

CIRCULAR DATED 11 OCTOBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Circular is circulated to the Shareholders together with the annual report of the Company (“**2023 Annual Report**”). The Notice of AGM (as defined in this Circular) and a proxy form are enclosed with the 2023 Annual Report.

If you have sold or transferred all your Shares (as defined herein) in the capital of Silverlake Axis Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the Company represented by physical share certificate(s), you should forward this Circular immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. Approval by the SGX-ST is not to be taken as an indication of the merits of the proposed renewal of the Share Purchase Mandate (as defined herein), the proposed renewal of, and amendments to, the IPT General Mandate (as defined herein), the Company, its subsidiaries and/or its securities.



CIRCULAR TO SHAREHOLDERS

in relation to

(1) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND

(2) PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT GENERAL MANDATE

Independent Financial Adviser in relation to the proposed renewal of, and amendments to, the IPT General Mandate



XANDAR CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200002789M)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 23 October 2023 at 2.00 p.m.
Date and time of Annual General Meeting	: 26 October 2023 at 2.00 p.m.
Place of Annual General Meeting	: Banquet Suite, Level 10, M Hotel Singapore, 81 Anson Road, Singapore 079908

CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1 INTRODUCTION	6
2 THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE	7
3 THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT GENERAL MANDATE	19
4 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY	30
5 DIRECTORS' RECOMMENDATION	30
6 ABSTENTIONS	31
7 CONSENT	31
8 ACTION TO BE TAKEN BY SHAREHOLDERS	31
9 DIRECTORS' RESPONSIBILITY STATEMENT	32
10 DOCUMENTS AVAILABLE FOR INSPECTION	32
APPENDIX I – IFA LETTER	I - 1
APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)	II - 1

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

General

“Additional Mandated Transactions”	: The four (4) additional categories of interested person transactions with the Mandated Persons under the amended IPT General Mandate, as further detailed in Section 3.3.3 of this Circular
“AGM”	: The annual general meeting of the Company
“AGM 2022”	: The annual general meeting of the Company held on 27 October 2022
“AGM 2023”	: The annual general meeting of the Company to be held on 26 October 2023
“Audit and Risk Committee”	: The Audit and Risk Committee of the Company from time to time
“BaaS”	: Banking-as-a-Service is a subset of SaaS delivery model for banking services and products whereby the service provider, being a licensed bank, provides banking services or products through application programming interfaces to a customer that is not a licensed bank (for instance, an airline), who then offers the banking products or services to its customers as part of its services and products
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 11 October 2023
“Cloud Infrastructure”	: Infrastructure comprising hardware and software elements such as computing power, networking, storage, and customisation resources to enable cloud computing
“Companies Act”	: The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Company”	: Silverlake Axis Ltd.
“Constitution”	: The constitution of the Company, as may be amended, supplemented or modified from time to time
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Directors”	: The directors of the Company as at the date of this Circular or from time to time
“Existing Mandated Transactions”	: The three (3) categories of interested person transactions under the IPT General Mandate, as further detailed in Section 3.2.1 of this Circular
“FY2021”	: Financial year ended 30 June 2021
“FY2002”	: Financial year ended 30 June 2022
“FY2023”	: Financial year ended 30 June 2023
“Group”	: The Company and its subsidiaries
“IBM System i Products”	: IBM System i (previously known as iSeries) hardware and related software products and software subscriptions
“IFA” or “Xandar”	: Xandar Capital Pte. Ltd., as the independent financial adviser in relation to the proposed renewal of, and amendments to, the IPT General Mandate
“IFA Letter”	: The letter dated 11 October 2023 from the IFA to the Non-Interested Directors in relation to the proposed renewal of, and amendments to, the IPT General Mandate, a copy of which is enclosed as Appendix I to this Circular
“Interested Persons”	: Means the mandated interested persons under the IPT General Mandate

DEFINITIONS

“IPT General Mandate”	: The general mandate approved by Shareholders at SGM 2008 and last renewed at AGM 2022 to enable the Group to enter into certain categories of transactions with the Interested Persons
“Latest Practicable Date”	: 15 September 2023
“Listing Manual”	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Managed Services”	: Managed services provided by a service provider to a customer in accordance with a service agreement entered into between them, which may include monitoring the customer’s information technology infrastructure, systems and end-user applications in maintaining the hardware, network and/or cloud infrastructure
“Management”	: Management of the Company and/or the Group from time to time
“Mandated Persons”	: The names of interested persons under the amended IPT General Mandate as set out in Paragraph 3.1 of Appendix II to this Circular
“Mandated Transactions”	: The Existing Mandated Transactions and the Additional Mandated Transactions, collectively
“Marketing/Sales Services”	: The provision of services relating to the advertising and marketing and/or sales of the Group’s solutions and services
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Purchase”	: A market purchase, transacted on the SGX-ST through ready market or the special trading counter on the SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose
“Master Licence Agreement” or “MLA”	: The Master Licence Agreement dated 23 September 2008 entered into between the Company and Mr. Goh Peng Ooi, as may be supplemented, amended or modified from time to time
“Master Services Agreement” or “MSA”	: The Master Services Agreement dated 23 September 2008 entered into between the Company and Mr. Goh Peng Ooi, as may be supplemented, amended or modified from time to time
“Non-Executive Directors”	: The Non-Executive Directors of the Company for the time being
“Non-IBM System i Products”	: Third party hardware and/or software other than IBM System i Products including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle
“Non-Interested Directors”	: The Directors who are independent for the purposes of the proposed renewal of, and amendments to, the IPT General Mandate, namely Mr. Andrew Tan Teik Wei, Mr. Chee Chin Leong, Dr. Kwong Yong Sin, Mr. Chee Hin Kooi, Mr. Ong Kian Min, Tan Sri Dato’ Dr. Mohd Munir bin Abdul Majid, Datuk Yvonne Chia, Mr. Yano Satoru, Mr. Mah Yong Sun and Emeritus Professor Tan Sri Dato’ Dr. Chuah Hean Teik
“Notice of AGM”	: The notice of AGM 2023
“NTA”	: Net tangible assets
“Off-Market Purchase”	: An off-market purchase effected pursuant to an equal access scheme
“Proposed Transactions”	: Means collectively: (a) The proposed renewal of the Share Purchase Mandate; and (b) The proposed renewal of, and amendments to, the IPT General Mandate
“Proxy Form”	: The proxy form accompanying the 2023 Annual Report
“SaaS”	: Software-as-a-Service is a delivery model for software products and components (including the Software) whereby the service provider hosts, manages, and supports applications relating to software products and components (including the Software) remotely for the customer over the internet or a private network

DEFINITIONS

“Securities and Futures Act”	: The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGM 2008”	: The special general meeting of the Company held on 24 October 2008
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Purchase”	: Purchase or acquisition by the Company of Shares pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	: General mandate authorising Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate set out in this Circular
“Shareholders”	: Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors whose direct securities accounts maintained with CDP are credited with Shares
“Shares”	: The issued ordinary shares in the capital of the Company
“SIC”	: Securities Industry Council
“Software”	: Software components of the Group described in Schedule 1 of the MLA and any customisations, updates, enhancements, modifications, and/or improvements thereto that the Group may develop, release, make or acquire from time to time
“Substantial Shareholder”	: A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five percent (5%) of all the voting Shares
“Take-over Code”	: The Singapore Code on Take-over and Mergers, as amended, supplemented or modified from time to time
“treasury shares”	: Has the meaning ascribed to it in Section 4 of the Companies Act
“2008 Circular”	: The Company’s circular to Shareholders dated 2 October 2008
“RM” and “sen”	: Ringgit Malaysia and Malaysia cents respectively
“S\$”	: Singapore dollar
“%” or “percent”	: Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act. The term **“subsidiary”** has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

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

Any reference to a time of a day in this Circular is a reference to Singapore time unless otherwise stated. Any discrepancy in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.



SILVERLAKE AXIS LTD.

(Registered in Singapore)

(Company Registration Number: 202133173M)

Board of Directors:

Goh Peng Ooi (Group Executive Chairman)
Andrew Tan Teik Wei (Executive Director and Group Managing Director)
Goh Shiou Ling (Executive Director and Deputy Chief Executive Officer)
Chee Chin Leong (Executive Director)
Dr. Kwong Yong Sin (Non-Independent Non-Executive Director)
Chee Hin Kooi (Non-Independent Non-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 (Independent Non-Executive Director)
Yano Satoru (Independent Non-Executive Director)
Mah Yong Sun (Independent Non-Executive Director)
Emeritus Professor Tan Sri Dato' Dr. Chuah Hean Teik (Independent Non-Executive Director) (appointed on 1 October 2023)

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

11 October 2023

To: The Shareholders of Silverlake Axis Ltd.

Dear Shareholders,

**(1) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND
(2) PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT GENERAL MANDATE**

1. INTRODUCTION

1.1 AGM 2023

The Directors are seeking Shareholders' approval for, *inter alia*, the proposed renewal of the Share Purchase Mandate and the proposed renewal of, and amendments to, the IPT General Mandate at AGM 2023 (collectively, the "**Proposed Transactions**").

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with the information relating to, and to seek Shareholders' approval of, the Proposed Transactions. The ordinary resolutions relating to the Proposed Transactions shall be tabled at AGM 2023.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

CNPLaw LLP is the legal adviser to the Company in respect of this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At AGM 2022, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued ordinary shares not exceeding a prescribed limit. The authority conferred on the Directors under the Share Purchase Mandate will expire at the forthcoming AGM 2023 unless renewed by the Shareholders.

Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate, to take effect and continue in force until the conclusion of the next AGM in 2024, by way of an ordinary resolution. The resolution in respect of the renewal of the Share Purchase Mandate is set out as Ordinary Resolution 11 in the Notice of AGM.

2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) share purchases may be considered as one of the ways through which shareholders' value may be increased by enhancing the return on earnings ("**ROE**") and/or net tangible assets ("**NTA**") value per Share. This effect is greater the more undervalued the Shares are when they are purchased. If Shares are undervalued, this may be the most profitable course of action for the Company;
- (b) buying back Shares also means that the Company's earnings are now split among fewer Shares, meaning higher earnings per Share ("**EPS**"); and
- (c) buying back Shares provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner.

The Directors further believe that Share purchases by the Company may help to mitigate short-term market volatility in the Company's share price, off-set the effects of short-term speculation and bolster Shareholders' confidence.

By renewing the Share Purchase Mandate, the Company will have the flexibility to undertake purchases of Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. If and when circumstances permit, the Directors will decide whether to effect the Share purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share purchase to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial condition of the Group. Shareholders should also note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

2.3 Terms of the Share Purchase Mandate

Any purchase or acquisition of Shares by the Company shall be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and the Listing Manual, in particular, Rule 883(1) of the Listing Manual, and such other laws and regulations as may for the time being, be applicable. The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten percent (10%) of the issued ordinary share capital of the Company in each class as at the date on which the resolution authorising the renewal of the Share Purchase

LETTER TO SHAREHOLDERS

Mandate is passed (“**Maximum Limit**”), unless the Company has effected a cancellation of Shares pursuant to a reduction of its issued share capital, in accordance with Section 78C of the Companies Act, at any time during the relevant period (as defined in the Companies Act), in which event the total number of Shares of the Company shall be taken to be the total number of Shares as so altered. Shares held by the Company as treasury shares and subsidiary holdings shall be disregarded for purposes of computing the Maximum Limit.

Whilst the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the full 10% threshold, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full 10% limit as authorised or at all and that no purchases or acquisitions of Shares will be made in circumstances which would or may have a material adverse effect on the financial position of the Company.

For illustration purposes only, based on 2,511,841,621 Shares, being the total number of Shares as at the Latest Practicable Date (excluding 184,631,179 treasury shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the AGM 2023, not more than 251,184,162 Shares (representing 10% of the issued share capital of the Company disregarding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

Shareholders should note that this limit of 10% is subject further to the public float requirement as set out in detail in Section 2.10.1 of this Circular.

2.3.2 Duration of Authority

The authority conferred on the Directors pursuant to the Share Purchase Mandate proposed to be renewed, unless varied or revoked by the Company in a general meeting, may be exercised by the Directors at any time and from time to time during the relevant period, which is the period commencing from the passing of the resolution relating to the adoption of the Share Purchase Mandate and expiring on the earliest of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting.

The Share Purchase Mandate may be renewed at each AGM or at an extraordinary general meeting of the Company.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may be effected by way of the following:

- (a) a Market Purchase; and/or
- (b) an Off-Market Purchase in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the Share purchase shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

LETTER TO SHAREHOLDERS

- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company shall, as required by Rule 885 of the Listing Manual in accordance with an equal access scheme as defined in Section 76C of the Companies Act, issue an offer document to all Shareholders. The offer document shall contain, *inter alia*, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share purchases;
- (d) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or any other applicable take-over rules;
- (e) whether the Share purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share purchase made by the Company in the previous twelve (12) months, whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding ancillary expenses such as brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the maximum price ("**Maximum Price**") as set out below:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
 - (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,
- in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"Average Closing Price" means the average of the Closing Market Prices of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

LETTER TO SHAREHOLDERS

“**Closing Market Price**” means the last dealt price for a Share transacted through the SGX-ST’s Central Limit Order Book trading system as shown in any publication of the SGX-ST or other sources; and

“**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 holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

A Share when purchased or acquired by the Company is treated as cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase), unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors may decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time.

2.5 Treasury Shares

Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten percent (10%) of the total number of issued Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividends may be paid, and no other distribution of the Company’s assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

Under Rule 704(28) of the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it and state the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Disposal and Cancellation

Shares which are purchased or acquired by the Company may be cancelled or held by the Company as treasury shares. All cancelled Shares will automatically be delisted by the SGX-ST. If cancelled, all rights and privileges attached to that Share shall expire on cancellation and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase.

Where purchased Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

2.7 Source of Funds

The Company may use internal resources and/or external borrowings to finance the Company's purchase or acquisition of its Shares pursuant to the Share Purchase Mandate. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would materially affect the working capital requirements or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) ("**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

2.8 Solvency Test

Under the Companies Act, the Company may not enter into any share buy-back transaction unless it is solvent. Pursuant to the Companies Act, a company is solvent if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the purchase or acquisition, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

2.9 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares, and whether the Shares purchased or acquired are held in treasury or cancelled. Some of these factors are discussed below.

2.9.1 Number of Shares Acquired or Purchased

For illustration purposes only, based on 2,511,841,621 Shares, being the total number of Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the AGM 2023, not more than 251,184,162 Shares (representing 10% of the issued share capital of the Company excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.9.2 Based on Maximum Price Paid for the Shares Acquired or Purchased

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the maximum number of 251,184,162 Shares at the Maximum Price of S\$0.285 per Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 251,184,162 Shares is S\$71,587,486 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the maximum number of 251,184,162 Shares at the Maximum Price of S\$0.325 per Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 251,184,162 Shares is S\$81,634,853 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.9.3 Illustrative Financial Effects

For illustrative purposes only, on the basis of the assumptions set out above, and assuming that the purchases of Shares are financed solely by internal resources, the financial effects of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 30 June 2023 as if the Share Purchase Mandate had been effective on 30 June 2023 would have been as follows:

LETTER TO SHAREHOLDERS

Purchases made out of capital

(A) Purchases made entirely out of capital and cancelled, and
 (B) Purchases made entirely out of capital and held as treasury shares.

