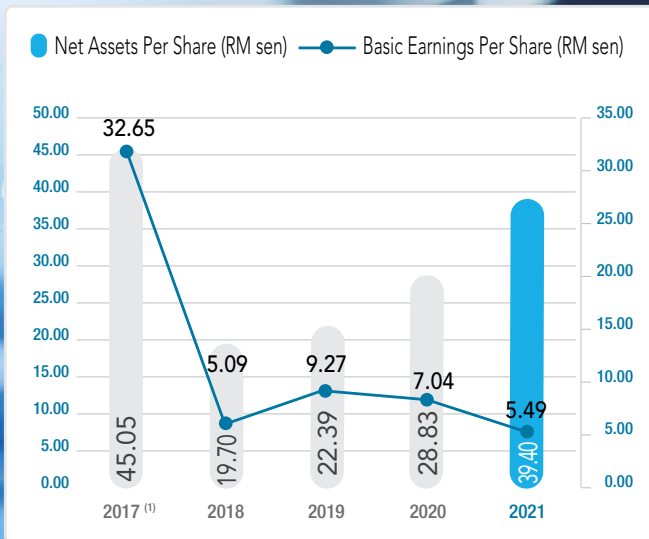
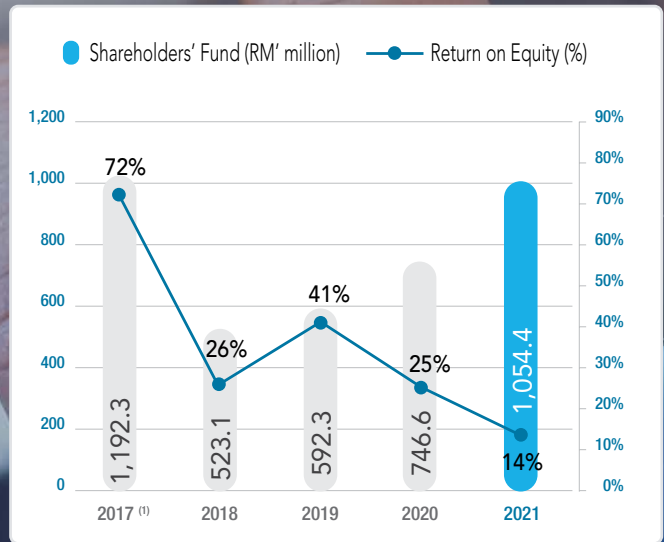
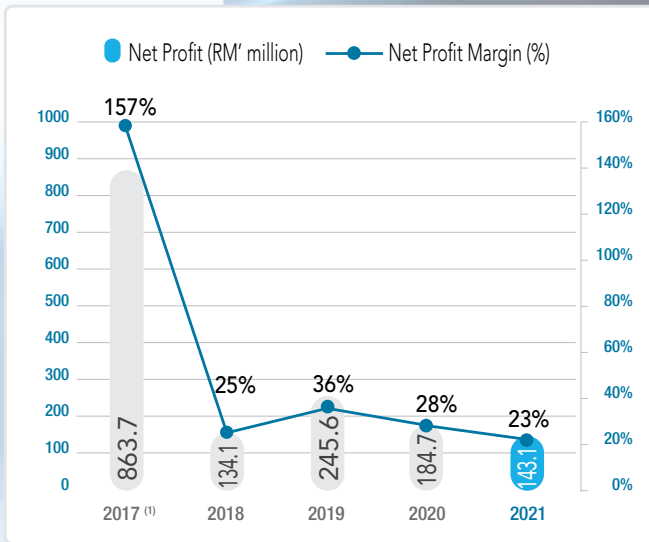
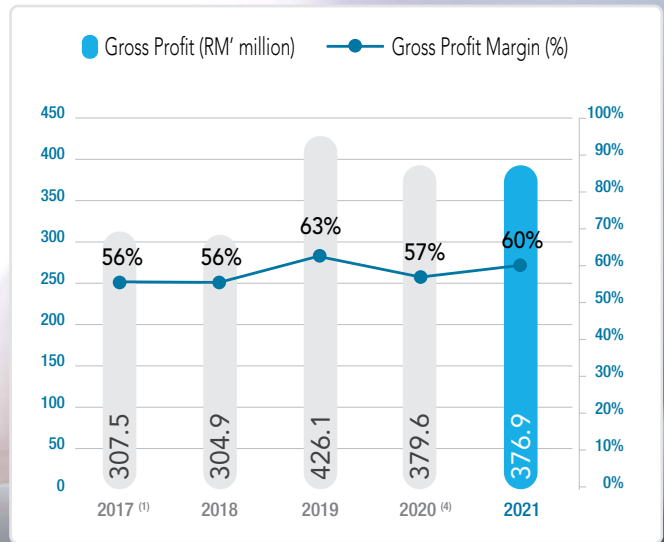
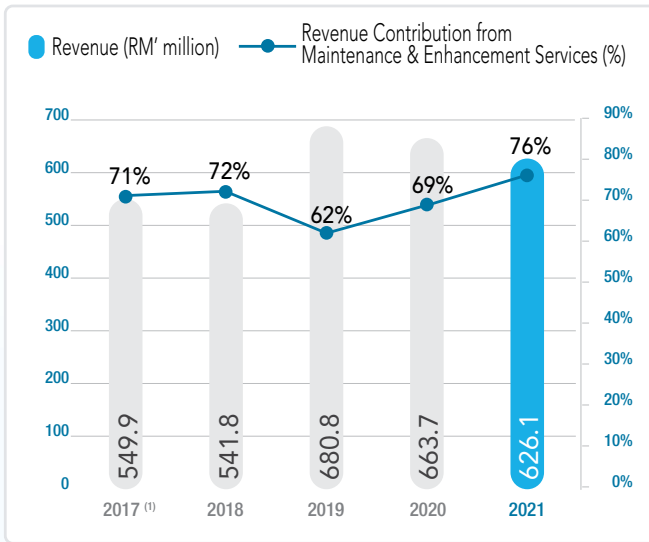
## Financial Highlights (cont'd)

- <sup>(1)</sup> The acquisition of Silverlake Investment (SG) Pte. Ltd. and three of its subsidiaries comprising Silverlake Digital Economy Sdn. Bhd., Silverlake Digitale Sdn. Bhd. and Silverlake One Paradigm Sdn. Bhd. (collectively, the "SISG Group"), in April 2018 was an acquisition of companies under common control. In accordance with the pooling of interest method of consolidation, the Group's financial statements for FY2017 and FY2018 (for period from July 2017 to March 2018) were restated in FY2018 to include SISG Group's results, as if SISG Group had always been part of the Group.
- <sup>(2)</sup> In FY2017, the Group made a net gain of RM426.2 million on disposal of shares in an associate, Global InfoTech Co. Ltd. ("GIT"), mark-to-market accounting gain of RM259.1 million on remeasurement of retained interest in GIT, gain of RM18.8 million on dilution of interest arising from GIT's share capital changes and reversal of deferred tax liabilities of RM4.7 million on unremitted earnings of GIT. The gains were reflected in Other Income and correspondingly in earnings, net profit margin and return on equity ratios. In FY2018, the Group incurred a net loss of RM5.9 million from the sales of GIT shares. Excluding the effects of these non-operational gains and losses related to GIT, the Group's FY2018 adjusted net profit of RM140.0 million would have been 10% lower than FY2017 adjusted net profit of RM154.9 million.

The Group declared five special dividends from the GIT share sale proceeds, totalling Singapore 2.3 cents and Singapore 1.8 cents per share for FY2017 and FY2018 respectively.

- <sup>(3)</sup> In FY2019, the Group recorded RM14.8 million gain from fair value adjustment on contingent consideration for the acquisition of SISG Group, a net gain of RM14.2 million from reversal of value-added tax ("VAT") accrued for the disposal of GIT shares in FY2017 and FY2018 (as Silver Team Technology Limited, a subsidiary of the Company, had obtained VAT exemption in FY2019 for the disposals), RM9.4 million gain from the recognition of a derivative asset for the call option on the remaining 20% equity interest in SIA X Infotech Group ("XIT Group"), and RM8.5 million net gain from the disposal of freehold land in FY2019. These non-operational gains were reflected in Other Income and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational gains, the Group's adjusted net profit of RM198.7 million would have been 42% higher than FY2018 adjusted net profit of RM140.0 million.
- <sup>(4)</sup> The Group's subsidiaries engage businesses in different jurisdictions, hence there are taxes imposed on foreign sourced income. In FY2021, it was clarified that part of these foreign and withholding taxes were derived or taxed on gross revenue and not based on taxable profits, therefore not considered as 'Income Taxes' in the consolidated income statement. The Group presented such withholding taxes as part of "Cost of Sales" in the consolidated income statement and comparative amounts i.e. FY2020 Gross Profit, EBITDA, Profit Before Tax and the corresponding profit margins have been restated to reflect the substance of these taxes. For details, please see Note 41 to the financial statements.
- <sup>(5)</sup> In FY2020, the Group recorded RM11.3 million gain from remeasurement of put liability on the remaining 20% equity interest in XIT Group, RM2.9 million government subsidies from Singapore and Malaysia to support businesses during COVID-19 pandemic, RM2.1 million gain from deemed disposal of investment in Finzsoft Solutions Limited, and RM1.6 million fair value gain from remeasurement of contingent consideration for the acquisition of 80% equity interest in XIT Group and 100% equity interest in SISG Group. These non-operational gains were reflected in Other Income and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational gains, the Group's adjusted net profit of RM166.8 million would have been 16% lower than FY2019 adjusted net profit of RM198.7 million.
- <sup>(6)</sup> In FY2021, the Group recorded non-operational losses of RM15.6 million and RM8.6 million from remeasurement of put liability for put option and remeasurement of derivative asset in relation to call option on the remaining 20% equity interest in XIT Group respectively. The Group received RM4.9 million of government subsidies and office rental concessions from Singapore, Latvia, Malaysia and Hong Kong to support businesses during COVID-19 pandemic. These non-operational losses/gains were reflected in Administrative Expenses/Other Income, and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational losses/gains, the Group's adjusted net profit of RM162.3 million would have been 3% lower than FY2020 adjusted net profit of RM166.8 million.
- <sup>(7)</sup> Based on the weighted average number of ordinary shares on issue, after adjusting for dilution shares under Silverlake Axis Ltd. Performance Share Plan.

## Financial Highlights (cont'd)



# Financial Performance Review

## OVERVIEW

The Group recorded revenue of RM626.1 million for FY2021, a decrease of 6% over the prior year. The Group achieved Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM235.3 million and Net Profit of RM143.1 million in FY2021, a decrease of 12% and 23% respectively, as compared to FY2020.

Excluding the non-operating losses/gains mainly in relation to remeasurement of put liability and derivative asset for put and call options for the acquisition of the remaining 20% equity interest in SIA X Infotech Group ("XIT Group"), fair value adjustments from remeasurement of contingent consideration for business combinations and government subsidies at times of pandemic, the Group's Adjusted Net Profit of RM162.3 million would be 3% lower than FY2020 Adjusted Net Profit of RM166.8 million. Whereas the Group's adjusted EBITDA for FY2021 of RM254.5 million would be 2% higher than RM248.8 million achieved in FY2020.

## REVENUE

FY2021 Group revenue of RM626.1 million was 6% lower than RM663.7 million recorded in FY2020 due to lower contributions from project related revenue. Maintenance and enhancement services continue to grow year-on-year at 3% for the financial year. Software-as-a-Service ("SaaS") revenue for Insurance processing was flat while Retail processing grew at a significant 47% year-on-year. As planned, Silverlake Japan Ltd. ceased its operations in Quarter 1 FY2021 following the termination of the last customer contract for credit and cards processing in late FY2020.

Recurring revenue segments comprising maintenance and enhancement services, and SaaS remain as key revenue drivers for the Group and contributed 81% of total Group revenue in FY2021.

- Maintenance revenue recorded a growth of 2% to RM227.5 million in FY2021. The increase is from new maintenance contracts secured as well as revision of maintenance fees for existing contracts. Enhancement services revenue continue to maintain its momentum in FY2021 and increased by 4% to RM247.5 million as customers are relying on SAL to modernise their core banking platforms for the digital age.
- SaaS for Insurance processing revenue decreased marginally by 1% from RM34.7 million in FY2020 to RM34.2 million in FY2021. Compared to FY2020, the prolonged pandemic and movement control restrictions have resulted in lower claims processing activities. This has led to lower traffic volume and hence fewer motor accident claims. The decrease was partially offset by the positive contributions from a number of other activities; active cross selling of

the TrueSight suite of productivity & analytics solutions to existing customers and increased revenue from the sale of e-policies in Thailand, Hong Kong and Vietnam.

- Revenue from SaaS for Retail processing has shown significant growth of 47% from RM0.5 million to RM0.7 million and this momentum will continue as the Group pivots to SaaS offerings to the larger SME market.

Project related revenue comprising software licensing and software project services declined 19% from RM130.4 million in FY2020 to RM105.4 million in FY2021.

- Software licensing revenue decreased by 29% to RM40.0 million in FY2021 as customers continue to be cautious in committing to significant new software licensing deals in the first 3 quarters of FY2021. Significant new software licensing deals began to pick up in Quarter 4 FY2021 and it is anticipated that will continue through to FY2022.

- Software project services segment recorded lower progressive revenue in FY2021. Revenue from this segment declined 12% to RM65.4 million due to several key projects were completed or nearing completion or delayed by client requests. However, the decrease in FY2021 was somewhat mitigated by smaller scale contracts for SIBS technology refresh contracts secured in Malaysia in second half ("2H") of FY2020 and new MÖBIUS and banking implementation contracts secured in Sri Lanka, Thailand and Malaysia in 2H FY2021. The Group recognised revenue from the first tranche of major MÖBIUS win with one of the largest banks in Thailand.

- The Group applies the IFRS revenue recognition standard 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.

Sale of software and hardware products recorded lower revenue of RM10.7 million in FY2021 as compared to RM26.9 million in FY2020. Hardware sales are seasonal by nature and dependent on the requirements and specifications to support the implementation of new or enhancement of existing systems. There were sizeable hardware sales delivered to support the technology refresh contract of banks in Malaysia in FY2020 whereas the quantum of sale of hardware products in FY2021 were smaller and largely to markets in Africa, Malaysia and Cambodia. Lower sales recorded in FY2021 could be affected by the deferment of capital expenditure during the pandemic period as well as awaiting for the launch of the latest IBM iSeries in September 2021.

## GROSS PROFIT

Gross profit margin improved from 57% to 60% in FY2021 mainly due to better margins generated from software project services as well as maintenance and enhancement services in FY2021 despite a decrease in gross profit from RM379.6 million in FY2020 to RM376.9 million in FY2021.

## OTHER INCOME

Other income of RM11.5 million in FY2021 was 51% lower than RM23.6 million reported in FY2020.

FY2021 Other income comprises mainly the following items:

- RM4.9 million government subsidies and office rental concessions from Singapore, Latvia, Malaysia and Hong Kong to support businesses during the COVID-19 pandemic period; and
- RM2.3 million from reversal of expected credit losses on trade receivables collected.

Conversely, the higher FY2020 Other income comprised mainly the following items:

- RM11.3 million gain arising from remeasurement of put liability on the remaining 20% equity interest in XIT Group;
- RM2.9 million government subsidies from Singapore, Malaysia and Hong Kong to support businesses during the COVID-19 pandemic period;
- RM2.1 million gain from deemed disposal of a joint venture in New Zealand;
- RM1.6 million fair value gain from the remeasurement of contingent consideration for the acquisition of XIT Group and Silverlake Investment (SG) Pte. Ltd. Group ("SISG Group"); and
- RM0.8 million from reversal of expected credit losses on trade receivables collected.

## EXPENSES

There was a 9% reduction in selling and distribution costs from RM33.4 million to RM30.5 million in FY2021 as a result of cost control measures instituted by management during the pandemic period.

Administrative expenses increased by 15% from RM139.1 million to RM159.9 million in FY2021 due mainly to:

- a charge of RM15.6 million arising from the remeasurement of the put liability over the remaining 20% equity interest in XIT Group and a RM8.6 million loss on remeasurement of a derivative asset in relation to the XIT call option at fair value through profit or loss;
- the cost of Silverlake Axis Ltd. Performance Share Plan award recognised in FY2021; partially offset by
- a one-off non-recurring expense incurred for a Mutual Separation Scheme charged in FY2020. The Group did not repeat the exercise in this financial year.

Finance costs decreased by 62% from RM34.7 million to RM13.1 million in FY2021 mainly due to the end of unwinding of discount on the contingent consideration payable for the

acquisition of SISG Group as required by IFRS, as well as lower interest expense on the revolving credit facility ("RCF") as the Company repaid the outstanding RCF balance in Quarter 4 FY2021.

## SHARE OF RESULTS OF A JOINT VENTURE

The Group booked a loss from the joint venture in FY2021 as compared to a profit in FY2020. The joint venture's investment was disposed at the end of March 2020, FY2020 and the joint venture was subsequently liquidated in FY2021.

## INCOME TAX

Income tax expense increased from RM16.8 million in FY2020 to RM43.7 million in FY2021. The increase was mainly due to the recognition of deferred tax assets on tax allowance claimable on the intellectual property rights acquired in Singapore in FY2020 as well as higher withholding tax for dividends repatriated from Philippines and Thailand subsidiaries in FY2021.

## FINANCIAL POSITION

### ASSETS

Total assets decreased by 7% from RM1,468.2 million as at 30 June 2020 to RM1,364.3 million as at 30 June 2021.

The Group's investment in quoted equity shares of Global InfoTech Co. Ltd. ("GIT") decreased by 7% from RM310.2 million to RM288.2 million as at 30 June 2021 attributed by the decrease in share price of GIT shares to RMB12.14 per unit as at 30 June 2021 (RMB13.88 per unit as at 30 June 2020).

Derivative asset decreased by 92% from RM9.3 million to RM0.8 million as at 30 June 2021. This represents the fair value of call option in connection with the acquisition of the remaining 20% equity interest in XIT Group.

Deferred tax assets of RM60.2 million as at 30 June 2021 was lower as compared to RM66.0 million as at 30 June 2020 due to the utilisation of unused tax losses carried forward from a subsidiary in FY2021.

Cash and bank balances of the Group decreased from RM496.7 million as at 30 June 2020 to RM417.1 million as at 30 June 2021 mainly due to:

- cash outflow from financing activities of RM121.5 million, RM25.8 million, RM20.4 million and RM10.8 million for net repayment of revolving credit, payment of FY2020 final dividend to shareholders, share buyback and payment of lease liabilities respectively;
- cash outflow from investing activities of RM57.4 million representing 20% Earn-Out-Consideration ("EOC") by way of cash payment for the acquisition of SISG Group and RM39.4 million for software development expenditures; partially offset by
- cash inflow from operating activities during the year of RM196.9 million.

## Financial Performance Review (cont'd)

The Group maintained a healthy net cash position as at 30 June 2021.

The effect of decrease in the asset components as mentioned above was partially offset by the increase in intangible assets, from RM300.0 million as at 30 June 2020 to RM317.3 million as at 30 June 2021, mainly due to the capitalisation of software development expenditure incurred on core and digital banking, Fintech and other solutions during FY2021. The additional amount capitalised was partially offset by the amortisation of intangible assets in FY2021.

### LIABILITIES

Total liabilities decreased by 57% from RM721.6 million to RM309.8 million as at 30 June 2021.

Trade and other payables of the Group amounted to RM76.9 million as at 30 June 2021 as compared to RM358.5 million as at 30 June 2020 mainly due to the settlement of the EOC for the acquisition of SISG Group on 31 March 2021.

Loans and borrowings decreased from RM150.9 million as at 30 June 2020 to RM26.2 million as at 30 June 2021 following the full repayment of revolving credit in FY2021. The revolving credit facility has been cancelled subsequent to the financial year end on 21 July 2021.

### EQUITY

With positive contribution in FY2021 where the Group continued to deliver on existing contracts, as well as the recognition of a fair value gain of RM149.4 million in equity pertaining to the difference in fair value of the EOC Shares on date of settlement at SGD0.245 per share and the agreed issue price of SGD0.71 per share on date of acquisition, total equity increased by 41% from RM746.7 million last year to RM1,054.5 million as at 30 June 2021.

### SHARE CAPITAL

The number of issued shares remained at 2,696,472,800 shares as at 30 June 2021.

The number of treasury shares decreased from 107,115,868 shares to 20,569,091 shares as at 30 June 2021, resulted from the following transactions:

- the reissuance of 4,500,000 treasury shares to Group Managing Director pursuant to the Silverlake Axis Ltd. Performance Share Plan; and

- the release of 105,921,177 treasury shares to the vendors for payment of 80% EOC for the acquisition of SISG Group; partially offset with
- the buyback of 23,874,400 shares in FY2021.

### EARNINGS PER SHARE ("EPS")

FY2021 basic and diluted EPS were the same at 5.49 sen as there was no other transaction involving ordinary shares or potential ordinary shares as at 30 June 2021. With lower profitability from operational and non-operational activities (i.e. higher one-off fair value losses recognised in administrative expenses) in FY2021 as compared to FY2020, EPS in FY2021 was 22% lower than the 7.04 sen achieved in FY2020.

### DIVIDEND

Total dividend declared for FY2021 of Singapore 0.52 cents per share represents the proposed final dividend for FY2021, at 30% of the Group's net profit in FY2021.

The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

### CASH FLOW

#### CASH FROM OPERATING ACTIVITIES

Net cash flow from operating activities in FY2021 was RM196.9 million as compared to RM209.8 million in FY2020 mainly due to timing difference in billings and collections from customers.

#### CASH USED IN INVESTING ACTIVITIES

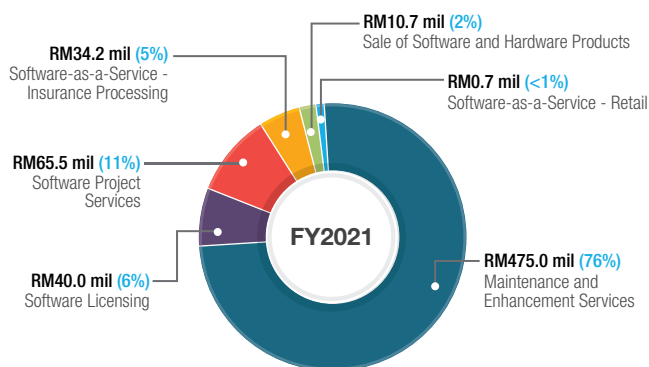
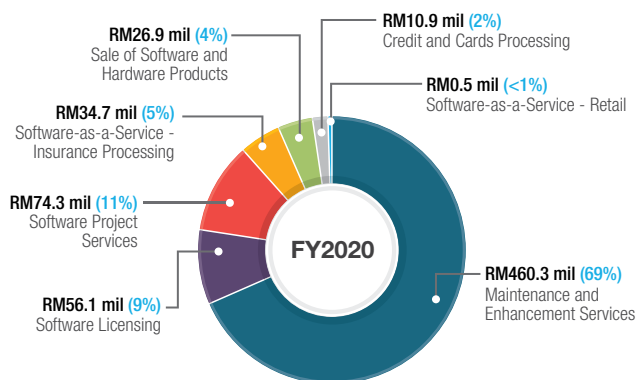
Net cash used in investing activities was higher in FY2021 at RM83.0 million as compared with RM36.7 million in FY2020 mainly due to RM57.4 million cash outflow for settlement of 20% EOC, paid to vendors in relation to the acquisition of SISG Group.

#### CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities was higher in FY2021 at RM178.6 million as compared with RM113.6 million in FY2020 mainly due to full repayment of revolving credit in FY2021, offset with lower dividends paid to shareholders and lower cash used in share buyback in FY2021 as compared with FY2020.

# Operations Review

## REVENUE BY SEGMENT



## Banking and Retail Segments

### Industry Trend in FY2021

At the close of our financial year 2020, there was still much uncertainty and unpredictability. Financial year 2021 ("FY2021") began slowly with weak momentum and slow growth in our key segments; the prospects for the full year were less than encouraging as the pandemic continued to impact us both socially and economically. The disruptions meant that financial institutions had to adapt and accelerate their digital transformation and this brought a renewed focus on transforming business models to meet customer demand and deliver customer engagement digitally and without friction. FY2021 was a year of two halves; the first half was where our customers delayed IT project spend particularly large ticket sized transformation deals. However, in the second half, we noted that our customers are beginning to make IT investment decisions despite the ongoing pandemic.

This transformation and the digitisation in both processes and engagement are strategic enablers and this quickening will impact us materially in all our business lines. This drive towards digital, intensifying connectivity and integration in the industry has enabled the Group to close a number of contracts for enhancement to its customers' technology and digital infrastructure in the financial year.

The Group's key customers in Banking and financial services are strategic to the markets they operate in and globally interconnected and despite some delays and hesitancy in the first half, we observe a discernible shift in the second half. Enquiries have intensified and budgets have been reinstated and the activity has been encouraging as we closed out FY2021 on a strong note. Our customers do not have the luxury of taking a wait and see approach and we see them accelerating critical decisions across core and complementary platform modernisation.

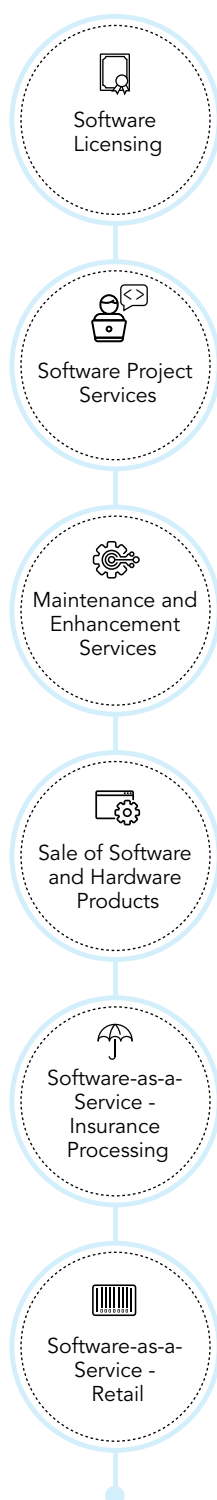
We are cautiously optimistic in terms of the outlook of the

market. The markets we operate in are still facing COVID-19 issues and while the economies of these markets are opening up gradually, we will continue to monitor any impact this will bring to our business. Despite the pandemic continuing to impact economies in the key markets we serve in, we are beginning to close more deals and see increased enquiries in our range of solutions and capabilities for the financial services market sector. Our customers continue to entrust us with maintaining, supporting and providing them the long-term path to core modernisation and greater positioning for the new digital age.

There is strong deal momentum going into FY2022 and our engagement teams are liaising with existing and potential customers to cater to their requirements and provide them with a solution suite that suits their budget to remain competitive.

The industry continues to evolve, the pace of change has accelerated due to the pandemic as banks grapple with complex, monolithic and inflexible systems that have failed to provide business insights and failed to deliver superior customer experience. The costs of maintaining these legacy systems continue to rise and so does the operational risk which is a cause of concern for many regulators and is being monitored closely by them. These industry dynamics form the basis of our value proposition and strategy as we continue to partner with our customers in their transformation.

Digital engagement with customers and regulatory compliance remain top of mind and cloud technology has enabled flexibility in business transformation and provided banks with significant monetary advantages over traditional on-premise models. Our product suite now offers Software-as-a-Service ("SaaS") as an option to host applications and lower the cost of maintaining proprietary infrastructure.



## SOFTWARE LICENSING

The Group is a leading and premier digital economy solutions provider to the financial services, retail and logistics industries. The Group's main products include Silverlake Axis Integrated Banking Solution (SIBS), Silverlake Axis Integrated Islamic Banking Solution (SIIBS), Silverlake Axis Provident Fund System (SIPFS), Silverlake Axis Card System (SCS), Silverlake Digital Banking MÖBIUS Open Banking Platform (SDE), Silverlake Delivery Service Processor (DSP) Digital, Silverlake Axis Retail Merchandising System (PROFIT), Silverlake Axis Enterprise Payment Platform, Cyber Village Converged Internet and Mobile Platform, Silverlake Symmetri Retail Banking Solutions, IntelliSuite (SDS) and NowSuite (SOP) applications, and SIA X Infotech digital identity and security software solution.

### Performance

Software licensing contributed 6% to the Group's overall revenue and is a core business for the Group. However, this revenue segment is dependent on closure of large contracts. In FY2021 following on from a difficult FY2020, the Group recorded a 29% reduction in revenue from this segment to RM40.0 million compared to RM56.1 million in FY2020. The difficulty in closing large core banking deals amidst the pandemic and uncertain economic conditions contributed to this decline.

### Outlook

License fee is highly dependent on the securing of new contracts and we have noticed a tangible uptick in enquiries and proposals from our client base.

We are optimistic that many of these deals will be closed in FY2022 and there is strong momentum. There are however significant risks that are difficult to model completely with macro-economic headwinds caused by the pervasiveness of the pandemic.

## SOFTWARE PROJECT SERVICES

The software project services business is related to the provision of software customisation and implementation services to deliver the core banking, payment and retail solutions to our customers to ensure the full functionality of our software.

### Performance

Software project services revenue is highly correlated to software licensing revenue and the securing of core replacement and transformation deals. However, we were able to close some smaller transactions to close the gap to 12% lower compared to FY2020. Revenue was RM65.5 million in FY2021 compared to RM74.3 million in FY2020.

Overall project services contributed 11% to Group revenue.

There is good traction in Thailand and other key markets. We have secured two contracts that will be positive contributors to this segment. There was a slow start to the year as hesitancy to invest by our customers remained a key market dynamic.

### Outlook

The outlook has recently turned optimistic with the Group being at the forefront of discussions with many enquiries and proposals in Malaysia, Thailand, Indonesia and Sri Lanka.

Both software project services and software licensing are highly correlated and the Group is well positioned to capitalise on developments in ASEAN around banking consolidations and the advent of digital banks that are on the horizon.

## MAINTENANCE AND ENHANCEMENT SERVICES

The maintenance and enhancement business provides our customers with round-the-clock software support services as well as enhancement services to support our customers in the delivery and execution of their strategies in making available new capabilities to 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.

### Performance

Revenue from maintenance and enhancement services increased by 3% from RM460.3 million in FY2020 to RM475.0 million in FY2021. Overall, this segment accounts for 76% of Group revenue. A number of new incremental enhancement contracts were secured in FY2021 in response to requests for support and digital transformation activities in banking for banks in Singapore, Malaysia and Thailand. In addition, revenue is being progressively recognised for ongoing contracts in Malaysia and Indonesia.

### Outlook

This segment is highly correlated to the installed base of our software and maintenance contracts are typically for a five-year period and are recurring in nature. The Group's installed base remains stable and as our customers continue to adapt to digital and their transformation plans are implemented. The pipeline for our services remains robust.

As competition continues to intensify, our customers are deploying new customised and digital solutions quickly and this requires our enhancement expertise. With our strong partnerships with ASEAN's leading banking franchises, the Group is optimistic in getting a good share of wallet from this spend.

## SALE OF SOFTWARE AND HARDWARE PRODUCTS

The software and hardware solutions offered by the Group in this segment refer to our non-proprietary software and where we act as resellers to customers who require bundled one-stop solutions. The Group is an authorised reseller of IBM hardware and system software in Malaysia.

### Performance

Sales in this segment decreased by 60% from RM26.9 million in FY2020 to RM10.7 million in FY2021 and this segment accounts for only 2% of the Group's revenue. The performance was affected by a general slowdown in large ticket capital expenditure by our customers as they adopted more cautious stance due to the pandemic.

### Outlook

This business only forms a small part of the Group's focus and it is relatively low margin as compared to the gross margins for the other businesses. However, as our customers continue to invest in IT infrastructure and capabilities over the next 12 months, we anticipate that this segment will achieve moderate growth. We continue to seek and exploit all opportunities through close collaborations with established and new business partners.





### SOFTWARE-AS-A-SERVICE - INSURANCE PROCESSING

As Asia's #1 insurance SaaS provider, the Merimen built platform has processed over US\$10 billion in insurance claims and premiums connecting 150+ insurers as part of an ecosystem of 6,000+ workshops, repair centres, lawyers and loss adjusters across 10 markets in Asia. More recent pioneering initiatives from Merimen include TrueSight, a suite of Artificial Intelligence ("AI") based analytics solutions and interactive video tool for instant remote claims surveying.

#### Performance

FY2020/21 insurance SaaS revenue decreased by 1% to RM34.2 million with motor-claims related revenue decreasing by 12.5% and our other lines of business improving by 37%. Merimen's FY2020/21 performance benefited from our ongoing diversification strategy both in respect of products and new markets. Particularly pleasing was the take-up of TrueSight which has so far been adopted by 50 of our partners across multiple geographies. Additionally, our policy origination solution ePolicy was implemented by 5 new insurers in FY2021 with a further 15 insurers expanding their use of ePolicy to include new lines of business.

#### Outlook

From COVID-19 perspective, we anticipate FY2022 being better than FY2021 particularly in the second-half of the year which will reflect positively in our related lines of business. We have a number of strategic initiatives underway which will begin to bear fruit in FY2022 including combining our strengths in banking and insurance given banks are a major distribution channel for insurance. The combination of Fermion's platform to serve ecosystems together with our expanded AI and data analytics offerings will enhance our recurring revenue base and set a strong foundation for Fermion's business in FY2023 and beyond.

### SOFTWARE-AS-A-SERVICE - RETAIL

Pivoting from an on-premise to cloud-based SaaS solution provider, QR Technology Sdn. Bhd. Group ("QR Group") aims to be the leading RetailTech platform provider in Asia. With extensive retail industry knowledge and ability to connect over 700 retail outlets across 9 different countries globally and a capacity to process 1 million sales transactions per day, QR Group has successfully carved out a niche in retail, food and beverage ("F&B"), and pharmaceutical verticals in Asia.

#### Performance

SaaS Retail revenue for FY2021 was RM0.7 million which was an increase of 47% over the RM0.5 million achieved in FY2020. This accounts for 5% of total revenue for QR Group.

#### Outlook

The impact of the COVID-19 pandemic was extreme for the Retail Industry and it continues to be impacted. We anticipate a slow but steady pick-up of our business especially in the 2<sup>nd</sup> half year of FY2022. We see positive trends in retail and pharmaceutical industry where many businesses have started to embrace digital innovations to expand their business model. The priority will be to acquire more pharmaceutical chain retailers to offer our Retail PharmacyTech SaaS Platform which will set the foundation of our recurring revenue for the coming years. With the strong collaboration and partnership that we have with our partners, we aim to reach out to more potential customers and connect them into our RetailTech platform ecosystem to set a strong foundation for QR Group's business in FY2023 and beyond.

### CREDIT AND CARDS PROCESSING

The credit and cards processing business was undertaken by Silverlake Japan Ltd. ("SJL") and focused on providing full scale processing of a wide range of credit cards and other credit products on an outsourcing basis. As announced, SJL completed the transition to a local vendor in April 2020 and terminated its contractual engagement with the last Japanese customer in June 2020. With this termination, SJL is no longer servicing any more customer contracts and we have completed the voluntary liquidation of SJL on 22 March 2021.



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# SUSTAINABILITY REPORT 2021

## About this Report

At Silverlake Axis Ltd., our commitment to sustainability is built upon a strong foundation of governance and transparency to create value for the Group and our stakeholders, improving brand value and identifying new growth opportunities. We consider sustainability to be an ever-evolving journey, central towards ensuring business resilience in addressing rapid digital transformation amidst the continuous challenges brought about by the COVID-19 pandemic. Hence, we will continue to reflect on our sustainability progress to maintain long-term value for our stakeholders.

### Reporting Scope and Boundaries

This is our fourth Group Sustainability Report ("Report") which covers our sustainability performance and efforts from 1 July 2020 to 30 June 2021, coinciding with our financial year. Our last Sustainability Report was published on 9 October 2020.

Our annual sustainability reporting covers Silverlake Axis Ltd. and its subsidiaries for which it has direct managerial control (collectively referred to as the "Group"), unless otherwise stated. References in this Report to "Silverlake Axis", "the Group", and "we" refer to the aforementioned entities. The list of subsidiaries can be found in the Group's consolidated financial statements on page 16 of the Annual Report.

Please refer to the Global Reporting Initiative ("GRI") Content Index on the restatement made during the year.

### Reporting Methodology

This Report has been prepared in accordance with the GRI Standards: Core option and the Singapore Exchange Listing Rules 711A and 711B. In line with the GRI Standards, we have disclosed and reported on economic, environmental, and social aspects of interest to our stakeholders. We acknowledge the credibility of an independent verification and aim to seek external assurance of selected sustainability indicators by FY2023.

The reporting principles applied herein include the following:

- **Stakeholder Inclusiveness:** Using insights gained from key stakeholders to inform sustainability expectations and the review of material matters;
- **Sustainability Context:** Providing context into the businesses' performance in a wider context of sustainability to the organisation;
- **Materiality:** Bringing to the fore issues that reflect the Group's sustainability impacts that are of importance to our stakeholders in this changing market and our business strategies to address them, and
- **Completeness:** Includes coverage of material matters and boundaries that have significant sustainability impacts to enable stakeholders to assess Silverlake Axis' performance in the reporting period.

We value your feedback and welcome your enquiries on our sustainability reporting to continuously enhance our reporting and sustainability practices. Kindly provide your feedback or address your questions to [investor\\_relations@silverlakeaxis.com](mailto:investor_relations@silverlakeaxis.com).



# Sustainability at the Group

Our sustainability agenda and initiatives revolve around the three key overarching pillars: Our Business, Our People and Our Stewardship, which guides us to achieve higher levels of performance and drive meaningful results. We strive to disclose clear and meaningful information on our approach, initiatives, and performance across these three core pillars.

## Sustainability Pillars



Diagram 1: Silverlake Axis' Sustainability Pillars

## Our Sustainability Policy

The Group Sustainability Policy outlines our commitment towards contributing to a sustainable operating environment, in line with the Group's Standards of Business Conduct ("Business Conduct Standard") and business strategy. We seek to continue to lead the way in developing new and innovative solutions to retain industry position in delivering innovative solutions, long-term stability and better returns to our stakeholders.

Our 8 guiding principles are:

1. To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice;
2. To integrate sustainability considerations into all our business decisions;
3. To provide a healthy, safe, conducive and empowering equal opportunity workplace;
4. To conserve natural resources by optimising re-use and recycling wherever possible;
5. To utilise operational processes that do not adversely impact the environment;
6. To work with our stakeholders to enhance awareness, and incorporate, practice and promote sound environmental practices, using our resources to provide leadership, guidance and motivation, where necessary;
7. To continually develop and provide environmentally supportive performance and advances including embedding sustainability into our decision-making, planning and investment processes to provide sustainable value increase to our shareholders; and
8. To review, annually report and continually strive to improve our sustainability performance.



# Sustainability Governance

We believe that a robust sustainability governance structure plays a key role in embedding sustainability across the Group. Our Board of Directors set the tone to drive sustainability across the Group and assimilate it across our operations. The Audit and Risk Committee oversees internal controls and compliance in strengthening accountability and progress of our sustainability agenda. The Sustainability Committee as well as corporate and business functions support the Group Managing Director in the implementation and monitoring of the Group's sustainability initiatives and performance. Our sustainability-related policies, guidelines and processes further serve to guide our business practices, details of which are further explained throughout this Report.

The roles and responsibilities of our sustainability governing body are detailed in Table 1.



## Board of Directors

- Ultimately responsible for the sustainability direction of the Group
- Ensures progressive integration of sustainability in business strategies
- Approves and reviews sustainability-related business strategies and performance

## Audit and Risk Committee

- Provides oversight of the sustainability agenda, system of internal controls, risk arrangement and compliance to laws and regulations

## Group Managing Director

- Approves policies, targets and market disclosures
- Steers and provides oversight on the implementation of sustainability-related business strategies and recommends revision to the Board
- Evaluates overall risks and opportunities

## Sustainability Committee

- Develops sustainability-related business strategies
- Oversees and steers business functions to ensure robustness of system and sustainability management
- Reports on performance against sustainability-related targets and sustainability processes and controls

## Corporate and Business Functions

- Supports and implements sustainability-related business strategies
- Reports on management targets and develops plans and timeline for disclosure

Table 1: Sustainability Governance Structure

## Ethical Business Conduct and Strong Governance

Silverlake Axis is committed to upholding ethical business conduct in our business and across our supply chain. The Group's Business Conduct Standard inform ethical decision making and define how we do business, addressing matters ranging from confidentiality, transparency, anti-corruption, fair dealings to fraud.

Employees are provided with a copy of the Business Conduct Standard within the Employee Handbook. The business conduct modules are available via the AAMS internal portal, which is readily accessible to all employee at all times. All new employees are provided with training on the Business Conduct Standard to familiarise themselves with ethical standards expected as part of the new joiner induction. Further, all employees are required to revisit and acknowledge the Business Conduct Standard annually to establish accountability to uphold ethical business conduct.

As we continue to operate in an increasingly evolving regulatory landscape, including more stringent requirements by the Monetary Authority of Singapore (MAS) for financial institutions to screen technology suppliers, upholding high levels of integrity is key to managing risks and capitalising on opportunities. In an effort to remain acquainted with the changes in the regulatory requirements, we carry out periodic assessments of our internal systems and processes. In FY2021, Silverlake Axis had no incidents of non-compliance with socioeconomic laws and regulations.

### (i) Anti-corruption and anti-bribery

We have a zero-tolerance policy for any acts of bribery, corruption and fraud as iterated within our Anti-bribery Policy, aligned to key anti-corruption regulations including Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). All directors, officers, employees, and third parties acting on behalf of Silverlake Axis are prohibited from offering or paying, directly or indirectly, any bribe to any employee, officials, or agent of any government, commercial entity, or individual in connection with the business or activities of the Group. Our approach to monitoring and managing anti-corruption efforts are further supported by the Investigations Policy and online register to record offers and acceptance of gifts.

**(i) Anti-corruption and anti-bribery (cont'd)**

We also enhanced our Gift Policy within the financial year to reaffirm our commitment in upholding the Group's stance against bribery and corruption. All gifts provided, received or declined must be recorded in the Group's Gifts Register which is maintained by Group Risk Management. As for business entities that operate outside of Malaysia, the Compliance Officer is responsible to record, manage and control the Gift Register accordingly. Under circumstances where directors, officers, employees, and third parties acting on behalf of the Group offers or receives third party gifts, gratuities and entertainment in their corporate capacities, they are expected to exercise proper care and good judgement. In FY2021, no fines were imposed in relation to corruption and there were no confirmed incidents of corruption involving our employees within the Group.

**Mandatory e-Learning for Our Employees on Anti-Corruption and Anti-Bribery**

Through regular updates, we continue to communicate with employees on best practices and expected conduct within the Group. In October 2020, we engaged a third party to conduct a Group-wide three-year e-learning session on awareness of Section 17A of the MACC Act.

**(ii) Whistle-blowing Policy**

We encourage our people and external parties to report any suspected violations, inappropriate or illegal behaviour to fully embrace the principles of openness and promote a culture of transparency. The Whistle-blowing Policy provides an avenue for employees and external parties to raise concerns on actual and suspected improprieties with the reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith. Whistle-blowers are encouraged to identify themselves for ease of investigation, however anonymous reports will also be considered. Concerns can be raised through multiple channels, from writing, emailing or via telephone.

Concerns raised will be escalated and investigated by the necessary parties, which may include the following:

- The Audit and Risk Committee
- External or Internal Auditor
- Forensic Professionals
- Police or Commercial Affairs Department

All disclosures and findings are treated with the strictest confidentiality and will be reported quarterly to the Audit and Risk Committee or on a more frequent basis whenever deemed necessary. More details on our Whistle-blowing Policy can be found on <https://www.silverlakeaxis.com/investor-relation/corporate-governance>.

During the reporting period, we did not receive any reports or complaints via our whistle-blowing channels in FY2021.

Additionally, we encourage an environment free of discriminatory behaviour, promoting an open and supportive work environment. In FY2021, there were no reports of discrimination.

## Stakeholder Engagement

Effective communication and engagement with our key stakeholders are essential for us to reinforce our understanding on matters that are relevant and important to them. We have dedicated efforts to build strong relationships and two-way communications with our stakeholders through structured formal and informal channels to gather insightful feedback and to better understand stakeholders concerns on economic, environmental, and social issues.

During the year, we performed a review on the key stakeholders of the Group, by considering the stakeholders' significant impact on, and interest in our operations. The table below showcases how we engage with our respective stakeholders, their area of interests and concerns, and how we address them through linkage with our material matters.

## Stakeholder Engagement (cont'd)

Stakeholder Groups	Engagement Platforms	Areas of Concern	Our Response	Link to Material Matters
<b>Customers</b>	<ul style="list-style-type: none"> <li><span style="color: #e91e63;">●</span> Roadshows activities and events</li> <li><span style="color: #e91e63;">●</span> Technology updates</li> <li><span style="color: #e91e63;">●</span> Roundtable discussions</li> <li><span style="color: #e91e63;">●</span> Account Service Managers</li> <li><span style="color: #008000;">●</span> Webinar</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing and quality of products and services</li> <li>• Compliance with regulations</li> <li>• Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>• Customer engagement (page 40-43)</li> <li>• Research and Development (R&amp;D) and collaborations (page 41-42)</li> <li>• Ethical conduct and strong governance (page 60-89)</li> <li>• Environmentally friendly solutions (page 41-42)</li> </ul>	<ul style="list-style-type: none"> <li>• Business Innovation</li> <li>• Customer Satisfaction</li> <li>• Socioeconomic Compliance</li> <li>• Strong Governance</li> <li>• Energy</li> <li>• Emissions</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li><span style="color: #e91e63;">●</span> Intranet portal</li> <li><span style="color: #e91e63;">●</span> Email communications</li> <li><span style="color: #008000;">●</span> Performance appraisal</li> <li><span style="color: #008000;">●</span> Townhalls</li> <li><span style="color: #e91e63;">●</span> Internal meetings</li> <li><span style="color: #008000;">●</span> Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Professional development</li> <li>• Employee benefits and compensation</li> <li>• Work-life balance and company culture</li> </ul>	<ul style="list-style-type: none"> <li>• Project Starlight – our People and Organisation Transformation Programme (page 45)</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Management</li> <li>• Training and Education</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li><span style="color: #008000;">●</span> Annual General Meeting</li> <li><span style="color: #008000;">●</span> Quarterly reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Business sustainability</li> <li>• Share Price</li> <li>• Dividends</li> <li>• Compliance with regulations</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance (page 22, 40)</li> <li>• Return on investment (page 22-24)</li> <li>• Consistent dividend policies (page 86)</li> <li>• Ethical conduct and strong governance (page 34-35, 60-89)</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Strong Governance</li> <li>• Socioeconomic Compliance</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li><span style="color: #e91e63;">●</span> Email communications</li> <li><span style="color: #e91e63;">●</span> Meetings and briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Increased market presence</li> <li>• Innovation partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• R&amp;D and collaborations (page 41-42)</li> </ul>	<ul style="list-style-type: none"> <li>• Market Presence</li> <li>• Business Innovation</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li><span style="color: #ff9800;">●</span> Email communications</li> <li><span style="color: #ff9800;">●</span> Meetings</li> <li><span style="color: #008000;">●</span> Quarterly reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulations</li> <li>• Anti-corruption</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical conduct and strong governance (page 34-35, 60-89)</li> <li>• Anti-corruption training for employees (page 34-35)</li> </ul>	<ul style="list-style-type: none"> <li>• Strong Governance</li> <li>• Socioeconomic Compliance</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li><span style="color: #ff9800;">●</span> Media briefings and interviews</li> <li><span style="color: #ff9800;">●</span> Website and events</li> <li><span style="color: #ff9800;">●</span> Social media</li> <li><span style="color: #ff9800;">●</span> Press conference</li> <li><span style="color: #008000;">●</span> Quarterly reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Branding</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical conduct and strong governance (page 34-35, 60-89)</li> <li>• Reliable media reporting and marketing communications</li> </ul>	<ul style="list-style-type: none"> <li>• Market Presence</li> <li>• Strong Governance</li> <li>• Socioeconomic Compliance</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li><span style="color: #008000;">●</span> Press releases</li> <li><span style="color: #ff9800;">●</span> Social media</li> </ul>	<ul style="list-style-type: none"> <li>• End-user experience</li> <li>• Corporate social responsibility</li> <li>• Branding</li> </ul>	<ul style="list-style-type: none"> <li>• R&amp;D and collaborations (page 41-42)</li> <li>• Community investment (page 55)</li> <li>• Reliable media reporting and marketing communications</li> </ul>	<ul style="list-style-type: none"> <li>• Business Innovation</li> <li>• Customer Satisfaction</li> <li>• Socioeconomic Compliance</li> <li>• Local Communities</li> </ul>

Table 2: Stakeholder Engagement

● Annually     
 ● Quarterly     
 ● As needed     
 ● Ongoing

# Materiality Assessment

Our materiality assessment process enables us to ensure that our material matters are reflective of our sustainability impacts and addresses our stakeholders' reasonable concerns. In this reporting period, we have performed a materiality review whereby we analysed our business context, operating environment and the feedback received from our stakeholders to assess matters that have a material impact on the business.

