SILVERLAKE AXIS LTD. | ANNUAL REPORT 2024

2024
Revenue: **RM783.5 million**

69%
Maintenance and Enhancement Services

8%
Insurance Ecosystem Transactions and Services

1%
Retail Transactions Processing

14%
Software Project Services (Professional Services)

6%
Software Licensing

2%
Sale of System Software and Hardware Products

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

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

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Corporate Information

BOARD OF DIRECTORS

GOH PENG OOI
Founder and Group Executive Chairman

GOH SHIOU LING
Group Chief Executive Officer
(with effect from 1 July 2024)
Deputy Executive Chairman
(with effect from 27 October 2023)
Deputy Chief Executive Officer
(until 26 October 2023)

CHEE CHIN LEONG
Executive Director

ONG KIAN MIN
Lead Independent Non-Executive Director
Independent Non-Executive Deputy Chairman
(with effect from 27 October 2023)

DATUK YVONNE CHIA P.M.W.
(YAU AH LAN @ FARA YVONNE)
Non-Independent Non-Executive Director
(with effect from 1 June 2024)

MAH YONG SUN
Independent Non-Executive Director

EMERITUS PROFESSOR TAN SRI DATO' SERI DR. CHUAH HEAN TEIK
Independent Non-Executive Director
(appointed on 1 October 2023)

REGISTERED OFFICE

9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

Tel : +65 6438 1330

CORPORATE OFFICE

6 Raffles Quay
#18-00
Singapore 048580

Tel : +65 6225 9395
Fax : +65 6225 2559
Website address: www.silverlakeaxis.com
Company Registration No.: 202133173M

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Tel : +65 6536 5355
Fax : +65 6536 1360

COMPANY SECRETARY

Tong Shan

AUDITOR

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

Our Corporate Objective

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

Our Vision

To Be Asia Pacific's Largest Digital Economy Solutions Company

Our Mission

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

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

MARKET SIZE

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

GLOBAL PRESENCE

Partnering clients in over **70** countries across Asia, Europe, the Indian subcontinent, Middle East, Africa and the Americas

TRACK RECORD

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

OUR CLIENTS

Core system platform partner of choice for **3** of the **5** largest ASEAN financial institutions. Over **400** customers using the Group's software solutions and services

Chairman's Statement

Dear Fellow Shareholders,

It is with great pleasure that we present our annual report for the financial year ended 30 June 2024.

REVIEW OF FY2024

Our performance for the year reflects a turning point in our business. Since the onset of zero interest-rate policy ("ZIRP"), there has been a deluge of technological advancement. Complexity in business delivery has increased over time. As the market becomes more dynamic and interest rates rise, there is rising pressure to be more effective and efficient.

Our year ended with a 2% increase from FY2023, with revenue at RM783 million. Other financial metrics were impacted by a combination of cost pressures and delays from some key projects due to implementation complexity and changes in customers requirements. We are working to address these challenges and expect to see an improvement in FY2025.

Despite the recent challenges, we continue to operate from a strong commercial and financial position. This gives us a measure of confidence as we move into FY2025 and beyond. We have proven over the last 35 years that we are able to adjust and transform ourselves and we have made the necessary provisions for an enduring business for our shareholders and partners.

In our key markets and amongst our customer base, the pace of digitalisation continues to accelerate as banks continue to be pressured by competition and they are reacting through increased investments in their IT infrastructure. In FY2024, we closed approximately RM450 million worth of deals, which was slightly lower than FY2023. A point of weakness remains the software licensing segment and we are taking measures to recalibrate our business model and it encourages me that we have

With over 35 years of experience, the Group has come a long way to where we are today. We are confident of our current market position and we are certainly well prepared to meet any challenges and deliver positive returns in the coming years.

Goh Peng Ooi
Group Executive Chairman

new inquiries as a testament to both our product positioning and our sales strategy which we have continued to refine since the pandemic.

On the back of our first win for MÖBIUS in FY2021, we closed another significant transaction with a large bank in Malaysia for our core platform. Prospects for MÖBIUS remain encouraging as the two deployments in Thailand serve as reference sites have led to increased participation in proposals and we are optimistic of more deal closures in FY2025.

Several projects in FY2024 proved to be challenging and we had to factor in delays and cost overruns in these projects. These challenges have been taken in and reflected in our FY2024 financial statements and the learnings will translate into a smoother journey in FY2025. Our business requires strong and cohesive teams of people for project delivery and software maintenance, and maintaining these talents amidst strong demand and the pressures of the work continue to prove challenging. We continually refine, review and recalibrate our hiring practices to reflect these structural changes in the labour market and provide our employees with the market competitive compensation.