(RM'000)	Audited Before Share Purchase	<u>Market Purchase</u>		<u>Off-Market Purchase</u>	
		(A) Proforma After Share Purchase and Cancelled	(B) Proforma After Share Purchase and held as Treasury Shares	(A) Proforma After Share Purchase and Cancelled	(B) Proforma After Share Purchase and held as Treasury Shares
<u>Company</u>					
Shareholders' Funds	2,412,339	2,166,078	2,166,078	2,131,515	2,131,515
NTA	2,412,339	2,166,078	2,166,078	2,131,515	2,131,515
Current Assets	166,577	46,421	46,421	46,421	46,421
Current Liabilities	6,504	132,609	132,609	167,172	167,172
Cash and Cash Equivalents	120,156	-	-	-	-
Total Borrowings	152,732	278,837	278,837	313,400	313,400
Number of Shares including Treasury Shares ('000)	2,696,473	2,445,289	2,696,473	2,445,289	2,696,473
Treasury Shares ('000)	184,631	184,631	435,815	184,631	435,815
<u>Financial Ratios</u>					
NTA per Share (sen)	96.04	95.82	95.82	94.29	94.29
Current Ratio (times)	25.61	0.35	0.35	0.28	0.28
Gearing Ratio (times)	0.06	0.13	0.13	0.15	0.15
<u>Group</u>					
Shareholders' Funds	1,136,191	889,930	889,930	855,367	855,367
NTA	726,887	480,626	480,626	446,063	446,063
Net Profit	170,279	170,279	170,279	170,279	170,279
Current Assets	1,127,050	880,789	880,789	846,226	846,226
Current Liabilities	253,366	253,366	253,366	253,366	253,366
Cash and Cash Equivalents	494,710	248,449	248,449	213,886	213,886
Total Borrowings	179,512	179,512	179,512	179,512	179,512
<u>Financial Ratios</u>					
NTA per Share (sen)	28.94	21.26	21.26	19.73	19.73
Basic EPS (sen)	6.76	7.51	7.51	7.51	7.51
ROE (%)	15%	19%	19%	20%	20%
Current Ratio (times)	4.45	3.48	3.48	3.34	3.34
Gearing Ratio (times)	0.16	0.20	0.20	0.21	0.21

LETTER TO SHAREHOLDERS

Purchases made out of profits

(C) Purchases made entirely out of profits and cancelled, and
(D) Purchases made entirely out of profits and held as treasury shares.

(RM'000)	Audited Before Share Purchase	<u>Market Purchase</u>		<u>Off-Market Purchase</u>	
		(C) Proforma After Share Purchase and Cancelled	(D) Proforma After Share Purchase and held as Treasury Shares	(C) Proforma After Share Purchase and Cancelled	(D) Proforma After Share Purchase and held as Treasury Shares
<u>Company</u>					
Shareholders' Funds	2,412,339	2,166,078	2,166,078	2,131,515	2,131,515
NTA	2,412,339	2,166,078	2,166,078	2,131,515	2,131,515
Current Assets	166,577	46,421	46,421	46,421	46,421
Current Liabilities	6,504	132,609	132,609	167,172	167,172
Cash and Cash Equivalents	120,156	-	-	-	-
Total Borrowings	152,732	278,837	278,837	313,400	313,400
Number of Shares including Treasury Shares ('000)	2,696,473	2,445,289	2,696,473	2,445,289	2,696,473
Treasury Shares ('000)	184,631	184,631	435,815	184,631	435,815
<u>Financial Ratios</u>					
NTA per Share (sen)	96.04	95.82	95.82	94.29	94.29
Current Ratio (times)	25.61	0.35	0.35	0.28	0.28
Gearing Ratio (times)	0.06	0.13	0.13	0.15	0.15
<u>Group</u>					
Shareholders' Funds	1,136,191	889,930	889,930	855,367	855,367
NTA	726,887	480,626	480,626	446,063	446,063
Net Profit	170,279	170,279	170,279	170,279	170,279
Current Assets	1,127,050	880,789	880,789	846,226	846,226
Current Liabilities	253,366	253,366	253,366	253,366	253,366
Cash and Cash Equivalents	494,710	248,449	248,449	213,886	213,886
Total Borrowings	179,512	179,512	179,512	179,512	179,512
<u>Financial Ratios</u>					
NTA per Share (sen)	28.94	21.26	21.26	19.73	19.73
Basic EPS (sen)	6.76	7.51	7.51	7.51	7.51
ROE (%)	15%	19%	19%	20%	20%
Current Ratio (times)	4.45	3.48	3.48	3.34	3.34
Gearing Ratio (times)	0.16	0.20	0.20	0.21	0.21

Notes:

- (1) NTA per Share is calculated by the NTA divided by the number of Shares excluding treasury shares as at 30 June 2023.
- (2) Basic EPS is calculated by the profit attributable to Shareholders divided by the weighted average number of Shares excluding treasury shares.
- (3) Current ratio is derived based on current assets divided by current liabilities.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are only for illustrative purposes. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and basic EPS, as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 30 June 2023, and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the Maximum Limit. Further, the Directors would like to emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST.

2.10 Requirements under the Listing Rules and Companies Act

2.10.1 Listing Status of the Shares

Rule 723 of the Listing Manual requires a listed company to ensure that at least ten percent (10%) of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiary companies, the associates of such persons and founding shareholders and management team of special purpose acquisition company and their associates. As at the Latest Practicable Date, the Company is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the Maximum Limit under the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

As at the Latest Practicable Date, there are approximately 586,279,226 Shares in the hands of the public, representing approximately 23.34% of the issued ordinary share capital excluding treasury shares of the Company. To comply with the minimum public float requirement of the Listing Manual, the Company will purchase its Shares only to the extent that it will not result in less than 10% of its issued ordinary share capital being held by public shareholders. Accordingly, the Company may purchase Shares up to a maximum of 251,184,162 Shares, i.e., 10% of its issued and ordinary share capital pursuant to the Share Purchase Mandate, based on the number of Shares in the hands of the public as at the Latest Practicable Date.

2.10.2 Reporting Requirements

Under Rule 886 of the Listing Manual, a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 am (i) in the case of a Market Purchase, on the market day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

The Company shall, within thirty (30) days of the passing of a resolution to approve the Share Purchase Mandate, lodge a copy of such resolution with ACRA.

Further, within thirty (30) days of a purchase of Shares, the Company shall lodge with (i) ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

2.10.3 No Purchases during Price Sensitive Periods

The Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s). However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and
- (b) in particular, in accordance with Rule 1207(19) of the Listing Manual on securities dealings, the Company would not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half year and full year results.

2.11 Take-over Code Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights,

for this purpose, a company is an associated company of another company if the second company owns or controls at least twenty percent (20%) but not more than fifty percent (50%) of the voting rights of the first-mentioned company;

LETTER TO SHAREHOLDERS

- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act according to the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 as a result of a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company would increase to thirty percent (30%) or more; or
- (b) if the Directors and their concert parties hold between thirty percent (30%) and fifty percent (50%) of the Company's voting rights and their voting rights increase by more than one percent (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty percent (30%) or more, or, if such Shareholder holds between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one percent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed renewal of the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in Section 4 of this Circular.

As at the Latest Practicable Date, assuming (a) the Company purchases the maximum amount of 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings), and (b) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders prior to and after the exercise of the Share Purchase Mandate, none of the Directors and Substantial Shareholders would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult the SIC and/or their professional advisers.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

2.12 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.13 Shares bought by the Company in the past twelve months

The Company has made Market Purchases of 4,498,700 Shares in the twelve (12) months prior to the Latest Practicable Date which were held as treasury shares. Details of the transactions are set out below:

Date of Transaction	Number of Shares Acquired	Purchase Price Per Share (S\$)	Total Consideration ⁽¹⁾ (S\$)
17 Mar 2023	25,000	0.3429	8,582.79
16 Mar 2023	8,700	0.3400	2,961.55
13 Mar 2023	250,000	0.3520	88,105.60
10 Mar 2023	246,700	0.3500	86,448.62
9 Mar 2023	20,700	0.3450	7,150.07
8 Mar 2023	34,200	0.3400	11,641.95
7 Mar 2023	140,700	0.3418	48,148.97
6 Mar 2023	159,800	0.3369	53,901.23
3 Mar 2023	39,700	0.3309	13,152.50
30 Dec 2022	241,000	0.3631	87,612.11
29 Dec 2022	220,000	0.3575	78,744.38
28 Dec 2022	195,000	0.3650	71,260.41
9 Dec 2022	708,300	0.3899	276,497.56
8 Dec 2022	237,000	0.3850	91,354.49
7 Dec 2022	140,000	0.3850	53,964.68
6 Dec 2022	400,000	0.3850	154,184.80
5 Dec 2022	75,000	0.3750	28,158.75
30 Nov 2022	400,000	0.3672	147,056.26
25 Nov 2022	89,400	0.3550	31,775.08
24 Nov 2022	91,200	0.3549	32,405.72
23 Nov 2022	255,100	0.3467	88,549.29
22 Nov 2022	71,200	0.3350	23,880.62
21 Nov 2022	250,000	0.3360	84,100.80
16 Nov 2022	200,000	0.3250	65,078.01
Total	4,498,700		1,634,716.24

Note:

- (1) Total consideration paid for the Shares includes, *inter alia*, ancillary expenses such as brokerage, commission applicable goods and services tax, stamp duties, clearance fees and other related expenses.

3. THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT GENERAL MANDATE

3.1 Requirements of Chapter 9 of the Listing Manual for Interested Persons Transactions

Chapter 9 of the Listing Manual applies to transactions which a company listed on the SGX-ST or any of its subsidiaries or associated companies, which is considered to be an “**entity at risk**” within the meaning of Rule 904(2) of the Listing Manual, proposes to enter into with a counter-party who is an interested person of the listed corporation within the meaning of Rule 904(4) of the Listing Manual.

3.1.1 Definitions under Chapter 9 of the Listing Manual

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) An “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e., spouse, child, adopted child, step-child, sibling and parent), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An “**associate**” in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) The term “**control**” refers to the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.
- (e) A “**controlling shareholder**” means a person who (a) holds (directly or indirectly) 15% or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or (b) in fact exercises control over a company.
- (f) An “**entity at risk**” means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed group that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) has control over the associated company.
- (g) An “**interested person**” in the case of a company means (a) a director, chief executive officer or controlling shareholder of the listed company; or (b) an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and interested person.

3.1.2 General Requirements

An immediate announcement and/or Shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

Rule 905 of the Listing Manual states that a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited consolidated net tangible assets, or if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited consolidated net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Rule 906 of the Listing Manual states that a listed company must also obtain shareholder approval for any interested person transaction of a value equal to, or more than (i) 5% of the group's latest audited consolidated net tangible assets; or (ii) 5% of the group's latest audited consolidated net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 920 of the Listing Manual also permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the interested persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Listing Manual. The general mandate is subject to annual renewal.

3.1.3 Excluded Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction with a value of less than S\$100,000 is not considered material and is not taken into account for the purposes of this Circular. However, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction having regard to the objective of Chapter 9 of the Listing Manual and the economic and commercial substance of the interested person transaction, instead of legal form and technicality.

3.1.4 Circular Requirements

Pursuant to Rule 920(1)(b) of the Listing Manual, a circular to shareholders seeking a general mandate must include:

- (a) unless the Exchange requires otherwise, the names of the interested persons with whom the entity at risk will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the entity at risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in subparagraph (d) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;
- (f) an opinion from the audit committee if it takes a different view to the independent financial adviser;

LETTER TO SHAREHOLDERS

- (g) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in sub-paragraph (d) above become inappropriate; and
- (h) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

3.2 Background

- 3.2.1 The Group is in the business of providing software solutions and services to customers such as financial institutions including banks and insurance companies. The IPT General Mandate currently covers three (3) categories of interested person transactions, namely, the grant of licences of Software, the resale of IBM System i Products, as well as the provision of services to, and receipt of services from, Interested Persons under the MSA in the ordinary course of business (“**Existing Mandated Transactions**”). This has enhanced the ability of the Group to pursue business opportunities which are time-sensitive in nature, without the need to seek specific Shareholders’ approval when such transactions arise.
- 3.2.2 The IPT General Mandate was first approved by independent Shareholders at SGM 2008 and was last renewed at AGM 2022. As such, it will expire at AGM 2023 unless renewed by the independent Shareholders.
- 3.2.3 The IPT General Mandate applies to the following classes of Interested Persons, namely:
 - (a) Mr. Goh Peng Ooi; and/or
 - (b) all such entities which may from time to time deemed to be an associate of Mr. Goh Peng Ooi.
- 3.2.4 Mr. Goh Peng Ooi is the Group Executive Chairman. As at the Latest Practicable Date, Mr. Goh Peng Ooi is also a Substantial Shareholder with a deemed interest in 1,862,760,568 shares held through his wholly-owned company, Zezz FundQ Pte. Ltd., representing 74.16% of the total issued share capital in the Company (excluding treasury shares).

LETTER TO SHAREHOLDERS

3.2.5 The aggregate value of all interested person transactions conducted during financial year ended 30 June 2023 by the Group is set out below:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during FY2023 (excluding transactions less than S\$100,000 and transactions conducted under the IPT General Mandate) RM	Aggregate value of all interested person transactions conducted under the IPT General Mandate during FY2023 (excluding transactions less than S\$100,000) RM
Silverlake Private Entities (“SPE”) ⁽¹⁾ IPT General Mandate ⁽²⁾: <u>Contract value from SPE:</u> Silverlake Innovation Partners Sdn. Bhd.	Associates of Mr. Goh Peng Ooi	-	95,829,400
Silverlake Capital Market Solution Sdn. Bhd.		-	2,915,586
Silverlake Processing Services Sdn. Bhd.		-	3,249,000
Silver Peak Technology Integration Services (Beijing) Co. Ltd.		-	5,960,320
Total:		-	<u>107,954,306</u>
<u>Services contract fees to SPE:</u> Silverlake Sheaf Sdn. Bhd.		-	(882,000)
Silverlake Cloud Computing Sdn. Bhd.		-	(901,600)
Silverlake Mobility Ecosystem Sdn. Bhd.		-	(732,601)
Total:		-	<u>(2,516,201)</u>
Non-Mandate Transactions⁽³⁾: <u>Contract value from SPE:</u> Silverlake Innovation Partners Sdn. Bhd.			14,352,647
Total:		<u>14,352,647</u>	-

Notes:

- (1) The interested persons are associates of Mr. Goh Peng Ooi (i.e., companies in which he and his immediate family together, directly or indirectly, have an interest of 30% or more), who is the Group Executive Chairman and Controlling Shareholder of the Company.
- (2) The IPT General Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to MLA and MSA. The IPT General Mandate is subject to annual renewal.
- (3) The Non-Mandate Transactions were mainly derived from the provision of third party software and hardware products by Silverlake Digital Economy Sdn. Bhd., Silverlake Holdings Sdn. Bhd. and Cyber Village Sdn. Bhd. to Silverlake Innovation Partners Sdn. Bhd.

3.2.6 Transactions with the Interested Persons which do not fall within the ambit of the IPT General Mandate are subject to the relevant provisions of Chapter 9 of the Listing Manual.

3.3 Proposed Amendments to the IPT General Mandate

3.3.1 Rationale

The IPT General Mandate was adopted pursuant to the entry into of the MLA and MSA between the Company and Mr. Goh Peng Ooi on 23 September 2008. Since the adoption of the IPT General Mandate in 2008, it has been renewed annually on substantially similar terms. However, between 2008 and the Latest Practicable Date, technology has advanced significantly and new business and service models have developed.

On 19 July 2023, the Company entered into supplementals to the MSA and MLA with Mr. Goh Peng Ooi to, *inter alia*, expand the scope of services rendered in connection with software products and components under the MSA and to amend the MLA to include the provision of BaaS and SaaS. On 11 September 2023, the Company entered into further supplementals to the MSA and MLA with Mr. Goh Peng Ooi to update the list of Mandated Persons. The supplementals are subject to Shareholders' approval and take effect on the date on which Shareholders' approval for the proposed renewal of, and amendments to, the IPT General Mandate is obtained. The scope of the IPT General Mandate has accordingly been amended to include the Additional Mandated Transactions.

The proposed amendment to the IPT General Mandate is intended to facilitate the entry into the Additional Mandated Transactions, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. The Additional Mandated Transactions are expected to be recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses will not be covered under the Additional Mandated Transactions.

The IPT General Mandate, as proposed to be amended, will be tabled for renewal annually to allow the Group to enter into the Mandated Transactions within the ambit of the amended IPT General Mandate. This will expand the scope of the IPT General Mandate to be aligned with current business practices and eliminate the need for the Company to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions under the ambit of the IPT General Mandate arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group. Further, the inclusion of the Additional Mandated Transactions would allow the Group to streamline the new business and service models arising from technology evolution and ensure that a robust framework is in place to safeguard the interests of the Company and its minority shareholders when the Group undertakes the Additional Mandated Transactions.

3.3.2 Streamlining the Mandated Persons under the IPT General Mandate

In light of the amendments to Rule 920 of the Listing Manual which took effect from 7 February 2020, the Company will be listing the names of the Mandated Persons in the amended IPT General Mandate. The names of the Mandated Persons covered by the amended IPT General Mandate are set out in Paragraph 3.1 of Appendix II to this Circular.

The Mandated Persons cover past and existing customers and/or suppliers of the Group as well as Mandated Persons which may become potential customers of the Group.