Following the review of our material matters in FY2021, we have expanded our reporting disclosures to include one (1) medium priority material matter - Socioeconomic Compliance and two (2) low priority material matters - Local Communities and Energy. Moving forward, we will enhance our reporting to include the remaining material matters progressively.

The materiality assessment process is outlined in Diagram 2 below:

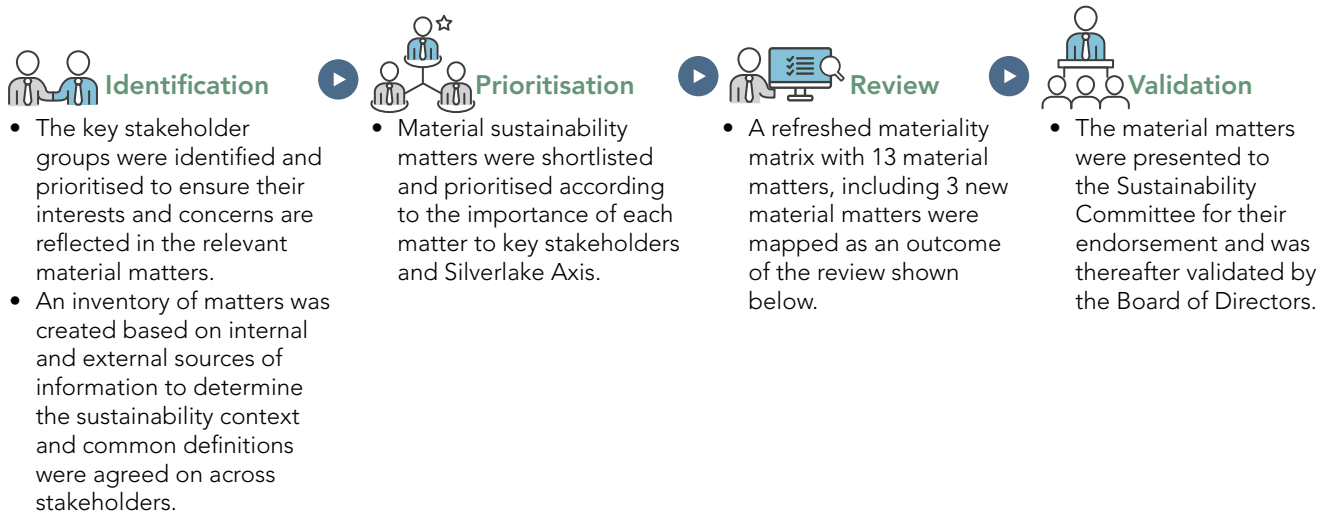


Diagram 2: Materiality Assessment Process

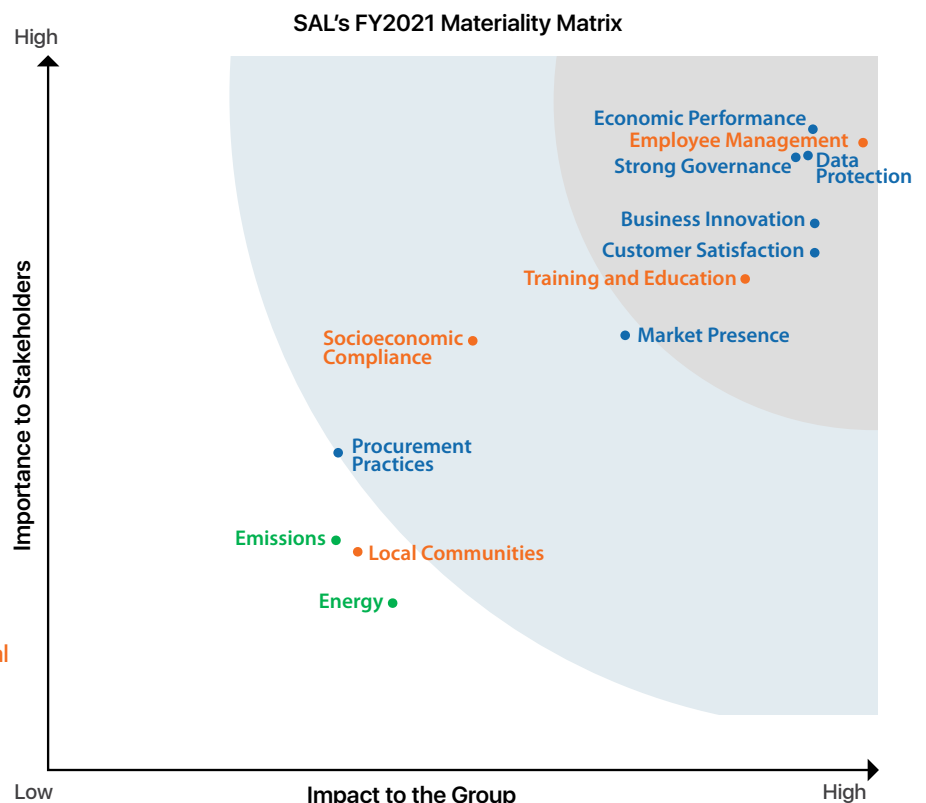
## Materiality Matrix

The materiality matrix guides Silverlake Axis in addressing and managing matters of utmost importance to the business and to our stakeholders. The results of our FY2021 materiality review showed similar ranking between material matters in FY2020, with notable changes in Data Protection, where it has been re-prioritised to a high priority, demonstrating the Group's effort to improve internal controls following the cybersecurity incident in FY2020.

Our efforts, including initiatives and performance are discussed in subsequent sections of this Report.

Legend: Economic Environmental Social

- High Priority Matters
- Medium Priority Matters



# Our Sustainability Topics

SAI's Material Matters	Boundary and Impact	GRI Standards Disclosure	Organisational Boundaries
<b>Our Business</b>			
Economic Performance	All stakeholders across our value chain	GRI 201-1: Direct economic value generated and distributed	Group-wide*
Strong Governance	All stakeholders across our value chain	GRI 205-2: Communication and training about anti-corruption policies and procedures	Group-wide*
Data Protection	Customers, employees, shareholders, business partners, regulators and media	GRI 418-1: Customer Privacy	Group-wide*
Business Innovation	All stakeholders across our value chain	Not applicable (N/A)	Group-wide*
Customer Satisfaction	Customers and communities	N/A	Group-wide*
Market Presence	Business partners and media	N/A	Group-wide*
<b>Our People</b>			
Employee Management	Employees	<ul style="list-style-type: none"> <li>• GRI 401-1: New employee hires and employee turnover</li> <li>• GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees</li> <li>• GRI 401-3: Parental leave</li> <li>• GRI 405-1: Diversity of governance bodies and employees</li> <li>• GRI 405-2: Ratio of basic salary and remuneration of women to men</li> <li>• GRI 406-1: Incidents of discrimination and corrective actions taken</li> </ul>	Group-wide*
Training and Education	Employees	<ul style="list-style-type: none"> <li>• GRI 404-1: Average hours of training per year per employee</li> <li>• GRI 404-2: Programs for upgrading employee skills and transition assistance programs</li> <li>• GRI 404-3: Percentage of employees receiving regular performance and career development reviews</li> </ul>	Group-wide*
Socioeconomic Compliance	All stakeholders across our value chain	GRI 419-1: Non-compliance with laws and regulations in the social and economic area	Group-wide*
Local Communities	Communities and media	N/A	Group-wide*
<b>Our Stewardship</b>			
Emissions	Customers, shareholders, business partners, and regulators	<ul style="list-style-type: none"> <li>• GRI 305-1: Direct (Scope 1) greenhouse gas (GHG) emissions</li> <li>• GRI 305-2: Energy indirect (Scope 2) GHG emissions</li> </ul>	Group-wide*
Energy	Customers, shareholders, business partners, and regulators	GRI 301-1: Energy consumption within the organisation	Group-wide*

Table 3: Sustainability Material Matters and Boundaries

Note:

\*Silverlake Japan Ltd. was excluded for this reporting period as it had dissolved in March 2021.



## Silverlake Axis' Supply Chain and Value Chain Sustainability

Business Line	Product Research	Product Management	Product Management and Testing	Software Packaging and Deployment	Sales and Marketing	Product Support and Maintenance	Implementation and Customisation
<b>Software Licensing</b>	Discovery Validation, Conceptualisation, and prototyping	Planned releases and periodic customer feedback	Waterfall and agile development, iterative and integrated testing	Packaged as installable modules and installed by product	Silverlake Axis business development and third-party resellers/partners	Software performance, Versioning, Code conflicts	Project management and software development
<b>Software Project Services</b>							
<b>Maintenance and Enhancement Services</b>						Level 1, 2 and 3 production support streams. Planned enhancements per customers' release schedule	
<b>Sale of Software and Hardware Products</b>					Requested by customers requiring third party hardware and system software to run the Silverlake Axis software solutions		
<b>Software-as-a-Service- Insurance Processing</b>	Discovery Validation, Conceptualisation, and prototyping	Frequent releases and collaboration with innovation ecosystem	Agile development and continuous integration	Hosted as solutions on cloud with automatic provisioning in real time	Silverlake Axis business development and third-party resellers/partners	Support through user guides, Frequently Asked Questions, e-mail and phone line customer services	Delivered via Software-as-a-Service (SaaS) product with limited customisation

Table 4: Silverlake Axis' Supply Chain and Value Chain Sustainability



### Economic Performance

As the COVID-19 pandemic unfolded, the accelerated adoption of digital technologies helped governments, education, private enterprise and people keep activities going amid physical distancing, lockdowns and other containment measures. Internet connectivity and financial technologies hold great promise for enabling financial inclusion and keeping the local economy alive, especially during such times of crisis. Silverlake Axis is a leading enterprise technology, software and services company focused on financial services and serving 40% of the top 20 largest banks in South East Asia. We support more than 370 enterprise customers and have an international footprint that spans over 80 countries across Asia, Europe, Middle East, Africa and Americas.

With the growth of digitalisation, traditional brick-and-mortar financial institutions are pivoting to adapt to new market demands lest they become redundant to new consumers. We aim to leverage the insight and strategic advantage of data, coupled with our cutting-edge technology and innovation to help build a more inclusive and sustainable future for our business and society.

Within the course of the financial year, the Group successfully secured contracts to deliver innovative and transformative digital innovation enhancement solutions to our existing and new customers, including countries comprising of Indonesia, United Arab Emirates, China, Pakistan and Brunei.

Given challenging market conditions in light of the continued impact of COVID-19, for the year under review, we have reported a year-on-year decrease of 6% in revenue as compared to FY2020.

RM ('000)	FY2021	Restated FY2020	FY2019
<b>Economic Value Generated</b>	<b>639.5</b>	<b>692.7</b>	<b>737.9</b>
Revenue	626.1	663.7	680.8
Other income	11.5	23.6	55.6
Finance income	1.9	4.0	3.2
Share of profit/(loss) of a joint venture	-	1.4	(1.7)
<b>Economic Value Distributed</b>	<b>538.6</b>	<b>608.7</b>	<b>644.3</b>
Operating costs	132.2	140.1	153.3
Employee wages and other benefits	302.7	310.5	273.7
Payments to providers of capital	56.1	108.9	172.1
Payments to government	47.6	49.2	45.2
<b>Economic Value Retained</b>	<b>100.9</b>	<b>84.0</b>	<b>93.6</b>

In FY2021, the Group received financial assistance from governments amounting to SGD1,480,090 in light of the COVID-19 pandemic and a general wage subsidy.

For more information of the Group's financial performance, kindly refer to the respective pages in our Annual Report 2021:

- Financial Highlights (page 22-24)
- Financial Performance Review (page 25-27)
- Operations Review (page 28-31)
- Financial Statements (page 93-221)

Table 5: Direct Economic Value Generated and Distributed

### Data Protection

As we continue to develop innovative solutions for our customers, we need to be vigilant in managing cybersecurity and the growing importance of regulatory requirements in the market. It is our duty to protect our customer's data and uphold the highest standards of customer data privacy in our day-to-day operations.

We are committed to maintaining trust between our businesses and stakeholders including our employees, customers and business partners. Information security is taken seriously and as part of this process, we have established our Cybersecurity Policy that is designed to ensure that the data we are entrusted with remains safe and secure. It consists of controls designed to identify, protect, detect, respond and recover from information and cybersecurity incidents. We regret to report that in September 2020, we faced a cybersecurity incident. However, there were no material impact to the Group and our customers as we do not process any information related to customer of banks we serve. As such, no information was compromised.

During the year, we enhanced our Endpoint security, which includes implementation of SentinelOne in all Straight Through Banking ("STB") employee devices and multi-factor authentication on Microsoft 365 applications. In terms of Patch Management Support, we conduct Windows Server Update Services (WSUS) to ensure that updates are periodically brought to the attention of employees to prevent critical patches or updates being missed or ignored. We also implemented next generation application firewall and activated Advance Threat Protection (ATP) to protect malware content of attachments in emails.

## Data Protection (cont'd)

For more information on our Privacy Policy, kindly refer to our website at <http://www.silverlakeaxis.com/privacy>.

To reinforce our commitment to customer data protection and privacy, we are in the process of planning virtual trainings for all employees on the importance of cybersecurity as well as a phishing simulation to ensure our employees are familiar with the fundamentals of the Personal Data Protection Act 2010 ("PDPA"), in line with our Privacy Policy.

## Customer Satisfaction

We focus on giving the best value and experience to our customers and constantly look for ways to improve the ways we engage and serve them. We believe customer satisfaction is key to creating long-term relationship with our customers.

## Business Innovation

Over the last decade, Fintech disruption has reshaped the financial industry and has continued to be the theme for the financial sector. Businesses must be willing to adapt and change to thrive in a competitive landscape. At Silverlake Axis, we are constantly working on innovative solutions to match our customers' unique needs and the markets they serve.

The core focus to drive business innovation across the Group is defined by our 3 strategic pillars:

- **Strategic Acquisitions and Partnerships**

- **Partnership with FinTech Association of Malaysia (FAOM) – The FinTech Playbook**

We partnered with FAOM, Bank Negara and Securities Commission to develop the FinTech Playbook which is aimed at facilitating a comprehensive coverage on Fintech awareness, establishing an interactive knowledge repository and providing seamless connectivity and access between stakeholders' in the Fintech space. We have committed a total of RM150,000 for FY2021 and FY2022, which will greatly benefit us in accessing into new markets or sectors. We also see this collaboration as an opportunity to share ideas and resources to introduce innovative solutions to approach business processes and overcome specific internal issues or problems without the need for additional investment.

- **Fulfilling Customer Needs**

- **Insurtech Peer-to-Peer (P2P) Community Based Takaful Application**

Our wholly owned subsidiary, Cyber Village Sdn. Bhd. ("CBV") collaborated with a leading Islamic Takaful Operator in Malaysia to launch an industry first, P2P Community Based Takaful Application. Developed on CBV's cloud based-Insurtech P2P Platform, the product breaks traditional boundaries by combining the aspects of Islamic Insurance Takaful, mutual aid and P2P concept in a single platform where a group of individuals can pool their premiums together to insure against pre-defined risks.

By using this platform, the Takaful Operator can cater to participants' expectations on mobile capabilities, self-service options and proactive communications, which includes efficient customer onboarding and shorter claims processing time. This allows the community participants to encounter a seamless and more personalised customer experience.

- **AgoraCloud Retail Automation Solution**

QR Technology Sdn. Bhd. ("QR") a wholly owned subsidiary of the Group, secured a contract to implement QR's cloud-based retail automation solution ("QR AgoraCloud") for Alpro Pharmacy Sdn. Bhd. ("Alpro Group"), Malaysia's largest prescription pharmacy chain.

In line with Alpro Group's mission to deliver high quality and efficient customer service, the QR AgoraCloud Platform (the "Platform") provides Customer Point of Sale Service, store operations, supply chain management, financial management, eCommerce and customer loyalty capabilities which aim to strategically position Alpro Group within its industry and improve its competitive edge.



### Business Innovation (cont'd)

#### • Fulfilling Customer Needs (cont'd)

##### o MÖBIUS Next Generation Core Banking Platform: People's Wave App

The People's Bank of Sri Lanka launched its People's Wave app which enables retail customer to complete their registration process through their mobile phones and perform up to 50 different types of transaction including transactions with non-account holders. The app is programmed based on our next generation core banking platform, MÖBIUS, launched in August 2020. The platform aims to future proof the investment of our customer against the fast-evolving technology landscape.

We launched our next generation core banking platform MÖBIUS in August 2020 and to help future proof the investment of our customers against a fast-evolving technology landscape. The People's Bank of Sri Lanka launched its People's Wave app which enables retail customers to complete their registration process through their mobile phones and perform up to 50 different types transaction including transactions to non-account holders.



Since we have a digital platform and core banking and it is integrated with social media, we have a lot of data. Our next step is to see how we can use this big data to churn out new opportunities, business intelligence and how we can manipulate this data to give digital market offerings to customers. Customer-specific marketing is the future.

- Ranjith Kodituwakku, Chief Executive Officer, People's Bank



#### • Dialogues with Leaders, Partners and Investors

##### o Malaysia Digitalisation Forum



The Malaysian Digitalisation Forum was held on 6<sup>th</sup> October 2020, to discuss key and strategic issues to help Malaysian companies to adapt and succeed in the new era of digital innovation, and address how companies can adapt their business model to a digitalisation model and industry 4.0.

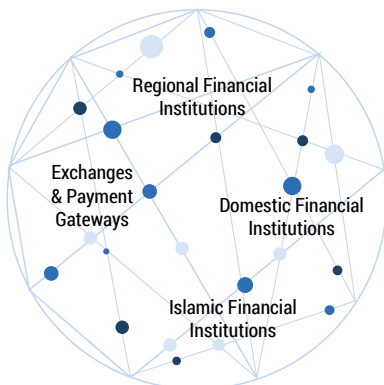


### Market Presence

As a leading Fintech company with South East Asia as its core, Silverlake Axis has built a strong global presence in more than 80 countries, which has positioned the Group towards achieving competitive advantage. By expanding our global reach through our innovative solution, we are able to support our customers' growth and wider economic growth.

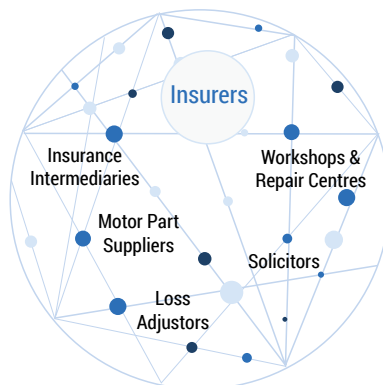


### Market Presence (cont'd)



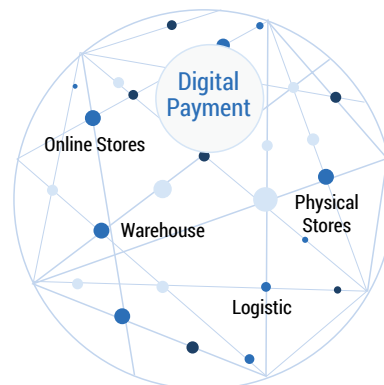
#### Banking

We have geographical presence in Asia, Europe, Middle East, Africa and America. Over 40% of the top 20 largest banks in South East Asia run on our core banking solutions and we have 100% successful implementation in over 150 core institution migrations in Asia and Middle East.



#### Insurance

As for our insurance ecosystem, our primary markets are Malaysia, Singapore and Indonesia, with growing markets in Thailand, Philippines, Vietnam, Hong Kong, Japan and UAE. We have over 150 insurers, encompassing most major international insurers and many bank-affiliated insurers, covering both conventional and takaful operators.



#### Retail

Over the years, Silverlake Axis has built strong presence across the fastest growing markets in Asia, with over 20 installations across Cambodia, China, Hong Kong, Indonesia, Malaysia, Singapore and Vietnam. Currently, we are partnering with over 40,000 suppliers, reaching more than 500 retail outlets.

In July 2020, Merimen Ventures Sdn. Bhd. ("Merimen"), the insurance processing subsidiary of the Group, expanded its presence to East Asia in Tokyo, Japan and the Middle East in Dubai, United Arab Emirates (UAE) .



Merimen Japan launched a Customer Claims Portal for property and fire claims, which enabled a leading international insurer to provide fully automated solutions to customers. This process was further strengthened by the Merimen TrueSight Interactive Video tool that enables real-time video calling with claims staff to document the damages conveniently. Furthermore, Merimen Japan also supported an extended warranty administrator serving automotive dealers and retail chains with the Merimen eClaims platform which will streamline its end-to-end digital claims process to improve efficiency in operations and customer experience.

These digital innovations are key to achieve fast turnaround and improve overall customer satisfaction especially when thousands of claims are being processed concurrently.



In the Middle East, one of the largest UAE insurers signed up with Merimen to digitise and automate its Motor claims process. The Merimen eClaims platform is expected to significantly enhance staff productivity and reduce turnaround time thus improving customer experience. Data collected from the platform will be channeled into Merimen TrueSight AI and Analytics solutions for photo-based estimates and fraud detection.

Moving forward, Merimen UAE will serve as a launch pad for future expansion of Merimen's business into the Middle East and North Africa regions.

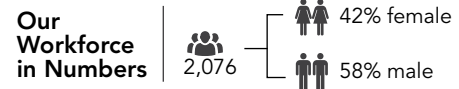
Through our vast geographical footprint, we generate direct and indirect employment opportunities across the value chain. Local employment directly contributes to the socioeconomic development of surrounding communities, while incorporating local culture and knowledge into our operations to enhance customer service and our overall business performance. In FY2021, local hire made up 92% of our total workforce, as compared to 92% and 91%, in FY2020 and FY2019, respectively.

### Employee Management

COVID-19 has altered the dynamics of the workplace, presenting various challenges and opportunities for Silverlake Axis. Our commitment to employee engagement and talent development has only strengthened ever since.

We engage with our people through various avenues to ensure an effective flow of information as well as connecting them with the core values of the Group as outlined within our Employee Handbook. We also practice an open-door policy which allows our people to raise their problems or concerns relating to their work, harassment, grievance handling and whistle-blowing via dedicated channels.

Employees' data presented in this report are compiled through the Group People and Organisation processes and systems. We recognise that our success depends on our 2,076 employees and we are conscious of the need to cultivate a high-performance culture by ensuring our workplaces are fair, inclusive and supportive especially in light of the uncertainties during the year. The drop in employee headcount during the year is mainly contributed by a recruitment freeze in FY2021.




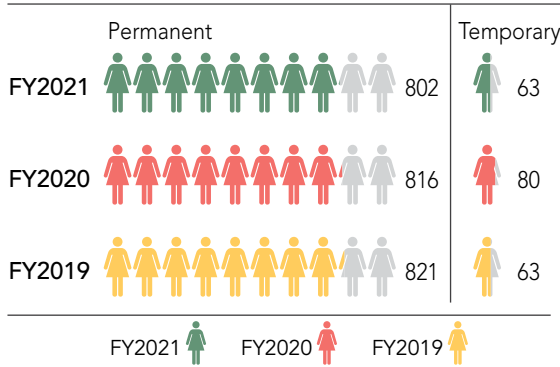
 More than 9 nationalities employed across the Group

Diagram 3: Total Number of Employees

#### Number of Female Employees



#### Number of Male Employees

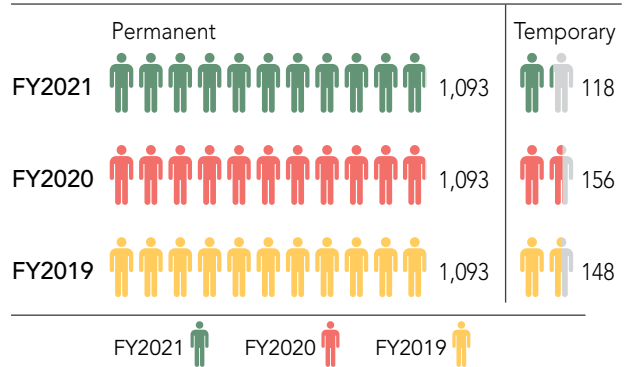
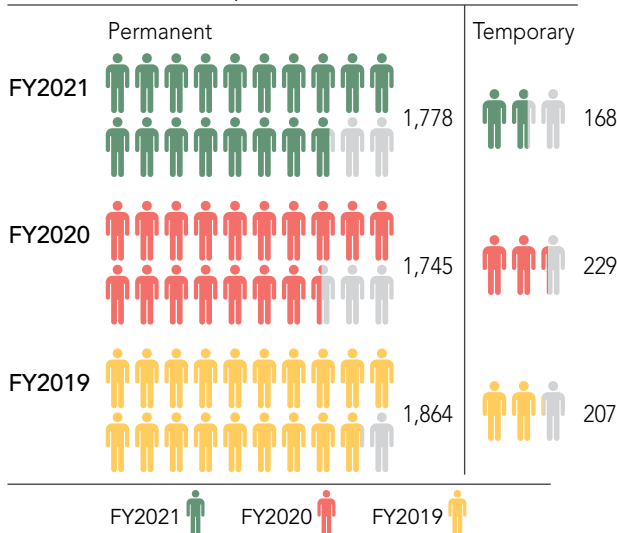


Diagram 4: Number of Employees by Employment Contract, by Gender

#### Number of APAC Employees



#### Number of EMEA Employees

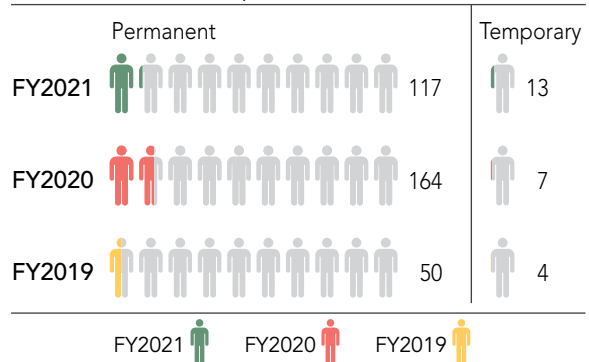


Diagram 5: Number of Employees by Employment Contract by Region

**Employee Management (cont'd)**

Since FY2018, Project Starlight has guided our approach towards people and organisation management, with an aim to create an open and conducive environment for employee growth, development and wellbeing. The project consists of four focus areas below:

**Project Starlight**

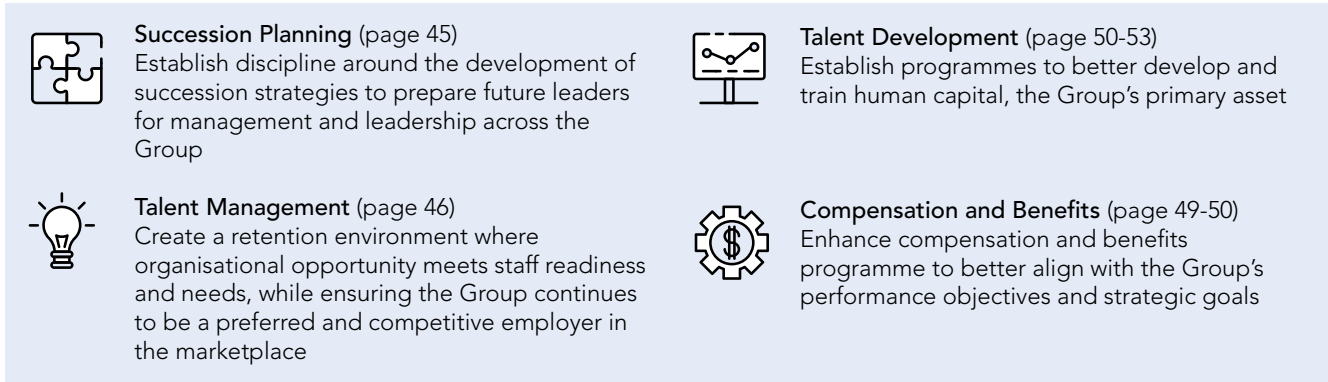


Diagram 6: Our Strategic Areas under Project Starlight

During the year, employee roles and payroll bands were standardised across the Group. Given the breadth of our global operations, we also engaged with an external consultant to develop a Global Mobility Policy to streamline monitoring of employees on global assignments. In October 2021, we intend to roll out the policy, and introduce relevant training modules to smoothen the transition.

**Succession Planning**

We believe that our greatest asset is our people and thus our ability to acquire and retain competent, purpose-driven, and future-thinking talents is crucial to the company's continued success. Succession planning is integral for identifying and developing our next generation of leaders, who can, and will lead Silverlake Axis into the future. The Group's succession planning is designed to enhance career development opportunities for emerging leaders, drive greater employee engagement and retain high performing talent.

In FY2021, we commenced the Individual Development Programme (IDP) for a total of 48 High Potentials (HIPOs) employees in Structured, SAACIS, SDS, SOP, CV, Merimen and QR. Moving forward, we will be rolling out the IDP in several other entities, including Structured (overseas), SDE, and Symmetri.

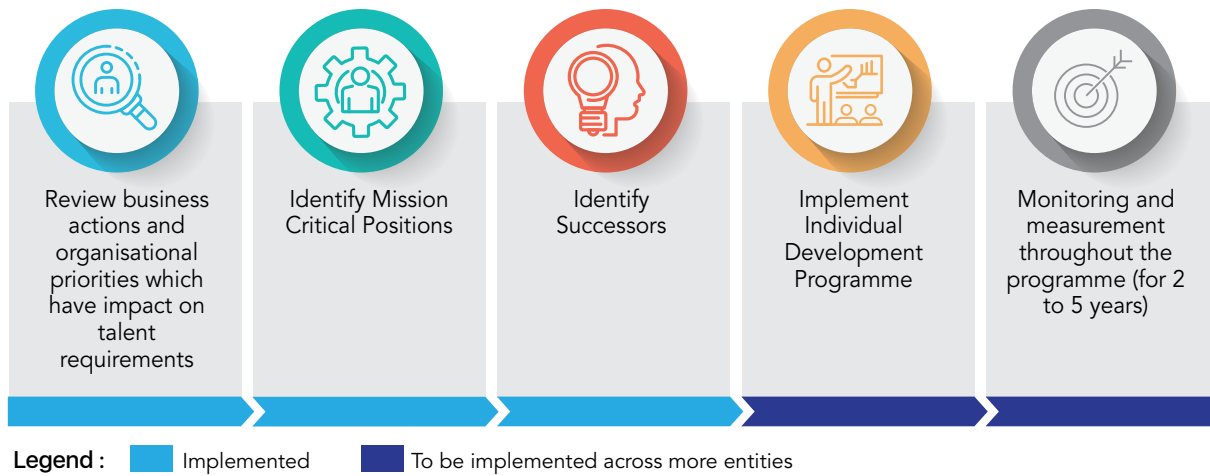


Diagram 7: Succession Planning Process

## Employee Management (cont'd)

### Talent Management

#### Employee Engagement Survey

Regular employee engagement is paramount, and we foster open dialogue to ensure the Group's strategy is cascaded down effectively, helping us build organisational agility and capability to remain competitive.

The annual Employee Engagement Survey was conducted in October 2020 to gather feedback on employees' work environment and experiences.

The following areas were covered under the survey:

- o Leadership and planning
- o Corporate culture and communications
- o Employees' role within the company
- o Work environment
- o Relationship with immediate supervisor
- o Training and development
- o Pay and benefits
- o Overall employee experience

We saw a pleasant increase in employee engagement scores, from 78% to 83% in FY2021. The best practices highlighted by employees through the survey were relationship with immediate supervisor, work environment and clarity on roles within the company. Amongst the constructive feedback obtained were pay and benefits, training and development, and corporate leadership and planning.

#### Workplace Diversity

Given Silverlake Axis' international footprint, our diverse workforce brings fresh perspectives and insights to the business. Our approach to diversity and inclusion is to maintain an inclusive workforce that embraces racial and gender diversity.

We provide equal opportunities for all regardless of age, gender, race, ethnicity or any other difference, and this is illustrated in the summary of our diversity data below.

		FY2021	FY2020	FY2019
<b>Director or Executive Vice President (VP)</b>	Female	43%	37%	42%
	Male	57%	63%	58%
<b>Head of Department (HoD)</b>	Female	35%	40%	25%
	Male	65%	60%	75%
<b>Senior Manager</b>	Female	41%	41%	44%
	Male	59%	59%	56%
<b>Manager</b>	Female	44%	45%	44%
	Male	56%	55%	56%
<b>Consultants and Associates</b>	Female	42%	41%	40%
	Male	58%	59%	60%

Table 6: Breakdown of Employee Category by Gender

### The Group's Response During COVID-19

The coronavirus pandemic took the world by storm, impacting economies globally at various levels - halting business operations, worker displacement, disrupting supply chains, forcing businesses to implement business continuity plans to support operations through the crisis and beyond.

In FY2021, to further mitigate the risks posed by COVID-19 to our employees, we have arranged for our employees to work remotely.

Subsequently, we conducted a Work from Home (WFH) survey to understand employees' preference on working arrangements moving forward, where we received a total participation rate of 73%. The results showed that 92% of participants would opt for a permanent or hybrid WFH arrangement.

Management is considering all feedback and will communicate in due course.

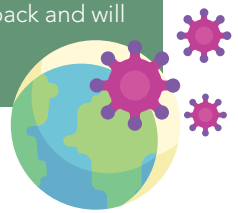
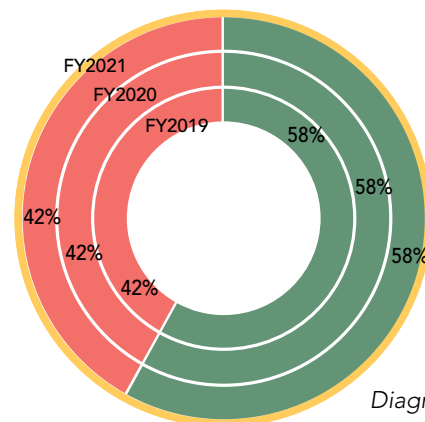


Diagram 8: Gender Diversity



## Employee Management (cont'd)

## Workplace Diversity (cont'd)

		FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
		Number			Percentage		
<b>Director or Executive Vice President (VP)</b>	Below 30	0	0	1	0.0%	0.0%	0.0%
	30 to 50	89	43	87	4.7%	2.0%	4.1%
	Over 50	46	28	50	2.4%	1.3%	2.4%
<b>Head of Department (HoD)</b>	Below 30	0	0	0	0.0%	0.0%	0.0%
	30 to 50	28	37	11	1.5%	1.7%	0.5%
	Over 50	6	5	5	0.3%	0.2%	0.2%
<b>Senior Manager</b>	Below 30	0	1	5	0.0%	0.0%	0.2%
	30 to 50	225	248	213	11.9%	11.6%	10.0%
	Over 50	41	51	33	2.2%	2.4%	1.6%
<b>Manager</b>	Below 30	21	18	7	1.1%	0.8%	0.3%
	30 to 50	424	420	412	22.4%	19.6%	19.4%
	Over 50	22	34	34	1.2%	1.6%	1.6%
<b>Consultants and Associates</b>	Below 30	546	726	726	28.8%	33.9%	34.2%
	30 to 50	418	490	499	22.1%	22.8%	23.5%
	Over 50	29	44	42	1.5%	2.1%	2.0%

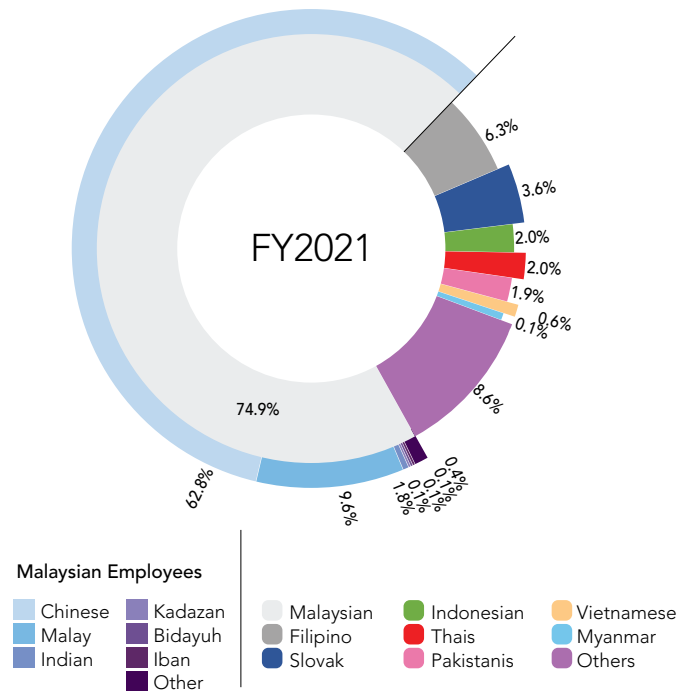
Table 7: Breakdown of Employee Category by Age Group

Nationality	FY2021	FY2020	FY2019
Malaysian	74.9%	71.2%	79.2%
Filipino	6.3%	6.7%	6.4%
Slovak	3.6%	4.8%	5.1%
Indonesian	2.0%	2.2%	2.4%
Thais	2.0%	1.9%	2.1%
Pakistanis	1.9%	1.9%	1.7%
Vietnamese	0.6%	0.8%	0.7%
Myanmar	0.1%	0.2%	0.2%
English	0.0%	0.2%	0.2%
Mauritian	0.0%	0.1%	0.0%
Others	8.6%	10.0%	2.0%

Ethnicity Breakdown of Malaysian Employees			
Ethnicity	FY2021	FY2020	FY2019
Chinese	62.8%	61.6%	66.4%
Malay	9.6%	7.7%	7.4%
Indian	1.8%	1.5%	5.3%
Kadazan	0.1%	0.2%	0.0%
Bidayuh	0.1%	0.1%	0.1%
Iban	0.1%	0.1%	0.0%
Others	0.4%	0.0%	0.0%

Table 8: Ethnic and National Diversity



Employee Management (cont'd)

Talent Retention

The following outlines a series of process enhancements that we have conducted in FY2021 to improve the employee attrition rate:

Type	Key Initiatives in FY2021
Enhanced Exit Interview Process	<p>We have enhanced our exit interview process to cover three additional steps:</p> <ul style="list-style-type: none"> <li>• Reporting Managers to conduct a chat with resignee immediately upon receipt of resignation</li> <li>• Reporting Managers to insert the feedbacks on the Exit Interview Form following engagement with resignee.</li> <li>• Human Resources (HR) to conduct a face-to-face exit interview with resignee</li> </ul>
Enhanced Exit Interview Form	<p>Prior to the improvisation, our exit interview form did not require resignees to include reasons for their resignation. In this reporting year, we have enhanced questions to allow open-ended responses that enable more accurate analysis. Furthermore, the form can also be converted into an electronic form to enable accessible data collection and evaluation.</p>
Buddy System for New Joiners	<p>One buddy will be assigned to each new joiners for the first six months of their employment. The following covers the role of a buddy:</p> <ul style="list-style-type: none"> <li>• Assist new joiners in familiarising themselves with the work environment</li> <li>• Guide and provide knowledge sharing to new joiners</li> <li>• Provide warm welcome messages to new joiners and strengthen engagement levels at the workplace</li> <li>• Accelerate the productivity of new joiners</li> </ul>
Proposal to Manage Employees' Expectations	<p>The Group offers Overtime Meal and Travel Expenses Reimbursement to our employees above market practice. In addition, we have conducted investigations of our employees' grievance of compensations and commitment to work on weekends or public holidays and aim to manage our employees' expectations by:</p> <ul style="list-style-type: none"> <li>• Time-off/ replacement leave</li> <li>• Backup plan during employees' absence</li> </ul>

Table 9: Key Initiatives Conducted by the Group to Improve Attrition Rate

DEBI Wellness Programme

The Digital Employee Benefit Innovation (DEBI) programme was launched in 2021 to enhance group-wide employee engagement through wellness and health activities, and to encourage healthier lifestyles among employees.

Through the DEBI Wellness Platform, employees are given the opportunity to enjoy a variety of wellness products and services. The platform aims to shift employees' mindset to preventative care and wellness management, and increase employee engagement using flexible and personalised benefits.



Wellness Programme: Employees Zumba and Yoga Sessions

**Employee Management (cont'd)**

		Age Group			Gender		Region	
		Under 30	30 to 50	Over 50	Female	Male	APAC	EMEA
<b>New Hires</b>								
Number of Employees	FY2021	202	114	20	132	204	322	14
	FY2020	239	113	10	150	212	351	11
	FY2019	264	259	28	231	320	546	5
Rate	FY2021	9.7%	5.5%	1.0%	6.4%	9.8%	15.5%	0.7%
	FY2020	11.1%	5.3%	0.5%	7.0%	9.9%	16.4%	0.5%
	FY2019	12.4%	12.2%	1.3%	10.9%	15.1%	25.7%	0.2%
<b>Turnover</b>								
Number of Employees	FY2021	108	110	15	90	143	219	14
	FY2020	193	165	35	163	230	339	54
	FY2019	132	191	22	124	221	338	7
Rate	FY2021	5.7%	5.8%	0.8%	4.7%	7.5%	11.6%	0.7%
	FY2020	9.0%	7.7%	1.6%	7.6%	10.7%	15.8%	2.5%
	FY2019	6.2%	9.0%	1.0%	5.8%	10.4%	15.9%	0.3%

Table 10: New Hires and Turnover Rate

**Compensation and Benefits**

At Silverlake Axis, we provide fair remuneration packages to our employees to drive high levels of performance and compensate them for their contributions. The table below shows the list of benefits available to our full-time employees at our significant areas of operations, namely Malaysia and Singapore.

Type of Benefit	Description
Leaves	Annual, parental, marriage, childcare, compassionate, sick and hospitalisation
Medical	Outpatient, hospitalisation, maternity health screening with delivery charges and dental coverage
Insurance	Group term life and Group personal accident
Travel	Business travel, office parking, mileage, taxi and outstation claims, accommodation, per diem, renewal of passport, and telephone charges
Allowances	Overtime, meal, winter clothing, outstation allowance, broadband, travel, transportation, entertainment and support allowance

Table 11: Benefits for Full-time Employees in Malaysia and Singapore

## Employee Management (cont'd)

### Parental Leave

We offer family leave entitlements to enable employees to balance their work-life with their commitments, supporting their careers as they transition towards parenthood. All employees are entitled to parental leave regardless of their gender and marital status, aligned with respective countries' regulatory requirements. In FY2021, 36 fathers and 49 mothers took parental leave with an overall return to work rate of 83.5% and 87.9% retention rate for at least 12 months. This reflects an improvement of 2% and 15% respectively from FY2020 to FY2021, indicating the effectiveness of our efforts to manage our attrition rate.

	Female			Male		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
Number of employees entitled to parental leave	549	590	438	739	762	570
Number of employees who took parental leave	49	51	45	36	30	58
Number of employees returned to work in the reporting period after parental leave ended	35	37	43	36	29	56
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	30	30	26	28	25	30
Return to work rates (%)	71.4	72.5	95.6	100.0	96.7	96.6
Retention rates (%)	88.2	71.4	86.7	87.5	75.8	96.8

Table 12: Return to Work Rate and Retention Rate for Employees Who Took Parental Leave

### Training and Education

Our Training and Development Policy guides our approach to ensuring our people are equipped with the necessary skills to deliver our strategy and the needs and growth of our employees as the industry continues to transform rapidly. We continue to adopt an integrated approach to develop talents who can contribute to the long-term growth of our business and also to the society. Initiatives guided by our policy focuses on enhancing employee's level of competency and maximise performance and productivity.

### Leadership Development Programme

In January 2021, we launched the Group's Leadership Development Framework and Leadership Development Programme with the aim to equip middle to senior management employees with capabilities to prepare them to succeed in future leadership roles. The programme encompasses 8 key elements as highlighted within Diagram 10 to address soft skills gaps identified.

Since we initiated the programme, 159 emerging managers in Structured, SAACIS, SDS and SOP were identified. We aim to fully implement the framework by the third quarter of FY2022.

Employee Management (cont'd)

Training and Education (cont'd)

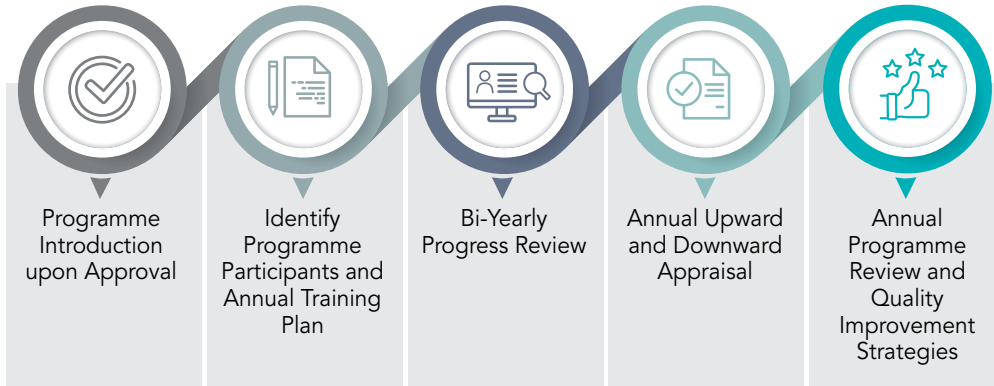


Diagram 9: The Group's Leadership Development Framework

With the shift to remote working, we were challenged to ensure our employees ability to build competencies and capabilities were not hindered. Instead, we shifted our training initiatives digitally. Key training initiatives rolled out at our business entities are highlighted below:



Diagram 10: The 8 Key Leadership Competencies Traits in Developing Future Leaders

## Employee Management (cont'd)

### LinkedIn Learning Solution Symmetri Malaysia Feedback Analysis

LinkedIn Learning is an online educational platform, comprising more than 5,000 courses and personalised recommendations.

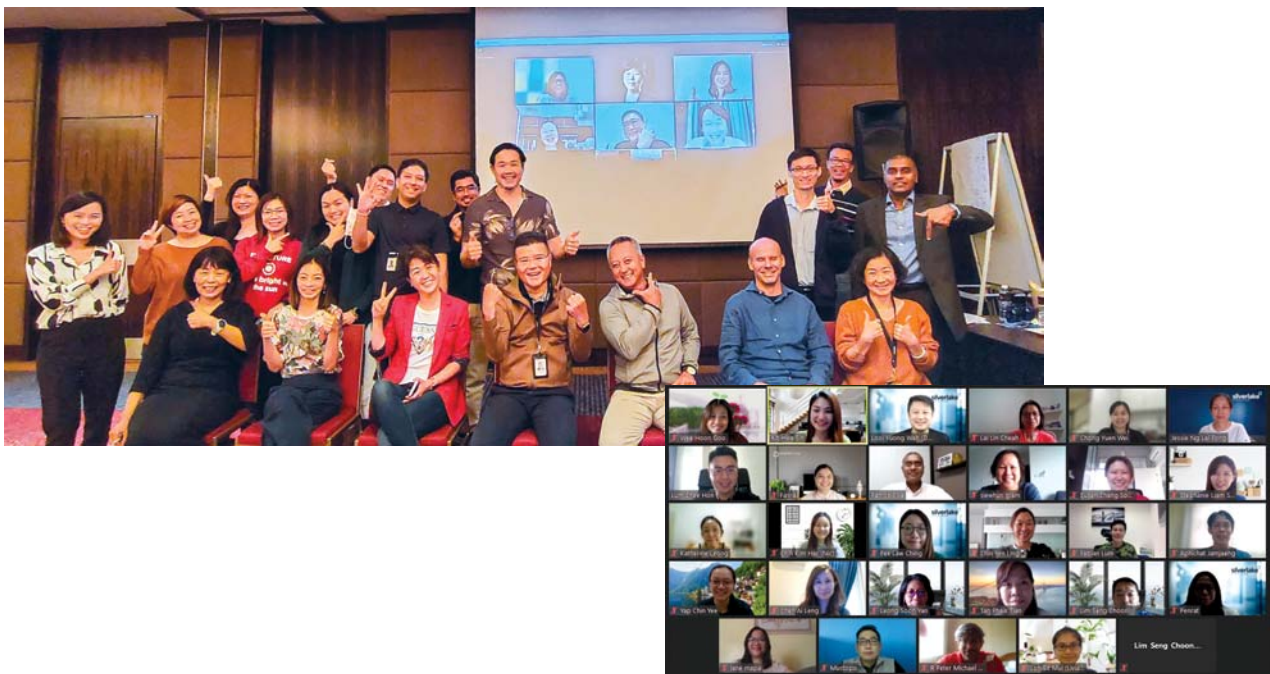
In March 2020, we rolled out this training platform at Symmetri (Malaysia) where our employees were given a one-month trial period in September 2019 to test the implementation approach of the training platform. Upon completion of the trial period, we proceeded to pilot the annual subscription of the solution and continued to gather feedback to improve accessibility for remote training while also providing customised training contents according to our employees' Individual Training Plan (ITP).