Our priority remains in bolstering the resiliency and sustainability of the Company through focus on our 3 main stakeholders – Customers, Shareholders, and Staff. We continue to engage and to earn the trust of our customers by maintaining, supporting and ensuring the Silverlake solutions operate and run in an optimal manner. We continue to invest in partnerships and stay close to our customers to provide them the strategic directions to modernise their core banking platforms and provide the cutting-edge solutions they need to take them forward into the age of Artificial Intelligence ("AI").

In FY2024, the Group recorded revenue of RM783 million, an increase of 2% resulting largely from the increase in all segments of our business save for software licensing delivered positive results in FY2024 with our core products suites Silverlake Axis Integrated Banking Solution ("SIBS"), MÖBIUS and Symmetri Retail Banking Solution appealing well to both existing and new customers. Our recurring revenue segment of Maintenance and Enhancement services continued its positive growth trajectory at 6% for the year and our Insurance Ecosystem Transactions and Services business has rebounded to exceed pre-COVID volumes and annual revenue increased 14% compared to the previous year.

As we continue to transform ourselves for future business models, we are starting to see more traction in our Software-as-a-Service ("SaaS") business. This is evidenced by our share of revenue for cloud and SaaS. RM107 million or 14% of total Group revenue was delivered via cloud computing compared to RM97 million or 13% in FY2023. Revenue from SaaS was RM75 million, an increase of 44% compared to RM52 million in the prior year. SaaS currently constitutes 10% of total Group revenue.

Project-related revenue comprising software licensing and software project services (professional services) decreased by 8% from RM176 million to RM162 million in FY2024 with software licensing revenue being challenging with a 32% lower revenue compared to FY2023. This was largely as a result in delays and a slowing core banking transformation imperative in FY2024. Software project services revenue increased 10% to RM112 million in FY2024 mainly due to the ongoing implementation of a number of new contracts including one new MÖBIUS contract for a large Malaysian Bank and our first win for our new digital platform in Malaysia.

For the year, the Group recorded a total gross profit of RM410 million, a decrease of 9% from the prior year.

We recorded an increase of 16% in operating expenses compared to a 2% increase in revenue. Going forward, we shall continue to rationalise costs and optimise efficiencies. The Group has set an agenda in FY2025 to aggressively rein in costs, improve operational efficiency and remains focused on delivering both top-line growth while preserving efficiencies.

On an actual basis, profit line items – Profit Before Tax ("PBT"), Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") and Net Profit ("NP"), all decreased for the year with PBT decreasing 31% to RM158 million, EBITDA decreasing 28% to RM191 million and NP decreasing 38% to RM105 million.

The Group's investment in 37.1 million shares (an 8.3% ownership stake) of Global InfoTech Co. Ltd. ("GIT") was valued at RM175 million as at 30 June 2024 and has performed commendably over the volatile period. We believe there is further potential, and we remain committed to this investment and potential future investments as China continues its quest for independence and global leadership in technology.

The banking industry's evolution continues with the integration of marketplace and platform technologies, open finance and open data being key drivers of change. Many banks are still built around complex, monolithic and inflexible systems that do not provide the promise of a seamless customer journey and customer experience. Here we are able to position ourselves expertly by reducing the cost of ownership of their legacy systems.

These industry dynamics form the basis of our value proposition and strategy as we continue to provide strong partnership opportunities to our customers as they evolve and transform.

I am always proud of the accomplishments of our over 2,000 strong team of "Silverlakers" as they are not only adapted but performed admirably during the two challenging years that have just passed.

Silverlake Axis has been honored this year with several awards and accolades. We have been awarded for the Executive of the Year and Team of the Year 2023 to Ms. Cassandra Goh Shiou Ling, our Group Chief Executive Officer and Public Relations & Communication Team by Malaysia Management Excellence Awards, and continue to be rated by International Data Corporation ("IDC") as among the Top 100 Fintech companies globally. In addition, we have received awards from The Edge Singapore's "The Centurion Club 2023" with 2 awards for the "Most Profitable Company" and the "Best in Sector Award (Software and IT Services)" for 3 years running and nominated for the same award

Chairman's Statement (cont'd)

in 2024. We have also been awarded by the Global Islamic Finance Awards 2023 for Market Leadership in Islamic Finance Technology Solutions and the Global Brand Awards 2023, SIAS Investors' Choice Award 2023 as the "Most Transparent Company". Additionally, this year we have bagged the Best Employer Brand in HR & PDL Brands as well as the Visionary Tech Titans in Banking & Financial Application by The Brandlaureate Awards in 2023.

We have also been recognised by our industry peers The Asian Bankers Awards for the "Best Data Integration for UOB-Citibank Migration Project", SBR International Business Awards and Malaysia Technology Excellence Awards for the successful delivery of regional projects through innovation in 2023 and 2024. We have also been given recognition as the Top Power Solutions Contributor 2022 by IBM.