While some of the Mandated Persons appear to be in the same line of business as the Group, these Mandated Persons do not have the same proprietary Software and SaaS and BaaS. Further, they are not able to compete with the Group under a non-compete undertaking from Mr. Goh Peng Ooi for as long as Mr. Goh Peng Ooi remains as a controlling shareholder and/or director of the Company.

3.3.3 Additional Mandated Transactions

It is proposed that the following additional interested person transactions be included under the amended IPT General Mandate (collectively, the “**Additional Mandated Transactions**”):

(a) Provision of SaaS and BaaS

This category covers the provision of SaaS and BaaS by the Group to the Mandated Persons.

In the provision of SaaS and BaaS, delivery models for software products and components via web and mobile application are offered to users. The Group generates revenue based on the number of end-users log-ins and the number of transactions made using the Group’s SaaS and/or BaaS. This is different from the grant of licences of software components under the MLA where the software components are installed in the servers of the customers and the Group derives revenue depending on the modules, features and components of the software required by the customers and the number of end-users.

The provision of SaaS and BaaS is in line with business evolution and technology changes. SaaS and BaaS are gaining popularity with more companies launching delivery models for software products and components via web and mobile application to provide convenience to end-users and the Group has developed its own SaaS and BaaS to meet the emerging business needs.

(b) Resale of Non-IBM System i Products

This category covers the resale of Non-IBM System i Products by the Group to the Mandated Persons.

Non-IBM System i Products comprise a wide range of IT products from third party hardware and/or software including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle.

Since the adoption of the IPT General Mandate in 2008, the Group has been appointed as the authorised resellers of more IT products including those named above.

The Group has a suite of proprietary software products and solutions. While the Group’s customers (including the Mandated Persons) can buy the Non-IBM System i Products from other authorised resellers, it would be in the interest of the Group’s customers (including the Mandated Persons) to obtain the entire solution (comprising the Group’s Software, the hardware and other software such as additional security software, if required) from the Group so that (i) the Group can provide one-stop solution (including the hardware which are compatible with the customised Software); and (ii) the customers (including the Mandated Persons) only need to liaise with the Group when they require related services rather than, for example, approaching the Group for Software matters and the other resellers for other software and hardware.

(c) Provision of Managed Services and/or Cloud Infrastructure

This category covers the provision of Managed Services and/or Cloud Infrastructure by the Mandated Persons to the Group.

Managed Services, as defined in this Circular, refers to managed services provided by a service provider to a customer in accordance with a service agreement entered into between them, which may include monitoring the customer’s information technology infrastructure, systems and end-user applications in maintaining the hardware, network and/or cloud infrastructure.

As of the Latest Practicable Date, the Group does not have and has not invested on resources (infrastructure and manpower) to provide Managed Services. The Group will also need to employ relevant staff or train its staff to provide such Managed Services. Accordingly, the Group currently intends to obtain such Managed Services from the Mandated Persons which have already been providing these services, if these services are required by the Group’s customers.

LETTER TO SHAREHOLDERS

(d) Provision of Marketing/Sales Services

This category covers the provision of Marketing/Sales Services by the Mandated Persons to the Group.

Marketing/Sales Services, as defined in this Circular, refers to the provision of services relating to the advertising and marketing and/or sales of the Group's solutions and services.

While the Group has its own in-house marketing or sales personnel, it is also exploring more marketing and sales channels to expand its customer base.

Accordingly, Management has proposed a partner management program (which was subsequently reviewed and approved by the Board of Directors) to reach out to more customers.

The partner management program is similar to an authorised reseller program. Under the partner management program, the Group will identify and sign on business partners (including the Mandated Persons) as the authorised reseller of the Group's proprietary software products and solutions.

Save for the Resale of Non-IBM System i Products, the Group has not entered into any Additional Mandated Transactions with the Mandated Persons in the last three financial years. The contract value for the Resale of Non-IBM System i Products (excluding contract value less than S\$100,000) with Mandated Persons amounted to RM Nil, RM Nil and RM14,352,647 respectively for FY2021, FY2022 and FY2023.

As a comparison, the percentage contribution for FY2021, FY2022 and FY2023 for the Resale of Non-IBM System i Products with unrelated parties over Group's revenue is 1.6%, 0.9% and 1.1% respectively.

3.3.4 Methods and Procedures for the Additional Mandated Transactions

In relation to the Additional Mandated Transactions, the following methods and procedures shall apply:

(a) Provision of SaaS and BaaS

When providing SaaS and BaaS to the Mandated Persons, the Group shall compare the terms to be offered to the Mandated Persons with at least two (2) other recently signed SaaS and/or BaaS contracts with unrelated third parties prior to offering the terms to the Mandated Persons. The terms extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to such unrelated third parties. The comparisons shall be made after taking into account relevant factors which may include but are not limited to, the nature of the services to be provided, the value and size of the contract (such as the estimated number of end-users under the contract and the expected transactional volume), the duration of the contract, the implementation schedules, customer requirements and specifications (such as the number of additional features required by the customer, the level of customisation, the hardware requirements of the Group to provide the services) and/or other relevant specification of the contract as well as the benefit of the contracts to the Group (such as a reputable end-customer or foray to a new customer segment) ("**SaaS and BaaS Relevant Factors**").

In the event that recent unrelated third party SaaS and/or BaaS contracts are not available or that there is only one recent unrelated third party SaaS and/or BaaS contract for comparison, the Group shall determine the terms to be offered to the Mandated Persons based on a pricing model which is applicable by the Group when quoting to both Mandated Persons and unrelated third parties ("**SaaS and/or BaaS pricing model**"). The SaaS and/or BaaS pricing model sets out the indicative monthly subscription fee per end-user as well as the add-on fee for each of the additional feature offered by the Group under SaaS and BaaS. When determining the terms to be offered to the Mandated Persons, the Group shall also take into account the SaaS and BaaS Relevant Factors, to ensure that the terms to be offered to the Mandated Persons are in accordance with the applicable industry norms, on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

The Group shall notify the Audit and Risk Committee of any changes to the SaaS and/or BaaS pricing model which may have a material change to the pricing for the provision of SaaS and/or BaaS, and the Audit and Risk Committee shall also review the SaaS and BaaS pricing model at least once annually.

(b) Resale of Non-IBM System i Products

Non-IBM System i Products (as defined in this Circular) refers to third party hardware and/or software other than IBM System i Products including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle.

When undertaking the resale of Non-IBM System i Products to the Mandated Persons, the Group shall compare the terms to be offered to the Mandated Persons with at least two (2) other recent sale to unrelated third parties prior to offering the terms to the Mandated Persons. The terms to be extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to such unrelated third parties.

While Non-IBM System i Products are generally available in the market, the Group's target customers are corporations and not retail consumers. The Group has to customise a one-stop solution for its customers which comprise customisation of the Group's Software, the hardware and other software as required by the customers. As such, recent sales to unrelated third parties may not be available and publicly available market rates for retail customers (such as those published on Lazada or Shopee) may not be relevant for comparison.

In the event that recent sale to unrelated third parties are not available or that there is only one recent sale to unrelated third party, the Group shall determine the prices to be offered to the Mandated Persons based on the cost of the Group such that the Group will always yield a positive gross profit margin from the transaction with the Mandated Persons.

When determining the terms to be offered to the Mandated Persons, the Group shall take into account relevant factors, where applicable, which may include but are not limited to, the quantity, the delivery schedule, the installation schedule, the payment milestones, any expenses to be incurred by the Group for the shipment, delivery and/or installation of the products (the "**Non-IBM System i Products Resale Factors**") as well as the benefit of the transaction to the Group to ensure that the terms to be offered to the Mandated Persons are in accordance with the applicable industry norms, on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

(c) Provision of Managed Services and/or Cloud Infrastructure

When obtaining Managed Services and/or Cloud Infrastructure from the Mandated Persons, the Group shall compare the terms offered by the Mandated Persons with at least two (2) quotations from unrelated third parties prior to engaging the Mandated Persons' Managed Services and/or Cloud Infrastructure. The Group will only obtain Managed Services and/or Cloud Infrastructure from the Mandated Persons when the terms extended by the Mandated Persons are not less favourable than the terms offered by the unrelated third parties. The comparisons shall be made after taking into account relevant factors which may include but are not limited to, customers' specifications, the technical capabilities of the service providers (including the data security measures, security certifications and the size of the technical support team) as well as the benefit of the transaction to the Group ("**Managed Services and/or Cloud Infrastructure Relevant Factors**").

In the event that third party quotations are not available or that there is only one third party quotation for comparison, the Group shall determine whether the terms offered by the Mandated Persons are in accordance with the applicable industry norms, taking into account the Managed Services and/or Cloud Infrastructure Relevant Factors, the Group's customers' budget and preferred cloud, hardware/software cost and average manpower costs to support and maintain the system, to ensure that the transactions will be entered into on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

(d) Provision of Marketing/Sales Services

When obtaining Marketing/Sales Services from the Mandated Persons, the Group shall ensure that the rate payable by the Group to the Mandated Persons (which shall only be paid upon closure of sales) is not more favourable than the rate payable to unrelated third parties by comparing the rate payable to the Mandated Person with at least two (2) rates payable by the Group to unrelated third parties.

In the event that third party agreements are not available or that there is only one third party agreement for comparison, the Group shall determine the rates payable by the Group to the Mandated Persons for such Marketing/Sales Services with reference to the terms and conditions including pricing matrix under the partner management program approved by the Board of Directors. The Board of Directors shall also review the partner management program at least once annually taking into consideration changing market conditions and practice.

Approval for transactions with Mandated Persons to obtain Marketing/Sales Services will be in accordance with the approval thresholds set out in Section 3.3.5 of this Circular. The Audit and Risk Committee will ensure that the Mandated Person involved in the transaction is not involved in the decision making and approvals regarding the transaction.

(e) Multiple Mandated Transactions

The Group may combine the various categories of the Mandated Transactions and offer to the Mandated Persons a comprehensive contract at the request of the customers. For example, the contract may comprise grant of licences of the Software under the MLA, provision of SaaS and/or BaaS (which may involve a combination of provision of services under the MSA and grant of licences under the MLA), resale of IBM System i Products and Non-IBM System i Products, and services rendered in connection with software products and components. A contract involving such multiple categories of Mandated Transactions is more complex than a contract involving a single Mandated Transaction as the former requires higher level of configuration and customisation to ensure that the solution integrates well for the customers. Accordingly, there may not be similar recent transactions and/or quotations for comparison by the Group in such circumstances.

When determining the terms to be offered to the Mandated Persons, the Group shall take into account all relevant factors as set out under the respective categories of Mandated Transactions, namely the Pricing Model for the grant of licences, the profit margin earned on resale of IBM System i Products, the Man-day Rates and the Maintenance Service Fee Rate for the provision of Services under the MSA, the SaaS and BaaS Relevant Factors, the SaaS and/or BaaS pricing model and the Non-IBM System i Products Resale Factors, where applicable, as well as the benefit of the transaction to the Group to ensure that the Group always yield a positive gross profit margin from such transaction.

3.3.5 Other Amendments to the IPT General Mandate

There were no specific approval thresholds adopted under the existing IPT General Mandate. In addition to the methods and procedures set out under Section 3.3.4 of this Circular, the Group will also be adopting the following approval thresholds for the Mandated Transactions under the amended IPT General Mandate:

Value of Mandated Transactions	Approving authority who must have no interest, direct or indirect, in the Mandated Transactions
All Mandated Transactions	Head of the respective business units
Any single Mandated Transaction with a value equal or above 3% of the then latest audited NTA of the Group	Additional approval from the Group Managing Director / Chief Executive Officer
Any single Mandated Transaction with a value equal to or above 5% of the then latest audited NTA of the Group	Additional approval from the Audit and Risk Committee

LETTER TO SHAREHOLDERS

Given that (i) all Mandated Transactions are reviewed by the Audit and Risk Committee quarterly; (ii) save for the last quarter of FY2023 where the Group entered into one contract with a value which exceeded 5% of the Group's latest applicable audited NTA, the cumulative contract values of the Mandated Transactions for each quarter in the last three completed financial years did not exceed 5% of the Group's latest applicable audited NTA; and (iii) the Company has set out clear pricing models and guidelines for (A) the grant of licences of the Software; (B) the provision of SaaS and BaaS; and (C) the provision of Services, the approval threshold does not include an additional cumulative threshold requiring additional approval from the Audit and Risk Committee for cumulative transactions which exceed 5% of the Group's latest applicable audited NTA.

The Company will also delete Sections 4.26 (Intellectual property rights) and 5 (Trademarks) of the IPT General Mandate as they are not relevant in the context of the amended IPT General Mandate.

- 3.3.6 The full text of the amended IPT General Mandate, with the proposed amendments blacklined or in strikethrough, can be found in Appendix II to this Circular.

3.4 Validity Period of the amended IPT General Mandate

If approved by Shareholders at the AGM 2023, the amended IPT General Mandate will take effect from the date of the passing of the ordinary resolution for the approval of the amended IPT General Mandate, and will continue to be in force until the conclusion of the next AGM or the date by which such AGM is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting. Approval from Shareholders will be sought for the renewal of the amended IPT General Mandate at each subsequent annual general meeting subject to the satisfactory review by the Audit and Risk Committee of its continued application to the Mandated Transactions with the Mandated Persons.

3.5 Disclosure Requirements

Pursuant to Rule 920(1)(a) of the Listing Manual:

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of the interested person transactions conducted pursuant to the general mandate during the financial year under review and in the annual reports for the subsequent financial years during which the proposed general mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regard to the aggregate value of the interested person transactions conducted pursuant to the proposed general mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):

Name of the interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 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 S\$100,000)
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3.6 IFA's Opinion

Xandar has been appointed by the Company as the independent financial advisor pursuant to Rule 920(1)(b)(v) of the Listing Manual to advise the Non-Interested Directors to, *inter alia*, opine on whether the methods and procedures set out in Appendix II to this Circular are sufficient to ensure that the interested person transactions covered under the amended IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In arriving at its opinion in respect of the IPT General Mandate, the IFA has considered, among other things, (i) the methods and procedures as well as the approval procedures and thresholds set out in the IPT General Mandate; (ii) the role of the Audit and Risk Committee in relation to the IPT General Mandate; (iii) the quarterly review of the Mandated Transactions by the Audit and Risk Committee and the annual review of the Mandated Transactions by the internal auditors; and (iv) the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter in relation to the proposed renewal of, and amendments to, the IPT General Mandate is reproduced in Appendix I to this Circular. Shareholders are advised to read the IFA Letter carefully.

3.7 Statement of the Audit and Risk Committee

The Audit and Risk Committee comprises Mr. Ong Kian Min (chairman of the Audit and Risk Committee), Mr. Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid and Mr. Mah Yong Sun.

Having considered, *inter alia*, the terms, rationale for and benefits of the proposed renewal of, and amendments to, the IPT General Mandate, the guidelines and review procedures as set out in Appendix II to this Circular, and the opinion of the IFA as set out in the IFA Letter, the Audit and Risk Committee agrees with the views of the IFA and is satisfied that the methods or procedures for determining transaction prices of the interested person transactions under the amended IPT General Mandate are sufficient to ensure that the interested person transactions under the amended IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If during the periodic reviews by the Audit and Risk Committee, it is of the view that the established methods and procedures under the amended IPT General Mandate are no longer appropriate or sufficient to ensure that the interested person transactions under the amended IPT General Mandate will be carried out on normal commercial terms and would be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new methods and procedures.