We achieved a 100% participation rate where 89% of our employees responded that the LinkedIn Learning content are of high quality to support their professional development.

We have set a minimum of 8 learning hours per month per employee and conducted Training Needs Analysis (TNA) for subsequent training plans for Symmetri Malaysia. To further support our employees' training and development journey, HR works closely with respective managers to review key development areas and competency gaps to recommended suitable courses.

### 7 Habits of Highly Effective People Programme

We have introduced the 7 Habits and Executive Coaching to respective CEOs in line with the Leadership Development Programme in FY2021. This programme aligns principles of effectiveness to develop core values and creating a highly effective culture. A total of 6 CEOs were nominated to participate in the three-day course, conducted in September 2020 and April 2021.



## Employee Management (cont'd)

### Training and Education (cont'd)

Echoing our commitment to invest in our people, we have spent a total sum of RM702,332 in training and development activities. In FY2021, our employees completed 22,172 training hours. As a result, the average number of training hours per employee increased to 11.7 hours, attributed to increase in training hours for Directors or Executive VP, followed by Senior Managers.

Gender	FY2021	FY2020	FY2019
Female	11.1	10.0	6.0
Male	12.1	10.0	6.4

Table 13: Average Training Hours by Gender

Employee Category	Average Training Hours		
	FY2021	FY2020	FY2019
Director or Executive VP	14.4	5.0	3.9
Head of Department	7.0	10.5	4.8
Senior Manager	16.3	9.6	4.4
Manager	14.1	9.9	4.9
Consultants and Associates	9.2	9.5	7.4

Table 14: Average Training Hours by Employee Category

### Graduate Development Programme

Nurturing future generations is key to sustaining our growth and long-term value creation. Under the Graduate Development Programme, we focus on initiatives that enable us to propel fresh graduates into high calibre talents by developing solid foundations in technical knowledge to support business growth.

In FY2021, we have rolled out the programme at STB entities, Structured, AXMSC, SDS, SOP and SDE. This 6-month technical training fast tracks the learning process. A progress review will be conducted at the end of the programme with Reporting Managers and Work Buddy to understand their learning progress and suggestions for improvements.

41 fresh graduates were identified under this programme to undergo 6-month of technical training and is expected to complete by the second quarter of FY2022.

Key Programme Elements	Description
85:15 Learning Model	The learning model is split between 85% on-the-job training and social learning, with the remaining 15% is classroom training. These trainings cover areas such as Banking Domain 101, SQL Databases, JAVA Web Programming and Software Development Life Cycle.
Professional Technical Development	Provides opportunities for development in related technical competencies.
On-The-Job Training	Actual involvement in day-to-day project.
Structured Training Plan	Each graduate shall undergo offsite or onsite learning and accreditations based on the training plan.
Mentoring and Coaching	Each graduate will be paired with a Work Buddy to facilitate a two-way feedback and attain learning effectiveness.
Assessment on Training Effectiveness	Human Resource Business Partners ("HRBP") to provide support by following up on learning progress upon Programme completion.



### Employee Management (cont'd)

#### Performance Appraisal

As part of our regular performance cycle, all employees and managers undertake a formal performance review annually. The process involves two-way feedback, where input is gathered from superiors, peers and junior colleagues towards the performance of the employees. During the reporting period, 99% employees received their annual performance reviews.

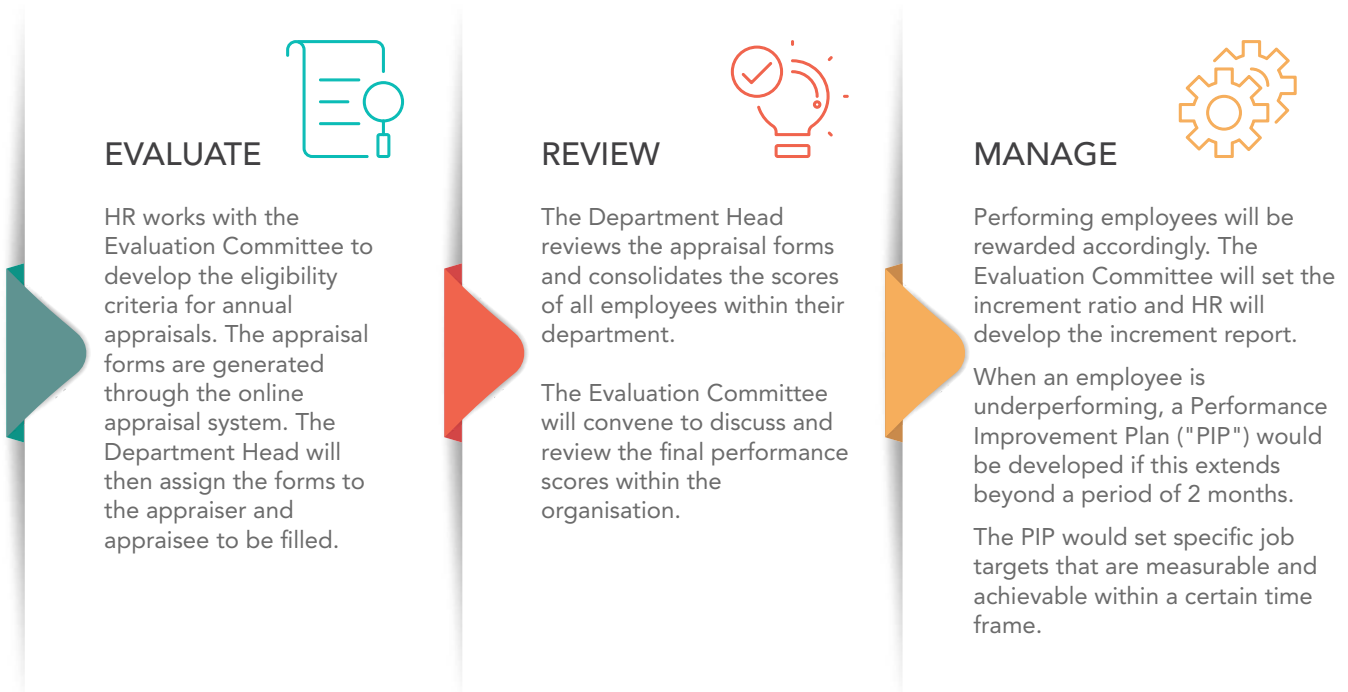


Diagram 11: Performance Appraisal Process



Local Communities

We aspire to improve the lives of the communities where we operate in by creating positive impacts and improving our communities' quality of life. Our Employee Engagement Taskforce encourages the active participation of employees in community upliftment initiatives to boost employee morale and create a positive working environment.

In FY2021, we donated a total of RM869,500 in various community programmes, of which the key initiatives are outlined below:

Pertubuhan Kebajikan Kanak-kanak Yatim dan Cacat Perlindungan Selangor



Established in 2018, this centre provides shelter and care for physically impaired individuals and mentally disabled children who need support.

Persatuan Kebajikan Chen Ai Orang Kurang Upaya (OKU)



The centre supports 12 OKU persons, aged between 17 years to 86 years, who suffer from various degree of physical/mental disabilities, including Down's, autism, meningitis, paralysis, dementia, learning disorder, hypoplasia etc.



Cancer Research Run

In FY2021, the Group sponsored RM20,000 to Cancer Research Malaysia's RUN FOR OUR LIVES virtual run event. Cancer Research Malaysia is an independent and non-profit cancer research organisation based in Malaysia. Funded by donations and research grants, the organisation conducts research in niche cancers often diagnosed in our Asian population.

Asian Financial Services Congress IDC 2021

The Asian Financial Services Congress by IDC 2021 is a virtual event to exchange best practices and insights on the growing credit risk, opportunities from customer and reshaping business models.



Tennis Tournament

In FY2021, we sponsored "Silverlake Tennis Malaysia Junior Tour Sport Excel 2020" as part of our commitment to develop successive generation of young Malaysian tennis athletes by encouraging active and healthy lifestyle in communities.



## Emissions

Increasing stakeholder pressure has put climate change on the corporate agenda, as businesses are increasingly expected to play a critical role in acting as responsible stewards of the planet.

At Silverlake Axis, we focus our efforts on the environment by reducing our environmental footprint, to enable us to achieve efficiency and lower costs.

In FY2021, we have reduced our Scope 1 and Scope 2 emissions by 49% and 6%, respectively. Moving forward, we will continue to monitor and report on our emission reduction initiative as we continue to progress in this area.

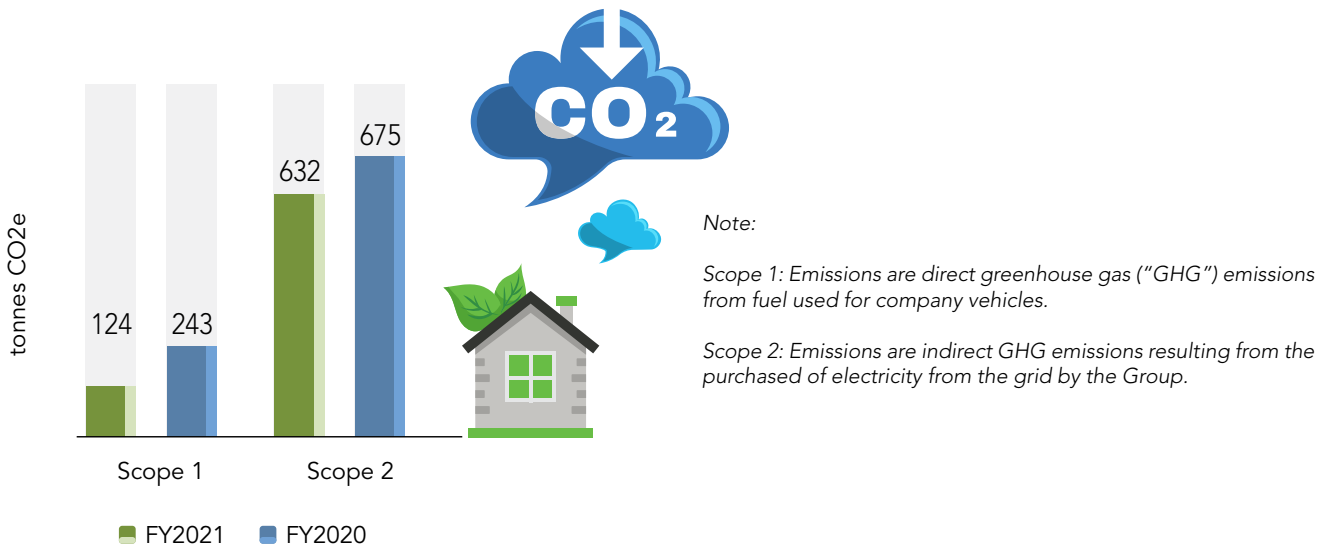


Diagram 12: Total Scope 1 and Scope 2 Emissions (Tonnes) CO2e)

## Energy

The Group's energy consumption includes the total energy consumed by its corporate sites for daily operational activities during the reporting year. In FY2021, we achieved a 13% decrease, from 1,034,778 KWH to 898,896 KWH of total energy consumption. The reduction is mainly due to the COVID-19 pandemic and Work-From-Home (WFH) arrangement.

Moving forward, we aim to continue our monitoring efforts in tracking our energy consumption and report on our energy reduction initiative.

# GRI Content Index

GRI Standards	Disclosure	Page(s) and/or URL(s) reference and reason for omission if applicable	
<b>General Disclosures</b>			
GRI 102: General Disclosures 2016	<b>Organisational Profile</b>		
	102-1	Name of the organisation	Cover page
	102-2	Activities, brands, products, and services	03, 08 - 09, 20 - 21, 28 - 31
	102-3	Location of headquarters	<a href="http://www.silverlakeaxis.com">http://www.silverlakeaxis.com</a> (Contact us)
	102-4	Location of operations	43, 158 - 162, 218 - 219
	102-5	Ownership and legal form	02, 111
	102-6	Markets served	03, 08 - 09, 43, 218 - 219
	102-7	Scale of the organisation	03, 08 - 09, 16, 22 - 28, 44
	102-8	Information on employees and other workers	44 - 54
	102-9	Supply chain	39
	102-10	Significant changes to the organisation and its supply chain	04 - 07
	102-11	Precautionary principle or approach	77 - 81
	102-12	External initiative	Silverlake Axis has not formally joined any external international initiatives.
	102-13	Membership of associations	We are a corporate member of the Singapore Institute of Directors.
	<b>Strategy</b>		
	102-14	Statement from senior decision-maker	04 - 07
	<b>Ethics and Integrity</b>		
	102-16	Values, principles, standards, and norms of behavior	03, 34 - 36
	<b>Governance</b>		
	102-18	Governance Structure	10 - 15, 17 - 19, 34
	<b>Stakeholder Engagement</b>		
	102-40	List of stakeholder groups	35 - 36
	102-41	Collective bargaining agreements	Not applicable as Silverlake Axis is not a unionised company.
	102-42	Identifying and selecting stakeholders	35 - 36
	102-43	Approach to stakeholder engagement	35 - 36
	102-44	Key topics and concerns raised	36 - 37
	<b>Reporting Practice</b>		
	102-45	Entities included in the consolidated financial statements	16, 158 - 162, 169
	102-46	Defining report content and topic Boundaries	32, 38
	102-47	List of material topics	37 - 38
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	<b>Reporting Practices</b>		
	102-49	Changes in reporting	32, 38
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	102-53	Contact point for questions regarding the report	32
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GRI Content Index (cont'd)

GRI Standards		Disclosure	Page(s) and/or URL(s) reference and reason for omission if applicable
<b>Material Topics</b>			
<b>Economic Performance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	38, 40
	103-2	The management approach and its components	25 - 27, 40 - 43, 60 - 89
	103-3	Evaluation of the management approach	25 - 27, 77 - 84
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	40 The restatements made to economic value retained for FY2020 was due to the re-class of expenses between Cost of Goods Sold (COGS) and Tax expenses for FY2020.
	201-4	Financial assistance received from government	40
<b>Procurement Practices</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Information is currently unavailable. We are currently updating our system to address the gap in data collection on procurement practices.
	103-2	The management approach and its components	Information is currently unavailable. We are currently updating our system to address the gap in data collection on procurement practices.
	103-3	Evaluation of the management approach	Information is currently unavailable. We are currently updating our system to address the gap in data collection on procurement practices.
*GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Information is currently unavailable. We are currently updating our system to address the gap in data collection on procurement practices.
<b>Strong Governance</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	34 - 35, 38
	103-2	The management approach and its components	34 - 35, 81 - 84
	103-3	Evaluation of the management approach	34 - 35, 81 - 84
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption within the reporting period.
<b>Data Protection</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	38, 40 - 41
	103-2	The management approach and its components	40 - 41
	103-3	Evaluation of the management approach	40 - 41
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customers privacy and losses of customer data within the reporting period.

GRI Content Index (cont'd)

GRI Standards	Disclosure	Page(s) and/or URL(s) reference and reason for omission if applicable
<b>Material Topics</b>		
<b>Emissions</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary 38, 56
	103-2	The management approach and its components 33, 56
	103-3	Evaluation of the management approach 33, 56
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions 56
	305-2	Energy Indirect (Scope 2) GHG emissions 56
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary 38, 56
	103-2	The management approach and its components 33, 56
	103-3	Evaluation of the management approach 33, 56
*GRI 301: Materials 2016	301-1	Materials used by weight or volume 56
<b>Employee Management</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary 38, 44 - 54
	103-2	The management approach and its components 34 - 35, 44
	103-3	Evaluation of the management approach 34 - 35, 44 - 54
GRI 401: Employment 2016	401-1	New employee hires and employee turnover 49
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees 49
	401-3	Parental leave 50
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees 46 - 47
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken There were no reported incidents of discrimination within the reporting period.
<b>Training and Education</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary 38, 50 - 54
	103-2	The management approach and its components 50 - 54
	103-3	Evaluation of the management approach 50 - 54
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee 53
	*404-2	Programs for upgrading employee skills and transition assistance programs 50 - 53
	404-3	Percentage of employees receiving regular performance and career development reviews 54
<b>Socioeconomic Compliance</b>		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary 34
	103-2	The management approach and its components 34
	103-3	Evaluation of the management approach 34
GRI 419 : Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in social and economic area 34

# Corporate Governance Statement

The Board of Directors of Silverlake Axis Ltd. (the "Company") (the "Board") recognises the importance of good corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting and is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"). Policies, processes and procedures have been instituted and are being regularly reviewed and revised to ensure effective corporate governance.

This Report outlines the corporate governance policies, processes and practices adopted by the Company during the financial year ended 30 June 2021 ("FY2021"), which in all material aspects, comply with the principles and provisions as set out in the Code of Corporate Governance 2018 (the "Code") which was issued on 6 August 2018, and Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual"). Where there are deviations or variations from the provisions of the Code and/or the Listing Manual, appropriate explanations are provided in the relevant sections of this Report.

In FY2021, the Company has undertaken the decision to transfer the domicile of the Company from Bermuda to Singapore by way of a discontinuance out of Bermuda and continuance and registration in Singapore under the Re-Domiciliation Regime of Singapore ("Proposed Re-Domiciliation") for the following reasons:

- (a) Align the Company's country of registration with its country of listing;
- (b) Increase administrative and operational efficiency;
- (c) Increased flexibility for future corporate actions.

The Proposed Re-Domiciliation will not alter the underlying assets, investments, management or financial position of the Company or the proportionate interest of the shareholders. The Proposed Re-Domiciliation also does not create a new legal entity, prejudice or affect the identity of the corporate body constituted by the Company or its continuity as a corporate body. It also does not affect the property, or the rights or obligations, of the Company, or render defective any legal proceedings by or against the Company, and any legal proceedings that could have been continued or commenced by or against the Company before its registration in Singapore may be continued or commenced by or against the Company after its registration in Singapore.

The Proposed Re-Domiciliation will not involve a change of name of the Company, formation of a new company, the withdrawal of listing of the existing Shares, any issue of new Shares, any transfer of assets of the Company or any change in the existing shareholding structure of the Company. The implementation of the Proposed Re-Domiciliation will not affect the Company's listing status on the SGX-ST. The Proposed Re-Domiciliation is also not expected to affect any regulatory licences, permits or approvals required for the Company's operations.

In connection with the Proposed Re-Domiciliation, the Company will be required to amend its Existing Memorandum and Existing Bye-Laws, which are drafted to comply with the provisions of the Bermuda Companies Act ("BCA"), to bring them in line with the provisions of the Singapore Companies Act ("SCA") and to align the provisions under the Listing Rules of the SGX-ST. In view of the extensive amendments required to be made to the Existing Memorandum and Existing Bye-Laws, the Company adopted a New Constitution instead.

A summary comparison of certain material differences between the provisions of the Existing Bye-Laws and the New Constitution is set out below:

**(i) References to Par Value, Nominal Value and Premium**

References to shares being issued with par value, and shares having nominal value or a premium paid on them have been deleted in the New Constitution in light that the concept of par value of shares has been abolished under the SCA.

**(ii) Capitalisation of Profits**

Under the Existing Bye-Laws, Bye-Law 147 provides that the Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund whether or not the same is available for distribution and the Board shall give effect to such resolution provided that, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such shareholder credited as fully paid.

## Corporate Governance Statement (cont'd)

A summary comparison of certain material differences between the provisions of the Existing Bye-Laws and the New Constitution is set out below: (cont'd)

### (ii) Capitalisation of Profits (cont'd)

However, as there is no concept of par value or share premium in Singapore, the New Constitution provides that the Company in General Meeting may, upon the recommendation of the Board, 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.

### (iii) Payment of Dividends

Under the New Constitution and in line with Section 403 of the SCA, the Board may, with the sanction of the Company, by Ordinary Resolution declare dividends but no dividend shall be payable except out of the profits of the Company or in excess of the amount recommended by the Board, and no dividends may be paid, unless otherwise provided in the SCA, to the Company in respect of treasury shares.

Whereas under Bye-Law 136 of the Existing Bye-Laws, subject to BCA, the Company in general meeting may declare dividends in any currency but no dividends shall be declared in excess of the amount recommended by the Board. Pursuant to Section 54 of BCA, a company shall not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the company's assets would thereby be less than its liabilities.

### (iv) Voting in Absentia

A new regulation 104A has been inserted in the New Constitution which sets out that the Board 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 shareholders who are unable to vote in person at general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

### (v) Holding General Meetings by Electronic Means

New regulations 71 and 72(2) have been inserted in the New Constitution which provide, inter alia, that subject to the provisions of the SCA, the Listing Manual and applicable law, the Company may hold its general meetings, whether wholly or partly, by electronic means.

Please note that the above list is not exhaustive and the full text of the New Constitution and the Existing Bye-Laws are set out in Appendices B and C respectively of the Company's Circular to Shareholders dated 27 May 2021.

The shareholders of the Company had approved the Proposed Re-Domiciliation at the Company's Special General Meeting ("SGM") held on 25 June 2021. The Company has then submitted the application to Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and ACRA's approval was obtained on 23 September 2021.

The details on the SGM are disclosed at the respective sections such as Provisions 11.1, 11.2, 11.3, 11.4 and 11.5 of this Report.

## BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

**The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### **Provision 1.1: Board's Code of Conduct and Ethics**

The Board oversees the conduct of the Group with the objective of protecting and enhancing long-term shareholders' value.

The principal responsibilities of the Board include, but are not limited to, the following:

- Provide entrepreneurial leadership, sets overall directions, strategies, values and standards for the Group taking into consideration ethical and sustainability issues;
- Review the Group's Business Plan, including the annual budgets, operational and capital expenditure as well as constructively challenge the Management on the strategic options and planning process;
- Ensure the necessary financial and human resources are in place for the Group to meet its strategic objectives;

## Principle 1: The Board's Conduct of Affairs (cont'd)

### **Provision 1.1: Board's Code of Conduct and Ethics (cont'd)**

The principal responsibilities of the Board include, but are not limited to, the following: (cont'd)

- Review the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;
- Monitor and manage risks to achieve appropriate balance between risks and the Group's performance;
- Ensure the Group's strategies and affairs are in the best interests of the Company and its stakeholders;
- Provide guidance to the Management on the identification of key stakeholder groups and strategies in addressing the concerns of these key stakeholder groups;
- Constructively challenge Management, review and monitor the Group's performance, position and prospects, review the performance of Management against agreed goals and objectives, and satisfying themselves that the Group's businesses are properly managed;
- Review and approve the release of the Group's quarterly, half-yearly and annual financial results and a variety of other strategic initiatives tabled by Management;
- Instill ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;
- Ensure transparency and accountability to key stakeholder groups;
- Ensuring the policies are in place and enforced to comply with legislative and regulatory requirements;
- Advocates strong corporate governance practices in the organisation.

### **Conflicts of interest**

The Board has internal guidelines and policies on managing conflicts of interest. Where any of the Board member faces potential conflicts of interest in any matters or agenda items, he/she should disclose and recuse himself/herself from participating in the relevant board meetings, discussions and decisions making process. This policy applies to all the Board Committees as well.

### **Provision 1.2: Directors' Duties and Trainings of Directors**

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement at all times in ensuring that their decisions are objective and in the best interests of the Company.

Newly appointed directors are provided with formal letter setting out the director's duties and responsibilities and pertinent information about the Group. Orientation programmes are conducted for newly appointed directors where he/she is given appropriate briefings by the key management on the Group's business, strategic direction and policies and governance practices. Site visits to the Group's properties and events are also arranged for all Directors, to enable them to continue to familiarise themselves with the Group's operations and fulfil their roles as Board members and Board Committee members effectively.

All Directors are updated regularly on changes in relevant regulations and updates on industry trends and issues. In addition, Directors are updated regularly on trainings available in areas such as finance, risks, legal and governance. The Company is responsible for the arrangement and funding of these trainings. In addition, the Company is a corporate member of Singapore Institute of Directors ("SID") to benefit from its regular updates and trainings on the latest thinking on corporate governance and to promote professional development for Directors. All Directors are registered with SID and they receive regular updates and notifications on relevant events and training courses from SID.

During FY2021, the training programmes attended by Directors are as follows:

- SID-Listed Entity Director Programmes ("LED") Essential;
- ACRA-SGX-SID Audit Committee Seminar 2021;
- SID Directors Conference;
- The Economic Recovery in Post COVID-19 Asia;
- 1MDB – The latest developments as told by the co-author of "Billion Dollar While";
- The U.S. Presidential Election: What's at stake?;
- The Biggest Leaks in History: An Inside Account of the Panama Papers, the Paradise Paper and the FinCEN Files;
- ASEAN Corporate Governance Scorecard Briefing;
- Managing Corporate Investigations While Securing Stakeholders' Trust;
- Global Virtual Roundtable: Environment, Social and Governance ("ESG") Leadership in the Boardroom;
- Digital Financial Institute ("FI"): Managing Virtual Banking and Insurance Businesses;
- Dialogue with Bank Negara Malaysia Governor;



## Principle 1: The Board's Conduct of Affairs (cont'd)

### **Provision 1.2: Directors' Duties and Trainings of Directors (cont'd)**

During FY2021, the training programmes attended by Directors are as follows: (cont'd)

- Green Fintech: Ping An's journey to becoming a top ESG-performing FI;
- Climate Governance Initiative Global Summit 2021;
- Board Effectiveness Evaluation Industry Briefing;
- Covid Vaccine Rollout and Recovery;
- MASB Dialogue on MFRS 17 Insurance Contracts: What Every Director Must Know;
- The Role of Independent Non-Executive Directors in Embracing Present and Future Challenges;
- JC3 Flagship Conference 2021 on Climate Change; and
- Session on Climate Risk.

The newly appointed Director, Mr. Mah Yong Sun, has attended LEDs 1 to 4 conducted by SID during the financial year. He will complete the remaining LED training sessions in the next financial year.

### **Provision 1.3: Board Approval Matters**

The Board's approval is specifically required for matters include overall strategic direction, annual budgets and business plans, material acquisitions and disposals, corporate or financial restructuring, share issuance, dividends and other returns to shareholders and issuance of debt instruments or acceptance of credit facilities from banks. The Board also approves financial results, annual report, audited financial statements and other announcements for release to the SGX-ST. The Group Authority Matrix sets out the authorisation limits for approval by Management of capital and operating expenditures up to a certain material limit, above which Board approval is required.

The key activities of the Board during FY2021 include:

- Review quarterly business performance of the Company and the Group;
- Review and approve draft announcement of the Company and the Group;
- Review and approve dividends and fix the dates for the books closure and dividend payment;
- Receive and review reports and recommendations from Audit and Risk Committee ("ARC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Strategic Investment Committee ("SIC");
- Review the Group's key strategic initiatives;
- Review on share buyback exercises;
- Review and approve the Annual Report, Sustainability Report and Corporate Governance Statement;
- Review and approve the Voluntary Disclosure Framework of the Company when the change in quarterly reporting requirement was announced by SGX to be effective on 7 February 2020;
- Review and approve the Business Planning and Budget meeting;
- Review and approve the re-domiciliation of the Company from Bermuda to Singapore for shareholders' approval at SGM;
- Review and approve the proposed new Company's Constitution for shareholders' approval at the SGM;
- Review and approve for the change of auditors to Ernst & Young LLP ("EY Singapore") to comply with Rule 712 of the Listing Manual;
- Approve the incorporation of new subsidiaries or, winding up of existing subsidiaries;
- Review and approve Cybersecurity policies and procedures;
- Approve for acquisition of investments, new subsidiaries;
- Approve for Interested Party Mandate and Share buyback Mandate for shareholders' approval at the Annual General Meeting ("AGM");
- Approve the 10 years Performance Share Plan Mandate.

### **Provision 1.4: Delegations by the Board**

Formal Board Committees were established in accordance with the Code and the Listing Manual by the Board, to facilitate the Board in the execution of its duties and to enhance its effectiveness in the light of the Company's expansion. The Board Committees are ARC, RC, NC, and SIC. Each Board Committee has its written Terms of Reference ("TOR"), which clearly sets out its composition, administration, authority, accountabilities, duties and responsibilities. The Chairman of the respective Board Committee reports on any significant deliberations and decisions made at the respective Board Committee at the quarterly Board meetings.

The TORs are reviewed on a regular basis, along with the Board Committee structures and membership, to ensure their continued relevance. Any amendment to the TORs for any Board Committee requires the approval of the Board. The composition of the Board and Board Committees were reviewed in October 2020.

**Principle 1: The Board's Conduct of Affairs (cont'd)****Provision 1.4: Delegations by the Board (cont'd)**

The current composition of the Board and Board Committees is shown in the table below:

Director	Board	ARC	RC	NC	SIC
<b>Executive Directors</b>					
Goh Peng Ooi	Chairman	-	-	Member	-
Andrew Tan Teik Wei	Member	-	-	-	-
Goh Shiou Ling	Member	-	Member	-	Chairman
Dr. Kwong Yong Sin	Member	-	-	-	-
<b>Independent Non-Executive Directors</b>					
Ong Kian Min	Member	Chairman	Member	Chairman	-
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	Member	Member	Chairman	-	-
Datuk Yvonne Chia	Member	-	Member	Member	Member
See Chuang Thuan	Member	Member	-	-	-
Yano Satoru	Member	-	-	-	Member
Mah Yong Sun	Member	-	-	-	Member

The Board Committees are guided by their written TOR which are disclosed at the respective sections such as NC reported under Provisions 4.1 and 4.2, RC reported under Provision 6.1 and ARC reported under Provisions 9.1, 10.1 and 10.2, of this Report.

**Strategic Investment Committee ("SIC")**

In accordance with its TOR, the SIC shall comprise at least three Directors. Currently, the SIC consists of four Directors, which is chaired by Ms. Goh Shiou Ling and comprises Datuk Yvonne Chia, Mr. Yano Satoru and Mr. Mah Yong Sun as members. Majority of the SIC members are Independent Non-Executive Directors ("INEDs"). The appointment of Ms. Goh Shiou Ling as SIC Chairman, and Mr. Yano Satoru and Mr. Mah Yong Sun as SIC members were effective on 28 October 2020, following the retirement of Mr. Lim Kok Min as Director and cessation of Mr. See Chuang Thuan as SIC member on 27 October 2020.

The SIC is guided by its written TOR which stipulates that its principal roles include, inter alia,

- To oversee all strategic investment activities of the Company and the Group;
- To set and monitor the targets of the broader Company's growth and profitability strategy as approved by Board;
- To develop procedures and to monitor application and compliance of investment policies by the Management;
- To assess and approve investment transactions;
- To evaluate the effectiveness of the investment policies in achieving the Group's strategic investment objectives.

The principal responsibilities of the SIC include, but are not limited to, the following:

- To oversee the performance of the Group and individual Business Units ("BU") to ensure performance is in line with the expectations and goals;
- To provide oversight and direction in the determination and implementation of the Company's investment strategies and policies to deliver the Company's approved investment objectives and standards;
- To review and recommend to the Board for approval, the delegation of authority of the SIC to Management for strategic investments (included in the Policy on Delegation of Authority), including appropriate risk parameters;
- To approve strategic investment transactions that exceed the Management's delegated authority;
- To recommend strategic investment transactions (that exceed the SIC's delegation of authority) to the Board for approval;
- To review quarterly or periodically (as deemed appropriate) reports on investment progress, performance and capital requirements and resources allocation utilisation;
- To assess and monitor all risks associated with strategic investments;
- To review and oversee the strategic directions and performance of the existing BUs on quarterly or periodic basis and report to the Board.

**Principle 1: The Board's Conduct of Affairs (cont'd)****Provision 1.4: Delegations by the Board (cont'd)**

The key activities of the SIC during FY2021 include, but are not limited to, the following:

- Review and approve the Strategic Investment Framework;
- Review potential investments deals;
- Receive updates and monitor the ongoing and pipeline investments;
- Develop and refine Strategy and Vision of the Group;
- Review business performance of the Company and the Group;
- Review and monitor performance of newly acquired companies;
- Receive updates on the scorecard for individual BU;
- Review the excerpt of corporate governance statement on SIC; and
- Review SIC TOR to include its expanded roles and responsibilities.

**Provision 1.5: Board Meetings**

The Board meets regularly throughout the year on a quarterly basis and additional meetings are convened as and when necessary. In addition to physical and virtual meetings, written resolutions are also circulated for approval by the Directors. The Company's Constitution allow Board meetings to be conducted by way of electronic means. Board meetings are scheduled in advance prior to the start of each financial year in order to provide ample notice of meetings to all Directors.

During FY2021, a total of eight Board meetings including two Business Planning and Budget meetings with Management, four ARC meetings, four RC meetings, one NC meeting and seven SIC meetings were held. The attendance of the Directors at the Board and Board Committee meetings during FY2021 is set out below:

Director	Attendance Record of Meetings in FY2021				
	Board <sup>(6)</sup>	ARC	RC	NC	SIC
<b>Executive Directors</b>					
Goh Peng Ooi	7	-	-	1	-
Andrew Tan Teik Wei	7	-	-	-	-
Goh Shiou Ling <sup>(1)</sup>	7	-	3	-	7
Dr. Kwong Yong Sin	7	-	-	-	-
<b>Independent Non-Executive Directors</b>					
Ong Kian Min	8 <sup>(7)</sup>	4	4	1	-
Lim Kok Min <sup>(2)</sup>	1	-	1	1	2
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	7 <sup>(7)</sup>	4	4	-	-
Datuk Yvonne Chia	8 <sup>(7)</sup>	-	4	1	7
See Chuang Thuan <sup>(3)</sup>	8 <sup>(7)</sup>	3	-	-	2
Yano Satoru <sup>(4)</sup>	8 <sup>(7)</sup>	1	-	-	5
Mah Yong Sun <sup>(5)</sup>	7 <sup>(7)</sup>	-	-	-	5

<sup>(1)</sup> Ms. Goh Shiou Ling was appointed the Chairman of SIC and a member of RC with effect from 28 October 2020.

<sup>(2)</sup> Mr. Lim Kok Min retired as INED on 27 October 2020.

<sup>(3)</sup> Mr. See Chuang Thuan ceased to be SIC member on 27 October 2020 and he was appointed a member of ARC with effect from 28 October 2020.

<sup>(4)</sup> Mr. Yano Satoru ceased to be ARC member on 27 October 2020 and he was appointed a member of SIC with effect from 28 October 2020.

<sup>(5)</sup> Mr. Mah Yong Sun was appointed as INED and a SIC member with effect from 27 August 2020 and 28 October 2020, respectively.

<sup>(6)</sup> All Board members who held office then, also attended two Business Planning and Budget meetings with Management.

<sup>(7)</sup> The INEDs meet once in December 2020 to close the project Fintech without the presence of Management.

## Principle 1: The Board's Conduct of Affairs (cont'd)

### **Provision 1.6: Board's Access to Information**

To assist the Board in discharging its duties and responsibilities, Management provides the Board complete, accurate, adequate and timely information. Notice of meetings set out the agenda, along with the relevant proposal papers outlining the background, explanatory information such as resources needed, financial impact, expected benefits, risk analysis and mitigation measures, conclusions and recommendations are sent to the Directors ahead of each Board and/or Board Committee meetings to allow them to have sufficient time to peruse or obtain additional information and/or seek clarification on the matter prior to the meeting. All Board and Board Committees meeting papers are distributed to Directors one week in advance of the meeting. Key management personnel ("KMP") and/or external experts are invited to attend the Board and Board Committees meetings to make the appropriate presentations and to answer any queries from the Directors, if necessary. Any additional material or information requested by Directors is promptly furnished. The Directors are also provided with relevant regulatory updates from time to time.

### **Provision 1.7: Independent Access**

The Board, its Board Committees and every Director have separate and independent access to Management and are free to request for additional information as needed to make informed decisions.

The Company Secretary, under the direction of the Chairman, facilitates good information flows within the Board and its Board Committees, between the Board and Management, and advise the Board on all legal and corporate governance matters. The Company Secretary also facilitates the orientation of new Directors, assists in arranging professional development and training for the Directors as required and acts as the primary channels of communication between the Company and the SGX-ST. The Directors have separate and independent access to the Company Secretary at all times. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Should Directors, whether as a group or individually, require independent professional advice in the furtherance of their duties, professional advisor will be appointed upon direction by the Board. The cost of such professional advice will be borne by the Company.

## Principle 2: Board Composition and Guidance

**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

### **Provisions 2.1, 2.2 and 2.3: Board Independence**

The NC rigorously reviews the independence of each Independent Director annually and as and when required. An Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders (as defined in the Code) or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

As at September 2021, INEDs make up a majority of the Board with a 60% composition of the Board. A key duty of the Board is to set objectives and goals for Management, monitor the results, and assess and remunerate Management on its performance. Executive Directors ("EDs") who are part of Management may face conflicts of interest in these areas. To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, majority of the Board are Non-Executive Directors ("Non-EDs").

There is a strong element of independence in the Board. Currently, the Board comprises ten members, of which four are EDs and six are INEDs. The NC conducted an annual review of each of the Director's independence, particularly those who have served more than nine years and is satisfied that at least half of the Board comprises Independent Directors since the Group Executive Chairman, Mr. Goh Peng Ooi, is not an Independent Director.

The NC, in considering the independence of a Director, takes into account the existence of the relationship and circumstances identified by the Listing Manual and corresponding Practice Guidance of the Code, including whether a Director has any business relationship with the Group and if so, whether such relationship could affect or could appear to affect the Director's independent judgement. The NC also takes into account Directors' conduct at Board meetings, their annual declaration of independence and peer review in its deliberation. No NC member is involved in the deliberation of his/her own independence. Any Director who has an interest or relationship which is likely to impact on his/her independence is required to immediately declare his/her interest or relationship to the Board.

## Principle 2: Board Composition and Guidance (cont'd)

### **Provisions 2.1, 2.2 and 2.3: Board Independence (cont'd)**

For FY2021, the NC has assessed the independence of the six INEDs, namely Mr. Ong Kian Min, Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid, Datuk Yvonne Chia, Mr. See Chuang Thuan, Mr. Yano Satoru and Mr. Mah Yong Sun, and is satisfied that there is no relationship or other factors such as gifts or financial assistance, past association, business dealings, representative of shareholder, financial dependence and relationship with the Group or the Group's management which would impair their independent judgement. Each Independent Director had recused himself/herself in the determination of his/her own independence during the process.

### **Independence of Directors who have served on the Board beyond Nine Years**

As required under Rule 210(5)(d)(iii) of the SGX Listing Rules, a director who has been a director on the Board for an aggregate period of more than nine years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) all shareholders excluding shareholders who also serve as the directors or chief executive office (and their associates). The above Rule will come into effect on 1 January 2022.

The Board also recognises that Independent Directors may over time develop significant relationship with other Directors and Management but at the same time have valuable insights into the Group's business and can continue to provide considerable and useful contribution objectively to the Board. When there are such Directors, the Board rigorously reviews their continuing contribution and independence of character and judgement in discharging their duties objectively.

As at the end of FY2021, Mr. Ong Kian Min has served as INED of the Company for more than nine years from the date of his first appointment to the Board. The NC (save for Mr. Ong Kian Min who abstained from deliberation in the matter) had performed a rigorous review to assess the independence of Mr. Ong Kian Min. The NC satisfied that Mr. Ong Kian Min had maintained an appropriate degree of independence when fulfilling his role as an independent director. The Board (save for Mr. Ong Kian Min who abstained from deliberation on the matter) concurred with the NC's view that Mr. Ong Kian Min remained independent, professional and objective in discharging his responsibilities in the respective Board and Board Committees, and acting in the best interests of the Company, notwithstanding his tenure of service. The Board recommended Mr. Ong Kian Min's re-appointment as INED and his re-election will be sought at the coming AGM in the manner stated above.

### **Provision 2.4: Board Size and Diversity**

The Company continuously seeks to maintain an appropriate mix of diversity in its Board and also focuses on Board renewal and succession. In reviewing the size, composition and succession planning of the Board and its Committees, the NC considers various aspects of diversity, including diversity of skills, experience, background, gender, age and other relevant factors, to achieve an appropriate balance and diversity. The NC considers candidates recommended by Board members as well as from other external sources, taking into consideration skills, competencies and integrity of the candidates. The Board, upon the recommendation of the NC, appointed Mr. Mah Yong Sun as an INED with effect from 27 August 2020.

The Board considers that its current Directors represent a mix of competencies, experience, gender and age, and collectively possess the necessary core competencies and knowledge to lead and govern the Company effectively. Five Board members have extensive experience in the IT industry, of whom two INEDs, and two Board members have vast experience in the financial services industry while the remaining three Board members bring a broad range of knowledge and experience in corporate finance, business management and corporate governance. The current Board has two female members who are also members and/or chairman of the Board Committees such as NC, SIC and RC. Details of the Directors' qualifications, background and working experience, current and past three years principal directorships and chairmanships and other principal commitments are set out under the Board of Directors section of this Annual Report.

The Board is of the view that taking into account the nature and scope of the Company's operations, the current board size of ten Directors is appropriate. The Board believes that the current composition of the Board and Board Committees are of an appropriate size, and comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate without interfering with efficient decision-making. To formalise the Company's diversity practices, the Board has formally adopted a Board Diversity Policy in August 2021. Amongst others, the Board has set "diversity" as a key criterion for any search process for the Board.

To-date, none of the Non-EDs of the Company has been appointed as a Director of the Company's principal subsidiaries. The Board is of the view that the current Board structure in the principal subsidiaries is well organised and constituted. The Board and Management will from time to time review the board structure of the principal subsidiaries and will make appropriate changes when required, including the appointment of independent directors to the Board of such principal subsidiaries.

## Principle 2: Board Composition and Guidance (cont'd)

### **Provision 2.5: Non-Executive Directors**

Non-EDs and/or Independent Directors, led by the Lead Independent Director ("Lead ID") meet regularly without the presence of Management. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. The Non-EDs also have access to Management.

The Lead ID plays an additional facilitative role within the Board, and where necessary, he also facilitates communications between the Board and shareholders or other stakeholders of the Company, if required. The Lead ID can be contacted via email at [OKM@silverlakeaxis.com](mailto:OKM@silverlakeaxis.com). The roles of the Lead ID include, but are not limited to, chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-EDs for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary. In addition, the Lead ID may also help the NC to conduct annual performance evaluation and develop succession plans for the Chairman and Chief Executive Officer ("CEO").

The Non-EDs participate actively in the Board and Board Committees. They constructively challenge and help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The diversity of competencies and industry knowledge of the Non-EDs bring invaluable contributions to the Company with their fresh perspective and robust deliberations and decision-making.

## Principle 3: Chairman and Chief Executive Officer

**There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

### **Provisions 3.1 and 3.2: Roles of Chairman and Chief Executive Officer ("CEO")/Group Managing Director ("Group MD")**

Mr. Goh Peng Ooi is the Group Executive Chairman and Mr. Andrew Tan Teik Wei is the Group MD. The respective roles of Chairman and Group MD are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the Group MD. The overall role of the Chairman is to lead and ensure the effectiveness of the Board and includes:

- (a) Promoting a culture of openness and debate at the Board;
- (b) Facilitating the effective contributions of all Directors; and
- (c) Promoting high standards of corporate governance.

Externally, the Chairman is the face of the Board, and should ensure effective communications with shareholders and other stakeholders.

Within the Company, the Chairman ensures appropriate relations within the Board, and between the Board and Management, in particular between the Board and the Group MD.

In the boardroom, the Chairman's responsibilities range from setting the Board agenda and conducting effective Board meetings, to ensure that the culture in the boardroom promotes open interactions and contributions by all.

Mr. Goh Peng Ooi, the Group Executive Chairman, and Mr. Andrew Tan Teik Wei, the Group MD, are not related.

### **Provision 3.3: Lead Independent Director ("Lead ID")**

Mr. Ong Kian Min was appointed by the Board as the Lead ID to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. He is also available to shareholders where they have concerns for which contact through the normal channels of the Group Executive Chairman, Group MD or Chief Financial Officer have failed to resolve or is inappropriate. Nevertheless, the Board is of the view that the separation of the role of the Chairman and that of the Group MD and the chairing of the ARC, NC and RC by Independent Directors ensure sufficient balance of power and authority in the Board.

#### Principle 4: Board Membership

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

##### **Provisions 4.1 and 4.2: Nominating Committee ("NC") and its Responsibilities**

The NC shall comprise at least three Directors, with a majority of INEDs.

Currently, the NC comprises three members, two of whom are Independent Directors. The NC is chaired by Mr. Ong Kian Min, who is the Lead ID and the NC members are Mr. Goh Peng Ooi and Datuk Yvonne Chia. Mr. Lim Kok Min retired as an INED on 27 October 2020 and ceased to be a member of the NC.

The NC is guided by its written TOR which stipulates that its principal roles include, inter alia:

- To review the succession plans for Directors, Group MD and KMP, in particular the appointment and/or replacement of the Chairman, the Group MD, and KMP;
- The process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- The review of training and professional development programmes for the Board and KMP;
- The appointment and re-appointment of Directors.

The principal responsibilities of the NC include, but are not limited to, the following:

- To review the nomination for appointments and re-appointments of members of the Board and the various Board Committees for the purpose of proposing such nomination to the Board for approval having regard to the individual director's experience, participation, commitment, contributions and performance;
- To review the Board's structure, size, diversity and composition including the review of board succession plans for Directors, in particular the Chairman and the Group MD;
- To evaluate and recommend the appointment of key officer of the Group;
- To determine annually whether or not a Director is independent, in particular Directors who have served on the Board beyond nine years;
- To assess on whether or not a Director is able to and has been adequately carrying out his duties as a Director having regard to the individual Director's attendance, preparedness, participation and commitment;
- To determine the appointment and induction process of new Directors;
- To assess the effectiveness of the Board as a whole and the Board Committees, as well as the contributions of the Chairman and individual Director;
- To review and recommend training and professional development programs for the Board and KMP.

In discharging its key responsibilities, the NC conducted the following key activities during FY2021 include, but are not limited to, the following:

- Review the performance of the Board as a whole, the Board Committees and each individual Director;
- Review the size and composition of the Board and Board Committees;
- Review and recommend to the Board the succession plans for the Chairman, the Directors, Group MD and KMP;
- Consider and approve the appointment and resignation of Directors;
- Review and recommend training and professional development program for the Board;
- Review Directors having multiple board representations and assess if they had spent sufficient time and attention to the affairs of the Company in the performance of their duties as Director of the Company;
- Consider re-nomination and re-election of the Directors who are due for retirement at the forthcoming AGM pursuant to the Constitution of the Company;
- Evaluate the independence of each Director, particularly any Director who has served more than nine years;
- Review the excerpt of corporate governance statement on items under the purview of the NC for disclosure in the Annual Report 2021;
- Review the NC TOR to ensure that it is aligned with the principles and provisions of the Code.

#### Principle 4: Board Membership (cont'd)

##### **Provision 4.3: Process of Selection, Appointment and Re-appointment of Directors**

The NC is responsible for identifying candidates and reviewing nominations for the appointment and re-appointment of directors for recommendation to the Board. The NC will consider the Company's current Board in terms of its size, composition, collective skills, knowledge and experience and diversity in the light of the Company's current and future needs. Potential candidates are selected through internal resources, referrals from existing Directors and/or external search. Candidates should possess relevant experience and have the caliber to contribute to the Group and its businesses, and will complement the skills, competencies and attributes of the existing Board and the requirements of the Group. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he/she is serving on multiple boards.

During FY2021, Mr. Mah Yong Sun was appointed to the Board in August 2020. The NC confirmed that it had observed the due process enumerated above in relation to the appointment of Mr. Mah Yong Sun.

The Company believes that board review should be an ongoing process to ensure the Board collectively has the required skills, diversity and experience to meet the changing needs of the Company and its businesses. The Company's existing practice requires one-third of Directors (excluding the Group MD) to retire and be subjected for re-election by the shareholders at every AGM. Accordingly, no Director shall stay in office for more than three years without being re-elected by the shareholders. All Directors to be re-elected have to be assessed and recommended by the NC before submission to the Board for approval. In recommending a Director for re-election and re-appointment to the Board, the NC takes into consideration the Director's contribution and performance at Board and Board Committee meetings (such as attendance, preparedness, participation and candor) and also reviews his/her independence (if he/she is to be appointed/re-appointed as an independent director). In addition, the Company's Constitution also stipulates that new Directors appointed by the Board during the financial year without shareholders' approval shall be re-elected at the next AGM following their appointment.