LETTER TO SHAREHOLDERS

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

The interests of Directors and the Substantial Shareholders as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act are as follows:

Directors/Substantial Shareholders	Direct Interest (Number of Shares)	Indirect/Deemed Interest (Number of Shares)	Total Interest	
			Number of Shares	% ⁽¹⁾
<u>Directors:</u>				
Andrew Tan Teik Wei	14,000,000	-	14,000,000	0.56
Goh Shiou Ling ⁽²⁾	-	630,400 ⁽²⁾	630,400	0.025
Chee Chin Leong	120,000	-	120,000	0.005
Dr. Kwong Yong Sin	18,972,000	2,275,000 ⁽³⁾	21,247,000	0.85
Chee Hin Kooi	-	-	-	-
Ong Kian Min	200,000	1,600,000 ⁽⁴⁾	1,800,000	0.07
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid	200,000	-	200,000	0.01
Datuk Yvonne Chia	-	610,000 ⁽⁵⁾	610,000	0.02
Yano Satoru	-	-	-	-
Mah Yong Sun	-	-	-	-
<u>Substantial Shareholder:</u>				
Zezz FundQ Pte. Ltd.	1,862,760,568	-	1,862,760,568	74.16
<u>Director and Substantial Shareholder:</u>				
Goh Peng Ooi	-	1,862,760,568 ⁽⁶⁾	1,862,760,568	74.16

Notes:

- (1) Based on an issued share capital of 2,696,472,800 Shares excluding 184,631,179 treasury shares, as at the Latest Practicable Date.
- (2) Ms. Goh Shiou Ling is an associate of Mr. Goh Peng Ooi, being his daughter. Ms. Goh Shiou Ling's deemed interest arises from the 630,400 Shares held by UOB Kay Hian Private Limited (Nominees) account.
- (3) Dr. Kwong Yong Sin's deemed interest arises from the 2,275,000 Shares held by his spouse, Madam Khoo Beng Gaik @ Nellie.
- (4) Mr. Ong Kian Min's deemed interest arises from the 1,600,000 Shares held by Bank of Singapore Nominees Pte. Ltd.
- (5) Datuk Yvonne Chia's deemed interest arises from the 610,000 Shares held by DBS Nominee Pte. Ltd. (Trust Account).
- (6) Mr. Goh Peng Ooi's deemed interest arises from the 1,862,760,568 Shares held by his wholly-owned company, Zezz FundQ Pte. Ltd.

5. DIRECTORS' RECOMMENDATION

5.1 Proposed Renewal of Share Purchase Mandate

The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of Share Purchase Mandate at the AGM 2023.

5.2 Proposed Renewal of, and Amendments to, the IPT General Mandate

Mr. Goh Peng Ooi and Ms. Goh Shiou Ling have abstained from making any recommendation on the proposed renewal of, and amendments to, the IPT General Mandate.

LETTER TO SHAREHOLDERS

The Non-Interested Directors having considered, *inter alia*, the rationale for and benefits of the proposed renewal of, and amendments to, the IPT General Mandate, and the opinion of the IFA as set out in the IFA Letter, are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Mandated Transactions described in Appendix II to this Circular in its ordinary course of business with the Mandated Persons. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate.

6. ABSTENTIONS

The Mandated Persons are associates of Mr. Goh Peng Ooi, the Group Executive Chairman. As at the Latest Practicable Date, Mr. Goh Peng Ooi is also a Substantial Shareholder with a deemed interest in 1,862,760,568 Shares held through his wholly-owned company, Zezz FundQ Pte. Ltd., representing 74.16% of the total issued share capital in the Company (excluding treasury shares).

Ms. Goh Shiou Ling, an Executive Director of the Company, is the daughter of Mr. Goh Peng Ooi and an associate of Mr. Goh Peng Ooi. Some of the Mandated Persons are also associates of Ms. Goh Shiou Ling. Please refer to Section 3.3 of Appendix II for details.

By virtue of their interest under the IPT General Mandate, Mr. Goh Peng Ooi and Ms. Goh Shiou Ling will abstain from voting on the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate at the AGM 2023. Mr. Goh Peng Ooi and Ms. Goh Shiou Ling have also undertaken to ensure that their associates will abstain from voting on the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate. Further, the Company will disregard any votes cast by Mr. Goh Peng Ooi and Ms. Goh Shiou Ling on the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate.

Further, Mr. Goh Peng Ooi and Ms. Goh Shiou Ling will decline to accept appointment as proxies to vote and attend at the AGM 2023 in respect of the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate unless specific instructions as to voting are given by the Shareholder concerned.

7. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its IFA Letter dated 11 October 2023 as set out in Appendix I to this Circular and all references thereto, in the form and context in which they appear in this Circular.

CNPLaw LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto in the form and context in which they appear in this Circular.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 AGM 2023

The AGM 2023 will be held at Banquet Suite, Level 10, M Hotel Singapore, 81 Anson Road, Singapore 079908 at 2.00 p.m. on 26 October 2023 for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of AGM, including the ordinary resolution relating to the renewal of Share Purchase Mandate and the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate. The Notice of AGM and a proxy form are enclosed with the 2023 Annual Report.

8.2 Attendance at the AGM 2023

If a Shareholder is unable to attend the AGM 2023 and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach:

- (a) the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898; or
- (b) the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632,

LETTER TO SHAREHOLDERS

in each case, not less than 72 hours before the time appointed for holding the AGM 2023, that is, by 23 October 2023. The completion and return of a proxy form by a Shareholder do not preclude him from attending and voting in person at the AGM 2023 if he wishes to do so. In such an event, the relevant proxy form will be deemed to be revoked. A depositor shall not be regarded as a member entitled to attend and vote at the AGM 2023 if such person is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM 2023.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the proposed renewal of, and amendments to, the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Circular up to and including the date of the AGM 2023:

- (a) the Constitution;
- (b) the 2023 Annual Report;
- (c) the IFA Letter;
- (d) the letters of consent referred to in Section 7 of this Circular; and
- (e) the 2008 Circular, MLA, and MSA.

For and on behalf of
The Board of Directors

Mr. Andrew Tan Teik Wei
Group Managing Director



11 October 2023

Silverlake Axis Ltd.

80 Robinson Road
#02-00
Singapore 068898

Attention: The Non-Interested Directors

Dear Sirs

PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meaning as defined in the circular of Silverlake Axis Ltd. dated 11 October 2023 (the “Circular”).

1. INTRODUCTION

Silverlake Axis Ltd. (the “**Company**”) first obtained a general mandate at the special general meeting of the Company held on 24 October 2008 (the “**IPT General Mandate**”), to enable the Company and its subsidiaries (collectively, the “**Group**”) and its associated companies or any of them to enter into any of the recurrent transactions falling within the categories of interested person transactions (the “**Existing Mandated Transactions**”) set out in the Company’s circular to Shareholders dated 2 October 2008 (the “**2008 Circular**”), with any party who is under the classes of interested persons described in the 2008 Circular, provided that such Existing Mandated Transactions are carried out on normal commercial terms and in accordance with the review procedures for the Existing Mandated Transactions set out in the 2008 Circular, for the purposes of Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The IPT General Mandate was renewed annually and was last renewed on 27 October 2022.

The Company is proposing amendments to the IPT General Mandate and wishes to seek the approval of the shareholders of the Company (the “**Shareholders**”) for the proposed renewal of, and amendments to, the IPT General Mandate to allow the Group to expand the categories of the transactions under the IPT General Mandate to include four (4) additional categories of transactions (the “**Additional Mandated Transactions**”, further details of which are set out in Section 3.3.3 entitled “Additional Mandated Transactions” in the Circular, and together with the Existing Mandated Transactions, the “**Mandated Transactions**”) and to amend the classes of interested persons under the IPT General Mandate to the interested

Page 1 of 15

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persons named in Paragraph 3 entitled “Names of Mandated Persons” in Appendix II to the Circular (the “**Mandated Persons**”).

The key amendments to the IPT General Mandate are summarised as follows:

- (a) the expansion of the categories of the transaction under the IPT General Mandate to include four (4) Additional Mandated Transactions. The amended IPT General Mandate will cover a total of seven (7) categories of Mandated Transactions upon the passing of the ordinary resolution for the proposed renewal of, and amendments to, the IPT General Mandate at the annual general meeting of the Company (“**AGM**”) to be held on 26 October 2023;
- (b) the revision of “Classes of Interested Persons” to “Names of Mandated Persons” in line with the amendments to the listing rules of the listing manual of the SGX-ST (the “**Listing Manual**”); and
- (c) the adoption of approval thresholds based on the historical volume and value of the Existing Mandated Transactions, the anticipated volume and value of the Additional Mandated Transactions, as well as the latest audited net tangible assets (“**NTA**”) of the Group.

To comply with the requirements of Chapter 9 of the Listing Manual, Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed as the independent financial adviser to provide an opinion on whether the methods and procedures of the amended IPT General Mandate (set out as Appendix II to the Circular) are sufficient to ensure that the Mandated Transactions between the Group and the Mandated Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA letter sets out our evaluation of the amended IPT General Mandate and our opinion thereof. This IFA Letter has been prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use of the Directors of the Company, who as at the date of the Circular, are considered to be independent for the purpose of the proposed renewal of, and amendments to, the IPT General Mandate (namely Mr. Andrew Tan Teik Wei, Mr. Chee Chin Leong, Dr. Kwong Yong Sin, Mr. Chee Hin Kooi, Mr. Ong Kian Min, Tan Sri Dato’ Dr. Mohd Munir bin Abdul Majid, Datuk Yvonne Chia, Mr. Yano Satoru, Mr. Mah Yong Sun and Emeritus Professor Tan Sri Dato’ Dr. Chuah Hean Teik, collectively the “**Non-Interested Directors**”), and this IFA Letter forms part of the Circular.

2. TERMS OF REFERENCE

Xandar Capital has been appointed to opine on whether the methods or procedures for the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated



Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We are and were not involved in any aspect of the negotiations pertaining to the amendments to the IPT General Mandate or the Mandated Transactions, nor were we involved in the deliberations leading to the Company's decision to renew and amend the IPT General Mandate and to enter into the Mandated Transactions contemplated under the amended IPT General Mandate. We do not, by this IFA Letter, make any representation or warranty in relation to the merits of the amended IPT General Mandate or the Mandated Transactions contemplated under the amended IPT General Mandate.

Our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial merits and/or risks of the amended IPT General Mandate and the Mandated Transactions contemplated under the amended IPT General Mandate. We have also not conducted any review of the business, operations or financial condition of the Company and the Group, and we have not relied on any financial projections or forecasts in respect of the Company or the Group, nor did we have access to their business plans, financial projections and forecasts. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group pursuant to the renewal of, and amendments to, the IPT General Mandate or the Mandated Transactions contemplated under the amended IPT General Mandate. We are also not expressing any view herein as to the prices at which the shares of the Company may trade with or without the amended IPT General Mandate. Such evaluation shall remain the sole responsibility of the Directors.

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted price from third parties for products or services similar to those which are to be covered by the Mandated Transactions contemplated under the amended IPT General Mandate, and are therefore not able to, and will not comment on the Mandated Transactions.

In the course of our evaluation, we have held discussions with certain Directors and management of the Group and have examined information provided and representations made to us by the aforesaid parties, including information in the Circular for which the Directors have collectively and individually accept full responsibility as set out in the paragraph below. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information (including the information given in the Circular) and have found no reason to doubt the accuracy and reliability of the information.

We have relied upon the assurance of the Directors that they collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the



Circular constitutes full and true disclosure of all material facts about the proposed renewal of, and amendments to, the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Company, the Group and the amended IPT General Mandate are to the best of their knowledge and belief, fair and accurate in all material aspects. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information about the Company and the Group as at the date of the Circular, provided or otherwise made available to us or relied on by us as described above.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Whilst a copy of this IFA Letter may be reproduced in the Circular, save for the purpose of any matter relating to the amended IPT General Mandate, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes at any time and in any manner without our prior written consent in each specific case. Our opinion in relation to the amended IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE AMENDED IPT GENERAL MANDATE

The amended IPT General Mandate is set out as Appendix II to the Circular.

3.1 CATEGORIES OF MANDATED TRANSACTIONS

Information on the categories of Mandated Transactions is set out in Paragraph 1 entitled "Categories of Mandated Transactions" in Appendix II to the Circular.

We note that there are seven (7) categories of the Mandated Transactions as follows:

- (a) the grant of licences of the Software (as defined in the Circular) under the Master License Agreement dated 23 September 2008 entered by the Company and Mr. Goh



- Peng Ooi, as may be supplemented, amended or modified from time to time (the “**MLA**”);
- (b) the provision of Software-as-a-Service (“**SaaS**”) and Banking-as-a-Service (“**BaaS**”) by the Group to the Mandated Persons;
 - (c) the resale of IBM System i Products (being IBM System i (previously known as iSeries) hardware and related software products and software subscriptions) in Malaysia by the Group to the Mandated Persons;
 - (d) the resale of Non-IBM System i Products (being third party hardware and/or software other than IBM System i Products) by the Group to the Mandated Persons;
 - (e) the provision of Services (as defined in the Circular) between the Group and the Mandated Persons under the Master Services Agreement dated 23 September 2008 entered into by the Company and Mr. Goh Peng Ooi, as may be supplemented, amended or modified from time to time (the “**MSA**”);
 - (f) the provision of managed services which may include monitoring the customer’s information technology infrastructure, systems and end-user applications in maintaining the hardware, network and/or cloud infrastructure (the “**Managed Services**”) and cloud infrastructure comprising hardware and software elements such as computing power, networking, storage, and customisation resources to enable cloud computing (“**Cloud Infrastructure**”) by the Mandated Persons to the Group; and
 - (g) the provision of services in relation to advertising and marketing and/or sale of the Group’s solutions and services (“**Marketing/Sales Services**”) by the Mandated Persons to the Group,

collectively, the “**Mandated Transactions**”.

These Mandated Transactions may occur from time to time, in the Group’s ordinary course of business, with the Mandated Persons on a non-exclusive basis.

3.2 THE MANDATED PERSONS

Information on the Mandated Person of the amended IPT General Mandate is set out in Paragraph 3 entitled “Names of Mandated Persons” in Appendix II to the Circular.

We note that there are, in total, 43 Mandated Persons under the amended IPT General Mandate. All the Mandated Persons are corporate entities which are associates of Mr. Goh Peng Ooi, who as at 15 September 2023 (the “Latest Practicable Date”), is the Group Executive Chairman of the Company as well as the single largest Shareholder, holding an



indirect interest of approximately 74.16% of the total issued share capital in the Company (excluding treasury shares).

3.3 RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT GENERAL MANDATE

Information on the rationale for and benefits of the proposed renewal of, and amendments to, the IPT General Mandate is set out in Paragraph 4 entitled “Rationale for, and Benefits of, the IPT General Mandate” in Appendix II to the Circular.

We note that the amended IPT General Mandate will expand the scope of the IPT General Mandate to be aligned with current business practices and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for entering into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities.

The rationale for amending the IPT General Mandate is set out in Section 3.3.1 entitled “Rationale” of the Circular. Between 2008 and the Latest Practicable Date, technology has advanced significantly and new business and service models have developed, and the scope of the IPT General Mandate needs to be amended to include the Additional Mandated Transactions.

3.4 METHODS AND PROCEDURES FOR THE MANDATED TRANSACTIONS

Detailed information on the methods and procedures is set out in Paragraph 5 entitled “Methods and Procedures for the Mandated Transactions” in Appendix II to the Circular.

We note that the methods and procedures involve the following key factors:

- (a) in relation to the grant of licences of the Software by the Group to the Mandated Persons under the MLA

The licence fee for the grant of licences of the Software to a Mandated Person shall be determined using a pricing model (“**Pricing Model**”), which is a point based system to govern pricing of the Software for both Mandated Persons and unrelated third parties.

All revisions to the Points Allocation Table and Licence Fee Bands Table under the Pricing Model shall be reviewed and approved by the Audit and Risk Committee before implementation of the revision.



We noted that there is no preferential treatment under the Pricing Model and the Group is applying the Pricing Model (including the Points Allocation Table and Licence Fee Bands Table as reviewed and approved by the Audit and Risk Committee) to the Mandated Persons and unrelated third parties equally.

- (b) in relation to provision of SaaS and BaaS by the Group to the Mandated Persons

The terms extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to at least two (2) other recently signed SaaS and/or BaaS contracts with unrelated third parties, after comparing relevant factors which may include but are not limited to, the nature of the services to be provided, the value and size of the contract (such as the estimated number of end-users under the contract and the expected transactional volume), the duration of the contract, the implementation schedules, customer requirements and specifications (such as the number of additional features required by the customer, the level of customisation, the hardware requirements of the Group to provide the services) and/or other relevant specification of the contract as well as the benefit of the contracts to the Group (such as a reputable end-customer or foray to a new customer segment) (the “**SaaS and BaaS Relevant Factors**”).

In the event that recent unrelated third party SaaS and/or BaaS contracts are not available or that there is only one recent unrelated third party SaaS and/or BaaS contract for comparison, the Group shall determine the terms to be offered to the Mandated Persons based on a pricing model which is applicable for quoting to both Mandated Persons and unrelated third parties (the “**SaaS and/or BaaS pricing model**”). The Group shall notify the Audit and Risk Committee of any changes to the SaaS and/or BaaS pricing model which may have a material change to the pricing for the provision of SaaS and/or BaaS, and the Audit and Risk Committee shall also review the SaaS and BaaS pricing model at least once annually.

We noted that there is no preferential treatment under the pricing model and the Group is applying the pricing model to the Mandated Persons and unrelated third parties equally.

- (c) in relation to the resale of IBM System i Products in Malaysia by the Group to the Mandated Persons

The profit margin to be charged by the Group to the Mandated Person shall be calculated by the Company with reference to the average profit margin derived by the Group from sales of IBM System i Products to unrelated third parties in the last completed financial year from time to time and shall take into account the cost paid to IBM plus any expenses incurred by the Group in connection with the sale(s), including but not limited to the shipment, delivery and/or installation of the relevant products.



- (d) in relation to the resale of Non-IBM System i Products by the Group to the Mandated Persons

The terms to be extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to at least two (2) other recent sale of Non-IBM System i Products by the Group to unrelated third parties.

In the event that recent sale to unrelated third parties are not available or that there is only one recent sale to unrelated third party (as the Group customises a one-stop solution for its customers), the Group shall determine the prices to be offered to the Mandated Persons based on the cost of the Group such that the Group will always yield a positive gross profit margin from the transaction with the Mandated Persons, and after taking into account relevant factors, where applicable, which may include but are not limited to, the quantity, the delivery schedule, the installation schedule, the payment milestones, any expenses to be incurred by the Group for the shipment, delivery and/or installation of the products as well as the benefit of the transaction to the Group.

- (e) in relation to the provision of Services between the Group and the Mandated Persons under the MSA

The Group shall determine the pricing for provision of implementation and customisation services under the MSA based on a list of man-day rates ("**Man-day Rates**") and the fee for the provision of maintenance services by the Group to the Mandated Persons under the MSA, calculated on an annual basis, shall be based on at a fixed percentage ("**Maintenance Service Fee Rate**") of the licence fee charged by the Group to the relevant Mandated Person or the end-user for the use of software products and components (including the Software) to which such services relate.

The Man-day Rates and Maintenance Service Fee Rate under the pricing for provision of Services or any part thereof shall be reviewed from time to time and be revised according to prevailing market condition and/or pricing, and all such revisions shall be reviewed and approved by the Audit and Risk Committee before implementation of the revision.

- (f) in relation to the provision of Managed Services and Cloud Infrastructure by the Mandated Persons to the Group

The Group will only obtain Managed Services and/or Cloud Infrastructure from the Mandated Persons when the terms extended by the Mandated Persons are not less favourable than the terms offered by at least two (2) quotations from unrelated third parties. The comparisons shall be made after taking into account relevant factors which may include but are not limited to, customers' specifications, the technical



capabilities of the service providers (including the data security measures, security certifications and the size of the technical support team) as well as the benefit of the transaction to the Group (the “**Managed Services and/or Cloud Infrastructure Relevant Factors**”).

In the event that third party quotations are not available or that there is only one third party quotation for comparison, the Group shall determine whether the terms offered by the Mandated Persons are in accordance with the applicable industry norms, taking into account Managed Services and/or Cloud Infrastructure Relevant Factors, the Group’s customers’ budget and preferred cloud, hardware/software cost and average manpower costs to support and maintain the system, to ensure that the transactions will be entered into on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

- (g) in relation to the provision of Marketing/Sales Services by the Mandated Persons to the Group

When obtaining Marketing/Sales Services from the Mandated Persons, the Group shall ensure that the rate payable by the Group to the Mandated Persons (which shall only be paid upon closure of sales) are not more favourable than the rate payable to unrelated third parties by comparing the rate payable to the Mandated Person with at least two (2) rates payable by the Group to unrelated third parties.

In the event that third party agreements are not available or that there is only one third party agreement for comparison, the Group shall determine the rates payable by the Group to the Mandated Persons for such Marketing/Sales Services with reference to the terms and conditions including pricing matrix under the partner management program approved by the Board of Directors. We understand that the partner management program is applicable to all such Marketing/Sales Services with all business partners (whether they are Mandated Persons or unrelated third parties) of the Group and shall be reviewed by the Board of Directors at least once annually taking into consideration changing market conditions and practice.

- (h) in relation to multiple Mandated Transactions

When determining the terms to be offered to the Mandated Persons, the Group shall take into account all relevant factors as set out under the respective categories of Mandated Transactions, namely the Pricing Model for the grant of licences, the profit margin earned on resale of IBM System i Products, the Man-day Rates and the Maintenance Service Fee Rate for the provision of Services under the MSA, the SaaS and BaaS Relevant Factors and the SaaS and/or BaaS pricing model and the Non-IBM System i Products Resale Factors, where applicable, as well as the benefit of the transaction to the Group to ensure that the Group always yield a positive gross profit margin from such transaction.



The Company will also be implementing the following approval thresholds:

Value of Mandated Transactions	Approving authority who must have no interest, direct or indirect, in the Mandated Transactions
All Mandated Transactions	Head of the respective business units
Any single Mandated Transaction with a value equal or above 3.0% of the then latest audited NTA of the Group	Additional approval from the Group Managing Director / Chief Executive Officer
Any single Mandated Transaction with a value equal to or above 5.0% of the then latest audited NTA of the Group	Additional approval from the Audit and Risk Committee

Given that (i) all Mandated Transactions are reviewed by the Audit and Risk Committee quarterly; (ii) save for the last quarter of the financial year ended 30 June 2023 where the Group entered into one contract with a value which exceeded 5% of the Group's latest applicable audited NTA, the cumulative contract values of the Mandated Transactions for each quarter in the last three completed financial years did not exceed 5% of the Group's latest applicable audited NTA; and (iii) the Company has set out clear pricing models and guidelines for (A) the grant of licences of the Software; (B) the provision of SaaS and BaaS; and the provision of Services, the approval threshold does not include an additional cumulative threshold requiring additional approval from the Audit and Risk Committee for cumulative transactions which exceed 5% of the Group's latest applicable audited NTA.

Other additional guidelines and review procedures under the IPT General Mandate including the quarterly review of the interested person registers and the interested person transaction registers by the Audit and Risk Committee, a review of all Mandated Transactions as part of the Group's annual internal audit and the internal auditor shall report directly to the Audit and Risk Committee on all of its findings from the review of the Mandated Transactions.

4. ROLE OF AUDIT AND RISK COMMITTEE

We note that the Audit and Risk Committee is involved in the following:

- (a) the Audit and Risk Committee shall review and approve all revisions to the Points Allocation Table and Licence Fee Bands Table under the Pricing Model and the Man-



day Rates and Maintenance Service Fee Rate under the pricing for provision of Services or any part thereof before implementation of the revision;

- (b) in relation to the grant of Non-Enterprise Licence under the MLA, where the relevant Mandated Person is the end-user of the Software, the Audit and Risk Committee or its duly authorised representative(s) may audit the books and records of the relevant Mandated Person to verify the details of the pricing dimensions applicable to such Mandated Person and/or end-user(s), as the case may be; and where the relevant Mandated Person is not the end-user of the Software, the Mandated Person shall use all reasonable endeavours, to the extent permitted by law, to procure that the Audit and Risk Committee or its duly authorised representative(s) be allowed to audit the books and records of the relevant end-user(s) to verify the details of the pricing dimensions applicable to such end-user(s);
- (c) in relation to the grant of Enterprise Licence under the MLA, the management of the Company shall submit its recommendation to the Audit and Risk Committee as to the Base Licence Fee of the Enterprise Licence ("**Base Enterprise Licence Fee**") for approval. The existing minimum Base Enterprise Licence Fee of S\$38.4 million is determined based on the Group's management's view of current market conditions. The Base Enterprise Licence Fee chargeable to the Mandated Interested Person shall be no less than S\$38.4 million and shall, in any case, be supported by an independent valuation report and be subject to the prior approval of the Audit and Risk Committee.
- (d) the Audit and Risk Committee shall have the right to periodically review the terms (including the licence fee) of any licence granted by the Group to a Mandated Person, the terms of any agreement for the resale of IBM System i Products ("**Resale Agreement**") or for the provision of Services ("**Services Agreement**") which shall be undertaken on a quarterly basis by the Audit and Risk Committee, with allowance for more frequent reviews if deemed necessary by the Audit and Risk Committee.

If the Audit and Risk Committee reasonably determines, in the course of such review, that the terms of any licence granted to the Mandated Person, the resale of IBM System i Products and Non-IBM System i Products to the Mandated Persons, or the Services provided to/by the Mandated Persons, the provision of SaaS and/or BaaS to the Mandated Persons, the provision of Managed Services, Cloud Infrastructure and Marketing/Sales Services by the Mandated Persons are inconsistent with the terms of the MLA and the MSA, as the case may be, and the methods and procedures for Mandated Transactions set out under the IPT General Mandate are insufficient to ensure that transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the parties agree to take all such steps as may be necessary to amend the relevant terms to ensure consistency with the terms of the MLA and the MSA, as the case may be, and the Company shall amend the IPT General Mandate and the relevant Mandated



Person shall forthwith compensate the Group for any loss or damage suffered (including any shortfall in the applicable licence fee payable, Service fee payable, IBM System i Products and Non-IBM System i Products re-sale price, fee for provision of SaaS and/or BaaS or fee payable by the Group for Managed Services, Cloud Infrastructure and Marketing/Sales Services) as a result of the earlier inconsistency, provided always that this shall not apply to any deviation from the terms of the MLA and MSA, as the case may be, which has been duly approved by the Audit and Risk Committee;

- (e) the Audit and Risk Committee be informed of any changes to the SaaS and/or BaaS pricing model which may have a material change to the pricing for the provision of SaaS and/or BaaS, and the Audit and Risk Committee shall also review the SaaS and BaaS pricing model at least once annually;
- (f) the Audit and Risk Committee shall have the discretion to approve a discount when Management and the Audit and Risk Committee are of the view that the discount is in the best interests of the Group and is necessary to enable the Group to maintain a competitive edge or to facilitate entry into a new market or industry. Management shall provide the Audit and Risk Committee with relevant business case, including information to support the recommendation for discount, and the Audit and Risk Committee shall evaluate the business case and supporting information submitted. No discounts shall be allowed without the prior approval of the Audit and Risk Committee;
- (g) the Audit and Risk Committee shall review and approve any Mandated Transaction with a value equal to or above 5% of the then latest audited NTA of the Group;
- (h) the Audit and Risk Committee shall conduct reviews of the registers of interested persons and registers of interested person transactions quarterly;
- (i) the Audit and Risk Committee shall also review the credit terms and billing and payment arrangements extended to the Mandated Persons from time to time by comparing them against those extended to unrelated third parties for similar transactions or services, to ensure that they are no more favourable than those extended by the Group to unrelated third parties;
- (j) the Audit and Risk Committee shall review the internal audit reports submitted by the internal auditors on its findings from the review of the Mandated Transactions;
- (k) the Audit and Risk Committee shall, when it deems necessary, have the right to require the appointment of auditors or any independent professionals to review all matters relating to the MLA and MSA, and the Mandated Transactions; and



- (l) if during its periodic review, the Audit and Risk Committee believes that the methods and procedures as stated in the IPT General Mandate have become inappropriate and/or are no longer sufficient to ensure that the interests of the Company and the minority Shareholders are not prejudiced and that the Mandated Transactions are on normal commercial terms, the Group will seek a fresh general mandate for the Mandated Transactions based on new methods and procedures from its independent Shareholders.

5. VALIDITY PERIOD OF THE AMENDED IPT GENERAL MANDATE

Pursuant to Rule 920(2) of the Listing Manual, the amended IPT General Mandate will be effective from the date of the passing of the ordinary resolution for the approval of the IPT General Mandate, and will continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

Approval from independent Shareholders will be sought for the renewal of the amended IPT General Mandate at each subsequent AGM or the date by which the next AGM of the Company is required by law to be held, subject to the satisfactory review by the Audit and Risk Committee of its continued application to the Mandated Transactions.

6. ABSTENTION BY DIRECTORS AND MANDATED PERSONS

- (a) Abstention from recommendation by Directors and their associates

The Mandated Persons are associates of Mr. Goh Peng Ooi, the Group Executive Chairman. Accordingly, Mr. Goh Peng Ooi and Ms. Goh Shiou Ling (the Executive Director who is also an associate of Mr. Goh Peng Ooi, being his daughter) have abstained from making any recommendation on the proposed renewal of, and amendments to, the IPT General Mandate.

- (b) Abstention from voting by Mandated Persons and their Associates

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, the Mandated Persons and their Associates shall abstain from voting on resolutions involving themselves and the Group. Furthermore, such Mandated Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder.

By virtue of their interest under the IPT General Mandate, Mr. Goh Peng Ooi and Ms. Goh Shiou Ling will abstain from voting on the ordinary resolution relating to the



proposed renewal of, and amendments to, the IPT General Mandate at the AGM 2023. Mr. Goh Peng Ooi and Ms. Goh Shiou Ling have also undertaken to ensure that their associates will abstain from voting on the ordinary resolution relating to the proposed renewal of, and amendments to, the IPT General Mandate.

7. OUR OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, among other things, (i) the methods and procedures as well as the approval procedures and thresholds set out in the IPT General Mandate; (ii) the role of the Audit and Risk Committee in relation to the IPT General Mandate; (iii) the quarterly review of the Mandated Transactions by the Audit and Risk Committee and the annual review of the Mandated Transactions by the internal auditors; and (iv) the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, Xandar Capital is of the opinion that the methods and procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. THIS IFA LETTER

This IFA Letter is prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as addressed to the Non-Interested Directors in connection with and for the purposes of their consideration of the IPT General Mandate and forms part of the Circular. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the Circular, as required under Rule 920(1)(b)(v) of the Listing Manual.

Whilst a copy of this IFA Letter may be reproduced in the Circular, save for the purpose of any matter relating to the IPT General Mandate, neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of Xandar Capital in each specific case.



This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein in compliance with the requirements under the Listing Manual.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

The proposed amendments to the IPT General Mandate which was last renewed at AGM 2022 are set out below in blackline/ strikethrough.

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

The following definitions shall apply throughout this IPT General Mandate unless otherwise stated:

- “Audit and Risk Committee”** : The Audit and Risk Committee of the Company from time to time
- “BaaS”** : Banking-as-a-Service is a subset of SaaS delivery model for banking services and products whereby the service provider, being a licensed bank, provides banking services or products through application programming interfaces to a customer that is not a licensed bank (for instance, an airline), who then offers the banking products or services to its customers as part of its services and products
- “Branch”** : Any outlet, office or premises of an End-User having its own postal address and business operations
- “Cloud Infrastructure”** : Infrastructure comprising hardware and software elements such as computing power, networking, storage, and customisation resources to enable cloud computing
- “Company”** : Silverlake Axis Ltd.
- “CDP”** : The Central Depository (Pte) Limited
- “Customer”** : A client or person to whom an End-User provides a service in the ordinary course of its business and in relation to whom the End-User maintains a separate account(s), registration number(s) or other equivalent identification code(s)
- “Customisation”** : Any act of adapting, altering, modifying or enhancing software products and components (including the Software) and “Customising” shall have a corresponding meaning
- “End-User”** : (a) In a case where the Mandated Person is Implementing and/or Customising software products and components (including the Software) for use by a third party, such third party;
(b) In a case where the Mandated Person is Implementing and/or Customising software products and components (including the Software) for its own use, such Mandated Person; and
(c) In a case where the Mandated Person is operating and/or carrying out an Outsourcing Arrangement, the third party(ies) who is paying a fee to the Mandated Person in connection with the Mandated Person’s own use and/or operation of software products and components (including the Software)
- “Enterprise Licence”** : The licence of the Software granted to a licensee without reference to any specified pricing dimensions
- “Group”** : The Company and its subsidiaries
- “IBM System i Products”** : IBM System i (previously known as iSeries) hardware and related software products and software subscriptions
- “Implementation”** : The provision of services relating to the installation and configuration of software products and components (including the software provided through SaaS and/or BaaS delivery model) pursuant to a contract between a Mandated Person or the Group and an End-User and “Implementing” shall have a corresponding meaning
- “IPT General Mandate”** : This general mandate approved by Shareholders pursuant to Chapter 9 of the listing manual of the SGX-ST to enable the Group to enter into certain categories of transactions with certain classes of interested persons, provided that such transactions are entered into on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