Mr. Goh Peng Ooi, Datuk Yvonne Chia, Mr. Ong Kian Min and Mr. See Chuang Thuan would be retiring by rotation at the forthcoming AGM pursuant to regulation 108(1) of the Company's Constitution at the forthcoming AGM. Mr. See Chuang Thuan has indicated his wish to retire at the forthcoming AGM and hence, did not offer himself for re-election.

Taking into consideration their commitment and performance, the NC has recommended that these Directors, with the exception of Mr. See Chuang Thuan, be nominated for re-election. The Board has accepted the recommendation and these Directors, being eligible for re-election, have offered themselves for re-election.

Datuk Yvonne Chia and Mr. Ong Kian Min, the INEDs who standing for re-election at the forthcoming AGM, have no relationship, including immediate family relationship, with the other Directors, the Company and its substantial shareholders (as defined in the Code).

As mentioned under Principle 2 of this Corporate Governance Statement, the NC had carried out a rigorous assessment on the independence of Mr. Ong Kian Min who has served the Board for more than 9 years since his first appointment to the Board. The NC was satisfied that Mr. Ong Kian Min has remained independent and is capable of making independent judgement on the affairs of the Company. The Board concurred with the NC's assessment and recommended Mr. Ong Kian Min's re-appointment as independent director. Mr. Ong Kian Min's re-appointment would be put forth for shareholders' approval at the Company's forthcoming in the manner provided under Rule 210(5)(d)(iii).

All the Directors seeking for re-appointment at the Company's forthcoming AGM had abstained from deliberating and voting on their own nomination for re-election.

The date of Director's initial appointment, last re-election and their directorships and other principal commitments are set out under the Board of Directors section of this Annual Report.

##### **Provision 4.4: Review of Directors' Independence**

For FY2021, the NC had conducted an annual review of the independence of the Directors based on their declarations of independence, which were drawn up based on the provisions under the Code. The NC will also assess and determine a Director's independence annually and as and when circumstances require. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such directorships, the Company discloses the relationships and its reasons in its Annual Report. The NC is also committed to reassess the independence of each Independent Director as and when warranted.



**Principle 4: Board Membership (cont'd)****Provision 4.5: Commitment of Directors with Multiple Board Representations**

Currently, the Board has not determined the maximum number of listed board representations a director may hold. However, in FY2021, none of the Directors hold more than five directorships in other listed companies. In addition, the NC and the Board are of the view that the effectiveness of each Director is best assessed by the qualitative assessment of the Director's contributions rather than a numerical limit on the number of directorships. The NC is of the view that by setting a numerical limit, individuals of high caliber who have the capacity to contribute to the Company may be unnecessarily excluded. In assessing the Director's contribution and ability to carry out his duties as a Director of the Company, the NC takes into account the individual Director's actual conduct on the Board, ability and availability to provide valuable insights and advice, devotion of time and attention to the Company and the level of commitment and complexity of the Director's other principal commitments and directorships. All Directors are required to confirm annually to the Company his/her ability to devote sufficient time and attention to the Company's affairs, despite his/her other commitments.

The respective Directors' directorship in other listed companies are set out in the table below:

Director	Current directorship in listed companies	Past directorship in listed companies (in the last 3 years)
<b>Executive Directors</b>		
Goh Peng Ooi	-	-
Andrew Tan Teik Wei	-	-
Goh Shiou Ling	-	-
Dr. Kwong Yong Sin	-	• Finzsoft Solutions Limited
<b>Independent Non-Executive Directors</b>		
Ong Kian Min	<ul style="list-style-type: none"> <li>• Food Empire Holdings Limited</li> <li>• OUE Commercial REIT Management Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• BreadTalk Group Limited</li> <li>• Penguin International Ltd</li> </ul>
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	-	-
Datuk Yvonne Chia	<ul style="list-style-type: none"> <li>• Astro Malaysia Holdings Berhad</li> <li>• Press Metal Aluminium Holdings Berhad</li> </ul>	-
See Chuang Thuan	-	-
Yano Satoru	-	-
Mah Yong Sun	• Catcha Digital Berhad (formerly known as Rev Asia Berhad)	• Omesti Berhad

The Board took the stand that alternate directors should only be appointed in exceptional circumstances. In FY2021 and as at the date of this report, the Board does not have any alternate Directors.

The NC, having reviewed the Directors' directorships in other listed companies, their principal commitments, attendance and contributions to the Company, is satisfied that all Directors are able to contribute and have adequately performed their duties as Directors of the Company.

**Principle 5: Board performance**

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

**Provision 5.1: Board Performance and Performance Criteria for Board Evaluation**

The Board has a formal process, which is overseen by the NC, for assessing the effectiveness of the Board as a whole and of each Board Committee separately, as well as the contributions of the Chairman and individual Director. The evaluation exercise is conducted annually by way of questionnaires for self and peer assessments as well as for the Board as a whole and Board Committees respectively, with feedback on the key areas of improvement. The NC determines, and the Board approves the assessment criteria, which include Board size and composition, independence of the Board, information management, Board operation, Company's performance measurement, Board Committee effectiveness, succession planning, risk management and internal control system and overall Board dynamics. The NC reviews the consolidated assessment compiled by the Company Secretary and in consultation with the Board, determines appropriate improvement actions.

## Principle 5: Board performance (cont'd)

### **Provision 5.1: Board Performance and Performance Criteria for Board Evaluation (cont'd)**

The NC assessed the performance of the Board, Board Committees and the individual Directors for FY2021 in August 2021 and formed the view that the performance of the Board as a whole, its Board Committees and each individual Director were satisfactory.

### **Provision 5.2: Evaluation of Individual Director**

In the case of evaluation of individual Director, the evaluation forms cover both self-evaluation and peer-evaluation. In evaluating the performance and contribution of each individual Director, the assessment criteria include factors such as each Director's commitment of time for meetings of the Board, Board Committees and general meetings, participation, contribution and deliberation of issues at meetings, knowledge and understanding of the Group's dynamics, skills and competencies and interaction with fellow Directors, Management and other relevant parties. The performance of individual Director is taken into account in their re-appointment or re-election.

The Company did not engage any external professional facilitator for the Board, Board Committees and individual Director evaluation process.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

### **Provisions 6.1 and 6.2: Roles and Composition of Remuneration Committee**

The RC shall comprise at least three Directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

Currently, the RC consists of four members, three of whom are INEDs including the RC Chairman. The RC is chaired by Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid and its members are Mr. Ong Kian Min, Datuk Yvonne Chia and Ms. Goh Shiou Ling. Ms. Goh Shiou Ling was appointed to the RC with effect from 28 October 2020 following the retirement of Mr. Lim Kok Min on 27 October 2020. Provision 6.2 of the Code stipulated that all members of the RC should be non-executive and majority of them (including the RC Chairman) independent. Ms. Goh Shiou Ling is an ED of the Company. She was appointed to the RC by virtue of her role as the SIC Chairman so that she can provide her valuable inputs on the performance of the KMP at the RC. The rest of the RC members (3 of them) are independent directors, including the Chairman. The Board opined that the Company has, in material aspect complied with Principle 6 and Provision 6.2 of the Code. Ms. Goh Shiou Ling will abstain/had abstained from deliberation and voting on her own remuneration.

The RC is guided by its written TOR which stipulates that its principal roles include, inter alia:

- To make recommendations to the Board on the remuneration framework for the key officers and key management executives of the Company and the Group;
- To review the adequacy and form of the compensation for ED (members of the Board who are employees of the Company, whether full-time or part-time) to ensure that the compensation realistically commensurate with the responsibilities and risks involved in being an effective ED;
- To review the remuneration of KMP;
- To undertake the duties of overseeing the administration of the Company's Employee Share Option Scheme and Performance Share Plan ("PSP") as per the rules of the PSP;
- To review and ensure that the Group's remuneration framework is competitive and sufficient to attract, retain and motivate Directors and KMP to deliver long-term shareholders value.

The principal responsibilities of the RC include, but are not limited to, the following:

- To recommend the specific remuneration packages appropriate to attract, retain and motivate each Director and KMP to run the Company successfully for the long term;
- To structure a proportion of EDs' remuneration to link rewards to group or corporate and individual performance;
- To recommend the benchmark for the Company in relation to its competitors and comparable companies;
- To review and recommend to the Board the terms of renewal for those EDs whose current employment contracts will expire or have expired;

**Principle 6: Procedures for Developing Remuneration policies (cont'd)****Provisions 6.1 and 6.2: Roles and Composition of Remuneration Committee (cont'd)**

The principal responsibilities of the RC include, but are not limited to, the following: (cont'd)

- To review the Company's obligations arising in the event of termination of the EDs and KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- To recommend remuneration of Non-EDs appropriate for the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors;
- To review and recommend long-term incentive schemes for EDs and KMP, if and when appropriate, taking into account the costs and benefits;
- To consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from EDs and KMP in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the company;
- To review the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeds S\$100,000, to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

The key activities of the RC during FY2021 include, but are not limited to, the following:

- Oversee Project Starlight which encompasses the Group's initiatives around succession management, talent development, talent management as well as compensation and benefits;
- Review remuneration packages of EDs and Group MD;
- Review and approve the Company's KMP's remuneration structure;
- Recommend Directors' Fees for the financial year ending FY2022;
- Review the RC TOR to ensure that it is aligned with the principles and provisions of the Code;
- Review and approve the renewal of the PSP mandate and circular for Shareholders' approval at AGM;
- Review and approve the PSP framework for KMP;
- Review the Group Term Life insurance coverage for KMP;
- Review and approve the PSP Award for Group MD in FY2020;
- Review the compliance of Rule 704(13) of the Listing Manual;
- Review the excerpt of corporate governance statement on items under the purview of the RC for disclosure in the Annual Report 2021.

**Provision 6.3: Remuneration Framework**

To attract, retain and motivate Directors and employees, the RC establishes appropriate remuneration framework for the Directors and employees of the Company. Such frameworks are reviewed periodically to ensure that they remain relevant. All aspects of remuneration, including but not limited to Directors' fees, salaries, benefits-in-kind and short-term and long-term incentives, options, share-based incentives and awards are covered by the RC.

Directors' fees for the Chairman and other Directors, and for Directors' participation in Board Committees are reviewed annually. The fees are submitted to shareholders for approval at each AGM. The level of fees takes into account the contribution and responsibilities on the Board and Board Committees, prevailing market conditions and industry norms.

For FY2021, the RC proposed and the Board approved, that the Directors' fees for the Board and other Board Committees be maintained the same:

Roles	Chairman (per annum)		Member (per annum)	
	FY2021	FY2020	FY2021	FY2020
Board of Directors	S\$120,000	S\$120,000	S\$60,000	S\$60,000
Audit and Risk Committee	S\$65,000	S\$65,000	S\$35,000	S\$35,000
Strategic Investment Committee	S\$50,000	S\$50,000	S\$30,000	S\$30,000
Nominating Committee	S\$30,000	S\$30,000	S\$20,000	S\$20,000
Remuneration Committee	S\$40,000	S\$30,000	S\$30,000	S\$20,000
Special or ad hoc projects	Appropriate fee depending on complexity, as recommended by the RC and approved by the Board to be proposed for shareholders' approval			

## Principle 6: Procedures for Developing Remuneration Policies (cont'd)

### **Provision 6.3: Remuneration Framework (cont'd)**

The RC reviews the remuneration package of the EDs after considering inter alia the achievement of key performance indicators ("KPIs"). In addition, the RC reviews the remuneration of KMP, taking into consideration industry norms and individual and the Group's performance for the financial year. No member of the RC will be involved in deciding his/her own remuneration.

All decisions by the RC are made by a majority of votes of the RC members who are present and voting. Any member of the RC with a conflict of interest in relation to the subject matter under consideration would abstain from voting, approving or making recommendations which would affect the decisions of the RC. The recommendations of the RC are submitted for endorsement by the entire Board.

The RC reviews the Company's obligations of the service agreements of the EDs and KMP that would arise in the event of termination of these service agreements to ensure that such service agreements contain fair and reasonable termination clauses. The RC is satisfied that termination clauses therein are fair and reasonable to the respective employment class and are not overly generous.

### **Provision 6.4: RC's Access to Independent Advice**

The RC has full authority to investigate any matter within its TOR and engage any independent external professional consultant on executive's compensation and remuneration related matters, as and when required, at the Company's expense. The RC will ensure the appointed professional consultant is independent and objective in discharging its services and is not affected by any relationship with the Company. In view of the remuneration framework and internal review process that the Group has in place, the Company has not appointed any professional consultant for FY2021. The RC and the Board are of the view that the current remuneration framework is competitive and sufficient to attract, retain and motivate Directors and KMP to deliver long-term shareholders value.

## Principle 7: Level and Mix of Remuneration

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

### **Provision 7.1: Performance-linked Remuneration**

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating directors and employees, aligning the interests of shareholders and promote the long-term success of the Group. The Group aims to link remuneration to individual and corporate performance, and the risk policies and long-term interest of the Group.

The Group's compensation framework comprises fixed and variable components. The variable component comprises short-term and long-term incentives, and is performance related and linked to the Group and individual performance. In the selection of short-term and/or long-term incentives for each key executive, the Group aims to align variable incentives with sustainable value creation over the longer term as well as to retain key talent. The current mix of the fixed component and short-term and long-term incentives is considered appropriate for the Group.

Having reviewed the variable components of the compensations of the EDs and KMP, the RC is currently of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years.

### **Provisions 7.2 and 7.3: Remuneration of Non-Executive Directors**

The fee structure for Directors comprises basic fees and additional fees for serving on Board Committees. The fee structure for Non-EDs is presented under Provision 8.1 of this Report. The RC and the Board are of the view that the remuneration of the Directors is appropriate and not excessive taking into account factors such as effort and time spent of the Directors and the complexity of the Group's business. The fees are subject to the approval of shareholders at the AGM on an annual basis.

To better align the interests of Non-EDs with the interests of shareholders, the RC also reviews the eligibility of Non-EDs for PSP from time to time. In determining the fees and PSP, the RC ensures that the Non-EDs are not over-compensated to the extent that their independence is compromised.

**Principle 7: Level and Mix of Remuneration (cont'd)****Provisions 7.2 and 7.3: Remuneration of Non-Executive Directors (cont'd)**

The Group's long-term incentive scheme comprises performance shares award to eligible directors and employees under the Silverlake Axis Ltd. PSP. The RC evaluates the costs and benefits of PSP, reviews the eligibility of Directors and KMP for the PSP and determines the award date, performance period, number of shares, performance targets, vesting schedule and any other condition deemed necessary including any restrictions against the disposal or sale in the shares. In all PSP awards, Directors and KMP are encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability.

Details of the PSP are disclosed in Provision 8.3 of this Report.

**Principle 8: Disclosure on Remuneration**

**The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

**Provision 8.1: Remuneration Report**

The EDs have entered into service agreements with the Company. The service agreements cover the terms of employment, specifically salary and other benefits-in-kind.

The remuneration of Non-EDs is determined by their contribution and responsibilities on the Board. Both EDs and Non-EDs receive fixed fees which comprise base fee and additional fees for appointment and responsibilities at Board Committees.

The remuneration of Directors for FY2021 is set out below:

Name	Directors' Fees S\$	Salary <sup>(1)</sup> S\$	Benefits <sup>(2)</sup> S\$	Bonus S\$	Fair value of Share Plan <sup>(3)</sup> S\$	Total S\$
<b>Executive Directors</b>						
Goh Peng Ooi	140,000	81,534	17,623	-	-	239,157
Andrew Tan Teik Wei	60,000	658,544	28,874	-	1,215,000	1,962,418
Goh Shiou Ling	123,333	387,199	-	-	-	510,532
Dr. Kwong Yong Sin	60,000	439,029	9,146	-	-	508,175
<b>Independent Non-Executive Directors</b>						
Ong Kian Min	185,000	-	-	-	-	185,000
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	135,000	-	-	-	-	135,000
Datuk Yvonne Chia	140,000	-	-	-	-	140,000
See Chuang Thuan	93,333	-	-	-	-	93,333
Yano Satoru	91,667	-	-	-	-	91,667
Mah Yong Sun <sup>(4)</sup>	70,000	-	-	-	-	70,000
Lim Kok Min <sup>(5)</sup>	53,333	-	-	-	-	53,333
<b>Total Directors' Remuneration</b>	<b>1,151,666</b>	<b>1,566,306</b>	<b>55,643</b>	<b>-</b>	<b>1,215,000</b>	<b>3,988,615</b>

Note:

(1) Salary includes Provident Fund contributions.

(2) Benefits include car benefits, leave passage and club membership.

(3) The Share Plan was in relation to the share awarded and released during the financial year for Group MD. The details of the PSP are disclosed under Provision 8.3 of this Report and in Note 26(d) to the financial statements.

(4) Mr. Mah Yong Sun was appointed as INED with effect from 27 August 2020.

(5) Mr. Lim Kok Min retired as INED on 27 October 2020.

**Principle 8: Disclosure on Remuneration (cont'd)****Provision 8.1: Remuneration Report (cont'd)****Remuneration of Key Management Personnel ("KMP")**

The remuneration of KMP comprises the basic salary and variable components. The RC seeks to ensure that the level and mix of remuneration is competitive and relevant in finding a balance between current versus long-term objectives. The RC takes into consideration industry norms, corporate performance and individual annual performance appraisal, when determining annual remuneration packages. Short-term and long-term incentives payments are paid upon the achievement of individual and the Group's performance targets.

There were twelve KMP (who are not Directors of the Company) in the Group in FY2021. The Board is of the opinion that it is not in the best interest of the Company to disclose the details of remuneration of KMP due to the competitiveness of the industry for key talent and in the interest of maintaining good morale within the Group. The band of remuneration and mix of remuneration by percentage (%) paid to the five top-earning KMP for the current financial year are presented as follows:

Name	Percentage of Fixed Remuneration (consists of salary, allowance, benefits-in-kind and contributions to provident fund)	Percentage of Variable Remuneration (consists of incentives and share-based incentives award)
<b>S\$250,001 to S\$500,000</b>		
Tan Soo Cheng	100%	-
Tung Swee Cher	87%	13%
<b>S\$500,001 to S\$750,000</b>		
Choo Soo Ching	100%	-
Jonas Daniel Joakim Lind	62%	38%
Lim Ep Ban	100%	-

The annual aggregate remuneration paid to all the abovementioned KMP of the Group in FY2021 amounted to RM8,883,611, equivalent to S\$2,901,908 (FY2020: RM7,949,301, equivalent to S\$2,615,332).

The RC has reviewed the level and mix of remuneration for the Directors and KMP of the Company for FY2021 to ensure that the remuneration commensurate with their performance whilst taking into account the industry norms and corporate performance of the Group as a whole during the financial year.

During FY2021, there are no terminations, retirement and post-employment benefits granted to Directors or the KMP.

**Provision 8.2: Employee Related to Directors or Chief Executive Officer ("CEO") / Group Managing Director ("Group MD")**

Ms. Goh Shiou Ling, an ED of the Company, is the daughter of Mr. Goh Peng Ooi, the Group Executive Chairman and a substantial shareholder of the Company.

Save as disclosed aforesaid, there was no employee in the Group who is a substantial shareholder of the Company or are immediate family members of a Director or the CEO/Group MD or a substantial shareholder whose remuneration exceeded S\$100,000 during the financial year under review.

**Provision 8.3: Employee Share Scheme****Performance Share Plan ("PSP")**

The first PSP was approved by the Company's shareholders at the SGM held on 28 October 2010, subject to a maximum period of 10 years from the date it was adopted ("2010 PSP"), under which awards ("Awards") of fully paid shares will be issued free of charge to eligible employees, EDs and Non-EDs of the Company and its subsidiaries, provided certain prescribed performance targets are met. The PSP serves as long-term incentive tool to reward, retain and motivate employees to improve their performance. The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the aggregate number of shares available under any other share-based schemes of the Company, will not exceed 5% of the total issued shares of the Company (excluding treasury shares) from time to time. The 2010 PSP was accordingly expired and lapsed on 28 October 2020.

## Principle 8: Disclosure on Remuneration (cont'd)

### Provision 8.3: Employee Share Scheme (cont'd)

#### Performance Share Plan ("PSP") (cont'd)

At the SGM held on 27 October 2020, the Company put forward two proposals, (1) adoption of a new PSP to be known as "Silverlake Axis Ltd Performance Share Plan" ("SAL PSP") to replace the 2021 PSP; and (2) participation by Ms. Goh Shiou Ling in the SAL PSP, the details of the proposals are set out in the Circular to Shareholders dated 12 October 2020 and can be downloaded from the Company's website. Both proposal were approved by the Company's shareholders at the SGM held on 27 October 2020. The SAL PSP shall take effect from the date of the SGM, subject to a maximum period of 10 years from the date it was approved.

The RC reviews the eligibility of Directors and employees for the PSP and determines the award date, performance period, number of shares, performance targets, vesting schedule and any other condition deemed necessary including any restrictions against the disposal or sale in the shares, and oversees the administration of PSP in accordance with the rules of PSP.

The SAL PSP shall continue to be in force at the discretion of the RC, subject to the maximum period of 10 years commencing on 27 October 2020.

During the financial year FY2021, 4,500,000 shares was awarded to Group MD in recognition of his service and contribution to the Group for the financial years ended 30 June 2019 and 2020. Details of PSP are disclosed in Note 26(d) to the financial statements.

The information on the link between remuneration paid to the EDs and KMP, and performance is set out under Provision 8.1 of this Report.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

**The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal control the governance of risk and ensures that Management maintains to safeguard the interest of the company and its shareholders.**

**The Management has established and implemented an effective Enterprise Risk Management (ERM) framework that also integrates with an Internal Control Framework.**

The ERM management system and internal controls, including the periodical review of their adequacy and integrity is under the responsibility of the Management, the ARC and the Board. The internal controls system emphasises governance, risk management, organisational, operational, financial strategic, regulatory and compliance controls.

This system is designed to manage, as opposed to eliminating, and is an approach to determine and achieve the right balance between mitigating the downside of risks to an acceptable level whilst still taking advantage of opportunities.

#### Provision 9.1: Risk Management and Internal Control Systems

With the increasing dynamic, complex and sophisticated business environment, it is critical that we understand the link between risk, internal controls, strategy and value. Effective risk management provides the mean for achieving competitive advantage and is pivotal to safeguarding assets, enabling the on-going growth and success of the Group business. At Group level, this link is formalised through an alignment of strategy, risk management and internal processes, which supports fulfilment of the Group's strategic priorities, thereby delivering value to all stakeholders.

The Board is responsible and accountable for the establishment of the Group's system of risk management and internal control. The ARC assists the Board in monitoring the risk exposures, the design and operating effectiveness of the underlying risk management and internal control systems. There is no separate Board Risk Committee set up to address the risk matters of the Company.

## Principle 9: Risk Management and Internal Controls (cont'd)

### **Provision 9.1: Risk Management and Internal Control Systems (cont'd)**

The principal responsibilities of the ARC include, but are not limited to, the following:

- To ensure appropriate risk management framework and process that identifies business, operational, financial and regulatory risks and the risk mitigation measures to manage these risks;
- To review the risk governance structure of the company including the Board and management level structures;
- To review the risk management framework to ensure it remains appropriate based on the Company's operation, external environment and current regulatory requirements;
- To ensure broad awareness of the risk management framework and assess the extent to which the risk framework is embedded across the Group and whether there is a culture of identifying and managing risks;
- To confirm on the adequacy and capabilities of human and financial resources directly involved in establishing and maintaining the risk management framework across the company;
- Overseeing and advising the Board on the current risk exposure and future risk strategy of the company;
- To articulate and review the material risk and risk appetite of the Company, and recommend to the Board for approval.

The ARC assists the Board in overseeing the following operations and processes:

- Periodic review of the principal business risks, and control measures to mitigate or reduce such risks;
- Periodic review of the strengths and weaknesses of the overall internal control system and action plans to address the risk of weaknesses or to improve the assessment process;
- Periodic review on reports on any material breaches of risk limits and the adequacy of proposed actions;
- Periodic review of the Anti-Bribery and Anti-Corruption policy and the controls measurements to prevent occurrence of bribery and corruption practices;
- Periodic review of the Cybersecurity risks and controls measurements to ensure a secure environment for the business and operations to remain resilient in the event of a cyber breach;
- Periodic review of the internal business process and operations reported by the Internal Audit, including action plans to address the identified control weaknesses and status update and monitor the implementation of the recommended action plans; and
- Periodic review and monitoring of reports by the external auditors of any control issues identified in the course of their audit related and non-audit related work and the discussion with the external auditors on the scope of their respective review and findings.

The ARC provides quarterly updates to the Board on the key highlights of the ERM framework. The Board considers the works and findings of the ARC in forming its own view on the effectiveness of the system.

The Board's responsibilities include, but are not limited to, the following:

- Determine the approach to risk governance;
- Establish and instills the right culture throughout the company for effective risk governance;
- Delegation of the responsibility to Management to design, implement and monitor the risk management;
- Ensuring that risk assessment is performed continually;
- Ensuring that the frameworks and methodologies are implemented to reduce the probability of unpredictable risk;
- Ensuring continual risk monitoring by Management on the exposure and the key risks that could undermine the company strategy, reputation or long-term viability;
- Receiving assurance regarding the effectiveness of the risk management process;
- Ensuring that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

### **Enterprise Risk Management ("ERM") Framework**

ERM is affected by an entity's Board and Management, where the strategy setting is designed to identify potential events that may affect the business entity, as well as manage risks. It provides reasonable assurance on the achievement of the company objectives. The Group fundamental, underlying risk management principles are consistent with the ISO 31000 Risk Standards; and COSO framework for ERM.

The framework is the culture, processes and structures that are directed towards realizing potential opportunities and managing adverse effects. It is a tool to help Management improve its decision-making process, minimize its losses, as well as maximize its profits. It offers a framework or process for effectively managing uncertainties, responding to risks, and exploring opportunities as they arise to ensure that value is created, protected and enhanced.



## Principle 9: Risk Management and Internal Controls (cont'd)

### Provision 9.1: Risk Management and Internal Control Systems (cont'd)

#### Enterprise Risk Management ("ERM") Framework (cont'd)

The core elements under the Group ERM framework are:

- The identification of each business risk;
- The measurement of the identified business risk;
- The control or way the risk is managed in line with the needs of the Group's policies and strategies;
- Constant monitoring and communicating of risk associated with any activity, function or process in a way that will enable the Group to minimize losses and maximize opportunities; and
- Business continuity plan as a form of assurance to ensure business continuity and minimize damages and losses under adverse or abnormal condition.

Within this framework, the responsibility for day-to-day risk management resides with the Management of each function and business unit where Management are the risk owners and are accountable for managing and accessing the risk identified. In managing the overall risk of the Group which includes the financial, operational, compliance and information technology risk categories, the Risk Management Department collaborates with the Management in reviewing and ensuring that there is ongoing monitoring of risks, the adequacy and effectiveness of its related controls, and action plans developed and implemented to manage these risks to an acceptable level by the Management.

Risk management is firmly embedded in the Group's key processes through its Risk Management Framework, in line with Principle 9 and Provisions 9.1 and 9.2 of the Code. The provisions are inculcated in the activities of the Group, which require the establishment of risk tolerance thresholds to actively identify, assess, control and monitor key business risks encountered by the Group.

Risk Management principles, policies, procedures and practices are periodically reviewed, with the results communicated to the Board through the ARC and changes and/or improvements are made thereto where required and necessary to ensure their continuing relevance and compliance with the current laws, rules and regulations.

#### Other Risks and Internal Control Processes

The overall governance structure and formally-defined policy and procedures play a major role in establishing the control and the risk environment in the Group. A documented and auditable trail of accountability have been established in ARC TOR. In addition, authority limits and major Group's Policies and Business Principles have been disseminated and communicated to the Group's employees.

These processes and procedures have been established and embedded across the whole organisation and provide assurance to all levels of Management, including the Board.

The Board and ARC identified 9 categories of risks which may impact the Group such as:

- Revenue assurance risk;
- Country risk;
- Project risk;
- Investment risk;
- Regulatory compliance risk;
- People and capabilities risk;
- Counterparty credit risk;
- Cybersecurity, IP protection and business continuity planning risk; and
- Anti-bribery and anti-corruption risk.

The framework and methodologies are implemented to reduce the impact and ensure continual monitoring and management of these risks for the Group.

Internal control is a process designed to provide the Group a reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is also a mechanism to ensure that the risks are at, and will remain at an acceptable level.

## Principle 9: Risk Management and Internal Controls (cont'd)

### **Provision 9.1: Risk Management and Internal Control Systems (cont'd)**

#### **Other Risks and Internal Control Processes (cont'd)**

The internal controls consist of the following components:

- **Control Environment**

The control environment comprises the company's integrity and ethical values; the parameters that enable the Board to carry out its governance oversight responsibilities, the organisational structure and assignment of authority and responsibility; the process for attracting, developing and retaining competent individuals; and the rigour of performance measures, incentives and rewards drive accountability for performance.

- **Risk Assessment**

Risk assessment forms the basis for determining how risks will be identified, assessed and managed across the company and to establish a risk tolerance.

- **Control Activities**

Control activities are actions established through policies and procedures, that assists the management's directive to mitigate risks to the achievement of objectives. Control activities are performed at all levels of the company and is within the business processes and over the technology environment.

- **Information and Communication**

Management obtains and uses relevant and quality information from both internal and external sources to support the functioning of internal controls. Communication in the Group is continual, iterative process of providing, sharing and obtaining necessary information.

- **Monitoring Activities**

This is an ongoing evaluation to ascertain whether the internal controls is effective in assessing and managing the risk of the company at an acceptable level in achieving the business objectives.

#### **Managing the Effects of the COVID-19 Pandemic**

The COVID-19 pandemic has caused unprecedented challenges to the Company. The ARC and the Board, together with Management, are actively monitoring and responding to the ongoing and evolving impact of COVID-19 to the short- and medium-term prospects of the Company's business and employees. Management undertakes the necessary assessments as per the guidelines issued by SGX in April 2020 on material information and on how the Company deals with the effects of COVID-19 on its businesses. Based on the outcome of the assessment, the ARC and the Board concluded that nothing has come to their attention which may affect the Group's ability to continue as going concern due to the COVID-19 pandemic.

A COVID-19 Task Force has been established to ensure business continuity and the necessary measures, actions and prevention is in place to protect the employees and customers. In addition, shareholders were updated on the potential COVID-19 impact to the Company during the start of the pandemic via SGXNet.

#### **Provision 9.2: Adequacy and Effectiveness of Risk Management and Internal Control Systems**

The Board regularly reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. The ARC, with the assistance of the internal auditors, reviews the adequacy and effectiveness of the Company's internal control systems, including financial, operational, compliance and information technology controls and risks management policies and systems established by Management on an annual basis. In addition, the external auditors will highlight any material control weaknesses within the Group discovered in the course of the statutory audit. Any material findings from both the internal and external auditors together with the improvement recommendations are reported to the ARC. The ARC will review the internal and external auditors' comments and findings and ensure there are adequate follow-up actions.

For FY2021, the Board had received assurance from the Group MD and:

- the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- the Group Head of Risk Management that the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

## Principle 9: Risk Management and Internal Controls (cont'd)

### **Provision 9.2: Adequacy and Effectiveness of Risk Management and Internal Control Systems (cont'd)**

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 ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective for FY2021 to address financial, operational and compliance risks including information technology controls and risk management system, in which the Group consider relevant and material to its operations.

## Principle 10: Audit Committee

### **The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively.**

### **Provisions 10.1 and 10.2: Roles, Responsibilities and Authority of Audit and Risk Committee ("ARC")**

The ARC shall comprise at least 3 Directors, all of whom are non-executive directors and the majority being independent.

Currently, the ARC comprises three members, all of whom are INEDs. The ARC is chaired by Mr. Ong Kian Min and its members are Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid and Mr. See Chuang Thuan. Mr. Yano Satoru ceased to be ARC member on 27 October 2020 and Mr. See Chuang Thuan was appointed as an ARC member with effect from 28 October 2020.

The Board considers Mr. Ong Kian Min, who has sufficient accounting, legal and financial management experience, is well qualified to chair the ARC. The ARC members collectively bring with them appropriate professional experience in accounting and financial management. The Board is satisfied that the ARC members are appropriately qualified to discharge their responsibilities.

The ARC is guided by its written TOR which stipulates that its principal roles include, inter alia:

- To safeguard the assets of the Company and its subsidiary companies;
- To maintain adequate accounting records;
- To develop and maintain an effective system of risk management and internal control;
- To ensure appropriate risk management framework and process covering business, operational, financial and regulatory risks;
- To ensure that Management creates and maintains an effective control environment within the Group and demonstrates and stimulates effective internal control structure;
- To ensure that the Company has an appropriate corporate entity risk management framework and process, that is embedded in the Company that identifies business, operational, financial and regulatory risks and risk mitigation measures to manage those risks as well as to maintain a sound business sustainability framework;
- To provide a channel of communication between the Board, Management, External Auditors and Internal Auditors on matters arising from external and internal audits.

Other than the responsibilities outlined in Provision 9.1, the principal responsibilities of the ARC include, but are not limited to, the following:

- To review the scope and results of the external audit work, cost effectiveness of the audit, and the independence and objectivity of the external auditors;
- To review the Group's quarterly results, half yearly results and full year financial statements, the accounting principles adopted, significant financial reporting issues and judgements and the external auditor's report on the financial statements of the Group before submission to the Board for approval;
- To review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, and risk management systems;
- To review the assurance from the Group MD and Chief Financial Officer on the financial records and financial statements;
- To review the adequacy, effectiveness, independence, scope and results of the external audits and the Company's internal audit function. The internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experiences. The Internal Auditors comply with the standards set by nationally or internationally recognised professional bodies;
- To recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors; and approving the remuneration and terms of engagement of the external auditors taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA;
- To review Interested Person Transactions ("IPT") in accordance with the requirements of the Listing Manual of the SGX-ST;
- To review the effectiveness of the Group's whistle-blowing policy, arrangements and the matters raised via the whistle blowing channel.

**Principle 10: Audit Committee (cont'd)**

**Provisions 10.1 and 10.2: Roles, Responsibilities and Authority of Audit and Risk Committee ("ARC") (cont'd)**

The key activities of the ARC during FY2021 include, but are not limited to, the following:

- Review draft financial results announcement of the Company and the Group and recommend the same for approval by the Board;
- Review and approve IPT in accordance with the requirements of the Listing Manual of the SGX-ST and the IPT General Mandate;
- Renew the IPT General Mandate for shareholders' approval at the AGM;
- Receive and review the External Auditors' report to the ARC;
- Review the nature and extent of non-audit services provided by the External Auditors;
- Review the independence of the External Auditors;
- Review the appointment of different auditors for the Group's subsidiaries and/or significant associated companies, and confirm the appointment would not compromise the standard and effectiveness of the audit of the Company;
- Review the performance of the External Auditors and recommend its reappointment as external auditors of the Company for the following financial year;
- Meet and discuss with the External Auditors and Internal Auditors without the presence of Management;
- Receive and review the Internal Auditors' reports;
- Discuss the adequacy of the internal controls pursuant to Rule 1207 of the Listing Manual for disclosure in the Annual Report and to form an opinion on the adequacy of internal controls addressing financial, operational and compliance risks;
- Review and update on new accounting standards applicable to the Company and its impact assessment;
- Review and update on new SGX requirements for its quarterly announcements;
- Consider final dividend for the FY2021 and to fix dates for books closure and dividend payment;
- Review the Banking facility compliance matter;
- Review the ERM of the Group;
- Review the material risk and risk appetites as well as the risk mitigation measures of the Group;
- Review the Group Whistle Blowing Report;
- Review the excerpt of corporate governance statement on ARC for disclosure in the Annual Report 2021.

In the review of the financial statements for FY2021, the ARC has discussed with the Management and the External Auditors on significant issues and assumptions that impact the financial statements. The most significant matters, as outlined below, have also been included in the External Auditors' report to the members under Key Audit Matters on page 97 to 100 of this Annual Report. Following the review, the ARC was satisfied that these matters have been properly dealt with and recommended the Board to approve the financial statements.

<b>Key Audit Matters</b>	<b>How ARC reviewed these matters and what decisions were made</b>
Revenue and cost of sales from software licensing and software project services	The ARC reviewed the appropriateness and reasonableness of management's assessment of software licensing and software project services revenue and cost including, application of IFRS 15 Revenue from Contracts with Customers, project cost estimates, assumptions and the appropriateness and adequacy of disclosures in the financial statements.
Impairment assessment of goodwill	The ARC reviewed the appropriateness and reasonableness of management's goodwill impairment assessment, including the methodology, assumptions, cash flow forecasts, long-term growth rate and discount rate.
Pricing and disclosure of related parties and related party transactions	The ARC reviewed interested party transactions on a quarterly basis and as and when required to ensure compliance with mandates granted by the shareholders, including the appropriate disclosures in quarterly results announcement and annual report. The Group has processes and controls in place to identify related parties and related party transactions to ensure compliance with mandates granted by the shareholders.
Impairment assessment on investments in subsidiaries	The ARC reviewed the appropriateness and reasonableness of management's impairment assessment of investments in subsidiaries including the methodology, assumptions, cash flow forecasts, long-term growth rate and discount rate.

The ARC has the authority to conduct or authorise investigations into any matters within its TOR. The ARC also has full access to and the co-operation of Management, discretion to invite any director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

**Principle 10: Audit Committee (cont'd)****Provisions 10.1 and 10.2: Roles, Responsibilities and Authority of Audit and Risk Committee ("ARC") (cont'd)****Independence of External Auditors**

The ARC reviews the non-audit services provided by the External Auditors as part of the ARC's assessment of the External Auditors' independence. The aggregate amount of audit and non-audit fees payable to the External Auditors of the Group for FY2021 were RM2,112,041 and RM631,471 (FY2020: RM2,264,820 and RM482,609) respectively. The non-audit services provided by the external auditors of the Group were mainly related to tax services, sustainability reporting and due diligence fees for potential acquisitions. The ARC is satisfied that the nature and extent of these services would not prejudice the independence and objectivity of the external auditors.

Ernst & Young PLT ("EY Malaysia") has been the external Auditor since October 2009 and was re-appointed as the external Auditor at the last AGM of the Company held on 27 October 2020 to hold office until the conclusion of the next AGM 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 Singapore Accountants Act. The amended requirement will only apply for financial years beginning on or after 1 January 2022. The Company has taken a proactive action to appoint an auditing firm approved under the Singapore Accountants Act for its FY2021 audit.

To comply with the amended Rule 712 of the Listing Manual, the ARC has invited and evaluated competitive proposals from various audit firms approved under the Singapore Accountants Act. 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 ACRA, and the criteria for the evaluation and selection of the external auditor contained in the Guidebook for Audit Committee in Singapore and the Audit Committee Guide issued by the SID, including factors such as the adequacy of the resources and experiences of the audit firm to be selected and 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 Ernst & Young LLP ("EY Singapore") is comparable to those provided by EY Malaysia and hence, EY Singapore was selected for the proposed appointment.

The appointment of EY Singapore as external Auditor in place of EY Malaysia must be specifically approved by Shareholders in a general meeting. The proposal was put forward at the SGM held on 25 June 2021, which the Shareholders approved the appointment of EY Singapore in place of the outgoing Auditor, EY Malaysia. EY Singapore will hold office until the conclusion of the next AGM of the Company.

In FY2021, the Company has realigned all of its subsidiaries external Auditors to EY Singapore and member firms of EY to undertake audit of the Company's significant foreign-incorporated subsidiaries and associated companies located in Malaysia, Thailand, Indonesia, Philippines, Hong Kong, Dubai, Vietnam, Brunei and Slovakia for the purpose of consolidation of the financial statements of the Group, with the exception of a few subsidiaries due to certain conditions.

Both the ARC and the Board have reviewed the appointment of different auditors for these subsidiaries and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. Following the alignment of external Auditors to EY Singapore and member firms of EY, the Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to the appointment of its auditor, the appointment of EY Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies as well as the appointment of a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies, and in compliance with Rule 716 of the Listing Manual in relation to the appointment of different auditors for a few of its subsidiaries.

The ARC has recommended to the Board the re-appointment of EY Singapore as the external Auditors of the Company.

**Interested Person Transactions ("IPT")**

The Company has established policies and procedures for reviewing and approving IPTs in accordance with the general mandate from shareholders. The ARC reviews the Group's IPTs and ensures that the IPTs are on normal commercial terms, on arm's length basis and are not prejudicial to the interests of the Company and its minority shareholders as well as comply with the provisions on IPTs under the Listing Manual of the SGX-ST. The review procedures together with the detailed information on IPTs are disclosed in the Company's Circular to Shareholders dated 12 October 2020.

## Principle 10: Audit Committee (cont'd)

### **Provisions 10.1 and 10.2: Roles, Responsibilities and Authority of Audit and Risk Committee ("ARC") (cont'd)**

#### **Whistle-blowing Policy**

The ARC has incorporated a whistle-blowing policy into the Group's internal control procedures to provide a channel for employees and any external party (i.e. external party refers to customer, contractor, agent, consultant or third party intermediary engaged) to report in good faith and in confidence, without fear of reprisals, any concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and appropriate follow-up actions. Employees and any external party are encouraged to report possible improprieties in financial reporting or other improper business conduct they encounter in the course of work through appropriate channel. The Company treats all information received confidentially and protects the identity of all whistle-blowers. The whistle-blowing contact email is [whistleblower@silverlakeaxis.com](mailto:whistleblower@silverlakeaxis.com) and can be found on the Company's website.

There was no reported incident pertaining to whistle-blowing in FY2021.

#### **Provision 10.3: Audit and Risk Committee ("ARC") Member Restriction**

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

#### **Provision 10.4: Internal Audit Function**

The Group's in-house Internal Audit and Compliance function is responsible for reviewing, monitoring and assessing the system of internal control and is independent of activities it audits. The Internal Audit and Compliance function, headed by the Head of Internal Audit and Compliance, whose primary reporting line is to the ARC and administratively reports to Group MD. The Internal Audit and Compliance function has unfettered access to all the Group's documents, records, properties and personnel, including direct access to the ARC.

The ARC approves the hiring, evaluation and compensation of the Head of Internal Audit and Compliance. The ARC ensures that the Internal Audit and Compliance function is adequately resourced, has appropriate standing within the Group and is able to perform its functions effectively and objectively.

The Internal Audit and Compliance function is adequately staffed with five suitably qualified and experienced professionals with a range of four to fourteen years of relevant audit experience, and adopts the standard set by internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing ("SPPIA") set by the Institute of Internal Auditors ("IIA"). The Head of Internal Audit and Compliance is a Fellow Chartered Account of Chartered Accountants Ireland. The internal auditors continuously maintain their professional competency through training program, conferences and seminars.

The annual internal audit plan, which focuses on material internal controls, including financial, operational and compliance controls across the Group's business, is submitted to the ARC for its review and approval at the beginning of each financial year. Periodic internal audit reports are submitted to the ARC detailing the internal auditor's progress in executing the internal audit plan. All audit findings and recommendations made by the internal auditor are reported to the ARC. The internal auditors follow up on all recommendations by the internal auditors to ensure Management has implemented them on a timely basis and reports the results to the ARC every quarter.

The ARC reviews the adequacy and effectiveness of the internal audit function on an ongoing basis, to ensure that internal audit function remains effective and is adequately staffed. The ARC is satisfied that the Internal Audit and Compliance function has adequate resources to perform its functions effectively.

#### **Provision 10.5: Meetings with External and Internal Auditors**

The ARC meets with the external and internal auditors, in the absence of Management at least once a year. The external auditors have unrestricted access to the ARC.

During FY2021, the ARC met four times. The ARC also had one meeting with external auditors and internal auditors separately, without the presence of Management.

The ARC keeps abreast of relevant changes to accounting standards, the Listing Manual and other issues through attendance at relevant seminars or talks, articles and news circulated by the Company Secretary and Management and updates by the External Auditors and Internal Audit and Compliance at ARC Meetings.

## SHAREHOLDERS RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

**The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

#### **Provision 11.1: Opportunity for Shareholders to Participate and Vote at General Meetings**

The Company ensures that shareholders have the opportunity to participate effectively, ask questions and vote at general meetings. Shareholders are informed of general meetings through reports or circulars sent to all shareholders in addition to notices published in the newspapers, Company's announcements via SGXNet and the Company's website. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

The Company recognises the shareholders' rights to be sufficiently informed of changes in the Company or its business that would materially affect the price or value of its shares. The Company keeps shareholders fully informed of information that may have a material effect on the price or value of the Company's securities by making timely disclosure of information through SGXNet, press releases, analyst briefings and the Company's website, as well as through the AGM.

#### **Annual General Meeting ("AGM") and Special General Meeting ("SGM") on 27 October 2020**

The Company held its FY2020 AGM together with SGM on 27 October 2020 via electronic means through webcast and audio-only stream in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020 issued by the Ministry of Law ("the Meeting Order").

The Company subjected all resolutions to voting by poll and shareholders are informed of the applicable rules and voting procedures. The shareholders are advised to submit their questions in relation to any agenda items of the notice of AGM and SGM to the Company via email before 48 hours before the time holding the AGM and SGM respectively. A dedicated email is provided in the notice for this purpose. The questions received together with the respective responses were announced on 26 October 2020 via SGXNet.

At the start of the virtual AGM, the Group MD gave a presentation on the Group's performance for FY2020, position and prospects of the Group as well as the business strategy post COVID-19. The AGM presentation slides together with the results of the poll votes on each resolution tabled at the AGM and SGM were announced via SGXNet after the conclusion of the said meetings on 27 October 2020.

#### **Special General Meeting ("SGM") on 25 June 2021**

In line with the Company's plan to redomicile to Singapore, a SGM was held on 25 June 2021 at Glover 4 & Clover 5, Level 1, Parkroyal Collection, Marina Bay Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 in accordance with the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("Physical Meeting") and by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020 issued and the Joint Statement by ACRA, Monetary Authority of Singapore and Singapore Exchange Regulation first issued on 13 April 2020 and last updated on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation" ("Virtual Meeting").

Shareholders were given options to attend either Physical Meeting or the Virtual Meeting and must pre-register their details on the Company's SGM pre-registration website at the URL provided before 72 hours before the time holding the SGM. Due to the COVID-19 restriction orders, a restriction on the number of in-person attendees at the Physical Meeting of 25 shareholders was imposed. The pre-registration for in-person attendance was on "first come first served" basis.

Shareholders were given opportunities to ask questions at both the Physical Meeting and the Virtual Meeting. The response to questions received from shareholders prior to the SGM were announced on 18 June 2021 via SGXNet.

As the Board Chairman was not able to travel to Singapore for the SGM due to travel restriction, the said SGM was chaired by the Lead INED at the meeting venue in Singapore. The poll votes on each resolution tabled at the SGM were announced via SGXNet after the conclusion of the said meeting on 25 June 2021.

## Principle 11: Shareholder Rights and Conduct of General Meetings (cont'd)

### **Provision 11.2: Separate Resolutions at General Meetings**

In general, resolutions are not bundled or made inter-conditional on each other. This is to ensure that shareholders are given the right to express their views and exercise their voting rights on each resolution separately. All the resolutions at the Company's general meetings are single-item resolutions. The information on each resolution in the AGM/SGM agenda will be provided in the explanatory notes to the AGM/SGM Notice. For resolutions pertaining to election or re-election of directors, the information on the director concerned (including qualification, working experience, directorship on other companies, Board's assessment of the director, etc) will be provided for shareholders to make informed decision in the exercise of their votes.

### **Provision 11.3: Attendees at General Meetings**

All Directors attended the AGM and SGM held on 27 October 2020 virtually. For the SGM held on 25 June 2021, three Directors namely Mr. Ong Kian Min, Mr. Mah Yong Sun and Mr. Yano Satoru were present at the meeting venue in Singapore while the Chairman of the Board and the rest of the Directors attended the SGM virtually. Mr. Ong Kian Min, the Lead INED chaired the SGM in Singapore.

The Chairman of the meeting facilitates constructive dialogue between shareholders and the Board, Management, external auditors and any other relevant professions to address any question or feedback from the shareholders at the general meetings. The external auditors are invited to the Company's annual general meeting to address shareholders' queries about the conduct of the audit and preparation and contents of the Auditors' Report.