<u>“Maintenance”</u>	: <u>Support services to be provided in respect of software products and components (including the Software) to an End-User based on a maintenance agreement to be entered into between the End-User and the Group or a Mandated Person (as the case may be)</u>
<u>“Managed Services”</u>	: <u>Managed services provided by a service provider to a customer in accordance with a service agreement entered into between them, which may include monitoring the customer’s information technology infrastructure, systems and end-user applications in maintaining the hardware, network and/or cloud infrastructure</u>
<u>“Management”</u>	: <u>Management of the Company and/or the Group from time to time</u>
<u>“Mandated Persons”</u>	: <u>The names of interested persons under the IPT General Mandate as set out in Paragraph 3.1</u>
<u>“Mandated Transactions”</u>	: <u>Namely, grant of licences of the Software under the MLA, provision of SaaS and BaaS, resale of IBM System i Products under the MSA, resale of Non-IBM System i Products, provision of Services under the MSA, provision of Managed Services and/or Cloud Infrastructure, and provision of Marketing/Sales Services as set out in Paragraph 1.1</u>
<u>“Marketing/Sales Services”</u>	: <u>The provision of services relating to the advertising and marketing and/or sales of the Group’s solutions and services</u>
<u>“Master Licence Agreement”</u> or <u>“MLA”</u>	: <u>The Master Licence Agreement dated 23 September 2008 entered by the Company and Mr. Goh Peng Ooi to govern the grant of licences of software components by the Group to the Mandated Persons in accordance with the terms of the Master Licence Agreement, as may be supplemented, amended or modified from time to time</u>
<u>“Master Services Agreement”</u> or <u>“MSA”</u>	: <u>The Master Services Agreement dated 23 September 2008 entered into by the Company and Mr. Goh Peng Ooi to govern transactions between the Group and the Mandated Persons pertaining to Mandated Transactions as set out in Paragraphs 1.1(b) to 1.1(g) in accordance with the terms of the Master Services Agreement, as may be supplemented, amended or modified from time to time</u>
<u>“Non-Enterprise Licence”</u>	: <u>The licence of the Software granted to a licensee based on specified pricing dimensions</u>
<u>“Non-IBM System i Products”</u>	: <u>Third party hardware and/or software other than IBM System i Products including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle</u>
<u>“Outsourcing Arrangement”</u>	: <u>Any arrangement whereby a Mandated Person is charging a third party(ies) a fee, whether recurring or otherwise, in connection with such Mandated Person’s own use and/or operation of software products and components (including the Software)</u>
<u>“SaaS”</u>	: <u>Software-as-a-Service is a delivery model for software products and components (including the Software) whereby the service provider hosts, manages, and supports applications relating to the Software remotely for the customer over the internet or a private network</u>
<u>“Services”</u>	: <u>Any services rendered in connection with software products and components (including the Software) under the MSA, including any Implementation, Customisation or Maintenance services</u>
<u>“SGM 2008”</u>	: <u>The special general meeting of the Company held on 24 October 2008</u>
<u>“Shareholders”</u>	: <u>Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean Depositors whose direct securities accounts maintained with CDP are credited with Shares</u>
<u>“Shares”</u>	: <u>The issued ordinary shares in the capital of the Company</u>
<u>“Software”</u>	: <u>Software components of the Group described in Schedule 1 of the MLA and any customisations, updates, enhancements, modifications, and/or improvements thereto that the Group may develop, release, make or acquire from time to time</u>
<u>“Substantial Shareholder”</u>	: <u>A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five percent (5%) of all the voting Shares</u>

1. BACKGROUND AND PARTICULAR OF IPT CATEGORIES OF MANDATED TRANSACTIONS

1.1 The Group may from time to time engages in transactions involving the following products and services, in the normal course of business, with the ~~Interested~~Mandated Persons on a non-exclusive basis (“Mandated Transactions”):

(a) Grant of licences of the Software under the MLA

Within this category are transactions between the Group and the ~~Interested~~Mandated Persons where the Group grants, and the ~~Interested~~Mandated Persons accept rights to:

- (i) resell, implement, copy, customise and/or use the Software, and/or
- (ii) sub-licence the right to use the Software to End-Users,

in accordance with the terms and conditions of the MLA.

The licence shall comprise either a Non-Enterprise Licence or an Enterprise Licence. The ~~Renewed~~ IPT General Mandate applies to the grant of both Non-Enterprise Licence and Enterprise Licence by the Group to the ~~Interested~~Mandated Persons.

Under the MLA, the Group is required to provide the ~~Interested~~Mandated Persons with such assistance as is reasonably necessary to assist the ~~Interested~~Mandated Persons with the marketing and promotion of the Software. Such assistance forms part of the Group’s normal reselling arrangement, which is provided to both ~~Interested~~Mandated Persons and unrelated third parties.

(b) Provision of SaaS and BaaS

This category covers the provision of SaaS and BaaS by the Group to the Mandated Persons.

In the provision of SaaS and BaaS, delivery models for software products and components via web and mobile application are offered to users. The Group generates revenue based on the number of end-users log-ins and the number of transactions made using the Group’s SaaS and/or BaaS. This is different from the grant of licences of software components under the MLA where the software components are installed in the servers of the customers and the Group derives revenue depending on the modules, features and components of the software required by the customers and the number of end-users.

(~~b~~c) Resale of IBM System i Products under the MSA

This category covers the resale of IBM System i Products in Malaysia by the Group to the ~~Interested~~Mandated Persons. ~~The Renewed IPT General Mandate applies to the resale of IBM System i Products to the Interested Persons.~~

IBM System i Products (as defined in the IPT General Mandate) refers to IBM System i (previously known as iSeries) hardware and related software products and software subscriptions.

(d) Resale of Non-IBM System i Products

This category covers the resale of Non-IBM System i Products by the Group to the Mandated Persons.

Non-IBM System i Products comprise a wide range of IT products from third party hardware and/or software including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

The Group has a suite of proprietary software products and solutions. While the Group's customers (including the Mandated Persons) can buy the Non-IBM System i Products from other authorised resellers, it would be in the interest of the Group's customers (including the Mandated Persons) to obtain the entire solution (comprising the Group's Software, the hardware and other software such as additional security software, if required) from the Group so that (i) the Group can provide one-stop solution (including the hardware which are compatible with the customised Software or products in the pre-approved list(s) of the customers); and (ii) the customers (including the Mandated Persons) only need to liaise with the Group when they require related services rather than, for example, approaching the Group for Software solutions and the other resellers for other software and hardware. This also gives the Group a competitive edge as it enables the Group to provide a comprehensive solution to its customers.

(ee) Provision of Services under the MSA

The ~~Renewed~~ IPT General Mandated applies to the following transactions under this category:

- (i) the provision of Customisation, Implementation and Maintenance services by the Group to the ~~Interested~~ Mandated Persons in connection with ~~the Group's~~ software products and components; and
- (ii) the receipt of Customisation, Implementation and Maintenance services by the Group from the ~~Interested~~ Mandated Persons in connection with ~~the Group's~~ software products and components.

(f) Provision of Managed Services and/or Cloud Infrastructure

This category covers the provision of Managed Services and/or Cloud Infrastructure by the Mandated Persons to the Group.

Managed Services, as defined in the IPT General Mandate, refers to managed services provided by a service provider to a customer in accordance with a service agreement entered into between them, which may include monitoring the customer's information technology infrastructure, systems and end-user applications in maintaining the hardware, network and/or cloud infrastructure.

(g) Provision of Marketing/Sales Services

This category covers the provision of Marketing/Sales Services by the Mandated Persons to the Group.

Marketing/Sales Services, as defined in the IPT General Mandate, refers to the provision of services relating to the advertising and marketing and/or sales of the Group's solutions and services.

While the Group has its own in-house marketing or sales personnel, it is also exploring more marketing and sales channels to expand its customer base.

Accordingly, Management has proposed a partner management program (which was subsequently reviewed and approved by the Board of Directors) to reach out to more customers.

The partner management program is similar to an authorised reseller program. Under the partner management program, the Group will identify and sign on business partners (including the Mandated Persons) as the authorised reseller of the Group's proprietary software products and solutions.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

- 1.2 ~~The Directors are seeking approval from the Shareholders for the Renewal of IPT General Mandate for the Group to enter into the categories of transactions listed in Paragraph 1.1 above with the Interested Persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.~~
- 1.3 ~~The Company expects the frequency of such transactions, which are in the Group's ordinary course of business, to increase and to facilitate the growth of this line of business, are seeking Shareholders' approval for this category of transaction.~~

2. SCOPE OF RENEWED THE IPT GENERAL MANDATE

- 2.1 ~~The Renewed IPT General Mandate will cover IPT as set out in Paragraph 1.1 above the entry of the Mandated Transactions between the Group and the Mandated Persons.~~
- 2.2 ~~The Renewed IPT General Mandate will not cover any transactions between the Group and the Interested Mandated Persons which have a value below S\$100,000 (representing total value of each entire transaction with the Interested Persons and/or the same end-client), as the threshold and aggregation requirements under Chapter 9 of the Listing Manual do not apply to such transactions. The IPT General Mandate would, however, cover interested person transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual.~~
- 2.3 ~~Transactions with the Interested Mandated Persons that do not fall within the ambit of the Renewed IPT General Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.~~

3. CLASSES NAMES OF INTERESTED MANDATED PERSONS

- 3.1 ~~The Renewed IPT General Mandate shall apply to the IPT (as described in Paragraph 1.1 above) Mandated Transactions which are carried out with the following classes of Interested Mandated Persons:~~
- (a) ~~Mr. Goh Peng Ooi; and/or~~
- (b) ~~all such entities which may from time to time deemed to be an associate of Mr. Goh Peng Ooi.~~

<u>No.</u>	<u>Name of Mandated Person</u>	<u>Principal Activities</u>	<u>Potential Mandated Transactions (as at the date of adoption of the IPT General Mandate)</u>
1	<u>Bijaksana Dinamik Kapital Sdn Bhd*</u>	<u>Property investment</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
2	<u>Binary Team Sdn Bhd</u>	<u>General trading and property investment holding</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
3	<u>Capmart Technology Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
4	<u>DP SAIRO Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

No.	<u>Name of Mandated Person</u>	<u>Principal Activities</u>	<u>Potential Mandated Transactions (as at the date of adoption of the IPT General Mandate)</u>
5	<u>GAX MD Sdn Bhd*</u>	<u>Provision of digital investment management services</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
6	<u>GI Solutions Gateway Sdn Bhd</u>	<u>Developing, providing information technology services, system and networking services, system integration, selling and installing computer hardware and software</u>	<u>All categories of Mandated Transaction</u>
7	<u>Kayangan Aspirasi Sejati Sdn Bhd</u>	<u>Business operating activities in relation to provision of money lending and agency services</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
8	<u>MedexOne Global Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
9	<u>MIMZY Sdn Bhd</u>	<u>Software development, document management and consulting services</u>	<u>All categories of Mandated Transaction</u>
10	<u>Ombak Meriah Sdn Bhd*</u>	<u>Maintaining corporate customer relationship</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
11	<u>Peringkat Alam Sdn Bhd</u>	<u>Letting of office space</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
12	<u>Professional Leading Career Sdn Bhd*</u>	<u>Investment holding and business as consultants, advisors and organisers of professional courses, seminars and trainings</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
13	<u>Silver Peak Technology Integration Services (Beijing) Co. Ltd</u>	<u>Develop and market computer software and hardware products, provide maintenance and enhancement service on computer system and supplies customised front-end banking software solutions for banks and financial institutions</u>	<u>All categories of Mandated Transactions</u>
14	<u>Silverlake (Thailand) Ltd</u>	<u>Business of trading and installation of software for banking business</u>	<u>All categories of Mandated Transaction</u>
15	<u>Silverlake Capital Market Solution Pte Ltd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

No.	<u>Name of Mandated Person</u>	<u>Principal Activities</u>	<u>Potential Mandated Transactions (as at the date of adoption of the IPT General Mandate)</u>
16	<u>Silverlake Capital Market Solution Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transactions</u>
17	<u>Silverlake Cloud Computing Sdn Bhd*</u>	<u>Business process outsourcing and the provision of application services and information technology enabled services</u>	<u>All categories of Mandated Transactions</u>
18	<u>Silverlake Cloud Ecosystem Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transactions</u>
19	<u>Silverlake Digital INX Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
20	<u>Silverlake Innovation Partners Sdn Bhd</u>	<u>Marketing of computer equipment and providing information technology infrastructure services, system and networking services, system integration services and application know-how</u>	<u>All categories of Mandated Transactions</u>
21	<u>Silverlake International (HK) Limited*</u>	<u>Marketing of computer equipment and software, providing systems development, information technology enhancement and maintenance services</u>	<u>All categories of Mandated Transaction</u>
22	<u>Silverlake Lifestyle Community Sdn Bhd*</u>	<u>Developing and providing enhancement services in information technology products</u>	<u>All categories of Mandated Transaction</u>
23	<u>Silverlake MasterSAM Pte Ltd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
24	<u>Silverlake MasterSAM Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
25	<u>Silverlake Mobility Ecosystem Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
26	<u>Silverlake PEAK Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

No.	<u>Name of Mandated Person</u>	<u>Principal Activities</u>	<u>Potential Mandated Transactions (as at the date of adoption of the IPT General Mandate)</u>
27	<u>Silverlake Processing Services Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transactions</u>
28	<u>Silverlake Science & Mathematical Solution Pte Ltd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
29	<u>Silverlake Science & Mathematical Solution Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
30	<u>Silverlake SHEAF Pte Ltd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transactions</u>
31	<u>Silverlake SHEAF Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
32	<u>Silverlake Smart Technologies Sdn Bhd*</u>	<u>Rendering information technology services and provision of management services</u>	<u>All categories of Mandated Transaction</u>
33	<u>Silverlake SPRINTS Sdn Bhd*</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
34	<u>Silverlake Symmetry & Technology Research Sdn Bhd*</u>	<u>Marketing of computer equipment and software, carrying research and development to develop own software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
35	<u>Silverlake System Marketing Sdn Bhd</u>	<u>Business operating activities of reselling banking software and investment holding</u>	<u>All categories of Mandated Transaction</u>
36	<u>Silverlake System Pte Ltd*</u>	<u>Marketing of computer equipment and software and providing system development and maintenance services</u>	<u>All categories of Mandated Transaction</u>
37	<u>SilverTech Global Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

<u>No.</u>	<u>Name of Mandated Person</u>	<u>Principal Activities</u>	<u>Potential Mandated Transactions (as at the date of adoption of the IPT General Mandate)</u>
38	<u>SMJ Teratai Sdn Bhd</u>	<u>Remittance service provider, wholesaler and money changer</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
39	<u>Sure-Reach Info Management Sdn Bhd</u>	<u>Service and solutions provider of information management</u>	<u>All categories of Mandated Transaction</u>
40	<u>Sure-Reach Records Management Sdn Bhd</u>	<u>Provision of information management services and Enterprise Content Management solutions</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
41	<u>Timuran Sinar Sdn Bhd</u>	<u>Marketing of computer equipment and software, licensing of software, providing modification, implementation and maintenance services</u>	<u>All categories of Mandated Transaction</u>
42	<u>Total Teamwork Construction Sdn Bhd</u>	<u>Construction business</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>
43	<u>Total Teamwork Sdn Bhd</u>	<u>Construction business and as investment holding company</u>	<u>Provision of SaaS and BaaS by the Group</u> <u>Resale of Non-IBM System i Products by the Group</u>

- 3.2 ~~Mr. Goh Peng Ooi owns 100% of Zezz FundQ Pte. Ltd. (“**Zezz**”), which in turn holds 74.20% direct interest in the Company. Mr. Goh Peng Ooi thus holds a deemed interest of 74.20% in the Company through Zezz. All Mandated Persons are associates of Mr. Goh Peng Ooi, who is the Group Executive Chairman. As at the Latest Practicable Date, Mr. Goh Peng Ooi is also a Substantial Shareholder with a deemed interest in 1,862,760,568 shares held through his wholly-owned company, Zezz FundQ Pte. Ltd., representing 74.16% of the total issued share capital in the Company (excluding treasury shares).~~
- 3.3 ~~Transactions with Interested Persons which are not listed in Paragraphs 1.1 and 3.1 above and which do not fall within the ambit of the Renewed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual. Ms. Goh Shiou Ling, an Executive Director of the Company, is the daughter of Mr. Goh Peng Ooi and an associate of Mr. Goh Peng Ooi. The Mandated Persons with an asterisk (*) next to their names are also associates of Ms. Goh Shiou Ling.~~
- 3.4 ~~Transactions with Mandated Persons which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.~~

4. RATIONALE FOR, AND BENEFITS OF, THE IPT GENERAL MANDATE

- 4.1 The Group is in the business of providing software solutions and services to customers such as financial institutions including banks and insurance companies. While the Mandated Persons are not banks and insurance companies, the Mandated Persons are well connected and some of them have banks and insurance companies as their customers. The Mandated Persons may require the Group's SaaS and/or BaaS so that they can offer more comprehensive products and services to their customers. The Mandated Persons also have products and services which the Group can tap on to provide more comprehensive products and services to the Group's customers. Accordingly, it is envisaged that the Group may from time to time, in the ordinary course of business engage in the Mandated Transactions, which are of a revenue or trading nature or those necessary for the Group's day-to-day operations with the Mandated Persons.
- 4.2 The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Mandated Persons, as long as the Mandated Transactions have been, and will continue to be, carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 4.3 Due to the time-sensitive nature of commercial transactions, the obtaining of the IPT General Mandate pursuant to Chapter 9 of the Listing Manual will enable the Group to enter into the categories of Mandated Transactions with the Mandated Persons, provided that such transactions are entered into in the Group's ordinary course of business on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.
- 4.4 The IPT General Mandate will streamline the new business and service models arising from technology evolution and ensure that a robust framework is in place to safeguard the interests of the Company and its minority Shareholders. It will also enhance the Group's ability to pursue business opportunity and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for entering into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities.