### **Provision 11.4: Voting Procedures and Proxies for Nominee Companies**

For greater transparency and effective participation, the Company has implemented poll voting since its 2015 AGM and all resolutions tabled at the general meetings are put to vote by poll. Voting procedures and rules governing general meetings are explained at the general meetings. An independent scrutineer firm is present to count and validate the votes. The results of the poll voting on each resolution tabled at general meeting, including the number of votes cast for and against for each resolution and the respective percentages, are announced after each general meeting, via SGXNet.

Shareholders may appoint up to two proxies to attend and vote on their behalf. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies Act and the Company's Constitution, shareholders who are relevant intermediaries (i.e. banks, capital markets services license holders which provide custodial services for securities and the Central Provident Fund Board) are allowed to appoint more than two proxies to attend, speak and vote at the general meetings.

For the AGM and SGM held in October 2020 and the SGM held in June 2021, voting was only through the submission of proxy form appointing the Chairman of the Meeting as their proxy. The voting instructions were clearly spelled out in the notice of the respective general meetings.

### **Provision 11.5: Minutes of General Meetings**

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. Provision 11.5 requires companies to publish minutes of general meetings with shareholders on its corporate website as soon as practicable. The Company published its minutes of general meetings via the SGXNet and on the Company's corporate website within 30 days from the conclusion of the general meetings.

### **Provision 11.6: Dividend Policy Guideline**

The Company does not have a dividend policy. The form, frequency and amount (or quantum) of dividends will depend on, among other things, the Company's earnings, financial performance, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Dividend payouts are communicated clearly to shareholders via announcements on SGXNet when the Company discloses its financial results. The Company also discloses its dividend payment history on its corporate website.

Embracing the consistent approach as in previous years, the Board will be proposing at the forthcoming AGM in October 2021, the declaration of a final tax exempt one-tier dividend of Singapore 0.52 cents per ordinary share in respect of the FY2021. The proposed dividend, when approved by shareholders at the AGM, shall be paid on 17 November 2021.



## Principle 12: Engagement with Shareholders

**The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company recognises the importance of communicating the Company's business strategies, progress of its strategic initiatives and performance to its shareholders and stakeholders regularly. These updates are driven through multiple channels of communication and engagement such as AGM, SGM, Annual Report, Company's Announcements and Company's website which allows the Company to gauge feedback from both shareholders and the investment community.

Shareholders can write in to "[investor.relations@silverlakeaxis.com](mailto:investor.relations@silverlakeaxis.com)" if they have any questions to be addressed.

### **Provision 12.1: Understanding Views of Shareholders**

The Board in compliance with the SGX Listing Requirements and the Corporate Disclosure Guide will issue timely and accurate quarterly statements to shareholders and stakeholders on the Company's performance. The Company's objective is to maintain effective communication with its shareholders and investors at all times to enable them to make informed investment decisions and for their feedbacks as well as concerns to be understood and answered.

As announced on SGXNet by the Company on 9 March 2020, the Company has adopted the half-yearly financial reporting cycle with continuous disclosure in accordance with the Listing Rules of the SGX-ST. The Board will continue to engage with its shareholders and stakeholders, and having considered their need for information in the absence of quarterly results announcements, the Company will be providing an executive summary of the key financial information and business commentaries in respect of the performance of the Group for the first and third quarter to be released on a voluntary basis in lieu of quarterly reporting.

### **Provisions 12.2 and 12.3: Investor Relations Policy**

Shareholders are one of our key stakeholders and from a corporate governance perspective, the key elements of the relationship can be illustrated as follows:

- Shareholders have a set of rights including to vote and attend general meetings and to receive declared dividends.
- Shareholders have the rights to convene general meetings and to put forward proposals.
- Shareholders can make enquiries with the Board by asking questions at the AGM and SGM.

The Company' has an Investor Relations Policy encourages the shareholders, to actively participate at the Company's general meeting on the resolutions proposed at the general meetings. Shareholders are also encouraged to provide feedback on the Company's performance and future developments. The Investors Relation policy is available on the Company's website.

All material information and financial results are released through SGXNet, press releases, analyst briefings and the Company's website in a clear, detailed and timely manner.

The Company's investor relations contact ([investor.relations@silverlakeaxis.com](mailto:investor.relations@silverlakeaxis.com)) is provided in the Company's website ([www.silverlakeaxis.com](http://www.silverlakeaxis.com)) as the communication channel for shareholders to raise queries. The Company's website also lists the Company's major past and future corporate events and investor conferences. Shareholders may also contact the Company's Lead ID, Mr. Ong Kian Min at [OKM@silverlakeaxis.com](mailto:OKM@silverlakeaxis.com).

Regular meetings are held with investors, analysts and fund managers to keep the market updated on the Group's corporate developments and financial performance. The Company does not practice selective disclosure and is mindful of the remedial action required to make public disclosure as soon as practicable, should there be an event of inadvertent disclosure. Price-sensitive information is first publicly released via SGXNet, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Corporate presentation slides are posted in the Company's website immediately after briefings with analysts on a quarterly basis.

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Principle 13: Engagement with Stakeholders

**The board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Group believes that identifying the areas of concerns of its stakeholders and understanding their expectations are essential for the Company's growth. The Board adopts an inclusive approach, and the interests and areas of concern of material stakeholders are considered in the formulation of the Group's business strategies to ensure the best interests of the Group are served. The Group seeks to engage its stakeholders through providing various modes of communication and sending timely updates.

The Board has always recognised the importance of accurate and timely dissemination of information to shareholders and investors, existing and potential, about the Group's operations, strategies, performance and prospects to maintain credibility and build stronger relationships with the investment community.

#### **Provision 13.1 Identify, Engage and Manage Relationship with Stakeholders**

The Group identifies its key stakeholders by taking into consideration their involvement in and influence on the Group's business, as well as their vested interests in the Group's performance. The Group continuously reviews the list of its key stakeholders to ensure the relevance to our business.

Stakeholders of the Company include, but are not limited to, customers, employees, shareholders, business partners, regulators, media and the communities.

The information on the Group's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups, and the Group's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2021 can be found under "Sustainability Report" section of this Annual Report.

In addition, the Company also has an Investor Relations team which works closely with the media and oversees the Company's external communications efforts.

#### **Provision 13.2 Sustainability Report**

The Board is mindful of its responsibility to ensure sustainability of the Group's business and have always considered sustainability issues in its formulation of the Group's business strategies. It has identified and evaluated the material environmental, social and governance factors to the Group and will continue to oversee the management and governance of these factors.

The Group's Sustainability Report takes reference from the Global Reporting Initiative ("GRI") Standards reporting guidelines. The Sustainability Report is found on page 32 to 59 in this Annual Report.

The Sustainability Report falls under the ambit of the Sustainability Committee which is a management committee. The Sustainability Committee is chaired by ED, Ms. Goh Shiou Ling.

#### **Provision 13.3 Corporate website**

The Company maintains a corporate website ([www.silverlakeaxis.com](http://www.silverlakeaxis.com)) as a channel of communication and engagement with the stakeholders. The Group mission and vision statement are stated in the website for all to view.

Our corporate website has been refreshed and relaunched on 26 August 2020.

## DEALINGS IN SECURITIES

### ***Rule 1207(19) of the Listing Manual***

The Company has in place a share trading policy in relation to dealings in the Company's securities pursuant to the Listing Manual that are applicable to all its officers. The Group issues quarterly reminders to Directors, officers and employees on the restrictions in dealings in the Company's shares during the period commencing two weeks before the announcement of the Group's quarterly financial results and one month before the announcement of the Group's full year results and ending on the date of the announcement of the results or when they are in possession of unpublished material price-sensitive information of the Group.

Since the adoption of half-yearly financial reporting cycle in March 2020 (as described under Provision 12.1), the Group has opted to maintain its quarterly reminders to Directors, officers and employees on the restrictions in dealings in the Company's shares during the period commencing two weeks before the announcement of the first and third quarter voluntary announcement and its first half yearly announcement and one month before the announcement of the Group's full year results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period and are discouraged from dealing in the Company's securities on short-term considerations.

## Other Information

### 1. RECURRENT INTERESTED PERSON TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Audit and Risk Committee has reviewed the Group's Interested Person Transactions ("IPT") for FY2021 to ensure IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and complied with the mandates granted by the shareholders at the Annual General Meeting of the Company held on 27 October 2020. The review procedures for IPTs are disclosed in the Company's Circular to Shareholders dated 11 October 2021.

The aggregate value of recurrent IPT of revenue or trading nature conducted during FY2021 by the Group were as follows:

Interested Person(s) <sup>(1)</sup>	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)
	01-07-2020 to 30-06-2021 RM	01-07-2020 to 30-06-2021 RM
Associates of Mr. Goh Peng Ooi ("Silverlake Entities")		
- <b>IPT Mandate</b> <sup>(2)</sup>		
Revenue from Silverlake Entities	-	50,092,487
Service fees to Silverlake Entities	-	(5,810,365)
- <b>Non-Mandate Transactions</b> <sup>(3)</sup>		
Revenue from Silverlake Entities	174,704	-
Service fees to Silverlake Entities	(609,071)	-

<sup>(1)</sup> 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.

<sup>(2)</sup> The IPT Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement and Master Services Agreement. The IPT Mandate is subject to annual renewal.

<sup>(3)</sup> The Non-Mandate Transactions were mainly derived from provision of maintenance services by Silverlake Holdings Sdn. Bhd. to Silverlake Entities; project services performed by Silverlake Investment (SG) Pte. Ltd. together with its subsidiaries ("SISG Group") to Silverlake Entities; and maintenance services contracted between SISG Group and Silverlake Entities before the completion of acquisition of SISG Group in FY2018.

The total IPT revenue and IPT service fees of RM50,267,191 and RM6,419,436 (2020: RM64,091,165 and RM12,989,194) accounted for 8% and 3% (2020: 10% and 5%) of the Group's total revenue and total cost of sales respectively. Further details of IPT are disclosed in Note 35(a) to the financial statements.

## Other Information (cont'd)

### 2. ADDITIONAL DISCLOSURE IN RELATION TO THE COMPANY'S UNDERTAKINGS TO THE SGX-ST ON IPT

The ageing of amounts owing from the Silverlake Entities as at 30 June 2021 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
<b>Transactions conducted under IPT Mandate</b>						
Silverlake Entities <sup>(1)</sup>	7,749,009	5,553,464	1,781,655	218,560	195,330	-
<b>Non-Mandate Transactions</b>						
Silverlake Entities	212,518	212,518	-	-	-	-
<b>Non-Trade Transactions</b>						
Silverlake Entities	73,530	72,593	-	937	-	-
<b>Grand Total</b>	<b>8,035,057</b>	<b>5,838,575</b>	<b>1,781,655</b>	<b>219,497</b>	<b>195,330</b>	<b>-</b>

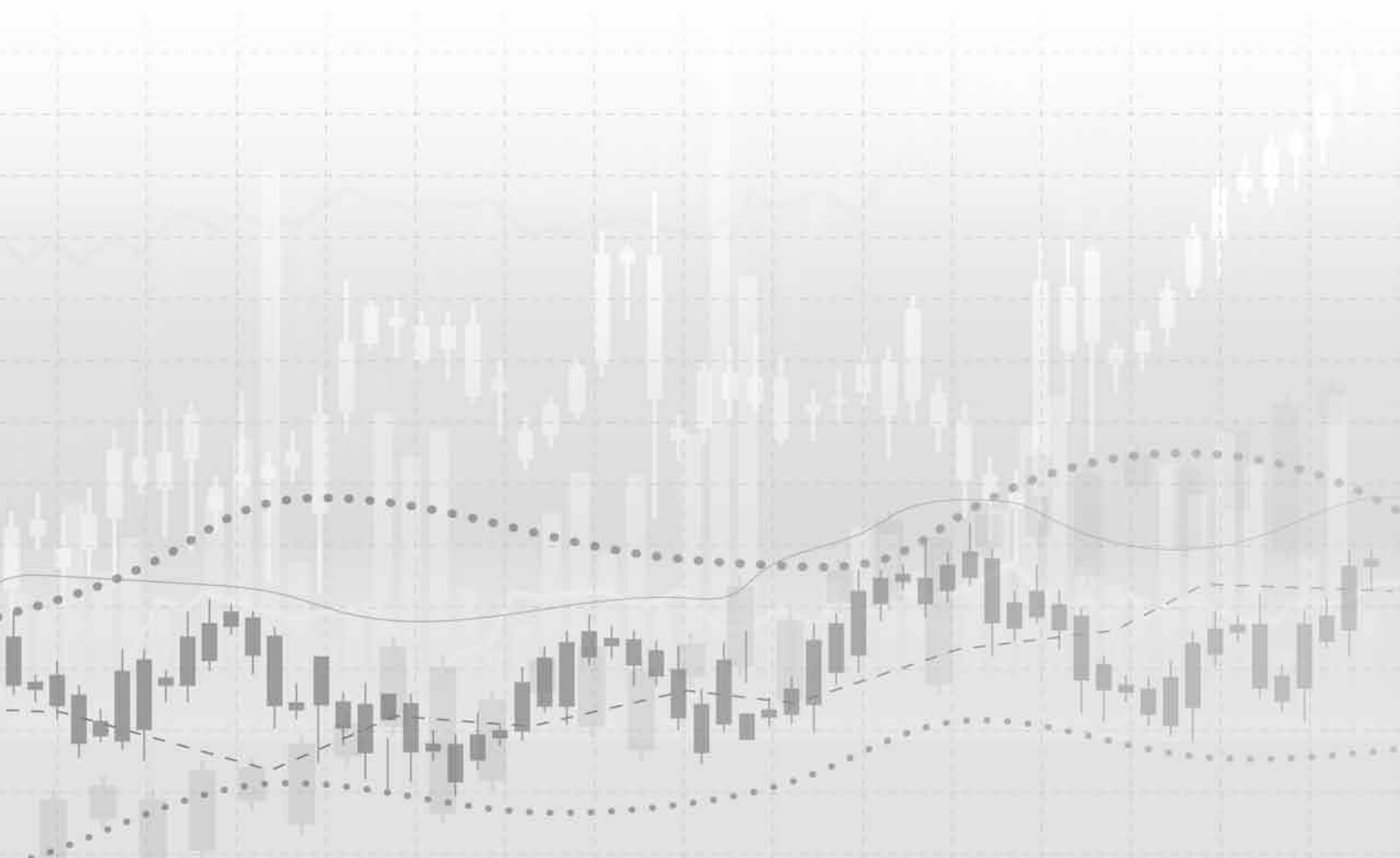
<sup>(1)</sup> The Audit and Risk Committee confirms that collections from the Silverlake Entities were within the mandated terms.

### 3. MATERIAL CONTRACTS

Save as disclosed in Note 1 above, there were no material contracts, including contracts relating to loans, entered into by the Company and its subsidiaries involving the interests of any Director, the Chief Executive Officer, or controlling shareholder during FY2021.

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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 2021.

## 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  
 Dr. Kwong Yong Sin  
 Ong Kian Min  
 Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid  
 Datuk Yvonne Chia  
 See Chuang Thuan  
 Yano Satoru  
 Mah Yong Sun (appointed on 27 August 2020)

## 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 an interest in shares of the Company and its related corporations as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Goh Peng Ooi	-	-	1,759,877,345	1,834,022,168
Andrew Tan Teik Wei	-	4,500,000	-	-
Goh Shiou Ling	630,400	630,400	-	-
Dr. Kwong Yong Sin	18,972,000	18,972,000	2,150,000	2,150,000
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	500,000	500,000	110,000	110,000
See Chuang Thuan	39,255,953	39,255,953	-	-
<i>Ordinary shares of the holding company (Intelligentsia Holding Ltd.)</i>				
Goh Peng Ooi	3,882,254	3,882,254	-	-

There was no change in any of the abovementioned interests between the end of the financial year and 21 July 2021.

#### 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% (2020: 5%) 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 which 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.

##### **PSP shares granted to Group Managing Director**

On 21 December 2020, 4,500,000 PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.27 per share at grant date, amounting to RM3,697,246 to the Group Managing Director, Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial years ended 30 June 2019 and 2020.

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.

#### 6. TREASURY SHARES

On 21 December 2020, 4,500,000 treasury shares were released at the price of SGD0.27 each, which reflected the fair value of shares at release date, for the purposes of award of shares to the Group Managing Director under the PSP.

During the financial year, the Company purchased 23,874,400 (2020: 55,695,800) shares pursuant to the share purchase mandate approved by shareholders on 27 October 2020 (2020: 24 October 2019). These shares were acquired by way of market acquisition for a total consideration of RM20,424,812 (2020: RM56,815,349) and are held as treasury shares by the Company.

On 31 March 2021, 105,921,177 treasury shares were reissued at the price of SGD0.245 each, which reflected the fair value of shares at release date, for payment of contingent consideration ("80% Earn-Out Consideration") for the acquisition of Silverlake Investment (SG) Pte. Ltd. Group ("SISG Group").

Further details of the treasury shares are disclosed in Note 25(c) to the financial statements.



## 7. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 42 to the financial statements.

## 8. SIGNIFICANT EVENT AFTER THE FINANCIAL YEAR END

Details of significant event after the financial year end is disclosed in Note 43 to the financial statements.

## 9. BOARD OPINION ON THE ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROLS ADDRESSING FINANCIAL, OPERATIONAL AND COMPLIANCE RISKS (INCLUDING 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 systems, addressing financial, operational and compliance risks, including information technology risks, which the Group considers relevant and material to its operations, were adequate for the financial year ended 30 June 2021.

## 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

28 September 2021



# 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 2021 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

28 September 2021

# 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. 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 2021, 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 financial statements give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's 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 ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA 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, ACRA Code and the IESBA 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 for the current year. 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 of our audit opinion on the accompanying financial statements.

#### (1) Revenue and cost of sales from software licensing and software project 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 2021, the Group's revenue from the provision of software licensing and software project services, amounted to RM40 million and RM65 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 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 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 IFRS 15, estimates made by the management in respect of total budgeted costs in measuring progress towards complete satisfaction of a performance obligation.

## 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 (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 read the project management meeting minutes to obtain an understanding of the performance and progress of the contracts;
- (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 2.5(c) - Key sources of estimation uncertainty, Note 13 - Intangible assets)

As at 30 June 2021, the carrying amount of goodwill recognised by the Group amounted to RM145 million, representing 35% and 11% 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;

## 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) Pricing and disclosure of related parties and related party transactions

(Refer to Note 20 - Amounts due from/(to) subsidiaries and related parties, Note 35 - Significant related party transactions)

The Group has significant related party transactions which include sales of goods and rendering of services to Silverlake Private Entities ("SPEs").

We identified this as an area of audit focus due to the significance of the amounts and the volume of such transactions. Specifically, we focused our audit efforts to determine whether the transactions with SPEs were authorised and entered into at rates and terms approved by the Audit and Risk Committee; and whether disclosures in the financial statements are in accordance with IAS 24 Related Party Disclosures.

##### Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- (a) we inquired management (including Internal Audit) and obtained understanding of the processes and controls that the Group has in:
  - (i) identifying, accounting for, and disclose related party relationships ("RPR") and related party transactions ("RPT");
  - (ii) authorising and approving significant RPT with related parties; and
  - (iii) authorising and approving significant RPT outside the normal course of business;
- (b) we obtained the list of RPR and RPT to assess:
  - (i) the completeness of the lists;
  - (ii) whether significant RPT are duly approved by Audit and Risk Committee; and
  - (iii) whether significant RPT outside the normal course of business are duly approved by Audit and Risk Committee;
- (c) we read contracts and agreements with related parties to understand the nature and terms of the transactions;
- (d) we re-computed the RPT amounts based on the rates approved by the Audit and Risk Committee; and
- (e) we assessed the completeness of disclosures of RPT in the financial statements.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key audit matters (cont'd)

#### (4) Impairment assessment on investments in subsidiaries

(Refer to Note 2.5(d) - Key sources of estimation uncertainty, Note 14 - Investments in subsidiaries)

As at 30 June 2021, the carrying amount of the Company's investments in subsidiaries amounted to RM2,061 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 investment 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;
- (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.

#### Other matter

The financial statements of Silverlake Axis Ltd. and its subsidiaries for the year ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 29 September 2020.

#### 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 auditor's 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.

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the Company'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 the Company 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 ISAs 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 ISAs, 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.
- 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.

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)*

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's 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.

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  
28 September 2021



# Consolidated Income Statement

For the financial year ended 30 June 2021

	Note	Group	
		2021 RM	2020 RM Restated
<b>Revenue</b>	3	626,122,804	663,691,553
Cost of sales		(249,193,694)	(284,070,570)
<b>Gross profit</b>		376,929,110	379,620,983
<b>Other items of income</b>			
Finance income	4	1,865,335	3,999,337
Other income	5	11,464,145	23,577,529
<b>Other items of expenses</b>			
Selling and distribution costs		(30,510,800)	(33,395,344)
Administrative expenses		(159,892,297)	(139,083,826)
Finance costs	6	(13,117,885)	(34,685,474)
Share of (loss)/profit of a joint venture	15	(565)	1,392,986
<b>Profit before tax</b>	7	186,737,043	201,426,191
Income tax expense	9	(43,658,404)	(16,753,903)
<b>Profit for the year</b>		143,078,639	184,672,288
<b>Profit for the year attributable to:</b>			
Owners of the parent		143,086,927	184,675,753
Non-controlling interests		(8,288)	(3,465)
		143,078,639	184,672,288
Earnings per share attributable to the owners of the parent:			
- Basic (sen)	10	5.49	7.04
- Diluted (sen)	10	5.49	7.04

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 2021

	Note	Group	
		2021 RM	2020 RM
Profit for the year		143,078,639	184,672,288
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified to profit or loss in the subsequent periods:</i>			
- Foreign currency translation (loss)/gain		(11,535,960)	17,252,452
- Share of foreign currency translation loss of a joint venture	15	(22)	(250,594)
		(11,535,982)	17,001,858
<i>Items that will not be reclassified to profit or loss in the subsequent periods:</i>			
- Fair value (loss)/gain on financial assets - quoted equity shares	26(e)	(11,858,296)	128,963,226
- Deferred tax relating to fair value loss/(gain) on financial assets - quoted equity shares	30	1,257,472	(12,784,185)
- Actuarial gain/(loss) on defined benefit plans	33	1,031,450	(769,709)
- Deferred tax relating to actuarial (gain)/loss on defined benefit plans	30	(194,113)	223,498
		(9,763,487)	115,632,830
<b>Other comprehensive (loss)/income for the year, net of tax</b>		(21,299,469)	132,634,688
<b>Total comprehensive income for the year</b>		121,779,170	317,306,976
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent		121,787,458	317,310,441
Non-controlling interests		(8,288)	(3,465)
		121,779,170	317,306,976

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Financial Position

As at 30 June 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	11,592,903	13,565,267	1,936	2,816
Right-of-use assets	12	26,071,251	28,791,403	-	-
Intangible assets	13	317,327,488	300,029,314	-	-
Investments in subsidiaries	14	-	-	2,060,792,258	2,233,110,533
Interest in a joint venture	15	-	696	-	139
Derivative asset	16	-	9,343,814	-	9,343,814
Deferred tax assets	30	60,210,484	65,950,770	-	-
		415,202,126	417,681,264	2,060,794,194	2,242,457,302
<b>Current assets</b>					
Inventories	17	622,071	1,082,881	-	-
Trade and other receivables	18	138,917,765	139,961,183	3,553	7,308
Contract assets	19	58,594,091	57,030,645	-	-
Prepayments		3,340,056	2,901,681	112,210	96,527
Amounts due from subsidiaries	20	-	-	203,662,763	203,963,471
Amounts due from related parties	20	8,035,057	7,142,853	-	-
Loans to subsidiaries	21	-	-	29,157,975	27,051,200
Tax recoverable		5,854,048	5,867,877	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	22	288,154,976	310,166,620	-	-
Financial assets at fair value through profit or loss - money market fund	23	27,665,942	29,646,700	-	-
Derivative asset	16	752,296	-	752,296	-
Cash and bank balances	24	417,118,185	496,742,950	72,936,631	79,029,249
		949,054,487	1,050,543,390	306,625,428	310,147,755
<b>Total assets</b>		1,364,256,613	1,468,224,654	2,367,419,622	2,552,605,057

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position as at 30 June 2021 (cont'd)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	25(a)	191,040,654	191,040,654	191,040,654	191,040,654
Share premium	25(b)	186,497,272	236,820,722	1,654,159,433	1,704,482,883
Treasury shares	25(c)	(25,769,645)	(138,541,079)	(25,769,645)	(138,541,079)
Foreign currency translation reserve	26(a)	31,029,474	42,565,456	12,090,091	-
Capital reserve	26(b)	466,828	466,828	-	-
Statutory reserve	26(c)	141,159	21,819	-	-
Fair value reserve of financial assets at FVOCI	26(e)	(29,582,042)	(18,981,218)	-	-
Merger deficit	27	(476,280,829)	(476,280,829)	-	-
Retained profits		1,176,873,429	909,494,306	532,259,060	209,442,615
<b>Equity attributable to owners of the parent</b>					
		1,054,416,300	746,606,659	2,363,779,593	1,966,425,073
Non-controlling interests		52,188	60,476	-	-
<b>Total equity</b>		<b>1,054,468,488</b>	<b>746,667,135</b>	<b>2,363,779,593</b>	<b>1,966,425,073</b>
<b>Non-current liabilities</b>					
Loans and borrowings	28	16,831,002	141,261,436	-	121,754,466
Deferred tax liabilities	30	50,167,076	61,403,049	-	-
Put liability	32	-	2,744,202	-	-
Provision for defined benefit liabilities	33	11,886,913	12,364,086	-	-
		78,884,991	217,772,773	-	121,754,466
<b>Current liabilities</b>					
Trade and other payables	31	76,922,903	358,548,901	1,875,542	278,390,158
Contract liabilities	19	108,820,801	116,988,962	-	-
Loans and borrowings	28	9,380,879	9,659,538	-	-
Put liability	32	18,659,307	-	-	-
Provision for defined benefit liabilities	33	116,680	394,886	-	-
Amounts due to subsidiaries	20	-	-	1,640,659	186,035,360
Amounts due to related parties	20	1,367,305	2,780,632	123,828	-
Tax payable		15,635,259	15,411,827	-	-
		230,903,134	503,784,746	3,640,029	464,425,518
<b>Total liabilities</b>		<b>309,788,125</b>	<b>721,557,519</b>	<b>3,640,029</b>	<b>586,179,984</b>
<b>Net current assets/(liabilities)</b>		<b>718,151,353</b>	<b>546,758,644</b>	<b>302,985,399</b>	<b>(154,277,763)</b>
<b>Total equity and liabilities</b>		<b>1,364,256,613</b>	<b>1,468,224,654</b>	<b>2,367,419,622</b>	<b>2,552,605,057</b>

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 2021

2021 Group	Note	Attributable to owners of the parent										Total equity RM		
		Share capital (Note 25(a)) RM	Share premium (Note 25(b)) RM	Treasury shares (Note 25(c)) RM	Foreign currency translation reserve (Note 26(a)) RM	Capital reserve (Note 26(b)) RM	Statutory reserve (Note 26(c)) RM	Performance share plan reserve (Note 25(d), Note 26(d)) RM	Fair value reserve of financial assets at FVOCI (Note 26(e)) RM	Distributable retained profits RM	Merger deficit RM		Non-controlling interests RM	
<b>At 1 July 2020</b>		191,040,654	236,820,722	(138,541,079)	42,565,456	466,828	21,819	-	(18,981,218)	(476,280,829)	909,494,306	746,606,659	60,476	746,667,135
Profit for the year		-	-	-	-	-	-	-	-	-	143,086,927	143,086,927	(8,288)	143,078,639
Other comprehensive (loss)/income for the year		-	-	-	(11,535,982)	-	-	-	(10,600,824)	-	837,337	(21,299,469)	-	(21,299,469)
<b>Total comprehensive (loss)/income for the year</b>		-	-	-	(11,535,982)	-	-	-	(10,600,824)	-	143,924,264	121,787,458	(8,288)	121,779,170
Transfer to statutory reserve fund		-	-	-	-	-	119,340	-	-	-	(119,340)	-	-	-
<b>Transactions with owners</b>														
Purchase of treasury shares	25(c)	-	-	(20,424,812)	-	-	-	-	-	-	-	(20,424,812)	-	(20,424,812)
Grant of shares under Performance Share Plan	25(d)	-	-	-	-	-	3,697,246	-	-	-	-	3,697,246	-	3,697,246
Release of shares under Performance Share Plan	25(b),(c),(d)	-	(1,848,623)	5,545,869	-	-	(3,697,246)	-	-	-	-	-	-	-
Fair value adjustment on contingent consideration for business combination	25(c)	-	-	-	-	-	-	-	-	-	149,414,493	149,414,493	-	149,414,493
Release of treasury shares for payment of contingent consideration for business combination	25(b),(c)	-	(48,474,827)	127,650,377	-	-	-	-	-	-	-	79,175,550	-	79,175,550
Dividends on ordinary shares	34	-	-	-	-	-	-	-	-	-	(25,840,294)	(25,840,294)	-	(25,840,294)
<b>Total transactions with owners in their capacity as owners</b>		-	(50,323,450)	112,771,434	-	-	-	-	-	-	123,574,199	186,022,183	-	186,022,183
<b>At 30 June 2021</b>		191,040,654	186,497,272	(25,769,645)	31,029,474	466,828	141,159	-	(29,582,042)	(476,280,829)	1,176,873,429	1,054,416,300	52,188	1,054,468,488

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 2021

2020 Group	Attributable to owners of the parent											Total equity RM	
	Note	Share capital (Note 25(a)) RM	Share premium (Note 25(b)) RM	Treasury shares (Note 25(c)) RM	Foreign currency translation reserve (Note 26(a)) RM	Capital reserve (Note 26(b)) RM	Statutory reserve (Note 26(c)) RM	Fair value reserve of financial assets at FVOCI (Note 26(e)) RM	Merger deficit RM	Distributable retained profits RM	Total RM		Non- controlling interests RM
<b>At 1 July 2019</b>		191,040,654	236,820,722	(81,725,730)	25,563,598	466,828	21,819	(133,619,065)	(476,280,829)	829,984,883	592,272,880	63,941	592,336,821
Adjustment on initial application of IFRS 16		-	-	-	-	-	-	-	-	(1,347,032)	(1,347,032)	-	(1,347,032)
<b>Adjusted balance as at 1 July 2019</b>		191,040,654	236,820,722	(81,725,730)	25,563,598	466,828	21,819	(133,619,065)	(476,280,829)	828,637,851	590,925,848	63,941	590,989,789
Profit for the year		-	-	-	-	-	-	-	-	184,675,753	184,675,753	(3,465)	184,672,288
Other comprehensive income/(loss) for the year		-	-	-	17,001,858	-	-	116,179,041	-	(546,211)	132,634,688	-	132,634,688
<b>Total comprehensive income/(loss) for the year</b>		-	-	-	17,001,858	-	-	116,179,041	-	184,129,542	317,310,441	(3,465)	317,306,976
Transfer from fair value reserve to retained profits	26(e)	-	-	-	-	-	-	(1,541,194)	-	1,541,194	-	-	-
<b>Transactions with owners</b>													
Purchase of treasury shares	25(c)	-	-	(56,815,349)	-	-	-	-	-	-	(56,815,349)	-	(56,815,349)
Dividends on ordinary shares	34	-	-	-	-	-	-	-	-	(104,814,281)	(104,814,281)	-	(104,814,281)
<b>Total transactions with owners in their capacity as owners</b>		-	-	(56,815,349)	-	-	-	-	-	(104,814,281)	(161,629,630)	-	(161,629,630)
<b>At 30 June 2020</b>		191,040,654	236,820,722	(138,541,079)	42,565,456	466,828	21,819	(18,981,218)	(476,280,829)	909,494,306	746,606,659	60,476	746,667,135

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 2021

	Note	Group	
		2021 RM	2020 RM Restated
<b>Operating activities</b>			
Profit before tax		186,737,043	201,426,191
<u>Adjustments for:</u>			
Amortisation of intangible assets	7, 13	23,612,279	20,744,144
Write off of intangible assets	7	-	117,251
Impairment of intangible assets	7, 13	-	2,906,176
Depreciation of property, plant and equipment	7, 11	3,290,537	3,888,732
Depreciation of right-of-use assets	7, 12	10,396,301	10,004,229
Write off of property, plant and equipment	7	17,108	62,573
Impairment of property, plant and equipment	7, 11	-	16,610
Net gain on disposal of property, plant and equipment	5	(7,543)	(28,238)
Gain on disposal of right-of-use assets	5	(99,131)	(52,044)
Gain on deemed disposal of a joint venture	5	-	(2,057,425)
Net loss/(gain) on lease modifications	7, 5	212,989	(96,917)
Net distribution from a joint venture upon liquidation	5	(1,026)	-
Loss on liquidation of a subsidiary	7	1,405,629	-
Inventories written off	7	11,679	-
Bad debts written off	7	12,959	145,005
Expected credit losses on trade receivables	7	1,621,322	2,954,795
Expected credit losses on contract assets	7	26,697	128,752
Reversal of expected credit losses on trade receivables	5	(2,254,324)	(808,485)
(Reversal of provision)/Provision for foreseeable losses	7	(1,243,712)	928,009
Dividend income from financial assets - quoted equity shares	5	(969,424)	(818,310)
Gain on redemption of financial assets - money market fund	5	(539,628)	(167,547)
Net unrealised foreign currency exchange loss/(gain)	7, 5	1,866,577	(1,367,029)
Fair value adjustment on contingent consideration for business combination	5	-	(1,612,461)
Fair value adjustment on subsequent measurement of put liability	7, 5	15,575,922	(11,338,260)
Loss on derivative asset at fair value through profit or loss	7, 16	8,566,852	22,879
Performance shares issued	8	3,719,480	-
Waiver of debts	5	-	(110,081)
Allowance for unutilised leave	8	1,785,205	3,725,547
Allowance for defined benefit liabilities	8, 33	947,389	1,147,062
Share of loss/(profit) of a joint venture	15	565	(1,392,986)
Finance costs	6	13,117,885	34,685,474
Finance income	4	(1,865,335)	(3,999,337)
Total adjustments		79,207,252	57,628,118
Operating cash flows before changes in working capital		265,944,295	259,054,309
<u>Changes in working capital:</u>			
Inventories		442,167	(106,798)
Trade and other receivables		(3,502,854)	(4,962,828)
Contract assets/liabilities		(7,554,385)	(1,763,773)
Amounts due from/to related parties		(2,242,211)	10,292,162
Trade and other payables		(6,220,122)	6,792,906
Total changes in working capital		(19,077,405)	10,251,669
Cash flows from operations		246,866,890	269,305,978
Net placement of deposits pledged		(166,755)	(1,142,163)
Defined benefits paid	33	(380,946)	(92,612)
Income tax paid		(47,241,069)	(54,635,228)
Interest paid		(2,173,705)	(3,659,438)
Net cash flows from operating activities		196,904,415	209,776,537

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 2021

	Note	Group	
		2021 RM	2020 RM Restated
<b>Investing activities</b>			
Purchases of property, plant and equipment	11	(1,379,563)	(6,122,357)
Purchases of right-of-use assets	(a)	(62,137)	-
Payments for software development expenditure	13	(39,417,090)	(31,099,869)
Payments for other intangible assets	13	(723,915)	(57,853)
Proceeds from distribution from a joint venture upon liquidation		1,142	-
Proceeds from disposal of property, plant and equipment		9,729	191,607
Proceeds from disposal of right-of-use assets		160,818	74,659
Proceeds from disposal of quoted equity investment	22	-	11,580,312
Proceeds from redemption of financial assets - money market fund		35,342,975	8,253,381
Payment of contingent consideration for business combination	31(ii)	(57,401,360)	-
Purchases of financial assets - money market fund		(32,822,589)	(28,853,403)
Interest received		1,978,424	3,930,979
Dividend income received		969,424	818,310
Net uplift of short-term deposits		10,376,250	4,536,000
Net cash flows used in investing activities		(82,967,892)	(36,748,234)
<b>Financing activities</b>			
Dividends paid	34	(25,840,294)	(104,814,281)
Purchase of treasury shares	25(c)	(20,424,812)	(56,815,349)
Proceeds from revolving credit	38	1,989,845	102,484,025
Repayment of term loan and revolving credit	38	(123,516,357)	(42,706,890)
Payment of principal portion of lease liabilities	38	(10,804,307)	(11,771,676)
Net cash flows used in financing activities		(178,595,925)	(113,624,171)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(64,659,402)	59,404,132
<b>Effects of exchange rate changes on cash and cash equivalents</b>		(4,423,479)	8,182,029
<b>Cash and cash equivalents at beginning of the year</b>		476,424,016	408,837,855
<b>Cash and cash equivalents at end of the year</b>	24	407,341,135	476,424,016

(a) Additions of right-of-use assets during the financial year were by way of:

	Group	
	2021 RM	2020 RM
Cash	62,137	-
Leases	2,015,534	3,840,160
	2,077,671	3,840,160

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 2021

## 1. Corporate information

Silverlake Axis Ltd. (the Company) is an exempt company with limited liability and incorporated in Bermuda. The holding company is Intelligentsia Holding Ltd., a corporation incorporated in Bermuda.

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

On 23 September 2021, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore. Upon the registration in Singapore, the address of its registered office is 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 International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis, except as disclosed in the summary of significant accounting policies below.

The Company has changed its functional currency from Ringgit Malaysia ("RM") to Singapore Dollar ("SGD") effective 1 July 2020. The change has been applied prospectively from 1 July 2020 in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates after the analysis of the facts and circumstances that the relevance of RM transactions has decreased and the relevance of the SGD transactions has increased in the environment where the Company is operating in as an investment holding company listed in Singapore.

There is no change in the presentation currency of the Company and the financial statements are presented in RM.

The preparation of financial statements in conformity with IFRS 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 IFRS which became effective as of 1 July 2020:

- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- The Conceptual Framework for Financial Reporting
- Amendment to IFRS 16 Covid-19 Related Rent Concessions

The adoption of the above standards did not have any effect on the financial performance or position of the Group and of the Company, except for those described below.

## 2. Significant accounting policies (cont'd)

### 2.2 New and amended standards and interpretations (cont'd)

#### Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19 Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.

The Group has applied this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of RM360,087 (Note 5) was recognised in the "Other Income" line item in the consolidated income statement for the financial year ended 30 June 2021.

### 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
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment - Proceeds Before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRSs 2018 - 2020 Cycle		
• Amendments to IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as A First-time Adopter	1 January 2022
• Amendments to IFRS 9	Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
• Amendments to IAS 41	Agriculture - Taxation in Fair Value Measurements	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 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. Significant accounting policies (cont'd)

### 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 2021.

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.

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 re-assesses 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (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.

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 re-measured 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 re-measured 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 IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 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 re-assesses 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 re-assessment 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) Joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture 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 joint venture since the acquisition date. Goodwill relating to the joint venture 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 joint venture. 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 joint venture, 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 joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the income statement outside operating profit and represents profit or loss after tax of the joint venture.

The financial statements of the joint venture 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 joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit or loss of a joint venture' in the income statement.

If the Group's ownership interest in a joint venture 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 joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### (d) Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses in the Company's statement 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 joint venture, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in the Company's income statement.

## 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 functional currency of the Company has been changed from Ringgit Malaysia ("RM") to Singapore Dollar ("SGD") effective 1 July 2020 as disclosed in Note 2.1. 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 subsequent to 1 July 2010 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (f) Foreign currency translation (cont'd)

##### (ii) Group companies (cont'd)

Prior to 1 July 2010, the Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition, as assets and liabilities of the parent. Therefore, those assets and liabilities are already expressed in the functional currency or are non-monetary items and no further translation differences occur.

#### (g) Revenue recognition

##### Revenue from contracts with customers

The Group is in the business of providing digital economy solutions such as software licensing, software implementation and maintenance services, sale of software and hardware products, Software-as-a-Service for insurance processing and retail automation and credit and cards 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

Revenue from the rendering of software project services is recognised over time. The Group uses the input method in measuring progress towards complete satisfaction of software project services, by reference to the actual cost 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 to a customer.

Contracts for bundled software project 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.

## 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)

##### (iii) Maintenance and enhancement services (cont'd)

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.

##### (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) Software-as-a-Service - Insurance processing

Revenue on insurance processing 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) Software-as-a-Service - Retail

Revenue from Software-as-a-Service for retail 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.

##### (vii) Credit and cards processing

Revenue on credit and cards processing comprises processing fees received from customers which are recognised at a point in time, and maintenance and enhancement services which are recognised over time. The payments for these services are generally due upon rendering of services and acceptance by the customer respectively.

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.



## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (g) Revenue recognition (cont'd)

##### 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.

##### (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).

##### (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, when the outcome of a contract can be estimated reliably. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. 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 IFRS 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (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.

#### (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 interest in joint venture, 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

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (j) Taxes (cont'd)

##### Deferred tax (cont'd)

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: (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiaries and interest in joint venture, 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 re-assessed 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.

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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (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.

#### (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.

##### 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	5 to 10 years
Motor vehicles	7 years
Office equipment	3 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (l) Property, plant and equipment (cont'd)

##### (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.

##### (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:

Furniture and fittings	5 to 7 years
Motor vehicles	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).

## 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)

##### (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.

##### 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (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.

Other intangible assets of the Group are amortised on a straight-line basis over their estimated economic useful lives, as follows:

Purchased software	10 years
Proprietary software	10 years
Customer relationship	2 to 12 years
Customer contracts	2 years

## 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)

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 CGUs' 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 CGUs' 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.

#### 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.



## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (o) Impairment of non-financial assets (cont'd)

##### Goodwill (cont'd)

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 IFRS 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 IFRS 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 IAS 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.

## 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

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.

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 90 days past due. 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, put liability 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.

## 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 fair value through profit or loss (cont'd)

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 IFRS 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 IFRS 9 are satisfied. The Group's and the Company's financial liabilities designated at fair value through profit or loss are contingent consideration for business combination and put liability.

###### 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (q) Fair value measurement

The Group and the Company measure financial instruments such as short-term investment, derivative asset, put liability and contingent consideration at fair value 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 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.

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 re-assessing 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (r) Inventories (cont'd)

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 share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

#### (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 as consideration 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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (v) Share-based payment transactions (cont'd)

##### Equity-settled transactions - Performance share plan ("PSP") (cont'd)

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.

##### Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- the amount that would be recognised in accordance with the general requirements for provisions above; or
- the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

#### (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.

##### (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.



## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (y) Defined benefit plans

The net defined benefit liability or asset 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 reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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 or asset
- Remeasurements of net defined benefit liability or asset

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 or asset is the change in the net defined benefit liability or asset 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 or asset. The net interest is recognised as expense or income in income statement.

Remeasurements, comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability), 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.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

#### (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.

## 2. Significant accounting policies (cont'd)

### 2.4 Summary of significant accounting policies (cont'd)

#### (z) Related parties (cont'd)

A related party is defined as follows: (cont'd)

- (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).
  - (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).

#### (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. Significant accounting policies (cont'd)

### 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

The Group uses the input method in measuring progress towards complete satisfaction of software project services in accounting for its contract revenue for rendering of software project services where it is probable that contract costs are recoverable. The progress towards complete satisfaction of software project 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, 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.

##### 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 RM836,000 (2020: RM1,523,000).

#### (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	
	2021 RM	2020 RM
If economic lives increase by 1 year: Decrease in amortisation	1,068,960	695,034
If economic lives decrease by 1 year: Increase in amortisation	(1,306,506)	(849,487)

## 2. Significant accounting policies (cont'd)

### 2.5 Significant accounting estimates and judgements (cont'd)

#### Key sources of estimation uncertainty (cont'd)

##### (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 in arm's length transactions of 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 performance of the asset or 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 2021 was RM2,060,792,258 (2020: RM2,233,110,533) (Note 14).

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 0% to 4% (2020: 0% to 4%) and discount rate ranging from 12% to 13% (2020: 12% to 14%), varying in accordance to country and industry, taking into consideration the nature and basis for valuation adjustments and calculations. In the current financial year, investment in a subsidiary has been impaired by RM182,094,493 (2020: RM20,415,545) (Note 14) to its recoverable amount subsequent to its declaration of a dividend of RM182,653,995 (2020: RM20,632,650), following the completion of the Group's internal restructuring. The subsidiary has ceased operations and is expected to remain dormant for the foreseeable future.

The Company estimated that no reasonable possible change in the underlying key assumptions may cause its investments in subsidiaries to be further impaired.

##### (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 18 and Note 19 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).

## 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

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 RM3,726,428 (2020: RM64,306,917) 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.

If the Group was able to recognise these unrecognised deferred tax assets, profit and equity would have increased by RM718,545 (2020: RM16,949,659). 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, implementation, enhancement and maintenance 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.

## 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)

(i) Identifying separate performance obligations in a bundled contract (cont'd)

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.

(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.

## 2. Significant accounting policies (cont'd)

### 2.5 Significant accounting estimates and judgements (cont'd)

#### Judgements made in applying accounting policies (cont'd)

##### (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

	Note	Group	
		2021 RM	2020 RM
<b>Sale of goods or rendering of services</b>			
Software licensing	(a)	40,014,462	56,109,260
Software project services	(b)	65,408,752	74,313,921
Maintenance and enhancement services	(c)	475,026,409	460,288,342
Sale of software and hardware products	(d)	10,735,338	26,948,914
Software-as-a-Service			
- Insurance processing	(e)	34,228,154	34,670,851
- Retail	(f)	709,689	483,549
Credit and cards processing	(g)	-	10,876,716
<b>Total revenue from contracts with customers</b>		<b>626,122,804</b>	<b>663,691,553</b>
<b>Timing of revenue recognition</b>			
At a point in time		52,083,332	70,246,320
Over time		574,039,472	593,445,233
<b>Total revenue from contracts with customers</b>		<b>626,122,804</b>	<b>663,691,553</b>

#### 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 RM29,619,430 (2020: RM42,175,529).

### 3. Revenue (cont'd)

#### Performance obligations (cont'd)

Information about the Group's performance obligations are summarised below: (cont'd)

#### (b) Software project 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 IFRS 15, software licensing together with software project services which involve significant customisation are treated as a single performance obligation. For IFRS 15 disclosure purpose, total software licensing and software project services revenue recognised over time amounted to RM95,028,182 (2020: RM116,489,450).

#### (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 RM227,481,628 and RM247,544,781 (2020: RM222,059,074 and RM238,229,268) 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) Software-as-a-Service - Insurance processing

Revenue on insurance processing comprises service fee received from customers which are recognised at a point in time and integration services which are recognised over time, amounting to RM30,952,962 and RM3,275,192 (2020: RM29,363,675 and RM5,307,176) respectively. Payments for these services are generally due upon rendering of services and acceptance by customer respectively.

#### (f) Software-as-a-Service - Retail

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.

#### (g) Credit and cards processing

In the previous financial year, revenue on credit and cards processing comprised maintenance and enhancement services which were recognised over time. Payments for these services were generally due upon acceptance by the customer and rendering of services respectively.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	Group	
	2021 RM	2020 RM
Within one year	226,456,435	239,005,192
More than one year	100,635,661	108,834,767
	327,092,096	347,839,959



## Notes to the Financial Statements (cont'd)

For the financial year ended 30 June 2021

### 3. Revenue (cont'd)

#### Performance obligations (cont'd)

Information about the Group's performance obligations are summarised below: (cont'd)

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 RM130,092,978 (2020: RM128,490,445), 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 two years (2020: two years) and maintenance services to be satisfied within five years (2020: within five years).