45. SALIENT TERMS OF THE IPT METHODS AND PROCEDURES FOR DETERMINING TRANSACTION PRICES OF THE MANDATED TRANSACTIONS

- 45.1 The Company and Mr. Goh Peng Ooi have undertaken under the MLA and MSA to procure that:
- (a) all the ~~categories of IPT Mandated Transactions~~ under the grant of licences of the Software as described in Paragraph 1.1(a) above which are entered into between the Group and the ~~Interested Mandated~~ Persons on or after the effective date of the MLA shall be governed by the terms and conditions as set out in the MLA and shall at all times be effected on terms that are consistent with and which are expressly stated to be subject to the terms and conditions of the MLA; and
 - (b) all the ~~categories of IPT Mandated Transactions~~ under provision of Services and resale of IBM System i Products as described in ~~Paragraph 1.1~~ Paragraphs 1.1(c) and (e) above which are entered into between the Group and the ~~Interested Mandated~~ Persons on or after the effective date of the MSA shall be governed by the terms and conditions as set out in the MSA and shall at all times be effected on terms that are consistent with and which are expressly stated to be subject to the terms and conditions of the MSA.

The key terms and conditions of the MLA and MSA which are agreed on normal commercial terms are set out in this Paragraph 5.

Pricing model for licensing of Software the grant of licences of the Software under the MLA

- 45.2 In consideration of the grant of a licence of the Group's Software to an ~~Interested Mandated~~ Person under the MLA, the Group shall charge the ~~Interested Mandated~~ Persons, a licence fee, determined using a pricing model ("Pricing Model").

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

45.3 The Pricing Model is a point based system where the licence fee is determined by reference to:

- (a) A table of points allocated to each software module, feature and component ("**Points Allocation Table**")

The Points Allocation Table comprises the complete list of software modules, features and components, with points allocated to each software module, feature and component of the Software ("**Allocated Points**"). The Allocated Points are determined based on a designated formula.

- (b) A table of licence fee bands ("**Licence Fee Bands Table**")

The Licence Fee Bands Table comprises seven (7) licence fee bands which are linked to two (2) pricing dimensions: (i) number of Customers, and (ii) number of Branches of the End-User of the Software ("**Pricing Dimensions**"), and one (1) licence fee band for Enterprise ~~Licensing~~Licence. Each licence fee band in the Licence Fee Bands Table represents 100 Allocated Points.

45.4 The licence fee calculation method is as follows

$$\text{Licence Fee} = \frac{X}{100 \text{ Allocated Points}} \times Y$$

Where:

X = the sum of Allocated Points of each of the modules, features or components licensed to the licensee ("**Aggregate Allocated Points**").

Y = the base licence fee for 100 Allocated Points ("**Base Licence Fee**") (see Paragraphs 45.5 and 45.6 below for further details).

45.5 In respect of Non-Enterprise ~~Licensing~~Licence of the Software, the management of the Company shall determine the Base Licence Fee by making reference to the applicable licence fee band for both the pricing dimensions. The Base Licence Fee shall be the higher of the two (2) licence fees determined using both the pricing dimensions.

45.6 In respect of Enterprise ~~Licensing~~Licence of ~~the Group's~~ Software, the management of the Company shall submit its recommendation to the Audit and Risk Committee as to the Base Licence Fee of the Enterprise ~~Licensing~~Licence ("**Base Enterprise Licence Fee**") for approval. The Base Enterprise Licence Fee shall be no less than S\$38.4 million and shall, in any case, be supported by an independent valuation report and be subject to the prior approval of the Audit and Risk Committee. The minimum Base Enterprise Licence Fee of S\$38.4 million is determined based on Management's view of current market conditions.

45.7 The Pricing Model shall be made readily available for reference by the relevant operational staff and/or executives to govern pricing of the Software for both ~~Interested~~Mandated Persons and unrelated third party.

Pricing for resale of IBM System i Products under the MSA

45.8 The profit margin charged by the Group to the ~~Interested~~Mandated Person shall not be less than the profit margin charged by the Group to unrelated parties for similar product.

45.9 The profit margin to be charged by the Group to the ~~Interested~~Mandated Person shall be calculated by the Company ~~with reference to the~~ by comparing the gross profit margin of the Mandated Transaction with the average gross profit margin derived by the Group from sales of IBM System i Products to unrelated third parties in the last completed financial year from time to time. The profit margin charged by the Group to the ~~Interested~~Mandated Person shall be disclosed as part of the quarterly ~~IPF~~ report on the Group's interested person transactions to the Audit and Risk Committee.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

- 45.10 The profit margin earned on resale of IBM System i Products varies for each transaction as hardware sales and pricing are influenced by factors such as market condition and competitive bid situations. As such, ~~Management~~ the Company is of the view that an average of the profit margins earned from sales of the IBM System i Products to unrelated third parties would reflect a fair margin. The profit margin in each case shall take into account the cost paid to IBM plus any expenses incurred by the Group in connection with the sale(s), including but not limited to the shipment, delivery and/or installation of the relevant products.

Pricing for provision of Services under the MSA

- 45.11 The pricing for provision of ~~software~~ Implementation and Customisation services under the MSA shall be based on a list of man-day rates (“**Man-day Rates**”). Such services can be categorised into the following:

- (a) With predefined scope and statement of work

Provision of ~~software~~ Implementation and Customisation services with a clear predefined scope and statement of work are charged on a “fixed price” basis, arrived at by applying the Man-day Rates to the estimated man-days required to complete the work.

- (b) Without predefined scope

Where the scope is not defined or is insufficiently defined to enable the estimation of man-days required to complete the work so as to arrive at a “fixed price”, the services are charged on a “time and material” basis.

- 45.12 The Maintenance services fee for the provision of Maintenance services by the Group to the ~~Interested~~Mandated Persons under the MSA, calculated on an annual basis, shall be based on at a fixed percentage (“**Maintenance Service Fee Rate**”) of the licence fee charged by the Group to the relevant ~~Interested~~Mandated Person or End-User based on historical transactions for the use of the ~~software~~ products and components (including the Software) to which such services relate. The same methodology is used by the Group to determine the Maintenance Service Fee Rate charged to unrelated third parties.

- 45.13 For avoidance of doubt, in respect of the provision of Services by the Group to the ~~Interested~~Mandated Person, the rate to be applied shall be at the Man-day Rates and the Maintenance Service Fee Rate, as the case may be. In respect of the provision of Services by the ~~Interested~~Mandated Person to the Group, the rate to be applied by the ~~Interested~~Mandated Person shall be no more than that of the Man-day Rates and the Maintenance Service Fee Rate, as the case may be.

- 45.14 The Man-day Rates and Maintenance Service Fee Rate shall be made readily available for reference by the relevant operational staff and/or executives to govern pricing of the provision of Services.

Discounts

- ~~4.15 The guiding principle of the IPT pricing is that the pricing extended to the Interested Persons shall be no more favourable than those extended to unrelated third parties.~~

- ~~4.16 The pricing for IPT covered by the Renewed IPT General Mandate shall be based on the pricing guidelines stated in this mandate and the MLA and MSA as the case may be.~~

- ~~4.17 Notwithstanding Paragraphs 4.15 and 4.16 above, Management may recommend to the Audit and Risk Committee and the Audit and Risk Committee shall have the discretion to approve a discount when Management and the Audit and Risk Committee are of the view that the discount is in the best interests of the Group and is necessary to enable the Group to maintain a competitive edge or to facilitate entry into a new market or industry. Management shall provide the Audit and Risk Committee with relevant business case, including information to support the recommendation for discount, and the Audit and Risk Committee shall evaluate the business case and supporting information submitted. No discounts shall be allowed without the prior approval of the Audit and Risk Committee.~~

Revisions of pricing methodology

4.185.15 The Points Allocation Table and Licence Fee Bands Table under the Pricing Model and the Man-day Rates and Maintenance Service Fee Rate under the pricing for provision of Services or any part thereof shall be reviewed from time to time as may be initiated by business units, and be revised according to prevailing market condition and/or pricing. All such revisions shall be reviewed and approved by the Audit and Risk Committee before implementation of the revision. In particular:

(a) Points Allocation Table is updated and reviewed when the Group has new software, new software module, new software feature and/or new software component to offer to its customers;

(b) Licence Fee Bands Table is updated and reviewed when there is material currency fluctuation;

(c) Man-day Rates is reviewed when there is an indication the rate is not in par with market practices; and

(d) Maintenance Service Fee Rate is reviewed when there is an indication the rate is not in par with market practices.

4.195.16 However, any revisions to the pricing methodologies for licensing of Software under the MLA, resale of IBM System I Products under the MSA, and provision of Services under the MSA shall require the approval of the Shareholders.

Credit terms

~~4.20 The credit terms extended to the Interested Persons shall be no more favourable than those extended by the Group to unrelated third parties for similar transactions. The Group has a credit control and collections process which is applied to both Interested Persons and unrelated third parties. Follow ups on outstanding balances are diligently performed on all debtors to ensure that they are aware of their payment obligations and follow up calls and visits, where necessary, are made to collect overdue debts.~~

~~OTHER CONDITIONS ATTACHED TO THE MLA AND MSA~~

Reporting requirements, audit and review rights under the MLA

4.215.17 Each ~~Interested~~Mandated Person holding a Non-Enterprise Licence is required, if and when requested by the Group, to:

(a) forthwith update the Group in writing on the details of the pricing dimensions applicable to the relevant ~~Interested~~Mandated Person or End-User(s), as the case may be, under such licence;

(b) allow the Audit and Risk Committee or its duly authorised representative(s) to audit the books and records of the relevant ~~Interested~~Mandated Person to verify the details of the pricing dimensions applicable to such ~~Interested~~Mandated Person and/ or End-User(s), as the case may be; and

(c) where the relevant ~~Interested~~Mandated Person is not the End-User of the Software, use all reasonable endeavours, to the extent permitted by law, to procure that the Audit and Risk Committee or its duly authorised representative(s) be allowed to audit the books and records of the relevant End-User(s) to verify the details of the pricing dimensions applicable to such End-User(s).

4.225.18 Where ~~Interested~~Mandated Person is the End-User under a Non-Enterprise Licence or is carrying out an Outsourcing Arrangement under a Non-Enterprise Licence, the fees for the Non-Enterprise Licence shall be subject to review and upward adjustment by the Group from time to time in the event of any change to the pricing dimensions of the relevant End-User such as would ordinarily result in a higher licence fee being imposed under the Pricing Model.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

4.235.19 Where InterestedMandated Person is not the End-User under a Non-Enterprise Licence and is not carrying out an Outsourcing Arrangement under a Non-Enterprise Licence, the fees for the Non-Enterprise Licence shall be subject to review and upward adjustment by the Group from time to time in the event of any change to the pricing dimensions of the relevant End-User such as would ordinarily result in a higher licence fee being imposed under the Pricing Model provided always that the relevant InterestedMandated Person has a similar right to increase the licence fee payable by the relevant End-User and provided always that the relevant InterestedMandated Person shall use its best endeavours to procure such a right from the relevant End-User. Any additional licence fee determined to be payable pursuant to this clause shall be settled by the relevant InterestedMandated Person in accordance with the MLA.

4.245.20 The Audit and Risk Committee shall have the right to periodically review the terms (including the licence fee) of any licence granted by the Group to an InterestedMandated Person. The review shall be undertaken on a quarterly basis by the Audit and Risk Committee, with allowance for more frequent reviews if deemed necessary by the Audit Committee. In no circumstances shall the licence fee charged to the InterestedMandated Person not be in line with the terms of the MLA and the Pricing Model. If the Audit and Risk Committee reasonably determines, in the course of such review, that the terms of any licence granted to an InterestedMandated Person are inconsistent with the terms of the MLA and the Pricing Model in a manner that is prejudicial or adverse to the interests of the Group Company and the minority Shareholders, the parties agree to take all such steps as may be necessary to amend the terms of such licence so as to ensure consistency with the terms of the MLA and that the relevant InterestedMandated Person shall forthwith compensate the Group Company for any loss or damage suffered (including any shortfall in the applicable licence fee payable) as a result of the earlier inconsistency; provided always that this clause shall not apply in the event of any deviation from the terms of the MLA which the Group has confirmed in writing to the relevant InterestedMandated Person has been duly approved by the Audit and Risk Committee in accordance with the terms of the MLA.

Review rights under the MSA

4.255.21 The Audit and Risk Committee shall have the right to periodically review the terms of any agreement for the re-sale of IBM System i Products and Non-IBM System i Products (“**Re-sale Resale Agreement**”) or for the provision of Services, Marketing/Sales Services, Managed Services, Cloud Infrastructure, BaaS and SaaS (“**Services Agreement**”) entered into between the Group and an InterestedMandated Person. The review shall be undertaken on a quarterly basis by the Audit and Risk Committee, with allowance for more frequent reviews if deemed necessary by the Audit and Risk Committee. If the Audit and Risk Committee reasonably determines, in the course of such review, that the terms of any Re-sale Resale Agreement or Services Agreement are inconsistent with the terms of the MSA in a manner that is prejudicial or adverse to the interests of the Group, the parties agree to take all such steps as may be necessary to amend the terms of such Re-sale Resale Agreement or Services Agreement so as to ensure consistency with the terms of the MSA and to procure that the relevant InterestedMandated Person shall forthwith compensate the Group for any loss or damage suffered (including any shortfall in the applicable re-sale price and/or fee payable for the Services) as a result of the earlier inconsistency; provided always that this clause shall not apply in the event of any deviation from the terms of the MSA which the Group has confirmed in writing to the relevant InterestedMandated Person has been duly approved by the Audit and Risk Committee in accordance with the terms of the MSA. The MSA (as defined in the IPT General Mandate refers the Master Services Agreement dated 23 September 2008 entered into by the Company and Mr. Goh Peng Ooi to govern transactions between the Group and the Mandated Persons pertaining to Mandated Transactions as set out in Paragraphs 1.1(b) to 1.1(g) in accordance with the terms of the Master Services Agreement, as may be supplemented, amended or modified from time to time.

Methods and Procedures for Provision of SaaS and BaaS

5.22 When providing SaaS and BaaS to the Mandated Persons, the Group shall compare the terms to be offered to the Mandated Persons with at least two (2) other recently signed SaaS and/or BaaS contracts with unrelated third parties prior to offering the terms to the Mandated Persons. The terms extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to such unrelated third parties. The comparisons shall be made after taking into account relevant factors which may include but are not limited to, the

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

nature of the services to be provided, the value and size of the contract (such as the estimated number of end-users under the contract and the expected transactional volume), the duration of the contract, the implementation schedules, customer requirements and specifications (such as the number of additional features required by the customer, the level of customisation, the hardware requirements of the Group to provide the services) and/or other relevant specification of the contract as well as the benefit of the contracts to the Group (such as a reputable end-customer or foray to a new customer segment) (“SaaS and BaaS Relevant Factors”).

5.23 In the event that recent unrelated third party SaaS and/or BaaS contracts are not available or that there is only one recent unrelated third party SaaS and/or BaaS contract for comparison, the Group shall determine the terms to be offered to the Mandated Persons based on a pricing model which is applicable for quoting to both Mandated Persons and unrelated third parties (“SaaS and/or BaaS pricing model”). The SaaS and/or BaaS pricing model sets out the indicative monthly subscription fee per end-user as well as the add-on fee for each of the additional feature offered by the Group under SaaS and BaaS. When determining the terms to be offered to the Mandated Persons, the Group shall also take into account the SaaS and BaaS Relevant Factors, to ensure that the terms to be offered to the Mandated Persons are in accordance with the applicable industry norms, on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

5.24 The Group shall notify the Audit and Risk Committee of any changes to the SaaS and/or BaaS pricing model which may have a material change to the pricing for the provision of SaaS and/or BaaS, and the Audit and Risk Committee shall also review the SaaS and BaaS pricing model at least once annually.

Methods and Procedures for Resale of Non-IBM System i Products

5.25 Non-IBM System i Products (as defined in the IPT General Mandate) refers to third party hardware and/or software other than IBM System i Products including but are not limited to IBM Database, Mobile App Shielding, Aldon and Oracle.

When undertaking the resale of Non-IBM System i Products to the Mandated Persons, the Group shall compare the terms to be offered to the Mandated Persons with at least two (2) other recent sale to unrelated third parties prior to offering the terms to the Mandated Persons. The terms to be extended by the Group to the Mandated Persons shall not be more favourable than the terms extended by the Group to such unrelated third parties.

While Non-IBM System i Products are generally available in the market, the Group’s target customers are corporations and not retail consumers. The Group has to customise a one-stop solution for its customers which comprise customisation of the Group’s Software, the hardware, and other software as required by the customers. As such, recent sales to unrelated third parties may not be available and publicly available market rates for retail customers (such as those published on Lazada or Shopee) may not be relevant for comparison.

In the event that recent sale to unrelated third parties are not available or that there is only one recent sale to unrelated third party, the Group shall determine the prices to be offered to the Mandated Persons based on the cost of the Group such that the Group will always yield a positive gross profit margin from the transaction with the Mandated Persons.

When determining the terms to be offered to the Mandated Persons, the Group shall take into account relevant factors, where applicable, which may include but are not limited to, the quantity, the delivery schedule, the installation schedule, the payment milestones, any expenses to be incurred by the Group for the shipment, delivery and/or installation of the products (the “Non-IBM System i Products Resale Factors”) as well as the benefit of the transaction to the Group to ensure that the terms to be offered to the Mandated Persons are in accordance with the applicable industry norms, on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

Methods and Procedures for Provision of Managed Services and/or Cloud Infrastructure

- 5.26 When obtaining Managed Services and/or Cloud Infrastructure from the Mandated Persons, the Group shall compare the terms offered by the Mandated Persons with at least two (2) quotations from unrelated third parties prior to engaging the Mandated Persons for Managed Services and/or Cloud Infrastructure. The Group will only obtain Managed Services and/or Cloud Infrastructure from the Mandated Persons when the terms extended by the Mandated Persons are not less favourable than the terms offered by the unrelated third parties. The comparisons shall be made after taking into account relevant factors which may include but are not limited to, customers' specifications, the technical capabilities of the service providers (including the data security measures, security certifications and the size of the technical support team) as well as the benefit of the transaction to the Group ("Managed Services and/or Cloud Infrastructure Relevant Factors").

In the event that third party quotations are not available or that there is only one third party quotation for comparison, the Group shall determine whether the terms offered by the Mandated Persons are in accordance with the applicable industry norms, taking into account the Managed Services and/or Cloud Infrastructure Relevant Factors, the Group's customers' budget and preferred cloud, hardware/software cost and average manpower costs to support and maintain the system, to ensure that the transactions will be entered into on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

Methods and Procedures for Provision of Marketing/Sales Services

- 5.27 When obtaining Marketing/Sales Services from the Mandated Persons, the Group shall ensure that the rate payable by the Group to the Mandated Persons (which shall only be paid upon closure of sales) is not more favourable than the rate payable to unrelated third parties by comparing the rate payable to the Mandated Person with at least two (2) rates payable by the Group to unrelated third parties.

In the event that third party agreements are not available or that there is only one third party agreement for comparison, the Group shall determine the rates payable by the Group to the Mandated Persons for such Marketing/Sales Services with reference to the terms and conditions including pricing matrix under the partner management program approved by the Board of Directors. The partner management program is applicable to all business partners, whether they are Mandated Persons or unrelated third parties. The Board of Directors shall also review the partner management program at least once annually taking into consideration changing market conditions and practice.

Multiple Mandated Transactions

- 5.28 The Group may combine the various categories of the Mandated Transactions and offer to the Mandated Persons a comprehensive contract at the request of the customers. For example, the contract may comprise grant of licences of the Software under the MLA, provision of SaaS and/or BaaS (which may involve a combination of provision of services under the MSA and grant of licences under the MLA), resale of IBM System i Products and Non-IBM System i Products, and services rendered in connection with software products and components. A contract involving such multiple categories of Mandated Transactions is more complex than a contract involving a single Mandated Transaction as it requires higher level of configuration and customisation to ensure that the solution integrates well for the customers. Accordingly, there may not be similar recent transactions and/or quotations for comparison by the Group in such circumstances.

When determining the terms to be offered to the Mandated Persons, the Group shall take into account all relevant factors as set out under the respective categories of Mandated Transactions, namely the Pricing Model for the grant of licences, the profit margin earned on resale of IBM System i Products, the Man-day Rates and the Maintenance Service Fee Rate for the provision of Services under the MSA, the SaaS and BaaS Relevant Factors and the SaaS and/or BaaS pricing model and the Non-IBM System i Products Resale Factors, where applicable, as well as the benefit of the transaction to the Group to ensure that the Group always yield a positive gross profit margin from such transaction.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

Discounts

- 5.29 The guiding principle of pricing of Mandated Transactions is that the pricing extended to the Mandated Persons shall be no more favourable than those extended to unrelated third parties.
- 5.30 The pricing for Mandated Transactions covered by the IPT General Mandate shall be based on the pricing guidelines stated in this IPT General Mandate and the MLA and MSA as the case may be.
- 5.31 Notwithstanding the methods and procedures set out above, Management may recommend to the Audit and Risk Committee and the Audit and Risk Committee shall have the discretion to approve a discount when Management and the Audit and Risk Committee are of the view that the discount is in the best interests of the Group and is necessary to enable the Group to maintain a competitive edge or to facilitate entry into a new market or industry. Management shall provide the Audit and Risk Committee with relevant business case, including information to support the recommendation for discount, and the Audit and Risk Committee shall evaluate the business case and supporting information submitted. No discounts shall be allowed without the prior approval of the Audit and Risk Committee.

Credit terms

- 5.32 The credit terms extended to the Mandated Persons shall be no more favourable than those extended by the Group to unrelated third parties for similar transactions. The Group has a credit control and collections process which is applied to both Mandated Persons and unrelated third parties. Follow ups on outstanding balances are diligently performed on all debtors to ensure that they are aware of their payment obligations and follow up calls and visits, where necessary, are made to collect overdue debts.

Intellectual property rights

- 4.26 ~~All intellectual property rights in or relating to the Software and the Software documentation are and shall remain the property of the Group.~~

Termination

- 4.27 ~~The MLA and MSA will terminate if:~~
- ~~(a) all of Mr. Goh Peng Ooi and his associates cease to be an Interested Person; or~~
 - ~~(b) in the event that the Renewed IPT General Mandate is withdrawn or otherwise ceases to be in force.~~

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

5. TRADEMARKS

5.1 The Group has the exclusive use of the following trademarks in connection with the banking software system:

Trade-Mark	Class ⁽¹⁾	Country	Registration No.	Date-of-Application	Date-of-Registration	Expiry-Date
SILVERLAKE	09	Malaysia	95001949	9-Mar-1995	9-Mar-1995	9-Mar-2022
	42	Singapore	T0507323Z	4-May-2005	4-May-2005	4-May-2025
	42	Thailand	SM28384	9-Mar-2005	9-Mar-2005	8-Mar-2025
	42	Jordan	83440	1-Dec-2005	1-Dec-2005	1-Dec-2025
	42	Japan	5026670	23-Mar-2006	17-Feb-2007	16-Feb-2027
	42	Indonesia	IDM000095594	17-Feb-2005	17-Feb-2005	17-Feb-2025
	42	Philippines	4-2005-005519	15-Jun-2005	16-Oct-2006	16-Oct-2026
	42	Vietnam	98410	1-Dec-2005	1-Dec-2005	1-Dec-2025
	42	Sri Lanka	125894	17-Jun-2005	17-Jun-2005	17-Jun-2025
	42	Saudi Arabia	1244/18	11-Oct-2008	11-Oct-2008	1-Mar-2028
	42	United Arab-Emirates	119937	5-Oct-2008	5-Oct-2008	5-Oct-2028
	42	Brunei	37114	15-Jun-2005	15-Jun-2005	15-Jun-2025
Trade-Mark	Class⁽¹⁾	Country	Registration No.	Date-of-Application	Date-of-Registration	Expiry-Date
SILVERLAKE	09	China	3453118	31-Jan-2003	14-Jul-2004	13-Jul-2024
	35	China	3453117	31-Jan-2003	28-Aug-2004	27-Aug-2024
	42	China	3453119	31-Jan-2003	21-Dec-2004	20-Dec-2024
	42	Indonesia	IDM000062329	13-Jan-2004	13-Jan-2004	13-Jan-2024
SILVERLAKE SILVERLAKE	42	Malaysia	09010385	24-Jun-2009	24-Jun-2009	24-Jun-2029
SILVERLAKE iPFS SILVERLAKE iPFS	09	Malaysia	04004586	8-Apr-2004	8-Apr-2004	8-Apr-2024
silverlake SYMMETRY AT WORK	42	Singapore	T12056461	19-Apr-2012	19-Apr-2012	19-Apr-2032
	42	Philippines	4-2012-004852	20-Apr-2012	8-Nov-2012	8-Nov-2022
	42	Brunei	42867	30-Apr-2012	30-Apr-2012	30-Apr-2032
	42	Japan	5628423	6-Jun-2013	8-Nov-2013	8-Nov-2023
	42	Indonesia	IDM000588884	26-Jan-2015	26-Jan-2015	26-Jan-2025
	42	Thailand	201120545	23-Apr-2012	23-Apr-2012	22-Apr-2032
	42	Vietnam	392127	22-Aug-2018	22-Aug-2018	22-Aug-2028
silverlake SYMMETRY AT WORK silverlake SYMMETRY AT WORK	42	Malaysia	2011016785	21-Sep-2011	21-Sep-2011	21-Sep-2031
	42	Pakistan	505094	20-Aug-2018	20-Aug-2018	20-Aug-2028
SILVERLAKE Silverlake silverlake	42	Hong-Kong	303162294	10-Oct-2014	10-Oct-2014	9-Oct-2024

Note:

(1) Please see description of the trademark classes below:

Class 09 – Computer software; compact discs; magnetic cards, disks and tapes.

Class 35 – Compilation of information into computer databases; systemization of information into computer databases; computerized file management; computerised database management.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

~~Class 42 – Consulting services relating to computers, computer software, computer hardware, computer networks, computer systems, computer programming, computer software design, maintenance and update; designing, creating, implementing and maintaining web sites for others; computer systems analysis; computer system design; data conversion of computer programmes and data (not physical conversion); hosting computer sites; installation of computer software; integration of computer systems and networks.~~

~~5.2 – The Group intends to file further trademarks applications as and when warranted.~~

6. **ADDITIONAL GUIDELINES AND REVIEW PROCEDURES IN RELATION TO IPT**

Pursuant to Chapter 9 of the Listing Manual which governs transactions between a listed company and its interested persons and taking into consideration the MLA and MSA as the case may be, the following additional guidelines and review procedures have been established ~~in relation to the Renewed IPT General Mandate~~ for better corporate governance:

6.1 The Group shall maintain:

- (a) ~~A~~ a register to record all Interested Persons of all interested persons; and
- (b) ~~A~~ a comprehensive record register of all categories of Interested Persons and non-interested persons transactions interested person transactions (including the Mandated Transactions) entered into by the Group, with details on the identity of the interested persons (including the Mandated Persons), nature of the such transaction, basis and rationale for the transactions, and the amount of and detailed calculation for the fees and charges, including pricing dimension used to determine the Base Licence Fee, and any discounts given.

6.2 The Audit and Risk Committee shall be provided with the registers and comprehensive records of ~~IPT~~ the interested person transaction (including the Mandated Transactions) described above and such other relevant information and agreements supporting documents which it may reasonably require, and it shall review the information on a quarterly basis to ensure that all categories of ~~IPT~~ Mandated Transactions between the Group and the ~~Interested~~ Mandated Persons are carried out at arm's length in accordance with the ~~terms of the MLA and MSA, as the case may be, including the adherence to the Group's Pricing Model (including the Points Allocation Table and Licence Fee Bands Table), pricing methodology for the provision of Services and IBM System i Products and discount policy, in its conduct of IPT methods and procedures for the Mandated Transactions set out in this IPT General Mandate.~~ The Audit and Risk Committee may decide to review such transactions on a more frequent basis if it deems necessary.

6.3 If the Audit and Risk Committee reasonably determines, during its review, that the terms of any licence granted to the Mandated Persons, the resale of IBM System i Products and Non-IBM System i Products to the Mandated Persons, or the Services provided to/by, Interested Persons the Mandated Persons, the provision of SaaS and/or BaaS to the Mandated Persons, the provision of Managed Services, Cloud Infrastructure and Marketing/Sales Services by the Mandated Persons are inconsistent with the terms of the MLA and MSA, as the case may be, and the methods and procedures for Mandated Transactions set out under this Renewed IPT General Mandate are insufficient to ensure that transactions will be carried out on normal commercial terms and will not be in a manner that is prejudicial or adverse to the interests of the Group Company and the minority Shareholders, the parties agree to take all such steps as may be necessary to amend the terms of the relevant licence to ensure consistency with the terms of the MLA and MSA, as the case may be, and the Company shall amend the Renewed IPT General Mandate subject to obtaining Shareholders' approval and that the relevant ~~Interested~~ Mandated Person shall forthwith compensate the Group for any loss or damage suffered (including any shortfall in the applicable licence fee payable, Service fee payable, IBM System i Products ~~resale price~~ and Non-IBM System i Products resale price, fee for provision of SaaS and/or BaaS or fee payable by the Group for Managed Services, Cloud Infrastructure and Marketing/Sales Services) as a result of the earlier inconsistency, provided always that this shall not apply to any deviation from the terms of the MLA and MSA, as the case may be, which has been duly approved by the Audit and Risk Committee.

APPENDIX II – IPT GENERAL MANDATE (AS AMENDED)

- 6.4 The Audit and Risk Committee shall also review the credit terms and billing and payment arrangements extended to the ~~Interested~~Mandated Persons from time to time by comparing them against those extended to unrelated third parties for similar transactions or services, to ensure that they are no more favourable than those extended by the Group to unrelated third parties.
- 6.5 The Group's annual internal audit shall incorporate a review of all ~~Interested~~Mandated Persons Transactions and IPT entered into pursuant to the ~~Renewed~~ IPT General Mandate. The internal auditor shall report directly to the Audit and Risk Committee on all of its findings from the review of the ~~IPT~~ Mandated Transactions.
- 6.6 The Audit and Risk Committee shall, when it deems necessary, have the right to require the appointment of auditors or any independent professionals to review all matters relating to the MLA and MSA, and the Mandated Transactions.
- 6.7 If during its periodic review, the Audit and Risk Committee believes that the ~~guidelines~~ methods and procedures as stated in the ~~Renewed~~ IPT General Mandate have become inappropriate and/or are no longer sufficient to ensure that the interests of the Company and the minority Shareholders are not prejudiced and that the ~~IPT~~ Mandated Transactions are on normal commercial terms, a fresh mandate for the Mandated Transactions based on new ~~guidelines~~ methods and procedures shall be sought from Shareholders.
- 6.8 ~~All the~~ members of the Audit and Risk Committee involved in the review of the IPT General Mandate and the Mandated Transactions shall be non-executive Directors who do not hold any executive directorships or equity interests in the ~~Interested~~Mandated Persons.
- 6.9 If any member of the Audit and Risk Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction.
- 6.10 The Group shall adopt the following approval thresholds for the Mandated Transactions under the IPT General Mandate:

<u>Value of Mandated Transactions</u>	<u>Approving authority who must have no interest, direct or indirect, in the Mandated Transactions</u>
<u>All Mandated Transactions</u>	<u>Head of the respective business units</u>
<u>Any single Mandated Transaction with a value equal or above 3% of the then latest audited NTA of the Group</u>	<u>Additional approval from the Group Managing Director / Chief Executive Officer</u>
<u>Any single Mandated Transaction with a value equal to or above 5% of the then latest audited NTA of the Group</u>	<u>Additional approval from the Audit and Risk Committee</u>