### 4. Finance income

	Group	
	2021 RM	2020 RM
Interest income from deposits with licensed banks	1,865,335	3,999,337

### 5. Other income

	Group	
	2021 RM	2020 RM
Commission income and other incentives	215,634	222,458
Dividend income from financial assets - quoted equity shares	969,424	818,310
Fair value adjustment on contingent consideration for business combination	-	1,612,461
Fair value adjustment on subsequent measurement of put liability (Note 14(a))	-	11,338,260
Gain on deemed disposal of a joint venture (Note 15)	-	2,057,425
Net distribution from a joint venture upon liquidation	1,026	-
Gain on redemption of financial assets - money market fund	539,628	167,547
Net unrealised foreign currency exchange gain	-	1,367,029
Net gain on disposal of property, plant and equipment	7,543	28,238
Gain on disposal of right-of-use assets	99,131	52,044
Net gain on lease modifications	-	96,917
Rental income of office premises	898,199	934,986
Reversal of expected credit losses on trade receivables (Note 37(c))	2,254,324	808,485
Rent concessions	360,087	-
Government subsidies	4,531,000	2,910,835
Waiver of debts	-	110,081
Miscellaneous income	1,588,149	1,052,453
<b>Total other income</b>	<b>11,464,145</b>	<b>23,577,529</b>

## 6. Finance costs

	Group	
	2021 RM	2020 RM
Interest expense on:		
- Revolving credit	1,050,051	2,311,196
- Lease liabilities (Note 29)	1,056,833	1,236,614
- Bank overdraft	-	389,786
- Term loan	25,078	35,930
- Advances from previous owners	41,743	75,698
	2,173,705	4,049,224
Unwinding of discount on contingent consideration (other payables) and put liability for business combination	10,944,180	31,026,036
	13,117,885	35,075,260
Less: Capitalised under intangible assets (Note 13)	-	(389,786)
<b>Total finance costs</b>	<b>13,117,885</b>	<b>34,685,474</b>

## 7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2021 RM	2020 RM
Amortisation of intangible assets (Note 13)	23,612,279	20,744,144
Write off of intangible assets	-	117,251
Impairment of intangible assets (Note 13)	-	2,906,176
Depreciation of property, plant and equipment (Note 11)	3,290,537	3,888,732
Depreciation of right-of-use assets (Note 12)	10,396,301	10,004,229
Write off of property, plant and equipment	17,108	62,573
Impairment of property, plant and equipment (Note 11)	-	16,610
Net loss on lease modifications	212,989	-
Fair value adjustment on subsequent measurement of put liability (Note 14(a))	15,575,922	-
Loss on derivative asset at fair value through profit or loss (Note 16)	8,566,852	22,879
Loss on liquidation of a subsidiary	1,405,629	-
Inventories written off	11,679	-
Bad debts written off	12,959	145,005
Expected credit losses on trade receivables (Note 37(c))	1,621,322	2,954,795
Expected credit losses on contract assets (Note 37(c))	26,697	128,752
(Reversal of provision)/Provision for foreseeable losses	(1,243,712)	928,009
Net foreign currency exchange loss:		
- Realised	2,391,359	4,372,603
- Unrealised	1,866,577	-
Directors' fees	3,525,597	3,474,279
Employee benefits expense (Note 8)	270,144,107	281,849,960
Audit fees:		
- Auditors of the Company	366,187	1,507,320
- Other auditors	1,745,854	757,500
Non-audit fees:		
- Auditors of the Company	154,443	273,645
- Other auditors	477,028	208,964
Lease expenses (Note 29)	2,973,690	3,348,625

Total software project costs (including employee benefits expense) recognised in cost of sales amounted to RM41,014,711 (2020: RM53,108,246).

## 8. Employee benefits expense (including directors' remuneration)

	Group	
	2021 RM	2020 RM
Wages and salaries	266,701,862	268,293,922
Defined contribution plans	23,184,888	22,487,128
Defined benefit obligation (Note 33)	947,389	1,147,062
Performance shares issued (Note 35(b))	3,719,480	-
Allowance for unutilised leave	1,785,205	3,725,547
Retirement and termination benefits	-	7,509,273
Other employee benefits	6,317,472	7,321,373
	302,656,296	310,484,305
Less: Capitalised under intangible assets (Note 13)	(31,715,468)	(28,257,395)
Less: Capitalised under contract assets (Note 19)	(796,721)	(376,950)
	270,144,107	281,849,960

## 9. Income tax expense

	Group	
	2021 RM	2020 RM Restated
Current income tax:		
- Malaysia	35,640,991	39,436,239
- Singapore	3,992,478	3,457,755
- Thailand	3,182,435	2,038,538
- Brunei	802,974	800,116
- Indonesia	2,452,088	1,732,683
- Philippines	1,749,679	2,779,845
- Slovakia	348,041	372,739
- Others	165,316	107,166
	48,334,002	50,725,081
Deferred tax (Note 30)		
- Origination and reversal of temporary differences	(2,215,366)	(32,750,781)
(Over)/Under provision in prior financial years:		
- Income tax	(3,717,876)	(1,934,060)
- Deferred tax (Note 30)	(1,686,454)	254,831
	(5,404,330)	(1,679,229)
Income tax expense for the year	40,714,306	16,295,071
Foreign and withholding tax	2,944,098	458,832
	43,658,404	16,753,903

## 9. Income tax expense (cont'd)

The corporate income tax rates applicable to companies within the Group are as follows:

	2021	2020
Malaysia	24%	24%
Singapore	17%	17%
Thailand	20%	20%
Brunei	19%	19%
Indonesia	22%	25%
Japan	31%	31%
Philippines	25%	30%
Hong Kong	17%	17%
New Zealand	28%	28%
Czech Republic	19%	19%
Slovakia	21%	21%
Vietnam	20%	20%
Pakistan	29%	29%
Latvia	20%	20%
Kenya	30%	30%

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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 2021 and 2020 are as follows:

	Group	
	2021 RM	2020 RM Restated
Profit before tax	186,737,043	201,426,191
Tax calculated at a tax rate of:		
- Malaysia 24% (2020: 24%)	37,477,795	47,033,771
- Singapore 17% (2020: 17%)	(1,970,936)	(4,326,438)
- Thailand 20% (2020: 20%)	3,370,760	1,736,982
- Brunei 19% (2020: 19%)	891,549	726,401
- Indonesia 22% (2020: 25%)	2,635,690	2,624,856
- Japan 31% (2020: 31%)	(883,626)	65,291
- Philippines 25% (2020: 30%)	1,520,282	1,585,958
- Hong Kong 17% (2020: 17%)	(74,064)	(52,015)
- New Zealand 28% (2020: 28%)	(158)	390,036
- Czech Republic 19% (2020: 19%)	(148,097)	(147,615)
- Slovakia 21% (2020: 21%)	132,745	84,634
- Vietnam 20% (2020: 20%)	(67,588)	(46,639)
- Pakistan 29% (2020: 29%)	13,776	35,153
- Latvia 20% (2020: 20%)	887,922	(3,163,217)
- Kenya 30% (2020: 30%)	321,730	(377,628)
Taxation at respective jurisdictions	44,107,780	46,169,530

## 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 2021 and 2020 are as follows: (cont'd)

	Group	
	2021 RM	2020 RM Restated
Taxation at respective jurisdictions (cont'd)	44,107,780	46,169,530
Tax effect of:		
- Share of loss/(profit) of a joint venture	158	(390,036)
- Partial exemption and tax relief	(787,706)	(887,776)
- Exempted income under pioneer status <sup>1</sup>	(1,771,645)	(8,406,226)
- Exempted income under increase in value of export incentive <sup>2</sup>	(1,479,513)	(552,497)
- Expenses not deductible for tax purposes:		
Net foreign currency exchange loss	1,173,904	958,799
Unwinding of discount on contingent consideration (other payables) and put liability for business combination	1,860,511	5,274,426
Fair value adjustment on subsequent measurement of put liability	2,647,907	-
Loss on derivative asset at fair value through profit or loss	1,456,365	-
Others	14,937,279	16,467,527
- Income not subject to tax:		
Fair value adjustment on contingent consideration for business combination	-	(274,118)
Gain on deemed disposal of a joint venture	-	(349,762)
Others	(3,512,129)	(3,530,868)
- Effect of change in tax rate related to deferred tax	173,694	98,949
- Others	(62,650)	(21,124)
Deferred tax assets on tax allowance claimable in relation to acquired intellectual property (Note 30)	103,511	(32,208,029)
Deferred tax assets not recognised	804,654	399,098
Recognition of deferred tax assets previously not recognised	(6,551,684)	(3,702,405)
Deferred tax on undistributed profits of subsidiaries (Note 30)	(329,154)	6,083,434
Effect of temporary difference originating and reversing during the pioneer period	1,505,685	2,223,858
Utilisation of tax losses previously not recognised	(143,741)	(1,359,871)
Utilisation of bilateral tax credit	(5,610,886)	(4,651,369)
Expiration of tax losses previously not recognised	(2,403,704)	(3,367,240)
Over provision of income tax in prior financial years	(3,717,876)	(1,934,060)
(Over)/Under provision of deferred tax in prior financial years	(1,686,454)	254,831
Income tax expense for the year	40,714,306	16,295,071
Foreign and withholding tax	2,944,098	458,832
	43,658,404	16,753,903

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction and eliminating intra-group transactions.

Three Bermuda subsidiaries of the Group, Silverlake Adaptive Applications & Continuous Improvement Services Ltd. ("SAACIS"), Silverlake Solutions Ltd. ("SSL") and Silverlake Investment Ltd. ("SIL"), had obtained exemption from the Ministry of Finance, Bermuda, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, thus no taxes shall be applicable on all income derived by SAACIS, SSL and SIL.

During the previous financial year, SSL and SIL were redomiciled from Bermuda to Singapore through the transfer of registration in accordance with Section 359(1) of the Singapore Companies Act (Chapter 50), and registered as Silverlake Global Structured Services Pte. Ltd. ("SGSS") and Silverlake Investment (SG) Pte. Ltd. ("SISG") respectively.

## 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"), are Multimedia Super Corridor Status Companies and enjoy the incentives, rights and privileges provided for under the Bill of Guarantees.

The pioneer period of these subsidiaries are 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	Application for extension in process

The pioneer status of Silverlake Structured Services Sdn. Bhd. ("SSVC") had expired in the previous financial year on 12 August 2019.

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.
- QR Retail Automation (Asia) Sdn. Bhd.
  - Silverlake Structured Services Sdn. Bhd.
  - Silverlake Axis MSC Sdn. Bhd.
  - Silverlake Holdings Sdn. Bhd.
  - Silverlake Symmetri (Malaysia) 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	
	2021 RM	2020 RM
Profit net of tax attributable to owners of the parent (RM)	143,086,927	184,675,753
Weighted average number of ordinary shares for basic earnings per share computation *	2,605,099,947	2,623,799,690
Basic earnings per share (RM sen)	5.49	7.04
Weighted average number of ordinary shares for diluted earnings per share computation	2,605,099,947	2,623,799,690
Diluted earnings per share (RM sen)	5.49	7.04

- \* 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.

## 11. Property, plant and equipment

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
<b>At 30 June 2021</b>				
<b>Cost</b>				
At 1 July 2020	7,861,755	1,013,692	15,426,841	24,302,288
Additions	271,627	202,939	904,997	1,379,563
Disposals	(47,383)	-	(15,883)	(63,266)
Written off	(1,320)	-	(819,086)	(820,406)
Transfer (Note a)	-	-	(9,069)	(9,069)
Currency translation differences	(11,960)	1,204	(8,043)	(18,799)
At 30 June 2021	8,072,719	1,217,835	15,479,757	24,770,311
<b>Accumulated depreciation</b>				
At 1 July 2020	295,540	506,616	9,915,263	10,717,419
Charge for the year (Note 7)	1,159,123	139,310	1,992,104	3,290,537
Disposals	(28,245)	-	(13,697)	(41,942)
Written off	(6,592)	-	(796,706)	(803,298)
Transfer (Note a)	-	-	(8,879)	(8,879)
Currency translation differences	15,906	104	7,561	23,571
At 30 June 2021	1,435,732	646,030	11,095,646	13,177,408
<b>Accumulated impairment losses</b>				
At 1 July 2020	19,602	-	-	19,602
Disposals	(19,138)	-	-	(19,138)
Currency translation differences	(464)	-	-	(464)
At 30 June 2021	-	-	-	-
<b>Net carrying amount</b>	6,636,987	571,805	4,384,111	11,592,903

## 11. Property, plant and equipment (cont'd)

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
<b>At 30 June 2020</b>				
<b>Cost</b>				
At 1 July 2019	8,324,533	5,083,767	12,843,475	26,251,775
Reclassification upon initial application of IFRS 16 (Note 12)	(750,532)	(4,050,948)	(130,608)	(4,932,088)
Adjusted balance as at 1 July 2019	7,574,001	1,032,819	12,712,867	21,319,687
Additions	2,351,420	-	3,770,937	6,122,357
Disposals	(1,447,614)	(13,828)	(663,857)	(2,125,299)
Written off	(730,912)	-	(575,072)	(1,305,984)
Currency translation differences	114,860	(5,299)	181,966	291,527
At 30 June 2020	7,861,755	1,013,692	15,426,841	24,302,288
<b>Accumulated depreciation</b>				
At 1 July 2019	175,496	1,718,669	8,590,678	10,484,843
Reclassification upon initial application of IFRS 16 (Note 12)	(159,488)	(1,328,617)	(45,067)	(1,533,172)
Adjusted balance as at 1 July 2019	16,008	390,052	8,545,611	8,951,671
Charge for the year (Note 7)	1,605,913	115,094	2,167,725	3,888,732
Disposals	(905,059)	(2,017)	(358,945)	(1,266,021)
Written off	(484,303)	-	(563,772)	(1,048,075)
Currency translation differences	62,981	3,487	124,644	191,112
At 30 June 2020	295,540	506,616	9,915,263	10,717,419
<b>Accumulated impairment losses</b>				
At 1 July 2019	612,494	-	271,219	883,713
Charge for the year (Note 7)	16,610	-	-	16,610
Disposals	(421,587)	-	(274,322)	(695,909)
Written off	(195,336)	-	-	(195,336)
Currency translation differences	7,421	-	3,103	10,524
At 30 June 2020	19,602	-	-	19,602
<b>Net carrying amount</b>	7,546,613	507,076	5,511,578	13,565,267



## 11. Property, plant and equipment (cont'd)

Company	Office equipment RM
<b>At 30 June 2021</b>	
<b>Cost</b>	
At 1 July 2020	7,347
Currency translation differences	34
At 30 June 2021	7,381
<b>Accumulated depreciation</b>	
At 1 July 2020	4,531
Charge for the year	886
Currency translation differences	28
At 30 June 2021	5,445
<b>Net carrying amount</b>	<b>1,936</b>
<b>At 30 June 2020</b>	
<b>Cost</b>	
At 1 July 2019/30 June 2020	7,347
<b>Accumulated depreciation</b>	
At 1 July 2019	3,641
Charge for the year	890
At 30 June 2020	4,531
<b>Net carrying amount</b>	<b>2,816</b>

### (a) Transfer of asset

During the financial year, office equipment with net carrying amount of RM190 was transferred to two former key management personnel of the Group 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 RM264,002 (2020: RM585,103) are pledged to secure the term loan facility of that subsidiary (Note 28).

## 12. Right-of-use assets

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office premises RM	Total RM
<b>At 30 June 2021</b>					
<b>Cost</b>					
At 1 July 2020	750,532	4,713,489	222,807	55,026,417	60,713,245
Additions	-	415,137	1,247,364	415,170	2,077,671
Modification/Remeasurement	-	-	-	570,207	570,207
Disposals	-	(413,508)	(6,456)	-	(419,964)
Transfer (Note a)	-	(457,440)	-	-	(457,440)
Currency translation differences	-	20,669	2,653	152,245	175,567
At 30 June 2021	750,532	4,278,347	1,466,368	56,164,039	62,659,286
<b>Accumulated depreciation</b>					
At 1 July 2020	272,068	2,247,351	98,360	29,304,063	31,921,842
Charge for the year (Note 7)	112,580	659,050	281,805	9,342,866	10,396,301
Modification/Remeasurement	-	-	-	(5,255,266)	(5,255,266)
Disposals	-	(354,639)	(3,638)	-	(358,277)
Transfer (Note a)	-	(270,247)	-	-	(270,247)
Currency translation differences	-	12,299	1,652	139,731	153,682
At 30 June 2021	384,648	2,293,814	378,179	33,531,394	36,588,035
<b>Net carrying amount</b>	365,884	1,984,533	1,088,189	22,632,645	26,071,251

## 12. Right-of-use assets (cont'd)

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office premises RM	Total RM
<b>At 30 June 2020</b>					
<b>Cost</b>					
At 1 July 2019	-	-	-	-	-
Upon initial application of IFRS 16:					
- Adjustment	-	562,775	-	47,323,508	47,886,283
- Reclassification (Note 11)	750,532	4,050,948	130,608	-	4,932,088
Adjusted balance as at 1 July 2019	750,532	4,613,723	130,608	47,323,508	52,818,371
Additions	-	80,663	104,943	3,654,554	3,840,160
Modification/Remeasurement	-	-	-	3,433,717	3,433,717
Disposals	-	(15,051)	(15,647)	-	(30,698)
Currency translation differences	-	34,154	2,903	614,638	651,695
At 30 June 2020	750,532	4,713,489	222,807	55,026,417	60,713,245
<b>Accumulated depreciation</b>					
At 1 July 2019	-	-	-	-	-
Upon initial application of IFRS 16:					
- Adjustment	-	203,650	-	19,850,336	20,053,986
- Reclassification (Note 11)	159,488	1,328,617	45,067	-	1,533,172
Adjusted balance as at 1 July 2019	159,488	1,532,267	45,067	19,850,336	21,587,158
Charge for the year (Note 7)	112,580	704,168	55,188	9,132,293	10,004,229
Modification/Remeasurement	-	-	-	(145,361)	(145,361)
Disposals	-	(4,582)	(3,501)	-	(8,083)
Currency translation differences	-	15,498	1,606	466,795	483,899
At 30 June 2020	272,068	2,247,351	98,360	29,304,063	31,921,842
<b>Net carrying amount</b>	<b>478,464</b>	<b>2,466,138</b>	<b>124,447</b>	<b>25,722,354</b>	<b>28,791,403</b>

### (a) Transfer of asset

During the financial year, motor vehicles with net carrying amount of RM187,193 was transferred to two former key management personnel of the Group as retirement gratuity.

The amounts are included in "other employee benefits" in Note 8.

### Remeasurement 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

The carrying amount of right-of-use assets of the Group held under finance leases as at the reporting date were RM3,279,082 (2020: RM2,815,706), of which RM2,913,198 (2020: RM2,337,242) are pledged as security for the related finance lease liabilities.

### Assets pledged as security for borrowings

Right-of-use assets of a subsidiary with an aggregate carrying amount of RM211,510 (2020: RM362,383) are pledged to secure the term loan facility of that subsidiary (Note 28).

### 13. Intangible assets

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Goodwill RM	Total RM
<b>At 30 June 2021</b>							
<b>Cost</b>							
At 1 July 2020	189,219,840	9,479,498	93,002,393	28,530,672	2,016,000	157,994,923	480,243,326
Additions							
- internal development	39,417,090	-	-	-	-	-	39,417,090
- purchased	-	723,915	-	-	-	-	723,915
Currency translation differences	(927,182)	68,100	596,082	45,755	-	822,053	604,808
At 30 June 2021	227,709,748	10,271,513	93,598,475	28,576,427	2,016,000	158,816,976	520,989,139
<b>Accumulated amortisation</b>							
At 1 July 2020	83,219,052	6,385,777	54,506,505	13,498,837	2,016,000	-	159,626,171
Charge for the year (Note 7)	11,758,557	67,516	9,312,570	2,473,636	-	-	23,612,279
Currency translation differences	(330,154)	70,180	144,499	(49,165)	-	-	(164,640)
At 30 June 2021	94,647,455	6,523,473	63,963,574	15,923,308	2,016,000	-	183,073,810
<b>Accumulated impairment losses</b>							
At 1 July 2020/30 June 2021	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
<b>Net carrying amount</b>	129,493,205	785,287	29,634,901	12,653,119	-	144,760,976	317,327,488

### 13. Intangible assets (cont'd)

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Goodwill RM	Total RM
<b>At 30 June 2020</b>							
<b>Cost</b>							
At 1 July 2019	155,667,654	9,729,519	98,600,781	19,289,904	2,016,000	150,967,607	436,271,465
Acquisition of subsidiaries - Adjustment upon completion of purchase price allocation exercise	-	-	(6,584,425)	8,817,539	-	5,264,758	7,497,872
<b>Additions</b>							
- internal development	31,099,869	-	-	-	-	-	31,099,869
- purchased	-	57,853	-	-	-	-	57,853
Disposals	-	(627,643)	-	-	-	-	(627,643)
Written off	(116,281)	(1,698)	-	-	-	-	(117,979)
Currency translation differences	2,568,598	321,467	986,037	423,229	-	1,762,558	6,061,889
At 30 June 2020	189,219,840	9,479,498	93,002,393	28,530,672	2,016,000	157,994,923	480,243,326
<b>Accumulated amortisation</b>							
At 1 July 2019	73,997,709	5,266,376	45,300,682	10,497,732	2,016,000	-	137,078,499
Charge for the year (Note 7)	7,645,380	1,434,402	8,807,784	2,856,578	-	-	20,744,144
Disposals	-	(516,607)	-	-	-	-	(516,607)
Written off	-	(728)	-	-	-	-	(728)
Currency translation differences	1,575,963	202,334	398,039	144,527	-	-	2,320,863
At 30 June 2020	83,219,052	6,385,777	54,506,505	13,498,837	2,016,000	-	159,626,171
<b>Accumulated impairment losses</b>							
At 1 July 2019	3,522,249	109,779	-	-	-	14,056,000	17,688,028
Charge for the year (Note 7)	-	2,906,176	-	-	-	-	2,906,176
Disposals	-	(111,036)	-	-	-	-	(111,036)
Currency translation differences	46,839	57,834	-	-	-	-	104,673
At 30 June 2020	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
<b>Net carrying amount</b>	<b>102,431,700</b>	<b>130,968</b>	<b>38,495,888</b>	<b>15,031,835</b>	<b>-</b>	<b>143,938,923</b>	<b>300,029,314</b>

### 13. Intangible assets (cont'd)

#### **Acquisition of subsidiaries**

This relates to the adjustments made upon completion of the purchase price allocation ("PPA") exercise for the acquisition of SIA X Infotech Group ("XIT") in the previous financial year ended 30 June 2020. XIT was acquired in the financial year ended 30 June 2019 as disclosed in Note 14(a) and accounted for as a business combination.

#### **Software development expenditure**

Included in software development expenditure capitalised during the financial year are borrowing costs and employee benefits expense amounted to Nil and RM31,715,468 (2020: RM389,786 and RM28,257,395) (Note 6 and Note 8) respectively.

#### **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.

#### **Proprietary software**

Proprietary software represents software acquired through the acquisition of XIT Group (Note 14(a)), 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:

	2021 RM	2020 RM
Payments and integration solution	17,878,841	17,759,817
Insurance processing solution	37,894,012	37,894,012
Mobile and internet solution	23,032,343	23,032,343
Silverlake Symmetri retail banking solution	16,838,263	17,377,834
Digital identity and security software solution	49,117,517	47,874,917
	144,760,976	143,938,923

### 13. Intangible assets (cont'd)

#### **Amortisation expense**

The amortisation of intangible assets (other than goodwill) of RM23,612,279 (2020: RM20,744,144) (Note 7) 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 9 years (2020: less than 9 years).

The Group performed a review of the commercial prospects and marketability on certain software development expenditure and purchased software of subsidiaries. In the previous financial year, an impairment loss of RM2,906,176 (Note 7) was recognised on a certain purchased software as the Group assessed that no foreseeable future economic benefits are expected to flow to the Group from the sale or use of these intangible assets.

#### **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 processing solution		Mobile and internet solution		Silverlake Symmetri retail banking solution		Digital identity and security software solution	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	13%	13%	13%	13%	12%	12%	13%	13%	12%	14%
Terminal growth rate	2%	2%	4%	4%	4%	4%	4%	4%	4%	4%

*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	
	2021 RM	2020 RM
<b>Shares at cost, unquoted</b>		
At beginning of the year	2,358,991,046	2,351,664,121
Incorporation of subsidiaries	3	3
Contribution to a subsidiary	918,387	7,326,922
Liquidation of a subsidiary	(17,191,355)	-
Currency translation differences	10,741,460	-
At end of the year	2,353,459,541	2,358,991,046
<b>Accumulated impairment losses</b>		
At beginning of the year	125,880,513	105,464,968
Impairment loss for the year	182,094,493	20,415,545
Liquidation of a subsidiary	(17,191,355)	-
Currency translation differences	1,883,632	-
At end of the year	292,667,283	125,880,513
<b>Net carrying amount</b>	2,060,792,258	2,233,110,533

The Group does not have material partly-owned subsidiaries. Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<i>Held by the Company:</i>				
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. ("SAACIS") *	Software licensing and the rendering of enhancement services	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
Silverlake Japan Ltd. ^^^^^	Provision of credit and debit cards payment processing services	Japan	-	100
QR Technology Sdn. Bhd. ("QRT") *	Investment holding	Malaysia	100	100
Silverlake Global Structured Services Pte. Ltd. ("SGSS") *	Investment holding	Singapore	100	100



14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<b>Held by the Company: (cont'd)</b>				
Silver Team Technology Limited ("STTL") *	Investment holding	Hong Kong	100	100
Symmetric Payments & Integration Holdings Pte. Ltd. ("SPI") *	Investment holding, sales of computer software and support services	Singapore	100	100
Merimen Ventures Sdn. Bhd. ("Merimen") *	Investment holding and provision of electronic insurance claim solution services	Malaysia	100	100
Cyber Village Sdn. Bhd. ("CVSB") *	Provision of internet and mobile services, portal, customer loyalty and e-commerce solutions and services	Malaysia	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. ("SIG") (Note b) *	Investment holding	Singapore	100	100
SIA X Infotech Group ("XIT") (Note a) ^	Investment holding	Latvia	80	80
Silvirture Limited *	Investment holding	Hong Kong	100	100
Silverlake Investment Holding Pte. Ltd. ("SIH") ###	Investment holding	Singapore	100	-
<b>Held by SAACIS SG:</b>				
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
<b>Held by QRT:</b>				
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

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<b>Held by SGSS:</b>				
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
<b>Held by SPI:</b>				
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
<b>Held by Merimen:</b>				
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
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

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<b>Held by Merimen: (cont'd)</b>				
Merimen Automotive Group Sdn. Bhd. *	Investment holding for the commercialisation of Software-as-a-Service solutions for automotive industry	Malaysia	100	100
Merimen Technologies Japan K. K. ^^#	Provision of electronic insurance claim solution services and other services	Japan	100	-
Merimen Technologies -FZE *##	Provision of services of portal and software house	United Arab Emirates	100	-
<b>Held by CVSB:</b>				
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
<b>Held by Symmetri:</b>				
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 (Thailand) Limited ^^	Dormant	Thailand	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
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

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<b>Held by SISG:</b>				
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
<b>Held by XIT:</b>				
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
<b>Held by SIH:</b>				
Silverlake Fermion Sdn. Bhd. ####	Investment holding	Malaysia	100	-

- \* Audited by Ernst & Young network firm
- ^ Audited by SIA Deloitte Audits Latvia
- ^^ Audited by Baker Tilly, Japan
- ^^^ Audited by PricewaterhouseCoopers, Thailand
- ^^^^ Audited by Deloitte, Kenya
- ^^^^^ Audited by Miyako & Co., Japan. Dissolved on 22 March 2021
- # Incorporated on 1 July 2020
- ## Incorporated on 21 July 2020
- ### Incorporated on 15 March 2021 and remained dormant in financial year 2021
- #### Incorporated on 8 June 2021 and remained dormant in financial year 2021

## 14. Investments in subsidiaries (cont'd)

### Acquisition of subsidiaries

#### Financial year ended 30 June 2019

(a) 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. The Company does not have a present ownership interest in the remaining 20% equity interest in XIT subject to call and put options. The Company has chosen to base its accounting policy on IAS 32 Financial instruments: Presentation as the Company intends 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.

XIT with its wholly-owned subsidiaries, SIA X Infotech and X-Infotech Africa Limited (collectively, the "XIT Group"), are principally engaged in the provision of software solutions for the issuance and verification of digital identity documents and financial smart cards.

The Company acquired XIT Group to expand its digital economy offerings to its customers' ecosystems, particularly in the area of public and private enterprise digital identity solutions for customer identity economics, social and financial inclusion, security, and payments. It extends beyond the Group's digital economy offerings for banking, insurance, retail, logistics and public sector enterprises by offering digital capabilities such as customer onboarding, customer information, payments, anti-money laundering, fraud prevention and cyber security applications.

The net carrying value, provisional fair value and adjusted fair value of the identifiable assets and liabilities of XIT Group were as follows:

	Net carrying value as at date of acquisition RM	Provisional fair value recognised on date of acquisition RM	Adjusted fair value recognised upon completion of PPA RM
<b>Assets</b>			
Property, plant and equipment	1,403,874	1,403,874	1,403,874
Intangible assets	3,277,931	37,168,849	39,401,963
Inventories	3,041,335	3,041,335	3,041,335
Trade and other receivables	9,560,175	9,560,175	9,560,175
Contract assets	897,637	897,637	897,637
Prepayments	725,545	725,545	725,545
Tax recoverable	12,136	12,136	12,136
Cash and bank balances	6,608,807	6,608,807	6,608,807
	25,527,440	59,418,358	61,651,472
<b>Liabilities</b>			
Trade and other payables	(9,692,863)	(9,692,863)	(9,692,863)
Contract liabilities	(13,251,778)	(13,251,778)	(13,251,778)
Tax payable	(988,102)	(988,102)	(988,102)
Loans and borrowings	(1,126,554)	(1,126,554)	(1,126,554)
Deferred tax liabilities (Note 30)	-	-	(7,497,872)
	(25,059,297)	(25,059,297)	(32,557,169)
<b>Total identifiable net assets at fair value</b>		34,359,061	29,094,303
Goodwill arising on acquisition		41,422,234	46,686,992
<b>Purchase consideration transferred</b>		75,781,295	75,781,295

## 14. Investments in subsidiaries (cont'd)

### Acquisition of subsidiaries (cont'd)

#### Financial year ended 30 June 2019 (cont'd)

(a) SIA X Infotech Group ("XIT") (cont'd)

Consideration for acquisition of XIT Group

The purchase consideration comprises an Initial Consideration and an Earn-Out Consideration for the initial 80% equity interest acquisition, and call and put options on the remaining 20% equity interest in XIT Group.

(i) Initial Consideration ("IC") for the acquisition of 80% equity interest

The IC amounted EUR17,600,000 was arrived at on a willing buyer and seller basis. It 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, i.e. a pre-determined growth (% Growth) over the period from 1 January 2016 to 30 June 2020 as specified below:

- from 1 January 2016 to 31 December 2016 ("FY2016")
- from 1 January 2017 to 31 December 2017 ("FY2017")
- from 1 January 2018 to 30 June 2019 ("FY2019")
- from 1 July 2019 to 30 June 2020 ("FY2020")

<b>Deferred Amount</b>	<b>Key financial target</b>	<b>Period payable</b>
(a) EUR2,000,000	Provided that the audited profit before tax of XIT Group for FY2019 is not less than EUR715,000	Payable within 45 days from the date of completion of the audited consolidated financial statements ("AFS") of XIT Group for FY2019
(b) EUR2,992,000	<p>(i) A sum of 60% of the Deferred Amount</p> <ul style="list-style-type: none"> <li>• Provided that the earnings before interest and taxes ("EBIT") of XIT Group for FY2019 (annualised) shows a growth of at least 20% based on the agreed average base EBIT of XIT Group for FY2016 and FY2017 ("TGR 1")</li> </ul> <p>(ii) A sum of 40% of the Deferred Amount</p> <ul style="list-style-type: none"> <li>• Provided that the EBIT of XIT Group for FY2020 shows a year-on-year growth of at least 25% ("TGR 2")</li> </ul> <p>(iii) Remaining or the entire Deferred Amount</p> <ul style="list-style-type: none"> <li>• Where XIT Group fails to achieve either TGR 1 or TGR 2 but the average growth rate of EBIT of XIT Group for FY2019 (annualised) and FY2020 meet or in excess of 22.5%; and</li> <li>• Growth rate of the EBIT of XIT Group for the financial year in which TGR 1 or TGR 2 is not met is at least 15% or more</li> </ul>	<p>Payable within 45 days from the date of completion of AFS of XIT Group for FY2019</p> <p>Payable within 45 days from the date of completion of AFS of XIT Group for FY2020</p> <p>Payable within 45 days from the date of completion of AFS of XIT Group for FY2020</p>

Both the deferred amounts are non-dependant and shall be payable upon achievement of the financial targets. If the conditions for both the deferred amounts are not achieved or met by XIT Group, the respective Deferred Amount shall not be payable and the Upfront Amount shall be the only amount payable by the Company to the seller.

As at the previous reporting date, it had been determined that there were no initial deferred consideration payable for the acquisition of 80% equity interest in XIT.

## 14. Investments in subsidiaries (cont'd)

### Acquisition of subsidiaries (cont'd)

#### Financial year ended 30 June 2019 (cont'd)

(a) SIA X Infotech Group ("XIT") (cont'd)

Consideration for acquisition of XIT Group (cont'd)

(ii) Earn-Out Consideration ("EOC")

The EOC payable is dependent on whether XIT Group is able to undertake an initial public offering ("IPO") on or before 31 December 2021 ("Earn-Out Determination Date"); as follows:

(a) IPO scenario

Where XIT Group is the subject of an IPO and the following conditions are satisfied on or before the Earn-Out Determination Date, the EOC shall be a sum calculated at 12 times of XIT Group's FY2021 EBIT multiplied by 80% and deducted by the amount paid in respect of the IC (i.e.  $12 \times \text{FY2021 EBIT} \times 0.8 - \text{IC}$ ) ("IPO EOC"):

- (1) either (a) the issue and offer price of the shares of XIT is not less than 15 times the EBIT of XIT Group for FY2021 or (b) where XIT or the seller on behalf of XIT receives or obtains an Underwriting Letter;
- (2) the average growth rate of the EBIT of XIT Group for FY2019 (annualised), FY2020 and FY2021 respectively meets or is in excess of 21.5% ("Average EBIT Growth Target for FY2019-FY2021");
- (3) the growth rate of the EBIT of XIT Group for FY2019 (annualised), FY2020 and FY2021 respectively shall be at least 15% ("Minimum Annual EBIT Growth Target for FY2019-FY2021");
- (4) there is no change in control occurring in any of Latvian Special Purpose Vehicles and/or the seller; and
- (5) the remaining 20% equity shares remain held by the seller.

(b) No IPO scenario

Where XIT Group does not or is unable to undertake an IPO and where no Underwriting Letter is obtained on or before the Earn-Out Determination Date and the following conditions ("No IPO Conditions") are satisfied, the EOC shall be a sum calculated at 12 times of XIT Group's FY2021 adjusted net profit after tax ("Adjusted NPAT") multiplied by 80% and deducted by the amount paid in respect of the IC (i.e.  $12 \times \text{FY2021 Adjusted NPAT} \times 0.8 - \text{IC}$ ) ("No IPO EOC"):

- (1) the Average EBIT Growth Target for FY2019-FY2021 is met; and
- (2) the Minimum Annual Average EBIT Growth Target for FY2019-FY2021 is met.

The EOC shall be payable within forty-five (45) days from the Earn-Out Determination Date.

No amounts had been accrued for in respect of the EOC as at the previous reporting date. As at the current reporting date, it has been determined that no amounts is required to be accrued for in respect of the EOC as the pre-determined criteria discussed above have not been achieved.

#### 14. Investments in subsidiaries (cont'd)

##### Acquisition of subsidiaries (cont'd)

##### Financial year ended 30 June 2019 (cont'd)

(a) SIA X Infotech Group ("XIT") (cont'd)

Consideration for acquisition of XIT Group (cont'd)

(iii) Put and Call options

(a) Put Option

The Company has granted a Put Option to the seller, requiring the Company to purchase the remaining 20% equity interest in XIT Group provided that XIT Group achieves or meets the No IPO Conditions.

The Put Option shall be exercisable by the seller in writing by notice served to the Company at any time within ninety (90) days from the Earn-Out Determination Date. The purchase price of the remaining 20% equity interest shall be calculated in one of the following manner:

<u>Scenario</u>	<u>Put Option consideration</u>
No IPO with underwriting letter	20% of 12.0 times of FY2021 EBIT
No IPO and no underwriting letter	20% of 12.0 times of FY2021 Adjusted NPAT

The sale and purchase of the remaining 20% equity interest shall be settled within three (3) months from the notice of exercise of the Put Option.

(b) Call Option

The seller has granted a Call Option to the Company, requiring the seller to sell the remaining 20% equity interest in XIT Group in the event that XIT Group fails to achieve or meet the No IPO Conditions and the Put Option was not exercised within the stipulated period.

The Call Option shall be exercisable by the Company in writing by notice served on the seller at any time within one hundred and twenty (120) days from the Earn-Out Determination Date. The purchase price of the remaining 20% equity interest shall be a sum calculated at 12 times of XIT Group's FY2021 adjusted NPAT multiplied by 20%.

The sale and purchase of the remaining 20% equity interest shall be settled within three (3) months from the notice of exercise of the Call Option.



## 14. Investments in subsidiaries (cont'd)

### Acquisition of subsidiaries (cont'd)

#### Financial year ended 30 June 2019 (cont'd)

(a) SIA X Infotech Group ("XIT") (cont'd)

Consideration for acquisition of XIT Group (cont'd)

As at the acquisition date, the fair values of the deferred consideration, Earn-Out Consideration and options were estimated as follows:

	Valuation method	Group RM	Company RM
Initial deferred consideration	Probability-weighted average payouts ("PWAP")	4,628,529	4,628,529
Earn-Out Consideration		-	-
Financial liability on Put Option	Black Scholes model	11,939,294	-
Derivative liability on Put Option		-	1,070,705
Derivative asset on Call Option		9,366,693	9,366,693

The above fair values were calculated at a discount rate of 12%.

Subsequent measurement of initial deferred consideration and financial liability on put option

As XIT Group did not meet TGR2 and the growth rate of its EBIT was below 15% in FY2020, the deferred consideration was derecognised with a fair value gain of RM5,117,930 (Note 31(i)) recognised in the "Other income" line item in the consolidated income statement for the financial year ended 30 June 2020.

In current financial year, XIT Group achieved a FY2021 Adjusted NPAT that was higher than that estimated at the previous reporting date. Accordingly, the fair value of the put liability has been remeasured at a discount rate of 12% (2020: 14%) which gave rise to an increase in the put liability by RM15,575,922 (Note 7) (2020: decreased by RM11,338,260 (Note 5)). The resultant fair value adjustment was recognised in the consolidated income statement for the financial year ended 30 June 2021.

#### Financial year ended 30 June 2018

(b) Silverlake Investment (SG) Pte. Ltd. ("SISG")

On 18 April 2018, the Company acquired 100% equity interest in Silverlake Investment Ltd. ("SIL"), a private company incorporated in Bermuda. In the previous financial year, SIL has been redomiciled and its company registration has been transferred to Singapore in accordance with Section 359(1) of the Singapore Companies Act (Chapter 50) under the name of Silverlake Investment (SG) Pte. Ltd. ("SISG").

SISG with its wholly-owned subsidiaries, Silverlake Digital Economy Sdn. Bhd. ("SDE"), Silverlake Digitale Sdn. Bhd. ("SDS") and Silverlake One Paradigm Sdn. Bhd. ("SOP") (collectively, the "SISG Group"), provide the front and middle layer of the banking system to enhance the Group's digital capabilities. These layers are plugged into core banking systems to provide digital engagement and digital experience capabilities.

Consideration for acquisition of SISG Group

Included in the purchase consideration is an Earn-Out Consideration payable in cash ("Cash Option") and/or shares ("Earn-Out Consideration Shares") in the financial year ended 2021 with an agreed issue price of SGD0.71 per share.

The EOC is only payable for each acquired entity achieving an average year-on-year percentage growth ("Average % Growth"), in its Adjusted NPAT, of at least 25% over the period from 1 January 2017 to 30 June 2020 as specified below:

- from 1 January 2017 to 30 June 2018, on an annualised basis ("FY2018");
- from 1 July 2018 to 30 June 2019 ("FY2019"); and
- from 1 July 2019 to 30 June 2020 ("FY2020").

## 14. Investments in subsidiaries (cont'd)

### Acquisition of subsidiaries (cont'd)

#### Financial year ended 30 June 2018 (cont'd)

- (b) Silverlake Investment (SG) Pte. Ltd. ("SISG") (cont'd)

#### Consideration for acquisition of SISG Group (cont'd)

The EOC shall be based on a multiple of the average Adjusted NPAT over FY2018 to FY2020 ("AVNPAT"), less the Base Consideration ("BC") of each acquired entity as follows:

	Average % Growth	
	Between 25% to 50%	Above 50%
SDE acquisition	11.0 times of AVNPAT, less its BC	14.5 times of AVNPAT, less its BC
SDS acquisition	10.0 times of AVNPAT, less its BC	12.0 times of AVNPAT, less its BC
SOP acquisition	10.0 times of AVNPAT, less its BC	12.0 times of AVNPAT, less its BC

As at the acquisition date, the fair value of EOC was estimated to be RM233,743,461 (Note 31(ii)) recognised under "Other Payables" in the statements of financial position. The fair value of the EOC was calculated using the "probability-weighted average payouts" method at a discount rate of 9%.

In the previous financial year, the overall net profit after tax of the acquired entities were higher than that estimated at the financial year ended 30 June 2019. Accordingly, the Average % Growth was higher and the fair value of the EOC was remeasured at a discount rate of 13%. The fair value of the EOC increased to RM3,505,469 with the fair value adjustment recognised in the consolidated income statement for the financial year ended 30 June 2020.

On 31 March 2021, the Company settled the EOC as follows:

- (i) 20% of EOC by way of cash payment of RM57,401,360 (Note 31(ii)); and
- (ii) the remaining 80% of EOC with the Company's shares as disclosed in Note 25(c)(ii).

### Contribution to a subsidiary

During the financial year, the Company contributed RM918,387 (2020: RM7,326,922) in assets to a subsidiary as a result of the Group's internal restructuring.

### Impairment testing of investments in subsidiaries

During the financial year, investment in a subsidiary has been impaired by RM182,094,493 (2020: RM20,415,545) to its recoverable amount subsequent to its declaration of a dividend of RM182,653,995 (2020: RM20,632,650), following the completion of the Group's internal restructuring exercise in respect of this entity. The subsidiary has ceased operations and is expected to remain dormant for the foreseeable future.

## 15. Interest in a joint venture

	Group	
	2021 RM	2020 RM
At beginning of the year	696	8,624,011
Disposal	-	(9,765,710)
Liquidation of investment	(116)	-
Share of (loss)/profit for the year	(565)	1,392,986
Share of other comprehensive loss	(22)	(250,594)
Currency translation differences	7	3
At end of the year	-	696
<i>Comprise:</i>		
Shares, at cost	-	139
Share of post-acquisition reserves	-	557
	-	696

	Company	
	2021 RM	2020 RM
Shares, at cost	-	139

The Group's interest in the joint venture is accounted for using the equity method in the consolidated financial statements.

Details of the joint venture are as follow:

Name of company	Principal activity	Country of incorporation	Proportion of ownership interest held	
			2021 %	2020 %
<i>Held by the Company:</i>				
Silverlake HGH Limited ("SHGH") ^	Dormant	New Zealand	-	51

^ Unaudited for the financial years ended 30 June 2021 and 2020

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised statement of financial position

	SHGH 2020 RM
Cash and bank balances, representing net assets	1,365
Proportion of the Group's ownership	51%
<b>Group's share of net assets/Carrying amount of the investment</b>	<b>696</b>

## Notes to the Financial Statements (cont'd)

For the financial year ended 30 June 2021

### 15. Interest in a joint venture (cont'd)

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts. (cont'd)

(ii) Summarised statement of comprehensive income

	SHGH	
	2021 RM	2020 RM
Revenue	-	13,013,703
Depreciation and amortisation	-	(757,122)
Interest expense	-	(79,576)
(Loss)/Profit before tax	(1,108)	3,380,471
Income tax expense	-	(649,126)
(Loss)/Profit after tax	(1,108)	2,731,345
Other comprehensive loss	(43)	(491,361)
Total comprehensive (loss)/income	(1,151)	2,239,984

#### Acquisition of interest in a joint venture

On 18 December 2014, the Company entered into a joint venture with Holliday Group Holdings (ICT Investments No. 2) Limited ("HGH2") to form Silverlake HGH Limited ("SHGH") with shareholding of 51%, for the purpose to make a full takeover offer of the ordinary shares of Finzsoft Solutions Limited ("Finzsoft"). Finzsoft was a public company incorporated in New Zealand and listed on the New Zealand Stock Exchange, which is principally engaged in computer software development, sales and support with hosting and SaaS Bureau service. Finzsoft was subsequently delisted on 6 May 2020.

SHGH was incorporated in New Zealand and was a strategic venture for the Group to expand its existing portfolio of software solutions. The Group jointly controls SHGH with HGH2 under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

#### Deemed disposal of interest in a joint venture

On 28 August 2019, the Company entered into a deed of settlement and implementation ("Deed") with HGH2 and SHGH, where SHGH agreed to sell its entire shareholding comprising 7,528,990 ordinary shares of Finzsoft to the Company and HGH2 in proportion of their equity interest in SHGH. This proposal had been approved by Finzsoft's shareholders on 29 October 2019 and the 3,839,785 Finzsoft shares were transferred from SHGH to the Company on 30 October 2019. As a result, the Company held 43.59% equity interest in Finzsoft whilst SHGH no longer held any shares in Finzsoft.

On 13 December 2019, the Group ceased to have significant influence over Finzsoft as the Company no longer had any representation on Finzsoft's board of directors.

Following the transfer of shares and cessation of significant influence of the Company over Finzsoft, the 3,839,785 shares representing 43.59% equity interest in Finzsoft were remeasured to RM10,039,118 (Note 22) in the previous financial year and recognised as financial assets at fair value through other comprehensive income in the statements of financial position, with a gain on deemed disposal of RM2,057,425 (Note 5) recognised in the "Other income" line item in the consolidated income statement for the financial year ended 30 June 2020.

The investment in Finzsoft was subsequently disposed on 26 March 2020. As at the previous reporting date, the interest in a joint venture represents the remaining carrying value of the 51% equity interest in SHGH.

#### Liquidation of interest in a joint venture

The liquidation of SHGH was completed during the financial year.

## 16. Derivative asset

	Group and Company	
	2021 RM	2020 RM
Financial asset at fair value	752,296	9,343,814

This represents the fair value of call option in connection with the acquisition of the remaining 20% equity interest in SIA X Infotech Group, accounted for as a derivative asset in accordance with IFRS 9. The derivative asset has been remeasured at the reporting date and the change in fair value of RM8,566,852 (2020: RM22,879) (Note 7) was recognised in the "Administrative expenses" line item in the consolidated income statement for the financial year ended 30 June 2021.

The derivative asset was reclassified from non-current asset in current financial year as the call option is exercisable by the Company and will expire in the next financial year.

## 17. Inventories

	Group	
	2021 RM	2020 RM
Finished products for re-sale	622,071	1,082,881

Inventories recognised as an expense under "Cost of sales" in the consolidated income statement for the financial year ended 30 June 2021 amounted to RM2,037,369 (2020: RM2,950,621).

## 18. Trade and other receivables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Trade receivables</b>				
Third parties	139,354,331	141,968,285	-	-
Less: Expected credit losses (Note 37(c))	(9,124,618)	(10,838,080)	-	-
<b>Net trade receivables (Note 37(c))</b>	130,229,713	131,130,205	-	-
<b>Other receivables</b>				
Sundry receivables	5,353,127	4,901,122	3,553	7,308
Deposits	3,334,925	3,929,856	-	-
	8,688,052	8,830,978	3,553	7,308
<b>Total trade and other receivables</b>	138,917,765	139,961,183	3,553	7,308
Trade and other receivables	138,917,765	139,961,183	3,553	7,308
Amounts due from:				
- Subsidiaries (Note 20)	-	-	203,662,763	203,963,471
- Related parties (Note 20)	8,035,057	7,142,853	-	-
Loans to subsidiaries (Note 21)	-	-	29,157,975	27,051,200
<b>Total debt instruments at amortised cost *</b>	146,952,822	147,104,036	232,824,291	231,021,979

\* Debt instruments at amortised cost, other than cash and short-term deposits

## 18. Trade and other receivables (cont'd)

### **Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 days to 45 days (2020: 30 days to 45 days) term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

As at 30 June 2021, 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 IFRS 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).

## 19. Contract assets/(liabilities)

	Group	
	2021 RM	2020 RM
<b>Contract assets</b>		
Amounts due from customers for contract work-in-progress	49,971,123	49,197,340
Advance maintenance costs	7,280,647	6,408,766
Prepaid license and hardware costs	1,532,667	1,587,970
	58,784,437	57,194,076
Less: Expected credit losses (Note 37(c))	(190,346)	(163,431)
<b>Net contract assets</b>	58,594,091	57,030,645
<b>Contract liabilities</b>		
Amounts due to customers for contract work-in-progress	(16,437,686)	(24,273,613)
Advance maintenance fees	(82,070,719)	(84,054,573)
Deferred revenue	(10,312,396)	(8,660,776)
	(108,820,801)	(116,988,962)

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.

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.

## 19. Contract assets/(liabilities) (cont'd)

Set out below is the amount of revenue recognised from:

	Group	
	2021 RM	2020 RM
Amounts included in contract liabilities at the beginning of the year	104,032,658	99,987,088

Included in contract assets capitalised during the financial year is employee benefits expense amounted to RM796,721 (2020: RM376,950) (Note 8).

## 20. Amounts due from/(to) subsidiaries and related parties

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Amounts due from subsidiaries (Note 18)	-	-	203,662,763	203,963,471
Amounts due to subsidiaries (Note 31)	-	-	(1,640,659)	(186,035,360)
Amounts due from related parties (Note 18)				
- Trade (Note 37(c))	7,961,527	7,039,785	-	-
- Non-trade	73,530	103,068	-	-
	8,035,057	7,142,853	-	-
Amounts due to related parties (Note 31)				
- Trade	(769,130)	(2,780,280)	-	-
- Non-trade	(598,175)	(352)	(123,828)	-
	(1,367,305)	(2,780,632)	(123,828)	-

### **Amounts due from/(to) subsidiaries**

The amounts due from/(to) subsidiaries are non-trade, unsecured, non-interest bearing and repayable in cash on demand.

Included in the amounts due to subsidiaries in the previous financial year was an amount of RM183,411,747 which has been settled during the year by way of set-off with dividend receivable from the subsidiary.

### **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 amounted to RM1,289,230 (2020: RM574,655) which carry interest at 1.0% (2020: 1.0%) per month for debts past due credit terms. The trade amounts due from related parties have a credit term of 30 days (2020: 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.

## 21. Loans to subsidiaries

	Company	
	2021 RM	2020 RM
Loans to subsidiaries	29,157,975	59,406,140
Less: Expected credit losses	-	(32,354,940)
	29,157,975	27,051,200

Loans to subsidiaries are unsecured and repayable on demand. The net loans to subsidiaries of RM29,157,975 (2020: RM27,051,200) bear interest at 3.5% (2020: 5.5%) per annum.

## 22. Financial assets at fair value through other comprehensive income - quoted equity shares

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Shares at fair value, quoted</b>				
At beginning of the year	310,166,620	172,099,864	-	-
Reclassification from interest in a joint venture due to cessation of significant influence (Note 15)	-	10,039,118	-	10,039,118
Subsequent fair value (loss)/gain through other comprehensive income (Note 26(e))	(11,858,296)	128,963,226	-	1,541,194
Disposals	-	(11,580,312)	-	(11,580,312)
Currency translation differences	(10,153,348)	10,644,724	-	-
At end of the year	288,154,976	310,166,620	-	-

At the reporting date, this represents investment in equity interest in Global InfoTech Co. Ltd. which has been remeasured at fair value. The fair value is derived based on Level 1 valuation input under the fair value hierarchy.

In the previous financial year, 3,839,785 Finzsoft Solutions Limited ("Finzsoft") shares representing 43.59% equity interest in Finzsoft held by Silverlake HGH Limited ("SHGH") were transferred to the Company. Following the Group's cessation of significant influence over Finzsoft, these shares were classified as financial assets at fair value through other comprehensive income and remeasured. Details of the shares transfers and cessation of significant influence are as disclosed in Note 15.

On 26 March 2020, the Company disposed the investment in Finzsoft for an aggregate cash consideration of NZD4,415,753, which is equivalent to RM11,580,312. The accumulated changes in fair value from initial recognition up to date of disposal amounting to RM1,541,194 (Note 26(e)) were transferred within equity from fair value reserve to retained profits in the previous financial year.

## 23. Financial assets at fair value through profit or loss - money market fund

	Group	
	2021 RM	2020 RM
Money market fund	27,665,942	29,646,700

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash at banks and on hand	252,992,527	332,266,147	10,856,371	51,320,213
Short-term deposits with licensed banks	164,125,658	164,476,803	62,080,260	27,709,036
Cash and bank balances	417,118,185	496,742,950	72,936,631	79,029,249

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 (2020: one day and twelve months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. As at 30 June 2021, the interest rates of short-term deposits of the Group and of the Company at the reporting date range from 0.01% to 5.50% (2020: 0.05% to 8.25%) and 0.01% to 0.15% (2020: 0.15% to 0.40%) per annum respectively.

As at 30 June 2021, short-term deposits with licensed banks of the Group amounting to RM9,777,050 (2020: RM9,610,184) 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	
	2021 RM	2020 RM
Cash and bank balances	417,118,185	496,742,950
Less: Short-term deposits with licensed banks with maturity more than 3 months	-	(10,708,750)
Less: Pledged deposits	(9,777,050)	(9,610,184)
Cash and cash equivalents	407,341,135	476,424,016

## 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	
	2021	2020
At beginning and end of the year	5,000,000,000	5,000,000,000

#### (ii) Issued and fully paid

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	2021	2020	2021 RM	2020 RM
At beginning and end of the year	2,696,472,800	2,696,472,800	191,040,654	191,040,654

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.

## 25. Share capital, share premium, treasury shares and performance share plan (cont'd)

### (b) Share premium

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At beginning of the year	236,820,722	236,820,722	1,704,482,883	1,704,482,883
Arising from:				
- Release of treasury shares pursuant to Performance Share Plan (Note d)	(1,848,623)	-	(1,848,623)	-
- Release of treasury shares for payment of contingent consideration for business combination (Note c(ii))	(48,474,827)	-	(48,474,827)	-
At end of the year	186,497,272	236,820,722	1,654,159,433	1,704,482,883

### (c) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2019	51,420,068	81,725,730
Purchase of treasury shares	55,695,800	56,815,349
At 30 June 2020	107,115,868	138,541,079
At 1 July 2020	107,115,868	138,541,079
Purchase of treasury shares (Note (i))	23,874,400	20,424,812
Release of treasury shares pursuant to Performance Share Plan (Note d)	(4,500,000)	(5,545,869)
Release of treasury shares for payment of contingent consideration for business combination (Note (ii))	(105,921,177)	(127,650,377)
At 30 June 2021	20,569,091	25,769,645

Treasury shares relate to ordinary shares of the Company that are held by the Company.

#### (i) Purchase of treasury shares

During the financial year, the Company purchased 23,874,400 (2020: 55,695,800) shares pursuant to the share purchase mandate approved by shareholders on 27 October 2020 (2020: 24 October 2019). These shares were acquired by way of market acquisition for a total consideration of RM20,424,812 (2020: RM56,815,349) and are held as treasury shares by the Company.

#### (ii) Release of treasury shares for payment of contingent consideration for business combination

As disclosed in Note 14(b), on 31 March 2021, the Company settled the Earn-Out Consideration ("EOC") for the acquisition of Silverlake Investment (SG) Pte. Ltd. ("SISG Group") as follows:

- (a) 20% of EOC by way of cash payment of RM57,401,360; and
- (b) the remaining 80% of EOC with the Company's shares ("EOC Shares").

Accordingly, 105,921,177 shares were released from the Company's existing treasury shares to the vendors. As the fair value of the EOC Shares, at SGD0.245 per share on date of settlement, is lower than the agreed issue price of SGD0.71 per share as stipulated in the share sale and purchase agreement, a gain of RM149,414,493 (Note 31(ii)) was recognised in equity in the current financial year. The deficit on reissuance of treasury shares of RM48,474,827 was recognised in the share premium account (Note b).

The percentage of treasury shares over total ordinary shares net treasury shares amounts to 0.8% (2020: 4.1%).

25. Share capital, share premium, treasury shares and performance share plan (cont'd)

(d) Performance share plan ("PSP")

	Group
	RM
At 1 July 2019/30 June 2020/1 July 2020	-
Grant of PSP	3,697,246
Release of PSP	(3,697,246)
At 30 June 2021	-

**PSP shares granted to Group Managing Director**

On 21 December 2020, 4,500,000 (Note c) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.27 per share at grant date, amounted to RM3,697,246 to the Group Managing Director, Andrew Tan Teik Wei, in recognition of his services and contribution to the Group for the financial years ended 30 June 2019 and 2020. The deficit on reissuance of treasury shares of RM1,848,623 was recognised in the share premium account (Note b).

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.

26. Foreign currency translation reserve, capital reserve, statutory reserve, performance share plan reserve and fair value reserve of financial assets at fair value through other comprehensive income

(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.

(d) Performance share plan reserve

This represents non-distributable reserve arising from performance shares. As at current and previous reporting date, there were no outstanding shares awarded.

26. Foreign currency translation reserve, capital reserve, statutory reserve, performance share plan reserve and fair value reserve of financial assets at fair value through other comprehensive income (cont'd)

(e) Fair value reserve of financial assets at fair value through other comprehensive income ("FVOCI")

	Fair value (gain)/loss on financial assets RM	Deferred tax relating to fair value loss/(gain) on financial assets (Note 30) RM	Total RM
<b>Group</b>			
At 1 July 2019	147,992,597	(14,373,532)	133,619,065
Remeasurement of financial assets (Note 22)	(128,963,226)	12,784,185	(116,179,041)
Transfer of cumulative fair value changes relating to investment in equity instrument to retained profits upon its disposal	1,541,194	-	1,541,194
At 30 June 2020	20,570,565	(1,589,347)	18,981,218
At 1 July 2020	20,570,565	(1,589,347)	18,981,218
Remeasurement of financial assets (Note 22)	11,858,296	(1,257,472)	10,600,824
At 30 June 2021	32,428,861	(2,846,819)	29,582,042
<b>Company</b>			
At 1 July 2019	-	-	-
Remeasurement of financial assets (Note 22)	(1,541,194)	-	(1,541,194)
Transfer of cumulative fair value changes relating to investment in equity instrument to retained profits upon its disposal	1,541,194	-	1,541,194
At 30 June 2020/1 July 2020/30 June 2021	-	-	-

This represents non-distributable reserve arising from cumulative fair value changes, net of tax, of financial assets until they are disposed of.

The above reserves are not available for dividend distribution to shareholders.

27. Merger deficit

	Group	
	2021 RM	2020 RM
At beginning and end of the year	476,280,829	476,280,829

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.

## 28. Loans and borrowings

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Current</b>				
<b>Unsecured</b>				
Lease liabilities (Note 29)	8,156,946	8,398,267	-	-
	8,156,946	8,398,267	-	-
<b>Secured</b>				
Lease liabilities (Note 29)	968,970	1,022,487	-	-
Term loan	254,963	238,784	-	-
	1,223,933	1,261,271	-	-
	9,380,879	9,659,538	-	-
<b>Non-current</b>				
<b>Unsecured</b>				
Lease liabilities (Note 29)	15,278,014	17,695,036	-	-
Revolving credit - Committed	-	121,754,466	-	121,754,466
	15,278,014	139,449,502	-	121,754,466
<b>Secured</b>				
Lease liabilities (Note 29)	1,310,156	1,326,733	-	-
Term loan	242,832	485,201	-	-
	1,552,988	1,811,934	-	-
	16,831,002	141,261,436	-	121,754,466
<b>Total loans and borrowings (Note 31)</b>	<b>26,211,881</b>	<b>150,920,974</b>	<b>-</b>	<b>121,754,466</b>

### **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 - floating rate**

This loan is 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% (2020: 4.0%) per annum.

### **Committed revolving credit facility - floating rate**

- (i) This was a 3-year medium term committed revolving credit facility guaranteed by subsidiaries of the Company. It was repayable on the last day of its interest period and the principal amount may be rolled over at the discretion of the Company, provided that any interest accrued on the facility was paid on the last day of its interest period. This revolving credit facility is due to be terminated on 8 January 2022.

The Company has fully settled the committed revolving credit facility during the financial year and cancelled this facility on 21 July 2021.

- (ii) A subsidiary has an overdraft facility with effective interest rate of 7.14% per annum in previous financial year. In current financial year, this facility has been converted to a committed revolving credit facility. There was no amount drawdown as at the current reporting date.

## 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		Total RM
	Unsecured RM	Secured RM	
At 1 July 2019	-	-	-
Upon initial application of IFRS 16:			
- Adjustment (Note 38)	29,179,329	-	29,179,329
- Reclassification	-	3,575,382	3,575,382
Adjusted balance as at 1 July 2019	29,179,329	3,575,382	32,754,711
Additions (Note 38)	3,729,076	111,084	3,840,160
Modification/Remeasurement (Note 38)	3,482,161	-	3,482,161
Accretion of interest (Note 6)	1,093,115	143,499	1,236,614
Payments	(11,534,924)	(1,473,366)	(13,008,290)
Currency translation differences	144,546	(7,379)	137,167
At 30 June 2020	26,093,303	2,349,220	28,442,523
At 1 July 2020	26,093,303	2,349,220	28,442,523
Additions (Note 38)	415,170	1,600,364	2,015,534
Modification/Remeasurement (Note 38)	6,038,462	-	6,038,462
Accretion of interest (Note 6)	933,356	123,477	1,056,833
Payments	(10,069,038)	(1,792,102)	(11,861,140)
Currency translation differences	23,707	(1,833)	21,874
At 30 June 2021	23,434,960	2,279,126	25,714,086

## 29. Lease liabilities (cont'd)

The maturity analysis of lease liabilities is as follows:

	Group					
	Unsecured RM	2021 Secured RM	Total RM	Unsecured RM	2020 Secured RM	Total RM
<b>Future minimum lease payments:</b>						
Not later than one year	8,807,494	1,059,665	9,867,159	9,282,420	1,104,922	10,387,342
Later than one year but not later than five years	15,903,210	1,417,015	17,320,225	18,615,885	1,405,922	20,021,807
Later than five years but not later than seven years	-	24,212	24,212	163,959	11,065	175,024
Total future minimum lease payments (Note 37(b))	24,710,704	2,500,892	27,211,596	28,062,264	2,521,909	30,584,173
Less: Amounts representing finance charges	(1,275,744)	(221,766)	(1,497,510)	(1,968,961)	(172,689)	(2,141,650)
Present value of lease liabilities	23,434,960	2,279,126	25,714,086	26,093,303	2,349,220	28,442,523
<b>The present value of the lease liabilities may be analysed as follows:</b>						
Not later than one year	8,156,946	968,970	9,125,916	8,398,267	1,022,487	9,420,754
Later than one year but not later than five years	15,278,014	1,286,172	16,564,186	17,533,557	1,315,727	18,849,284
Later than five years but not later than seven years	-	23,984	23,984	161,479	11,006	172,485
	23,434,960	2,279,126	25,714,086	26,093,303	2,349,220	28,442,523
<i>Presented as:</i>						
Current (Note 28)	8,156,946	968,970	9,125,916	8,398,267	1,022,487	9,420,754
Non-current (Note 28)	15,278,014	1,310,156	16,588,170	17,695,036	1,326,733	19,021,769
	23,434,960	2,279,126	25,714,086	26,093,303	2,349,220	28,442,523

The following are the amounts recognised in profit or loss:

	Group	
	2021 RM	2020 RM
Depreciation of right-of-use assets (Note 7 and 12)	10,396,301	10,004,229
Interest expense on lease liabilities (Note 6)	1,056,833	1,236,614
Expenses (included in administrative expenses) (Note 7) relating to:		
- Short-term leases	886,043	1,515,930
- Leases of low-value assets	2,087,647	1,832,695
	2,973,690	3,348,625
Total amount recognised in profit or loss	14,426,824	14,589,468

The Group had total cash outflows for leases of RM14,834,830 (2020: RM16,356,915), and non-cash additions to right-of-use assets and lease liabilities of RM2,015,534 (2020: RM3,840,160) for the financial year ended 30 June 2021.

The weighted average incremental borrowing rate of unsecured lease liabilities was 3.39% (2020: 4.00%).

The effective interest rates for secured lease liabilities at the reporting date ranged from 1.88% to 4.60% (2020: 0.83% to 4.60%) per annum.

### 30. Deferred tax

	Group	
	2021 RM	2020 RM
At beginning of the year	(4,547,721)	7,153,388
Acquisition of subsidiaries - Adjustment upon completion of purchase price allocation exercise (Note 14(a))	-	7,497,872
Recognised in income statement (Note 9):		
Provision in current year	(2,215,366)	(32,750,781)
(Over)/Under provision in prior financial years	(1,686,454)	254,831
Recognised in other comprehensive income:		
Provision in current year	(997,809)	12,560,687
Over provision in prior financial years	(65,550)	-
Currency translation differences	(530,508)	736,282
At end of the year	(10,043,408)	(4,547,721)
<i>Presented after appropriate offsetting as follows:</i>		
Deferred tax assets	(78,692,941)	(74,293,936)
Offsetting	18,482,457	8,343,166
Deferred tax assets (after offsetting)	(60,210,484)	(65,950,770)
Deferred tax liabilities	68,649,533	69,746,215
Offsetting	(18,482,457)	(8,343,166)
Deferred tax liabilities (after offsetting)	50,167,076	61,403,049
Deferred tax	(10,043,408)	(4,547,721)

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 2021

**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	Proprietary software	Customer relationship	Property, plant and equipment	Right-of-use assets	Undistributed profits of subsidiaries (Note 9)	Financial assets at fair value through OCI	Others	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2019	10,802,967	5,062,228	1,916,338	528,448	-	436,507	16,488,571	240,499	35,475,558
Acquisition of subsidiaries - Adjustment upon completion of purchase price allocation exercise	-	5,734,364	1,763,508	-	-	-	-	-	7,497,872
Recognised in income statement:									
Provision in current year	4,246,457	(2,247,936)	(605,347)	140,357	4,769,556	6,083,434	-	(144,138)	12,242,383
Under provision in prior financial years	292,664	-	-	10,774	-	-	-	-	303,438
Recognised in other comprehensive income (Note 26(e)):									
Provision in current year	-	-	-	-	-	-	12,784,185	-	12,784,185
Currency translation differences	-	223,864	80,730	1,000	53,510	35,067	1,034,818	13,790	1,442,779
At 30 June 2020	15,342,088	8,772,520	3,155,229	680,579	4,823,066	6,555,008	30,307,574	110,151	69,746,215
At 1 July 2020	15,342,088	8,772,520	3,155,229	680,579	4,823,066	6,555,008	30,307,574	110,151	69,746,215
Recognised in income statement:									
Provision in current year	5,356,398	(2,024,109)	(528,790)	(66,373)	(962,923)	(329,154)	-	(63,476)	1,381,573
(Over)/Under provision in prior financial years	(336,653)	-	-	(29,929)	7,458	-	-	(34,661)	(393,785)
Recognised in other comprehensive income (Note 26(e)):									
Provision in current year	-	153,103	12,871	(96)	(4,978)	5,361	(1,257,472)	-	(1,257,472)
Currency translation differences	925	-	-	-	-	-	(992,586)	(1,598)	(826,998)
At 30 June 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

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

**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	Allowance for unutilised leave	Contract liabilities	Unutilised tax losses	Lease liabilities	Tax allowance claimable on acquired intellectual property	Others	Total
	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2019	(2,643,487)	(1,793,052)	(10,798,686)	(12,228,508)	-	-	(858,437)	(28,322,170)
Recognised in income statement:								
Provision in current year	(282,501)	(741,519)	(3,549,740)	(3,378,892)	(4,975,903)	(32,208,029)	143,420	(44,993,164)
(Under)/Over provision in prior financial years	-	-	(53,154)	(4,435)	-	-	8,982	(48,607)
Recognised in other comprehensive income (Note 33):								
Provision in current year	(223,498)	-	-	-	-	-	-	(223,498)
Currency translation differences	(146,186)	(7,767)	(27,167)	(453,828)	(57,842)	-	(13,707)	(706,497)
At 30 June 2020	(3,295,672)	(2,542,338)	(14,428,747)	(16,065,663)	(5,033,745)	(32,208,029)	(719,742)	(74,293,936)
At 1 July 2020	(3,295,672)	(2,542,338)	(14,428,747)	(16,065,663)	(5,033,745)	(32,208,029)	(719,742)	(74,293,936)
Recognised in income statement:								
Provision in current year	234,517	(302,678)	682,029	(5,261,979)	1,045,773	103,511	(98,112)	(3,596,939)
Over/(Under) provision in prior financial years	274,002	1,781	67,266	(81,029)	(12,791)	-	(1,541,898)	(1,292,669)
Recognised in other comprehensive income (Note 33):								
Provision in current year	259,663	-	-	-	-	-	-	259,663
Under provision in prior financial years	(65,550)	-	-	-	-	-	-	(65,550)
Currency translation differences	(87,753)	3,253	5,910	494,674	5,424	(119,674)	(5,344)	296,490
At 30 June 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)

### 30. Deferred tax (cont'd)

As at reporting date, the deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021 RM	2020 RM
Unutilised tax losses	3,726,428	64,306,917
Unabsorbed capital allowances	730,927	1,116,495
Other deductible temporary differences	643,024	796,949
	5,100,379	66,220,361

#### Tax consequences of proposed dividends

There are no income tax consequences (2020: 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

Included in the unutilised tax losses of RM3,726,428 (2020: RM64,306,917) are tax losses in subsidiaries of RM3,726,428 (2020: RM31,667,388) that are available indefinitely for offset against future taxable profits of the subsidiaries in which the losses arose. However, as these losses relate to subsidiaries that have a history of losses, deferred tax assets have not been recognised as these losses may not be used to offset taxable profits elsewhere in the Group. If the Group was able to recognise the unrecognised deferred tax assets, profit would increase by RM718,545 (2020: RM16,949,659).

#### Unrecognised earnings

At 30 June 2021, deferred tax liabilities of RM6,231,215 (2020: RM6,555,008) 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 RM1,819,284 (2020: RM1,347,760) has not been recognised.

### 31. Trade and other payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Trade payables</b>				
Third parties	4,403,686	9,065,742	-	-
Accrual of sub-contractor fees	12,023,373	14,833,032	-	-
<b>Total trade payables</b>	16,427,059	23,898,774	-	-
<b>Other payables</b>				
Sundry payables and accruals	43,813,386	43,380,218	1,875,542	2,023,168
Contingent consideration for business combination	-	276,366,990	-	276,366,990
Allowance for unutilised leave	16,682,458	14,902,919	-	-
<b>Total other payables</b>	60,495,844	334,650,127	1,875,542	278,390,158
<b>Total trade and other payables</b>	76,922,903	358,548,901	1,875,542	278,390,158
Trade and other payables	76,922,903	358,548,901	1,875,542	278,390,158
Loans and borrowings (Note 28)	26,211,881	150,920,974	-	121,754,466
Amounts due to:				
- Subsidiaries (Note 20)	-	-	1,640,659	186,035,360
- Related parties (Note 20)	1,367,305	2,780,632	123,828	-
<b>Total financial liabilities carried at amortised cost</b>	104,502,089	512,250,507	3,640,029	586,179,984

### 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 (2020: 60 days) term while other payables have an average term of 6 months (2020: 6 months).

#### **Contingent consideration for business combination**

In the previous financial year, these amounts represent the fair value of the remaining purchase consideration payable to the vendors in FY2021 in relation to the acquisition of SIA X Infotech Group ("XIT Group") (Note 14(a)) and Silverlake Investment (SG) Pte. Ltd. ("SISG Group") (Note 14(b)).

#### **(i) Acquisition of XIT Group**

	<b>Group and Company</b>
	<b>2020</b>
	<b>RM</b>
Contingent consideration (Note 14(a))	4,628,529
Unwinding of discount on contingent consideration payable (cumulative)	472,046
Fair value changes recognised in profit or loss (cumulative) (Note 14(a))	(5,117,930)
Currency translation differences	17,355
Contingent consideration payable at end of the year	-

#### **(ii) Acquisition of SISG Group**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Contingent consideration (Note 14(b))	233,743,461	233,743,461
Unwinding of discount on contingent consideration payable (cumulative)	64,562,877	53,957,880
Fair value changes recognised in profit or loss (cumulative)	(11,334,351)	(11,334,351)
Fair value changes recognised in equity (Note 25(c)(ii))	(149,414,493)	-
Settlement by way of:		
- Cash payment (Note 14(b))	(57,401,360)	-
- Release of treasury shares	(79,175,550)	-
Currency translation differences	(980,584)	-
Contingent consideration payable at end of the year	-	276,366,990

Other information on financial risks of trade and other payables are disclosed in Note 37.

### 32. Put liability

	Group	
	2021 RM	2020 RM
Put liability at acquisition (Note 14(a))	11,939,294	11,939,294
Unwinding of discount on put liability (cumulative)	2,482,351	2,143,168
Fair value changes recognised in profit or loss (cumulative)	4,237,662	(11,338,260)
<b>Put liability at end of the year</b>	<b>18,659,307</b>	<b>2,744,202</b>

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. Subsequent changes in the fair value are recognised in profit or loss.

This put liability was reclassified from non-current liabilities to current liabilities in current financial year as the put option is due and will expire in the next financial year.

Other information on financial risks of put liability are disclosed in Note 37.

### 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 provides benefits for its employees who achieve the retirement age at 57.

In the previous financial year, the benefits were determined in accordance with the provisions of Labor Law No.13/2003 dated 25 March 2003. During the financial year, there is a change in benefit scheme for its employees and 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.

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 actuary in its report dated 9 July 2021 for financial year ended 30 June 2021 and 1 July 2020 for financial year ended 30 June 2020.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

#### Principal actuarial assumptions:

	2021	2020
Discount rate	7.50%	8.00%
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 age 57	8% to age 30, then decreasing linearly to 0% at age 57

\* Based on Indonesian Mortality Table 4

### 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: (cont'd)

- (ii) The employee benefits liability of another Indonesian subsidiary was determined by an independent actuary in its report dated 1 July 2021 for financial year ended 30 June 2021 and 1 July 2020 for financial year ended 30 June 2020.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

#### Principal actuarial assumptions:

	2021	2020
Discount rate	8.00%	8.25%
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

#### (b) Thailand plan

A subsidiary in Thailand provides benefits for its 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 employee benefits liability of this subsidiary was determined by an independent actuary in its report dated 9 July 2021 for financial year ended 30 June 2021 and 15 July 2020 for financial year ended 30 June 2020.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

#### Principal actuarial assumptions:

	2021	2020
Discount rate	1.90%	1.60%
Salary increment rate	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	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	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	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

### 33. Provision for defined benefit liabilities (cont'd)

#### (c) Philippines plans

Two 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 two subsidiaries in Philippines are as follows:

- (i) The employee benefits liability of a Philippines subsidiary was determined by an independent actuary in its report dated 3 July 2020 for financial years ended 30 June 2021 and 30 June 2020.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

#### Principal actuarial assumptions:

	2021	2020
Discount rate	4.80%	3.68%
Salary increment rate	8%	8%
Mortality rate	The 2001 CSO Table - Generational (Scale AA, Society of Actuaries)	The 2001 CSO Table - Generational (Scale AA, Society of Actuaries)
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

### 33. Provision for defined benefit liabilities (cont'd)

#### (c) Philippines plans (cont'd)

The details of the defined benefit pension plans for two subsidiaries in Philippines are as follows: (cont'd)

- (ii) The employee benefits liability of another Philippines subsidiary was determined by an independent actuary in its report dated 2 July 2021 for the financial year ended 30 June 2021 and 2 July 2020 for the financial year ended 30 June 2020.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

#### Principal actuarial assumptions:

	2021	2020
Discount rate	4.82%	3.44%
Salary increment rate	5%	5%
Mortality rate	The 2001 CSO Table - Generational (Scale AA, Society of Actuaries)	The 2001 CSO Table - Generational (Scale AA, Society of Actuaries)
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	10.3% per annum for ages 19 to 24; 12.0% per annum for ages 25 to 29; 12.0% per annum for ages 30 to 34; 10.5% per annum for ages 35 to 39; 4.1% per annum for ages 40 to 44; 4.4% per annum for ages 45 and above	11.5% per annum for ages 19 to 24; 13.3% per annum for ages 25 to 29; 13.3% per annum for ages 30 to 34; 10.7% per annum for ages 35 to 39; 4.5% per annum for ages 40 to 44; 4.8% per annum for ages 45 and above



Notes to the Financial Statements (cont'd)  
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**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							
	2021			2020				
	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM
Present Value of the Defined Benefit Obligation ("PVDBO") as at 1 July	3,145,403	3,747,494	5,866,075	12,758,972	3,162,217	3,167,588	4,064,713	10,394,518
Defined benefit obligation (Note 8)	(94,236)	342,976	698,649	947,389	238,687	311,601	596,774	1,147,062
Benefits paid	-	(380,946)	-	(380,946)	-	(92,612)	-	(92,612)
Gross amount of actuarial (gain)/loss	(260,499)	156,937	(927,888)	(1,031,450)	(360,348)	254,320	875,737	769,709
Currency translation differences	-	(255,002)	(35,370)	(290,372)	104,847	106,597	328,851	540,295
PVDBO as at 30 June	2,790,668	3,611,459	5,601,466	12,003,593	3,145,403	3,747,494	5,866,075	12,758,972
<b>Analysis of funded and unfunded PVDBO</b>								
PVDBO from plans that are wholly unfunded	2,790,668	3,611,459	5,601,466	12,003,593	3,145,403	3,747,494	5,866,075	12,758,972
Analysed as:								
<b>Current</b>	-	116,680	-	116,680	-	394,886	-	394,886
<b>Non-current:</b>								
Later than:								
- one year but not later than two years	-	83,288	-	83,288	-	-	-	-
- two years but not later than five years	393,619	125,220	-	518,839	424,682	53,853	-	478,535
- five years	2,397,049	3,286,271	5,601,466	11,284,786	2,720,721	3,298,755	5,866,075	11,885,551
Total non-current	2,790,668	3,494,779	5,601,466	11,886,913	3,145,403	3,352,608	5,866,075	12,364,086
	2,790,668	3,611,459	5,601,466	12,003,593	3,145,403	3,747,494	5,866,075	12,758,972

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

**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							
	2021			2020				
	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM
Current service cost	359,536	291,228	474,438	1,125,202	392,633	234,492	381,158	1,008,283
Past service cost	(701,416)	-	-	(701,416)	(406,275)	-	-	(406,275)
Interest cost	247,644	51,748	224,211	523,603	252,329	77,109	215,616	545,054
Net employee benefits expense (Note 8)	(94,236)	342,976	698,649	947,389	238,687	311,601	596,774	1,147,062
<b>Total amount recognised in statement of comprehensive income</b>								
Actuarial loss/(gain) arising from changes in financial assumptions	146,279	(123,996)	(1,040,809)	(1,018,526)	53,215	461,025	750,964	1,265,204
Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	221,992	221,992	(301,496)	(79,464)	(277,200)	(658,160)
Actuarial (gain)/loss arising from experience adjustments	(406,778)	280,933	(109,071)	(234,916)	(112,067)	(127,241)	401,973	162,665
Gross amount of actuarial (gain)/loss	(260,499)	156,937	(927,888)	(1,031,450)	(360,348)	254,320	875,737	769,709
Deferred tax (Note 30)	12,939	(31,387)	212,561	194,113	90,087	(50,864)	(262,721)	(223,498)
Net amount of actuarial (gain)/loss	(247,560)	125,550	(715,327)	(837,337)	(270,261)	203,456	613,016	546,211
Cumulative amount of actuarial (gain)/loss recognised in statement of comprehensive income	(689,058)	987,914	(2,074,856)	(1,776,000)	(441,498)	862,364	(1,359,529)	(938,663)

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

### 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 Plan RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM
<b>Increase/(Decrease):</b>								
<b>2021</b>								
Effect on the aggregate current service cost and interest cost	(281,898)	(372,664)	(782,238)	(1,436,800)	327,586	438,538	928,174	1,694,298
Effect on the PVDBO as at 30 June	(281,898)	(360,418)	(786,828)	(1,429,144)	327,586	424,127	933,622	1,685,335
<b>2020</b>								
Effect on the aggregate current service cost and interest cost	(318,338)	(372,836)	(758,822)	(1,449,996)	370,070	441,543	905,095	1,716,708
Effect on the PVDBO as at 30 June	(329,315)	(382,763)	(793,816)	(1,505,894)	382,831	453,300	946,835	1,782,966

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

### 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 Plan RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plan RM	Philippines Plans RM	Total RM
<b>2021</b>								
Effect on the aggregate current service cost and interest cost	319,272	433,548	822,655	1,575,475	(280,065)	(376,358)	(709,812)	(1,366,235)
Effect on the PVDBO as at 30 June	319,272	419,301	827,484	1,566,057	(280,065)	(363,990)	(713,977)	(1,358,032)
<b>2020</b>								
Effect on the aggregate current service cost and interest cost	361,428	434,773	872,791	1,668,992	(316,868)	(375,265)	(749,191)	(1,441,324)
Effect on the PVDBO as at 30 June	373,892	446,350	913,040	1,733,282	(327,794)	(385,258)	(783,741)	(1,496,793)

Amounts for the current and previous periods are as follows:

	Indonesia Plans		Thailand Plan		Philippines Plans	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
PVDBO	2,790,668	3,145,403	3,611,459	3,747,494	5,601,466	5,866,075
Experience adjustments on plan liabilities	(406,778)	(115,929)	271,702	(130,631)	(109,711)	420,510

### 34. Dividends

	2021		2020	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
<b>Declared and paid/payable during the financial year:</b>				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2019:				
- Final dividend paid per share, tax exempt (1-tier)	-	-	0.0070 / 0.0215	56,851,440
In respect of financial year ended 30 June 2020:				
- First interim dividend paid per share, tax exempt (1-tier)	-	-	0.0030 / 0.0092	24,208,749
- Second interim dividend paid per share, tax exempt (1-tier)	-	-	0.0030 / 0.0091	23,754,092
- Final dividend paid per share, tax exempt (1-tier)	0.0033 / 0.0100	25,840,294	-	-
		25,840,294		104,814,281
<b>Proposed but not recognised as a liability as at 30 June:</b>				
Final dividend on ordinary shares, subject to shareholders' approval at the AGM	0.0052 / 0.0160	42,933,805	0.0033 / 0.0101	26,266,955

### 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	
	2021 RM	2020 RM
Sale of goods and rendering of services to related parties:		
- Software licensing	9,685,925	16,280,772
- Software project services	16,537,897	23,313,194
- Maintenance and enhancement services	23,570,369	24,408,229
- Sale of hardware products	473,000	88,970
Service fees paid to related parties	6,419,436	12,989,194
Accounting and administrative expenses paid to related parties	3,997,238	2,737,269
Other costs reimbursed from related parties	63,089	64,739
Rental paid to related parties	94,937	235,128
Rental paid by related parties	280,820	339,843
Purchase of property, plant and equipment from a related party	32,691	5,854
Purchase of intangible assets from a related party	3,180,000	-

Information regarding outstanding balances arising from related party transactions as at reporting date are disclosed in Note 20.

#### The parent

There were no transactions other than dividends paid, between the Group and Intelligentsia Holding Ltd. during the financial year (2020: Nil).

#### (b) Compensation of key management personnel

	Group	
	2021 RM	2020 RM
Salaries and other short-term employee benefits	20,913,208	20,267,742
Performance shares plan (Note 8)	3,719,480	-
Defined contribution plans	1,586,925	1,349,754
Benefits-in-kind	242,645	261,763
	26,462,258	21,879,259
<i>Comprise amounts paid to:</i>		
- Directors of the Company	12,210,351	8,511,337
- Other key management personnel	14,251,907	13,367,922
	26,462,258	21,879,259

### 36. Commitments and contingencies

#### (a) Capital commitments

At the reporting date, the Group has commitments of RM2,596,320 (2020: Nil) relating to the completion of purchased software.

#### (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 RM29,268,639 (2020: RM35,834,162). No liability is expected to arise.

At the reporting date, the Company has provided corporate guarantee to its subsidiaries amounting to RM55,354,500 (2020: RM133,401,500). 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.

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 were denominated in Singapore Dollar (SGD) and United States Dollar (USD). At the previous 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 previous financial year would have been lower/higher by RM1,217,545 arising mainly as a result of higher/lower interest expense on these revolving credit. There is no such exposure as at the current reporting date as the revolving credit has been fully settled in the financial year.

The Group's term loan at variable rate is denominated in Euro. 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 RM4,978 (2020: RM7,240) arising mainly as a result of higher/lower interest expense on this term loan.

The assumed fluctuation in market interest rate sensitivity analysis is based on the observable market environment.

### 37. Financial risk management objectives and policies (cont'd)

#### (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.

	Less than 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
<b>Group</b>				
<b>At 30 June 2021</b>				
Trade and other payables	76,922,903	-	-	76,922,903
Put liability	20,363,588	-	-	20,363,588
Amounts due to related parties (Note 20)	1,367,305	-	-	1,367,305
Term loan	270,235	247,716	-	517,951
Lease liabilities (Note 29)	9,867,159	17,320,225	24,212	27,211,596
	108,791,190	17,567,941	24,212	126,383,343
<b>At 30 June 2020</b>				
Trade and other payables	369,188,703	-	-	369,188,703
Put liability	-	3,464,492	-	3,464,492
Amounts due to related parties (Note 20)	2,780,632	-	-	2,780,632
Revolving credit	-	126,350,724	-	126,350,724
Term loan	263,397	504,846	-	768,243
Lease liabilities (Note 29)	10,387,342	20,021,807	175,024	30,584,173
	382,620,074	150,341,869	175,024	533,136,967
<b>Company</b>				
<b>At 30 June 2021</b>				
Trade and other payables	1,875,542	-	-	1,875,542
Amounts due to subsidiaries (Note 20)	1,640,659	-	-	1,640,659
Amount due to a related party (Note 20)	123,828	-	-	123,828
	3,640,029	-	-	3,640,029
<b>At 30 June 2020</b>				
Trade and other payables	289,029,960	-	-	289,029,960
Amounts due to subsidiaries (Note 20)	186,035,360	-	-	186,035,360
Revolving credit	-	126,350,724	-	126,350,724
	475,065,320	126,350,724	-	601,416,044



### 37. Financial risk management objectives and policies (cont'd)

#### (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.

#### **Exposure to credit risk profile**

As at reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 13 (2020: 11) customers, representing 54% (2020: 50%) of the Group's trade receivables and amounts due from related parties (trade).

#### **Trade receivables and contract assets**

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.

#### **Other receivables**

Credit risks on other receivables are mainly arising from deposits paid for office buildings 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.

#### **Cash and bank balances and money market fund**

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.

#### **Loans to subsidiaries**

Loans are given to subsidiaries in support of their respective principal activities. At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

### 37. Financial risk management objectives and policies (cont'd)

#### (c) Credit risk (cont'd)

##### **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			
	2021 RM	%	2020 RM	%
<b>By geographical areas</b>				
South East Asia	101,790,598	74%	98,428,418	71%
North East Asia	6,630,447	5%	11,531,401	8%
South Asia	16,971,200	12%	18,728,215	14%
Middle East	1,459,852	1%	1,116,642	1%
Americas	26,226	-*	96,670	-*
Africa	7,432,610	5%	3,547,656	3%
Europe	3,880,307	3%	4,720,988	3%
	138,191,240	100%	138,169,990	100%

\* Less than 1%

	Group	
	2021 RM	2020 RM
Represented by:		
Trade receivables - third parties (Note 18)	130,229,713	131,130,205
Amounts due from related parties - trade (Note 20)	7,961,527	7,039,785
	138,191,240	138,169,990

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 18.

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.

### 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		Expected credit losses		Net balance
		Trade receivables (including related parties) RM	Contract assets RM	Collectively assessed RM	Individually assessed RM	RM
<b>2021</b>						
Current	0.33%	92,682,657	58,784,437	(472,948)	(29,074)	150,965,072
Past due 0 to 1 month	0.04%	16,645,406	-	(6,924)	-	16,638,482
Past due 1 to 2 months	1.67%	4,135,678	-	(69,092)	-	4,066,586
Past due 2 to 3 months	0.06%	8,939,765	-	(5,670)	-	8,934,095
Past due 3 to 6 months	1.34%	7,919,649	-	(106,211)	-	7,813,438
Past due over 6 months	50.76%	16,992,703	-	(737,570)	(7,887,475)	8,367,658
		147,315,858	58,784,437	(1,398,415)	(7,916,549)	196,785,331
<b>2020</b>						
Current	0.14%	73,320,374	57,194,076	(189,186)	-	130,325,264
Past due 0 to 1 month	0.12%	19,046,587	-	(22,932)	-	19,023,655
Past due 1 to 2 months	0.38%	11,787,293	-	(44,261)	-	11,743,032
Past due 2 to 3 months	0.29%	18,069,295	-	(52,116)	-	18,017,179
Past due 3 to 6 months	1.14%	7,855,942	-	(89,608)	-	7,766,334
Past due over 6 months	56.02%	18,928,579	-	(108,584)	(10,494,824)	8,325,171
		149,008,070	57,194,076	(506,687)	(10,494,824)	195,200,635

### 37. Financial risk management objectives and policies (cont'd)

#### (c) Credit risk (cont'd)

##### Credit risk concentration profile (cont'd)

The movement of the loss allowance accounts used to record the impairment are as follows:

Group	Trade receivables (including related parties)			Contract assets
	Expected credit losses (collectively assessed) RM	Expected credit losses (individually assessed) RM	Total (Note 18) RM	Expected credit losses (collectively assessed) (Note 19) RM
<b>2021</b>				
At beginning of the year	343,256	10,494,824	10,838,080	163,431
Charge for the year (Note 7)	863,368	757,954	1,621,322	26,697
Reversal (Note 5)	-	(2,254,324)	(2,254,324)	-
Written off	-	(999,167)	(999,167)	-
Currency translation differences	1,445	(82,738)	(81,293)	218
At end of the year	1,208,069	7,916,549	9,124,618	190,346
<b>2020</b>				
At beginning of the year	888,456	9,877,610	10,766,066	34,519
Charge for the year (Note 7)	-	2,954,795	2,954,795	128,752
Reversal (Note 5)	(544,390)	(264,095)	(808,485)	-
Written off	-	(2,218,440)	(2,218,440)	-
Currency translation differences	(810)	144,954	144,144	160
At end of the year	343,256	10,494,824	10,838,080	163,431

#### (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 Ringgit Malaysia (RM), United States Dollar (USD) and Thailand Baht (Baht).

The Group holds short-term deposits denominated in RM, USD, Baht, Indonesia Rupiah (IDR), Philippine Peso (PESO) and Chinese Renminbi (RMB) 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.

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

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 Singapore Dollar (SGD), USD, Baht, Euro (EUR), Hong Kong Dollar (HKD), IDR and RMB 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	
	2021 RM	2020 RM	2021 RM	2020 RM
SGD/RM				
- strengthened by -* (2020: -*)	74,558	81,852	9,254,066	312,124
- weakened by -* (2020: -*)	(74,558)	(81,852)	(9,254,066)	(312,124)
USD/RM				
- strengthened by 3% (2020: 3%)	2,446,173	2,630,887	5,418,725	10,690,815
- weakened by 3% (2020: 3%)	(2,446,173)	(2,630,887)	(5,418,725)	(10,690,815)
Baht/RM				
- strengthened by 7% (2020: 3%)	105,882	96,636	1,839,067	853,580
- weakened by 7% (2020: 3%)	(105,882)	(96,636)	(1,839,067)	(853,580)
EUR/RM				
- strengthened by 3% (2020: 2%)	100,216	256,018	336,389	214,485
- weakened by 3% (2020: 2%)	(100,216)	(256,018)	(336,389)	(214,485)
HKD/RM				
- strengthened by 3% (2020: 4%)	67,501	105,791	7,867,925	11,361,623
- weakened by 3% (2020: 4%)	(67,501)	(105,791)	(7,867,925)	(11,361,623)
IDR/RM				
- strengthened by -* (2020: 3%)	-	2,751	-	720,837
- weakened by -* (2020: 3%)	-	(2,751)	-	(720,837)
RMB/RM				
- strengthened by 6% (2020: 1%)	(142,232)	(1,695)	17,147,067	3,099,971
- weakened by 6% (2020: 1%)	142,232	1,695	(17,147,067)	(3,099,971)

\* Less than 1%

### 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, USD and EUR 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	
	2021 RM	2020 RM	2021 RM	2020 RM
SGD/RM				
- strengthened by -* (2020: -*)	-	161,603	8,843,027	161,603
- weakened by -* (2020: -*)	-	(161,603)	(8,843,027)	(161,603)
USD/RM				
- strengthened by 3% (2020: 3%)	53,746	(1,060,801)	53,746	(1,060,801)
- weakened by 3% (2020: 3%)	(53,746)	1,060,801	(53,746)	1,060,801
EUR/RM				
- strengthened by 3% (2020: 2%)	22,569	186,761	22,569	186,761
- weakened by 3% (2020: 2%)	(22,569)	(186,761)	(22,569)	(186,761)

\* Less than 1%

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows:

	Ringgit Malaysia		Singapore Dollar		United States Dollar		Philippine Peso		Chinese Renminbi		Japanese Yen		Thailand Baht		Brunei Dollar		Indonesia Rupiah		Euro		Hong Kong Dollar		Others		Total			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		
<b>At 30 June 2021</b>																												
<b>Financial assets</b>																												
Financial assets at fair value through other comprehensive income - quoted equity shares	-	-	-	-	-	-	-	-	288,154,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	288,154,976	
Financial assets at fair value through profit or loss - money market fund	27,665,942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,665,942	
Cash and bank balances	135,606,607	120,471,689	78,501,096	5,093,026	67,295	138,582	26,408,111	16,277,368	25,287,454	5,011,202	860,488	3,395,267	417,118,185															
Trade receivables	41,706,623	6,840,449	42,668,998	242,661	2,187,465	19,189	16,823,362	4,342,342	6,094,192	7,707,320	190,772	1,406,340	130,229,713															
Other receivables	2,233,869	908,243	106,906	2,149,839	25,364	-	1,240,515	7,714	1,086,966	504,071	20,326	404,239	8,688,052															
Amounts due from related parties	5,637,542	73,530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,035,057	
Derivative asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	752,296	-	-	-	-	-	752,296	
	212,850,583	128,293,911	121,277,000	7,485,526	290,435,100	157,771	44,471,988	20,627,424	32,468,612	13,974,889	3,395,571	5,205,846	880,644,221															
<b>Financial liabilities</b>																												
Loans and borrowings	13,501,043	7,880,658	-	-	-	-	556,828	-	416,117	3,184,813	-	672,422	26,211,881															
Trade payables	7,027,938	177,137	1,589,446	30,169	-	-	2,158,508	302,869	4,895,628	164,409	55,358	25,597	16,427,059															
Other payables	28,808,520	6,045,422	748,021	3,847,125	4,650,651	189,672	2,619,530	300,885	1,406,371	8,524,635	220,207	3,134,805	60,495,844															
Amounts due to related parties	840,751	-	-	-	-	-	213,545	313,009	-	-	-	-	1,367,305															
Put liability	-	-	-	-	-	-	-	-	-	-	-	-	18,659,307															
	50,178,252	14,103,217	2,337,467	3,877,294	4,650,651	189,672	5,548,411	916,763	6,718,116	30,533,164	275,565	3,832,824	123,161,396															
<b>Net financial assets/ (liabilities)</b>	162,672,331	114,190,694	118,939,533	3,608,232	285,784,449	(31,901)	38,923,577	19,710,661	25,750,496	(16,558,275)	3,120,006	1,373,022	757,482,825															
Less: Net financial position denominated in the respective entities' functional currencies	(158,932,594)	(94,261,006)	(37,400,421)	(3,608,232)	-	(5,310)	(37,410,970)	(18,796,320)	(25,679,407)	19,898,794	(869,980)	(1,692,783)	(358,758,229)															
<b>Currency exposure</b>	3,739,737	19,929,688	81,539,112	-	285,784,449	(37,211)	1,512,607	914,341	71,089	3,340,519	2,250,026	(319,761)	398,724,596															

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows:

	Ringgit Malaysia		Singapore Dollar		United States Dollar		Philippine Peso		Chinese Renminbi		Japanese Yen		Thailand Baht		Brunei Dollar		Indonesia Rupiah		New Zealand Dollar		Euro		Hong Kong Dollar		Others		Total				
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM			
<b>Financial assets</b>																															
Financial assets at fair value through other comprehensive income - quoted equity shares	-	-	-	-	-	-	-	-	310,166,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	310,166,620			
Financial assets at fair value through profit or loss - money market fund	29,646,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,646,700			
Cash and bank balances	119,614,337	147,931,376	133,986,259	3,399,778	63,183	5,448,397	37,069,271	20,728,598	19,859,469	3,145,767	14,177,818	83,597	7,210,855	3,145,767	14,177,818	3,145,767	14,177,818	19,859,469	3,145,767	14,177,818	3,145,767	14,177,818	151,863	5,554,808	715,823	29,434	4,460,399	532,429	3,649,454	496,742,950	
Trade receivables	44,938,351	12,271,444	38,360,561	35,412	4,548,502	83,597	7,210,855	3,145,767	14,177,818	83,597	7,210,855	3,145,767	14,177,818	3,145,767	14,177,818	3,145,767	14,177,818	19,859,469	3,145,767	14,177,818	3,145,767	14,177,818	151,863	5,554,808	715,823	29,434	4,460,399	532,429	3,649,454	496,742,950	
Other receivables	3,437,278	758,723	261,940	2,448,829	50,652	84,572	616,532	9,529	93,341	84,572	616,532	9,529	93,341	616,532	9,529	93,341	9,529	93,341	9,529	93,341	9,529	93,341	29,434	715,823	29,434	715,823	29,434	715,823	29,434	715,823	8,830,978
Amounts due from related parties	3,972,125	103,068	-	-	-	-	334,161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,142,853			
Derivative asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,343,814	9,343,814			
	201,608,791	161,064,611	172,608,760	5,884,019	314,828,957	5,616,566	45,230,819	23,883,894	34,130,628	5,616,566	45,230,819	23,883,894	34,130,628	45,230,819	23,883,894	34,130,628	34,130,628	23,883,894	34,130,628	34,130,628	34,130,628	34,130,628	3,447,225	20,074,844	3,447,225	20,074,844	4,625,006	993,004,120	993,004,120		
<b>Financial liabilities</b>																															
Loans and borrowings	11,781,749	94,925,641	36,942,806	830,263	-	218,459	1,053,478	-	633,920	-	633,920	-	633,920	-	633,920	-	633,920	-	633,920	-	633,920	-	-	-	-	-	3,486,756	1,047,902	150,920,974		
Trade payables	12,017,958	436,782	1,167,942	19,396	-	-	234,417	887,575	8,677,745	-	887,575	8,677,745	887,575	8,677,745	887,575	8,677,745	887,575	8,677,745	887,575	8,677,745	887,575	8,677,745	75,982	321,816	75,982	321,816	59,161	23,898,774			
Other payables	304,770,382	5,682,458	193,781	3,463,444	4,831,874	222,707	1,701,761	241,114	1,272,769	4,831,874	222,707	1,701,761	241,114	1,272,769	4,831,874	222,707	1,701,761	241,114	1,272,769	4,831,874	222,707	1,701,761	241,114	1,272,769	4,831,874	222,707	1,701,761	241,114	1,272,769	334,650,127	
Amounts due to related parties	619,181	-	-	-	-	1,521,634	594,064	45,753	-	-	1,521,634	594,064	45,753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,780,632			
Put liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,744,202	2,744,202		
	329,189,270	101,044,881	38,304,529	4,313,103	4,831,874	1,962,800	3,583,720	1,174,442	10,584,434	4,831,874	1,962,800	3,583,720	1,174,442	10,584,434	4,831,874	1,962,800	3,583,720	1,174,442	10,584,434	4,831,874	1,962,800	3,583,720	310,882	15,081,332	310,882	15,081,332	4,613,303	514,994,709	514,994,709		
<b>Net financial (liabilities)/ assets</b>	(127,580,479)	60,019,730	134,304,231	1,570,916	309,997,083	3,653,766	41,647,099	22,709,452	23,546,194	309,997,083	3,653,766	41,647,099	22,709,452	23,546,194	309,997,083	3,653,766	41,647,099	22,709,452	23,546,194	309,997,083	3,653,766	41,647,099	(139)	4,993,512	3,136,343	11,703	478,009,411				
Less: Net financial position denominated in the respective entities' functional currencies	127,273,668	(40,746,847)	(46,608,005)	(1,570,916)	-	(3,601,749)	(38,425,901)	(22,104,036)	(23,454,510)	-	(3,601,749)	(38,425,901)	(22,104,036)	(23,454,510)	-	(3,601,749)	(38,425,901)	(22,104,036)	(23,454,510)	-	(3,601,749)	(38,425,901)	-	7,807,382	(491,567)	(497,476)	(42,419,957)				
<b>Currency exposure</b>	(306,811)	19,272,883	87,696,226	-	309,997,083	52,017	3,221,198	605,416	91,684	309,997,083	52,017	3,221,198	605,416	91,684	309,997,083	52,017	3,221,198	605,416	91,684	309,997,083	52,017	3,221,198	(139)	12,800,894	2,644,776	(485,773)	435,589,454				



Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

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 2021	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Hong Kong Dollar RM	Japanese Yen RM	Euro RM	Total RM
<b>Financial assets</b>							
Cash and bank balances	5,229,358	65,915,732	1,791,541	-	-	-	72,936,631
Other receivables	-	3,553	-	-	-	-	3,553
Loans to subsidiaries	-	29,157,975	-	-	-	-	29,157,975
Amounts due from subsidiaries	5,612	203,648,807	-	8,344	-	-	203,662,763
Derivative asset	-	-	-	-	-	752,296	752,296
	5,234,970	298,726,067	1,791,541	8,344	-	752,296	306,513,218
<b>Financial liabilities</b>							
Other payables	80,756	1,757,575	-	-	37,211	-	1,875,542
Amounts due to subsidiaries	1,423,509	217,150	-	-	-	-	1,640,659
Amount due to a related company	123,828	-	-	-	-	-	123,828
	1,628,093	1,974,725	-	-	37,211	-	3,640,029
<b>Net financial assets/(liabilities)</b>	3,606,877	296,751,342	1,791,541	8,344	(37,211)	752,296	302,873,189
Less: Net financial position denominated in the functional currency	-	(296,751,342)	-	-	-	-	(296,751,342)
<b>Currency exposure</b>	3,606,877	-	1,791,541	8,344	(37,211)	752,296	6,121,847

Notes to the Financial Statements (cont'd)  
For the financial year ended 30 June 2021

37. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Company's currency exposure is as follows: (cont'd)

At 30 June 2020	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Hong Kong Dollar RM	Japanese Yen RM	New Zealand Dollar RM	Euro RM	Total RM
<b>Financial assets</b>								
Cash and bank balances	278,085	76,980,413	1,683,595	-	87,156	-	-	79,029,249
Other receivables	-	7,308	-	-	-	-	-	7,308
Loans to subsidiaries	-	27,051,200	-	-	-	-	-	27,051,200
Amounts due from subsidiaries	15,325	203,939,521	-	8,625	-	-	-	203,963,471
Derivative asset	-	-	-	-	-	-	9,343,814	9,343,814
	293,410	307,978,442	1,683,595	8,625	87,156	-	9,343,814	319,395,042
<b>Financial liabilities</b>								
Loans and borrowings	-	84,811,660	36,942,806	-	-	-	-	121,754,466
Other payables	276,752,988	1,490,678	100,834	-	39,740	139	5,779	278,390,158
Amounts due to subsidiaries	2,405,178	183,624,836	-	5,346	-	-	-	186,035,360
	279,158,166	269,927,174	37,043,640	5,346	39,740	139	5,779	586,179,984
<b>Net financial (liabilities)/assets</b>	(278,864,756)	38,051,268	(35,360,045)	3,279	47,416	(139)	9,338,035	(266,784,942)
Less: Net financial position denominated in the functional currency	278,864,756	-	-	-	-	-	-	278,864,756
<b>Currency exposure</b>	-	38,051,268	(35,360,045)	3,279	47,416	(139)	9,338,035	12,079,814

### 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 year.

#### (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			Total RM
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
	RM	RM	RM	
<b>Group</b>				
<b>Assets and liabilities measured at fair value</b>				
<b>2021</b>				
<b>Financial assets:</b>				
<u>Current assets</u>				
Financial assets at fair value through other comprehensive income - quoted equity shares	288,154,976	-	-	288,154,976
Financial assets at fair value through profit or loss - money market fund	-	27,665,942	-	27,665,942
Derivative asset	-	-	752,296	752,296
<b>Financial assets as at 30 June 2021</b>	<b>288,154,976</b>	<b>27,665,942</b>	<b>752,296</b>	<b>316,573,214</b>
<b>Financial liability:</b>				
<u>Current liability</u>				
Put liability	-	-	18,659,307	18,659,307
<b>Financial liability as at 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>18,659,307</b>	<b>18,659,307</b>

### 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			Total RM
	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	
<b>Group</b>				
<b>Assets and liabilities measured at fair value</b>				
<b>2020</b>				
<b>Financial assets:</b>				
<u>Non-current asset</u>				
Derivative asset	-	-	9,343,814	9,343,814
<u>Current assets</u>				
Financial assets at fair value through other comprehensive income - quoted equity shares	310,166,620	-	-	310,166,620
Financial assets at fair value through profit or loss - money market fund	-	29,646,700	-	29,646,700
<b>Financial assets as at 30 June 2020</b>	<b>310,166,620</b>	<b>29,646,700</b>	<b>9,343,814</b>	<b>349,157,134</b>
<b>Financial liabilities:</b>				
<u>Non-current liability</u>				
Put liability	-	-	2,744,202	2,744,202
<u>Current liability</u>				
Other payables - contingent consideration	-	-	276,366,990	276,366,990
<b>Financial liabilities as at 30 June 2020</b>	<b>-</b>	<b>-</b>	<b>279,111,192</b>	<b>279,111,192</b>
<b>Company</b>				
<b>Assets and liabilities measured at fair value</b>				
<b>2021</b>				
<b>Financial asset:</b>				
<u>Current asset</u>				
Derivative asset	-	-	752,296	752,296
<b>2020</b>				
<b>Financial asset:</b>				
<u>Non-current asset</u>				
Derivative asset	-	-	9,343,814	9,343,814
<b>Financial liability:</b>				
<u>Current liability</u>				
Other payables - contingent consideration	-	-	276,366,990	276,366,990

### 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:

- **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, other payables - contingent consideration, and amounts due from/to subsidiaries/related parties**

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

The fair value of a particular other payable - contingent consideration for business combination, was estimated by discounting the expected future payouts at interest rate specific to the contractual arrangement at the previous reporting date. The carrying amount of this financial instrument is not materially different from its calculated fair value.

- **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 term loan and 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.

### 37. Financial risk management objectives and policies (cont'd)

#### (e) Fair values of financial instruments (cont'd)

##### 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 2021 and 2020 are shown below:

	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
<b>Group</b>				
Put liability	Discounted cash flow ("DCF") method	Assumed probability - adjusted net profit after tax ("NPAT") of XIT Group	2021: (Nil)	-
			2020: (RM1,394,201)	10% increase or decrease would result in an increase or decrease in fair value by RM274,420 in put liability
		Weighted average cost of capital ("WACC")	2021: 11% - 13% (12%)	1% increase would result in a decrease in fair value by RM123,588 (2020: RM48,202); 1% decrease would result in an increase in fair value by RM125,528 (2020: RM49,507)
			2020: 11% - 13% (12%)	
<b>Group and Company</b>				
Derivative asset - Call option	Black Scholes model	Long-term growth rate for cash flows for subsequent years	2021: 1% - 3% (2%)	1% decrease would result in a decrease in fair value by RM223,077 (2020: RM678,328); 1% increase would result in an increase in fair value by RM342,141 (2020: RM808,212)
			2020: 1% - 3% (2%)	
		Weighted average cost of capital ("WACC")	2021: 11% - 13% (12%)	1% increase would result in a decrease in fair value by RM294,363 (2020: RM983,031); 1% decrease would result in an increase in fair value by RM490,625 (2020: RM1,178,182)
			2020: 13% - 15% (14%)	

#### (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 30 June 2021 (2020: Nil).

### 38. Changes in liabilities arising from financing activities

	Dividends (Note 34) RM	Loans and borrowings (Note 28) RM	Total liabilities from financing activities RM
<b>Group</b>			
<b>At 1 July 2019</b>	-	64,474,213	64,474,213
Effects of adoption of IFRS 16 (Note 29)	-	29,179,329	29,179,329
Adjusted balance as at 1 July 2019	-	93,653,542	93,653,542
Dividends declared during the year	104,814,281	-	104,814,281
Dividends paid	(104,814,281)	-	(104,814,281)
Proceeds from revolving credit	-	102,484,025	102,484,025
Repayment of term loan and revolving credit	-	(42,706,890)	(42,706,890)
Additions of leases during the year (Note 29)	-	3,840,160	3,840,160
Modification/Remeasurement of leases during the year (Note 29)	-	3,482,161	3,482,161
Payment of principal portion of lease liabilities	-	(11,771,676)	(11,771,676)
Others	-	1,939,652	1,939,652
<b>At 30 June 2020</b>	-	150,920,974	150,920,974
<b>At 1 July 2020</b>	-	150,920,974	150,920,974
Dividends declared during the year	25,840,294	-	25,840,294
Dividends paid	(25,840,294)	-	(25,840,294)
Proceeds from revolving credit	-	1,989,845	1,989,845
Repayment of term loan and revolving credit	-	(123,516,357)	(123,516,357)
Additions of leases during the year (Note 29)	-	2,015,534	2,015,534
Modification/Remeasurement of leases during the year (Note 29)	-	6,038,462	6,038,462
Payment of principal portion of lease liabilities	-	(10,804,307)	(10,804,307)
Others	-	(432,270)	(432,270)
<b>At 30 June 2021</b>	-	26,211,881	26,211,881

The 'Others' line item includes acquisition of subsidiaries and 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 2021 and 2020.

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 2021 is RM1,054,468,488 (2020: RM746,667,135).

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 in banking, retail, government, payment and logistics industries.
- (ii) Software project 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) Software-as-a-Service - Insurance processing – provision of cloud computing Software-as-a-Service collaborative platform for policy origination and insurance claim processing.
- (vi) Software-as-a-Service - Retail – provision of Software-as-a-Service subscription version of retail automation solution.
- (vii) Others – comprising credit and cards processing which does not constitute a separate reportable segment; and 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. Income taxes are managed on a group basis and are not allocated to operating segments.

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 2021

#### 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 2021 and 2020 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2021 and 30 June 2020.

2021	Software licensing RM	Software project services RM	Maintenance and enhancement services RM	Sale of software and hardware products RM	Software-as-a-Service - Insurance processing RM	Software-as-a-Service - Retail RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
<b>Revenue:</b>										
External customers	40,014,462	65,408,752	475,026,409	10,735,338	34,228,154	709,689	-	-	-	626,122,804
At a point in time	10,395,032	-	-	10,735,338	30,952,962	-	-	-	-	52,083,332
Over time	29,619,430	65,408,752	475,026,409	-	3,275,192	709,689	-	-	-	574,039,472
Inter-segment	-	-	-	-	-	-	421,166,869	(421,166,869)	A	-
<b>Results:</b>										
Finance income	64,280	207,887	1,196,872	6,862	88,539	1,839	299,056	-	-	1,865,335
Finance costs	(96,221)	(125,242)	(790,041)	(35,119)	(38,030)	(2,768)	(12,030,464)	-	-	(13,117,885)
Selling and distribution costs	(3,181,492)	(4,020,046)	(19,198,154)	(1,089,188)	(2,750,106)	(168,100)	(103,714)	-	-	(30,510,800)
Depreciation of property, plant and equipment	(401,292)	(402,916)	(2,215,561)	(130,238)	(55,331)	(17,725)	(67,474)	-	-	(3,290,537)
Depreciation of right-of-use assets	(828,664)	(1,204,669)	(7,308,135)	(223,726)	(535,975)	(17,818)	(277,314)	-	-	(10,396,301)
Amortisation of intangible assets	(19,883,259)	(109,537)	(1,757,416)	-	(1,862,067)	-	-	-	-	(23,612,279)
Share of loss of a joint venture	-	-	-	-	-	-	(565)	-	-	(565)
Reversal of provision for foreseeable losses	-	1,243,712	-	-	-	-	-	-	-	1,243,712
Fair value adjustment on subsequent measurement of put liability	-	-	-	-	-	-	(15,575,922)	-	-	(15,575,922)
Loss on derivative asset at fair value through profit or loss	-	-	-	-	-	-	(8,566,852)	-	-	(8,566,852)
Loss on liquidation of a subsidiary	-	-	-	-	-	-	(1,405,629)	-	-	(1,405,629)
Dividend income from financial assets - quoted equity shares	-	-	-	-	-	-	969,424	-	-	969,424
Other non-cash income/(expenses)	259,443	(79,602)	(3,007,637)	289,941	(913,306)	(14,906)	(3,853,686)	-	B	(7,319,753)
Segment profit/(loss)	13,602,111	17,986,984	276,447,605	3,325,672	17,146,738	(9,364)	(323,857,196)	182,094,493	C	186,737,043
<b>Assets:</b>										
Capital expenditure	35,586,286	544,265	4,016,857	164,502	1,618,744	44,515	1,623,070	-	D	43,598,239
Segment assets	126,672,040	132,596,922	561,234,913	15,909,727	83,325,499	1,216,010	377,236,970	66,064,532	E	1,364,256,613
<b>Segment liabilities</b>	<b>14,525,929</b>	<b>12,686,200</b>	<b>177,639,221</b>	<b>2,876,227</b>	<b>7,646,921</b>	<b>302,632</b>	<b>28,308,660</b>	<b>65,802,335</b>	<b>F</b>	<b>309,788,125</b>

#### 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 2021 and 2020 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2021 and 30 June 2020. (cont'd)

2020 (Restated)	Software licensing	Software project services	Maintenance and enhancement services	Sale of software and hardware products	Software-as-a-Service - Insurance processing	Software-as-a-Service - Retail	Others	Adjustments and eliminations	Notes	Per consolidated financial statements
	RM	RM	RM	RM	RM	RM	RM	RM		RM
<b>Revenue:</b>										
External customers	56,109,260	74,313,921	460,288,342	26,948,914	34,670,851	483,549	10,876,716	-		663,691,553
At a point in time	13,933,731	-	-	26,948,914	29,363,675	-	-	-		70,246,320
Over time	42,175,529	74,313,921	460,288,342	-	5,307,176	483,549	10,876,716	-		593,445,233
Inter-segment	-	-	-	-	-	-	152,486,160	(152,486,160)	A	-
<b>Results:</b>										
Finance income	255,697	378,741	2,478,178	132,527	121,242	1,370	631,582	-		3,999,337
Finance costs	(113,772)	(135,818)	(956,993)	(71,494)	(34,467)	(1,340)	(33,371,590)	-		(34,685,474)
Selling and distribution costs	(3,529,205)	(3,367,125)	(21,452,988)	(1,989,413)	(3,809,806)	(38,861)	792,054	-		(33,395,344)
Depreciation of property, plant and equipment	(346,840)	(351,665)	(2,221,994)	(180,125)	(724,898)	(7,292)	(55,918)	-		(3,888,732)
Depreciation of right-of-use assets	(929,822)	(1,065,104)	(7,070,432)	(464,075)	(330,153)	(7,900)	(136,743)	-		(10,004,229)
Amortisation of intangible assets	(16,744,420)	-	(2,137,657)	-	(1,862,067)	-	-	-		(20,744,144)
Impairment of intangible assets	(2,906,176)	-	-	-	-	-	-	-		(2,906,176)
Share of profit of a joint venture	-	-	-	-	-	-	1,392,986	-		1,392,986
Provision for foreseeable losses	-	(928,009)	-	-	-	-	-	-		(928,009)
Fair value adjustment on contingent consideration for business combination	-	-	-	-	-	-	1,612,461	-		1,612,461
Fair value adjustment on subsequent measurement of put liability	-	-	-	-	-	-	11,338,260	-		11,338,260
Gain on deemed disposal of a joint venture	-	-	-	-	-	-	2,057,425	-		2,057,425
Dividend income from financial assets - quoted equity shares	-	-	-	-	-	-	818,310	-		818,310
Other non-cash (expenses)/income	(102,872)	(25,029)	(3,900,961)	10,513	(46,814)	4,163	(1,629,133)	-	B	(5,690,133)
Segment profit/(loss)	24,082,052	13,663,945	256,632,261	6,168,883	18,904,945	122,555	(138,563,995)	20,415,545	C	201,426,191
<b>Assets:</b>										
Interest in a joint venture	-	-	-	-	-	-	696	-		696
Capital expenditure	30,047,817	1,573,899	10,436,008	1,762,017	4,699,495	69,803	29,072	-	D	48,618,111
Segment assets	119,700,699	124,899,737	613,504,997	32,892,038	81,107,838	438,361	423,862,337	71,818,647	E	1,468,224,654
<b>Segment liabilities</b>	23,630,982	20,946,691	174,264,446	6,761,175	7,060,709	67,553	412,011,087	76,814,876	F	721,557,519

#### 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 and impairment of property, plant and equipment, gain on disposal of right-of-use assets, net gain on disposal of property, plant and equipment, net (loss)/gain on lease modifications, write off of intangible assets, gain on redemption of financial assets - money market fund, reversal of/(provision for) expected credit losses on trade receivables and contract assets, inventories written off, bad debts written off, waiver of debts, net unrealised foreign currency exchange (loss)/gain, allowance for unutilised leave, allowance for defined benefits liabilities and performance shares issued as presented in the respective notes to the financial statements.

C The following items are eliminated on consolidation to arrive at "Profit before tax" presented in the consolidated income statement, as these items have been included in the segment profit/(loss) of the corporate and others segment:

	2021 RM	2020 RM
Elimination of impairment losses in investments in subsidiaries	182,094,493	20,415,545

D Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, and intangible assets, including assets from the acquisition of subsidiaries.

E 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:

	2021 RM	2020 RM
Tax recoverable	5,854,048	5,867,877
Deferred tax assets	60,210,484	65,950,770
	66,064,532	71,818,647

F 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:

	2021 RM	2020 RM
Tax payable	15,635,259	15,411,827
Deferred tax liabilities	50,167,076	61,403,049
	65,802,335	76,814,876

#### 40. Segment information (cont'd)

##### (b) Geographical information

The Group's seven 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; maintenance and enhancement services; sale of software and hardware products; Software-as-a-Service - Insurance processing and Software-as-a-Service - Retail.
- North East Asia – the operations in this area are principally software licensing; rendering of software project services; maintenance and enhancement services; Software-as-a-Service - Insurance processing; and credit and cards processing.
- South Asia – the operations in this area are principally software licensing; rendering of software project services; maintenance and enhancement services; and sale of software and hardware products.
- Middle East – the operations in this area are principally software licensing; rendering of software project services; and maintenance and enhancement services.
- Americas – the operations in this area are principally software licensing; rendering of software project services; maintenance and enhancement services; and sale of software and hardware products.
- Africa – the operations in this area are principally software licensing; rendering of software project 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; 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	
	2021 RM	2020 RM
<b>Revenue</b>		
South East Asia	488,258,209	530,886,946
North East Asia	22,378,160	39,778,063
South Asia	44,274,073	42,995,630
Middle East	22,337,585	14,928,299
Americas	1,699,367	2,341,569
Africa	24,083,946	7,187,597
Europe	23,091,464	25,573,449
	626,122,804	663,691,553
<b>Capital expenditure</b>		
South East Asia	41,363,933	37,694,999
North East Asia	10,829	16,610
South Asia	184,752	949,469
Middle East	4,238	-
Africa	11,345	-
Europe	2,023,142	9,957,033
	43,598,239	48,618,111

#### 40. Segment information (cont'd)

##### (b) Geographical information (cont'd)

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. (cont'd)

	Group	
	2021 RM	2020 RM
<b>Segmental assets</b>		
South East Asia	921,450,489	988,244,116
North East Asia	297,000,515	328,451,977
South Asia	27,310,222	29,792,075
Middle East	2,200,419	1,937,392
Americas	639,639	612,382
Africa	13,209,737	6,897,584
Europe	102,445,592	112,288,432
	1,364,256,613	1,468,223,958
Interest in a joint venture	-	696
	1,364,256,613	1,468,224,654

No other individual country contributed more than 10% of consolidated revenue and non-current assets, except for:

	Group	
	2021 RM	2020 RM
<b>Revenue</b>		
Malaysia	232,305,913	270,829,056
Singapore	80,143,724	88,117,022
Indonesia	71,607,840	72,254,330
<b>Non-current assets *</b>		
Malaysia	173,072,692	156,144,414
Singapore	83,514,426	84,629,985
Latvia	86,472,337	87,135,280

\* Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

##### Information about major customers

No major customer (2020: Nil) contributed more than 10% of the total Group's revenue.

#### 41. Restatement of comparatives

The Group's subsidiaries engage businesses in different jurisdictions, hence there are taxes imposed on foreign sourced income. During the financial year, it was clarified that part of these foreign and withholding taxes were derived or taxed on gross revenue and not based on taxable profits, therefore not considered as 'Income Taxes' in the consolidated income statement. The Group presented such withholding taxes as part of Cost of Sales in the consolidated income statement and comparative amounts have been restated to reflect the substance of these taxes.

The effects of the restatement on the prior year comparatives are summarised below.

	As previously stated RM	Adjustment RM	As restated RM
<b>30 June 2020</b>			
<b>Consolidated income statement</b>			
Cost of sales	(271,960,168)	(12,110,402)	(284,070,570)
Administrative expenses	(139,980,646)	896,820	(139,083,826)
Income tax expense	(27,967,485)	11,213,582	(16,753,903)
<b>Consolidated statement of cash flows</b>			
Profit before tax	212,639,773	(11,213,582)	201,426,191
Income tax paid	(65,848,810)	11,213,582	(54,635,228)

#### 42. Significant events during the financial year

(i) **Mode of Payment for Earn-Out Consideration for the acquisition of Silverlake Investment (SG) Pte. Ltd. Group ("SISG Group")**

On 27 August 2020, the Company entered into an agreement with the vendors of SISG Group, whereby the vendors agreed to settle the Earn-Out Consideration ("EOC") by way of cash payment of 20% and Earn-Out Consideration Shares of 80%.

The impact of the EOC settlement is as disclosed in Note 14(b), 25(c)(ii) and 31(ii).

(ii) **Cybersecurity Incident**

On 10 September 2020, the Group was informed by its IT service provider of a cybersecurity incident where its servers were attacked by a ransomware. As the servers being attacked are separated from the Group's enterprise network, the Group's enterprise network was not affected. The Group concluded that this incident did not have any material impact to the financial statements of the Group and the Company.

#### 43. Significant event after the financial year end

##### Re-domiciliation of the Company from Bermuda to Singapore

On 25 June 2021, the Company had obtained shareholders' approval for the proposed re-domiciliation of the Company from Bermuda to Singapore ("Proposed Re-Domiciliation") and the proposed adoption of the New Constitution (collectively, the "Proposed Re-Domiciliation Related Resolutions") at the Special General Meeting of the Company.

##### (i) Confirmation of Registration in Singapore by the Accounting and Corporate Regulatory Authority ("ACRA")

On 23 September 2021, Accounting and Corporate Regulatory Authority ("ACRA") has approved the Company's application in relation to the Proposed Re-Domiciliation. Accordingly, pursuant to the Certificate Confirming Registration by Transfer of Company issued by ACRA to the Company ("Instrument of Continuance"), the Company is registered in Singapore with effect from 23 September 2021 ("Re-Domiciliation Effective Date").

The Company subsequently submitted the Instrument of Continuance to the Bermuda Registrar of Companies to receive a certificate of discontinuance, which will be submitted to ACRA to complete the re-domiciliation process.

The Company also adopted the New Constitution which provisions are compliant with Singapore company laws and the prevailing rules of the Singapore Exchange Securities Trading Limited.

##### (ii) Adoption of Singapore Financial Reporting Standards (International)

The consolidated financial statements of the Group and the statement of financial position of the Company ("Financial Statements") will be prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by Accounting Standards Council Singapore ("ASC") for annual periods beginning on 1 July 2021 in conjunction with the re-domiciliation of the Company. SFRS(I)s are equivalent to International Financial Reporting Standards ("IFRSs"), the change in application of accounting standards of the Group from IFRSs to SFRS(I)s does not have any significant impact on the financial performance and position of the Group and of the Company.

##### (iii) No Concept of Par Value in accordance with Singapore Companies Act

Pursuant to Singapore Companies Act (Chapter 50) Sections 62A and 62B, there is no par value concept after 30 January 2006. Accordingly, the Company will reclassify the amount in "share premium" to "share capital" in due course. Any future share issuance shall be credited in full to "share capital" in the statement of financial position of the Company.

There is no impact to the net asset value of the Group and the Company.

#### 44. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 28 September 2021.

# Statistics of Shareholdings

AS AT 17 SEPTEMBER 2021

Issued and fully paid-up capital	: RM191,040,654
No. of shares issued	: 2,696,472,800 shares
Class of shares	: Ordinary shares
Voting rights	: One vote per share
No. of treasury shares held	: 20,569,091
Percentage of treasury shares against total number of issued ordinary shares (excluding treasury shares)	: 0.77%
Subsidiary holdings	: No shares issued in the share capital of the Company was held by the Company's subsidiaries.

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	26	0.50	902	0.00
100 - 1,000	199	3.80	119,312	0.01
1,001 - 10,000	1,794	34.22	11,533,620	0.43
10,001 - 1,000,000	3,171	60.49	201,767,635	7.54
1,000,001 AND ABOVE	52	0.99	2,462,482,240	92.02
<b>TOTAL</b>	<b>5,242</b>	<b>100.00</b>	<b>2,675,903,709</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	INTELLIGENTSIA HOLDING LTD	1,834,022,168	68.54
2	CITIBANK NOMINEES SINGAPORE PTE LTD	143,639,544	5.37
3	DBS NOMINEES (PRIVATE) LIMITED	55,756,661	2.08
4	RAFFLES NOMINEES (PTE.) LIMITED	46,070,608	1.72
5	SEE CHUANG THUAN OR LOI PEK KEAW	39,255,953	1.47
6	DB NOMINEES (SINGAPORE) PTE LTD	36,295,101	1.36
7	HSBC (SINGAPORE) NOMINEES PTE LTD	28,287,849	1.06
8	PHILLIP SECURITIES PTE LTD	25,204,400	0.94
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	23,204,420	0.87
10	OCBC SECURITIES PRIVATE LIMITED	21,631,600	0.81
11	DBSN SERVICES PTE. LTD.	19,919,924	0.74
12	KWONG YONG SIN	18,972,000	0.71
13	LIM EP BAN	13,079,713	0.49
14	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,845,353	0.48
15	WONG HORN LIM	12,133,713	0.45
16	IFAST FINANCIAL PTE. LTD.	11,246,560	0.42
17	28 HOLDINGS PTE. LTD.	11,000,000	0.41
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,258,700	0.35
19	SAN TAI CONSTRUCTION (S) PTE LTD	9,000,000	0.34
20	UOB KAY HIAN PRIVATE LIMITED	8,338,200	0.31
<b>TOTAL</b>		<b>2,379,162,467</b>	<b>88.92</b>



## Statistics of Shareholdings (cont'd)

### SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company as at 17 September 2021 are as follows:

	No. of Ordinary Shares of USD0.02 each			
	Direct Interest	%	Deemed Interest	%
Intelligentsia Holding Ltd.	1,834,022,168	68.54%	-	-
Goh Peng Ooi	-	-	1,834,022,168	68.54%

Note:

Intelligentsia Holding Ltd. is wholly-owned by Mr. Goh Peng Ooi. As such, Mr. Goh Peng Ooi is deemed to have an interest in the 1,834,022,168 shares held by Intelligentsia Holding Ltd.

### FREE FLOAT

As at 17 September 2021, approximately 27.98% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“**AGM**”) of SILVERLAKE AXIS LTD. (the “**Company**”) will be convened and held by way of electronic means via a live audio-visual webcast or live audio-only stream (“**Live Webcast**”) on Wednesday, 27 October 2021 at 2.00 p.m. to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Directors’ Report and Auditors’ Report thereon. **Ordinary Resolution 1**
2. To declare a final tax exempt 1-tier dividend of Singapore 0.52 cents per ordinary share for the financial year ended 30 June 2021 as recommended by the Directors. **Ordinary Resolution 2**
3. To approve the payment of Directors’ Fees of S\$1,200,000 (2021: S\$1,151,667) for the financial year ending 30 June 2022, to be paid quarterly in arrears. **Ordinary Resolution 3**
4. To re-elect Mr. Goh Peng Ooi, a director retiring pursuant to regulation 108(1) of the Company’s Constitution. **Ordinary Resolution 4**  
[See Explanatory Note (i)(a)]
5. To re-elect Datuk Yvonne Chia, a director retiring pursuant to regulation 108(1) of the Company’s Constitution. **Ordinary Resolution 5**  
[See Explanatory Note (i)(b)]
6. To re-elect Mr. Ong Kian Min, a director retiring pursuant to regulation 108(1) of the Company’s Constitution. **Ordinary Resolution 6**  
[See Explanatory Note (i)(c)]
7. Approval for the continued appointment of Mr. Ong Kian Min, as a Non-Executive and Lead Independent Director for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual. **Ordinary Resolution 7**  
“THAT, subject to and contingent upon the passing of Resolution 6,  
(a) the continued appointment of Mr. Ong Kian Min, as a Non-Executive and Lead Independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be and is hereby approved; and  
(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr. Ong Kian Min as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”  
[See Explanatory Note (ii)]
8. Approval for the continued appointment of Mr. Ong Kian Min, as a Non-Executive and Lead Independent Director for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual. **Ordinary Resolution 8**  
“THAT, subject to and contingent upon the passing of Resolutions 6 and 7 above,  
(a) the continued appointment of Mr. Ong Kian Min, as a Non-Executive and Lead Independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be and is hereby approved; and  
(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr. Ong Kian Min as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”  
[See Explanatory Note (ii)]
9. To note the retirement of Mr. See Chuang Thuan as a director of the Company.

## Notice of Annual General Meeting (cont'd)

10. To re-appoint Ernst & Young LLP, as auditors of the Company and to authorise the Directors to fix their remuneration.
11. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### Ordinary Resolution 9

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments):

### 12. AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

### Ordinary Resolution 10

"That pursuant to the Section 161 of the Companies Act, Chapter 50 (the "**Act**") and Rule 806 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or
- (ii) 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 (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and,

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while such authority was in force,

provided that:

- (1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, measures, guidelines, practice notes, and other materials issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), in particular the SGX-ST Listing Manual, and the Company's Constitution for the time being; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]

13. **ADOPTION OF THE SHARE PURCHASE MANDATE**

**Ordinary Resolution 11**

"THAT:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the maximum Price (as hereafter defined), whether by way of:

- (1) on-market purchases (each a "**Market Purchase**") on the SGX-ST; and/or
- (2) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- (1) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or
- (2) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(d) In this Resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the total number of issued Shares of the Company as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (1) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (2) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 market days on which Shares were transacted on the SGX-ST immediately preceding the date of making the Market Purchase by the Company or, as the case may be, the date of making the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-market day period and on the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company makes or announces its intention to make (as the case may be) an offer for the purchase or acquisition of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and

"**market day**" means a day on which the SGX-ST is open for trading in securities; and

## Notice of Annual General Meeting (cont'd)

- (e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iv)]

### 14. RENEWAL OF INTERESTED PERSONS TRANSACTIONS GENERAL MANDATE

Ordinary Resolution 12

"THAT:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of the interested persons transactions ("**Recurrent Transactions**") set out in the Company's Circular to Shareholders dated 2 October 2008 ("**Circular**"), with any party who is of the classes of Interested Persons described in the Circular, provided that such interested persons transactions are carried out on normal commercial terms and in accordance with the review procedures for Recurrent Transactions as set out in the Circular ("**General Mandate**");
- (b) the General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;
- (c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company and each of them be hereby authorised to complete and do all such acts and things including executing all such documents as may be required as they or he may consider expedient or necessary or in the interest of the Company to give effect to the General Mandate and/or this Resolution."

[See Explanatory Note (v)]

### 15. AUTHORITY TO OFFER AND GRANT AWARDS AND ALLOT AND ISSUE SHARES UNDER THE SILVERLAKE AXIS LTD. PERFORMANCE SHARE PLAN

Ordinary Resolution 13

"That, pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards ("Awards") in accordance with the provisions of the Silverlake Axis Ltd. Performance Share Plan (the "PSP") and to allot and issue or transfer from time to time such number of fully paid-up new Shares as may be required to be allotted and delivered pursuant to the vesting of the Awards granted by the Company under the PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be issued pursuant to the PSP shall not exceed ten per cent (10%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (vi)]

## BY ORDER OF THE BOARD

**Ang Siew Koon**  
Company Secretary  
Singapore

Date: 11 October 2021

## Notice of Annual General Meeting (cont'd)

### Explanatory Notes:

- (i) (a) Mr. Goh Peng Ooi, if re-elected under Resolution 4 above, will remain as the Group Executive Chairman and a member of Nominating Committee. Detailed information on Mr. Goh Peng Ooi can be found on page 10 of the Annual Report.
- (b) Datuk Yvonne Chia, if re-elected under Resolution 5 above, will remain as an Independent Non-Executive Director, and member of Remuneration Committee, Nominating Committee and Strategic Investment Committee. Detailed information on Datuk Yvonne Chia can be found on page 13 of the Annual Report.
- (c) Mr. Ong Kian Min, if re-elected, will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST subject to Resolutions 7 and 8 being passed at this AGM. He will remain as the Lead Independent Non-Executive Director, the Chairman of Audit and Risk Committee, the Chairman of Nominating Committee and a member of Remuneration Committee. Detailed information on Mr. Ong Kian Min can be found on page 12 of the Annual Report.

- (ii) Resolutions 7 and 8 are proposed in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022.

Pursuant to Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022, Mr. Ong Kian Min, having served the Board beyond 9 years from the date of his appointment, will not be considered as independent on 1 January 2022 unless Resolutions 7 and 8 are duly passed at this AGM.

For the purpose of Resolutions 7 and 8, in accordance with Rule 210(5)(d)(iii) of the Listing Manual, Directors and the chief executive officer of the Company, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given.

Resolutions 7 and 8, if passed, will remain in force until the earlier of: (i) the retirement or resignation of Mr. Ong Kian Min; or (ii) the conclusion of the third AGM of the Company following the passing of such resolutions.

Subject to the passing of Resolutions 7 and 8, Mr. Ong Kian Min will remain as the Lead Independent Non-Executive Director, the Chairman of Audit and Risk Committee, the Chairman of Nominating Committee and a member of Remuneration Committee.

If only Resolution 6 is passed, Mr. Ong Kian Min shall continue to be designated as an Independent Non-Executive Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Executive and Non-Independent Director as of and from 1 January 2022.

If Resolution 6 is not passed, Resolutions 7 and 8 will be withdrawn. The Company shall endeavor to search for suitable candidate(s) and fill the vacancy of the independent director(s) within two, but no later than three months to fulfil the requirements of the Listing Manual and Code of Corporate Governance, where applicable.

- (iii) Resolution 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares and make or grant Instruments convertible into Shares and to issue shares pursuant to such Instruments, up to a maximum of fifty percent (50%) of the issued share capital of the Company (of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty percent (20%) of the issued share capital of the Company) for such purposes as they consider would be in the interests of the Company.
- (iv) Please refer to the Letter to Shareholders dated 11 October 2021 ("**Letter**") for more details on the Adoption of the Share Purchase Mandate.
- (v) Please refer to the Letter for more details on the Renewal of Interested Persons Transactions General Mandate.
- (vi) Resolution 13 proposed above is to authorise the Directors to grant share awards and to issue shares under the PSP approved by the shareholders of the Company at the Special General Meeting of the Company held on 27 October 2020.

## Important Notes:

### 1. Pre-Registration:

The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended on 14 April 2020, 24 April 2020 and 29 September 2020) and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (as further updated on 1 October 2020) titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this notice of AGM. This notice of AGM may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <http://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2021>.

**Members will not be able to attend the AGM physically.** Members who wish to participate at the AGM may watch the AGM proceedings via a live audio-visual webcast or live audio-only stream ("**Live Webcast**"). To do so, members must pre-register their details including full name (as per CDP record), NRIC/Passport/Company Registration No., contact number and email address on the Company's AGM pre-registration website at the URL <https://bit.ly/SAL2021agm> before **2.00 p.m. on Sunday, 24 October 2021 ("Registration Deadline")** for the Company to verify their status as members.

Verified members will receive an email by **2.00 p.m. on Tuesday, 26 October 2021** containing instructions to access the Live Webcast. Members must not forward the link or their log-in details to third persons who are not members or who are not entitled to attend the AGM proceedings.

Members who do not receive an email by **2.00 p.m. on Tuesday, 26 October 2021** but have registered before the Registration Deadline should contact our Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by email at [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com) or call the general telephone number at +65 6536 5355 during office hours.

### 2. Submission of Questions:

**The Company will not be addressing any questions raised by the members during the Meeting.** Members who have any substantial and relevant questions in relation to any agenda item of this notice, shall send their queries to the Company in advance, by **2.00 p.m. on Tuesday, 19 October 2021** via email to [FY2021AGM@silverlakeaxis.com](mailto:FY2021AGM@silverlakeaxis.com).

The Company will endeavor to upload the Company's responses to substantial and relevant queries from members on the SGXNet and the Company's website by **Friday, 22 October 2021**.

### 3. Submission of Proxy Form:

A member will not be able to vote online on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The accompanying proxy form for the AGM can be accessed at the Company's website at the URL <http://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2021>, and is made available with this notice of AGM on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day.

A member of the Company who holds his/her shares through a Relevant Intermediary (including CPFIS members or SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as their proxy should approach their Relevant Intermediary (including their CPF Agent Bank and/or SRS Approved Bank) to submit their votes at least seven (7) working days before the AGM, i.e. by **2.00 p.m. on Monday, 18 October 2021**.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

## Notice of Annual General Meeting (cont'd)

- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

The instrument appointing Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) If submitted by post, it has to be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (b) If submitted electronically, it has to be submitted via email to the Company's Share Registrar at [srs.team@boardroomlimited.com](mailto:srs.team@boardroomlimited.com),

in either case, not less than 72 hours before the time appointed for holding the AGM, i.e. by **2.00 p.m. on Sunday, 24 October 2021.**

Any incomplete/improperly completed proxy form (including proxy form which does not appoint "Chairman of the Meeting" as proxy) will be rejected by the Company.

A member who wishes to submit an instrument of proxy must **complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

#### 4. Annual Report and other documents:

The annual report for the financial year ended 30 June 2021 can be accessed from the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2021>.

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholders discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholders has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholders will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



Notice of Annual General Meeting (cont'd)

**Additional Information On Directors Seeking Re-Election**

Name of Director	Goh Peng Ooi	Datuk Yvonne Chia	Ong Kian Min
Date of appointment	23 August 2002	1 June 2015	9 January 2003
Date of last re-election (if applicable)	24 October 2019	26 October 2018	24 October 2019
Age	67	68	61
Country of principal residence	Malaysia	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company's 2021 Annual Report.	Please refer to the Corporate Governance section in the Company's 2021 Annual Report.	Please refer to the Corporate Governance section in the Company's 2021 Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Executive. Overall planning of the business direction and development of the Group.	Non-Executive	Non-Executive
Job title	<ul style="list-style-type: none"> <li>• Group Executive Chairman</li> <li>• Nominating Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Non-Executive Director</li> <li>• Nominating Committee member</li> <li>• Remuneration Committee member</li> <li>• Strategic Investment Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• Lead Independent Non-Executive Director</li> <li>• Chairman of Audit and Risk Committee</li> <li>• Chairman of Nominating Committee</li> <li>• Remuneration Committee member</li> </ul>
Professional qualifications	Please refer to the Board of Directors section in the Company's 2021 Annual Report.	Please refer to the Board of Directors section in the Company's 2021 Annual Report.	Please refer to the Board of Directors section in the Company's 2021 Annual Report.
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2021 Annual Report.	Please refer to the Board of Directors section in the Company's 2021 Annual Report.	Please refer to the Board of Directors section in the Company's 2021 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 1,834,022,168 shares in the Company	Direct interest: 500,000 shares in the Company Deemed interest: 110,000 shares in the Company through her spouse	Direct interest: 1,800,000 shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Intelligentsia Holding Ltd., which is a substantial shareholder of the Company, is wholly-owned by Mr. Goh Peng Ooi. He is also father of Ms. Goh Shiou Ling, an Executive Director of the Company.	No	No
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules has been submitted to the listed issuer	Yes	Yes	Yes
Items (a) to (k) of Appendix 7.4.1 of the Mainboard Rules	All items have been declared as "No".	All items have been declared as "No".	All items have been declared as "No".

# Proxy Form

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

## IMPORTANT:

- The 2021 Annual General Meeting of Silverlake Axis Ltd. (the "Company") ("AGM" or the "Meeting") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended on 14 April 2020, 24 April 2020 and 29 September 2020) and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 (as further updated on 1 October 2020) titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the notice of AGM dated 11 October 2021 (the "Notice") which has been uploaded on SGXNet and the Company's website.
- A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investor") (including investors, holding through Central Provident Fund Investment Scheme ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS Investor") and shall be ineffective for all intents and purposes if used or purported to be used by them. An investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instruction. A CPF/ SRS investor who wishes to appoint Chairman of the Meeting as their proxy, they should approach his/her CPF Agent Banks or SRS operator by 2.00 p.m. on Monday, 18 October 2021, being seven (7) working days before the AGM to submit his/her voting instructions.
- By submitting an instrument appointing Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

This form of proxy has been made available on SGXNet and the website of the Company and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <http://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2021>.

I/We, \_\_\_\_\_ (Name) \*(NRIC/Passport/Co. Registration No.) of \_\_\_\_\_ (address) being a Member/

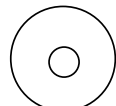
members of SILVERLAKE AXIS LTD. (the "Company") hereby appoint the Chairman of the 2021 AGM as \*my/our proxy to vote for \*me/us on \*my/our behalf at the 2021 AGM to be held by way of electronic means via a live audio-visual webcast or live audio-only stream ("Live Webcast") on Wednesday, 27 October 2021 at 2.00 p.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box or indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions relating to:	For	Against	Abstain
<b>As Ordinary Business</b>				
1.	<b>Ordinary Resolution 1</b> To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Directors' Report and Auditors' Report thereon.			
2.	<b>Ordinary Resolution 2</b> To declare a final tax exempt 1-tier dividend of Singapore 0.52 cents for the financial year ended 30 June 2021 as recommended by the Directors.			
3.	<b>Ordinary Resolution 3</b> To approve the payment of Directors' Fees of S\$1,200,000 (2021: S\$1,151,667) for the financial year ending 30 June 2022, to be paid quarterly in arrears.			
4.	<b>Ordinary Resolution 4</b> To re-elect Mr. Goh Peng Ooi, a director retiring pursuant to regulation 108(1) of the Company's Constitution.			
5.	<b>Ordinary Resolution 5</b> To re-elect Datuk Yvonne Chia, a director retiring pursuant to regulation 108(1) of the Company's Constitution.			
6.	<b>Ordinary Resolution 6</b> To re-elect Mr. Ong Kian Min, a director retiring pursuant to regulation 108(1) of the Company's Constitution.			
7.	<b>Ordinary Resolution 7</b> To approve Mr. Ong Kian Min's continued appointment as a Non-Executive and Lead Independent Director by all shareholders.			
8.	<b>Ordinary Resolution 8</b> To approve Mr. Ong Kian Min's continued appointment as a Non-Executive and Lead Independent Director by shareholders (excluding the Directors and the chief executive officer of the Company, and their respective associates).			
9.	<b>Ordinary Resolution 9</b> To re-appoint Ernst & Young LLP, as auditors of the Company and to authorise the Directors to fix their remuneration.			
<b>As Special Business</b>				
10.	<b>Ordinary Resolution 10</b> Authority to Directors to allot and issue shares			
11.	<b>Ordinary Resolution 11</b> Adoption of the Share Purchase Mandate			
12.	<b>Ordinary Resolution 12</b> Renewal of Interested Persons Transactions General Mandate			
13.	<b>Ordinary Resolution 13</b> Authority to Offer and Grant Awards and Allot and Issue Shares under Silverlake Axis Ltd. Performance Share Plan			

\* delete accordingly

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021



Common Seal

Signature of Shareholder(s)  
Or, Common Seal of Corporate Shareholder

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

**IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS PROXY FORM**

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you. A member will not be able to vote online on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
2. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
3. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
4. Where an instrument appointing Chairman of the Meeting as proxy is signed and authorised on behalf of the appointor by an attorney, the letter of power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. The instrument appointing Chairman of the Meeting as proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or emailed to: [srs.team@boardroomlimited.com](mailto:srs.team@boardroomlimited.com), not less than seventy-two (72) hours before the time appointed for the holding of the AGM. A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.  
**In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms via email to the email address provided above.**
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of the members of the Company whose shares entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of 2021 AGM dated 11 October 2021.



**silverlake**<sup>•••</sup>  
SYMMETRY AT WORK

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