For FY2024, the Board of Directors proposed a final dividend of Singapore 0.36 cents per ordinary share for shareholders' approval at the forthcoming Annual General Meeting and while this represents a 30% dividend payout ratio, we believe this strikes a balance between providing returns to our shareholders and taking a conservative view of the future.

PROSPECTS IN FY2025 AND BEYOND

As we enter FY2025, there is strong momentum in deal-making, and our engagement teams are actively collaborating with existing and potential customers to tailor solutions that align with their budgets and enhance their competitiveness.

It is apparent that the evolutionary path for the industry will be long and complex but cannot be slowed. Many large financial institution groups are still grappling with complex, outdated systems that lack flexibility and fail to provide valuable insights or superior customer experiences. The costs of maintaining these legacy systems continue to rise and raising operational concerns for regulators who closely monitor this aspect. These industry dynamics underpin our value proposition and strategy as we continue to partner with our customers in their transformation efforts.

Digital customer engagement and regulatory compliance remain top priorities, and cloud technology continues to offer flexibility in business transformation while delivering cost advantages over traditional on-premise models. Our product suite now includes SaaS options for hosting applications, further reducing the cost of maintaining proprietary infrastructure. In FY2024, there has been a lot of emphasis on AI and its applications, benefits, and the tangible results it will bring. We are closely monitoring this area and making conscious investments to provide a set of solutions to our customers.

We have processes in place for increased collaboration amongst our sales team especially in Thailand and Indonesia to work closely with our key clients in their technology transformation planning initiatives. We continue to invest in our people, our most valuable assets with training and people strategy programs to ensure effective resource allocation and continuity as we execute projects and product innovations. Holistic compensation and benefits programs have been implemented to get the right mix of short and long-term talent alignment.

We also appreciate more than ever the multiple roles we play and as a responsible corporate citizen, we have formed a management level Sustainability Committee reporting to the Board and Audit and Risk Committee ("ARC") to develop an integrated environmental, social and governance ("ESG") strategy combining this with our sustainability and thereby ensuring a focused and holistic program. This ESG program updates and initiatives are now a permanent agenda at all our Board meetings in FY2024 as we continue to develop strategies in our identified three key pillars; Our Business, People and Stewardship. These are our core focus areas but we are also cognisant of our environmental obligations and we are pursuing 100% Task Force on Climate-Related Financial Disclosures ("TCFD") compliance and report progress towards this in our FY2024 Sustainability Report.

With over 35 years of experience, the Group has come a long way to where we are today. We are confident of our current market position and we are certainly well prepared to meet any challenges and deliver positive returns in the coming years.

Goh Peng Ooi
Group Executive Chairman
26 September 2024

Board of Directors

GOH PENG OOI

Founder and Group Executive Chairman

First appointment as a Director: 23 August 2002
Last re-election as a Director: 26 October 2023
Due for re-election as a director: 25 October 2024

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

With a robust academic background and an impressive array of groundbreaking research, Mr. Goh is a visionary leader whose unparalleled expertise, innovative spirit, relentless pursuit, and passion for mathematical and digital sciences have helped reshape the Malaysian technological landscape, especially in advancing AI/digital technologies and its application in the banking and financial services sector.

Graduating with a Bachelor of Engineering in Electronics Engineering from the prestigious University of Tokyo on a Monbusho scholarship marked the inception of his illustrious career. Starting his professional voyage at IBM Malaysia, he swiftly ascended the ranks, wielding his expertise across various senior roles, including a pivotal stint as Marketing Manager for Banking and Finance. In 1989, fuelled by an unparalleled foresight into the future landscape of economics and digitalisation, he laid the cornerstone of the Silverlake Group. What ensued was a meteoric rise, as Silverlake under Mr. Goh's leadership swiftly evolved into a trailblazing force, pioneering universal banking solutions that is the core solutions of many banking behemoths and the financial sector.

Fast forward, and the Silverlake Group stands tall as a multibillion-dollar technology company with a global footprint spanning across diverse continents. Listed on the Singapore Stock Exchange the Group, alongside its affiliates, boasts a workforce exceeding 2000 individuals dedicated to serving over 400 customers across 70 nations. Garnering a plethora of accolades, including the esteemed IBM Partner Excellence Award (2012), Forbes' Best Under a Billion (2013, 2015), and The Asian Banker Vendor Satisfaction Survey Gold Award (2014), the Silverlake Group continues to set benchmarks of excellence. Recent ones being the 2023 Malaysian Technology Excellence Award for Enterprise Software and Banking Finance and 2024 Singapore Business Review Award for Client Excellence in a complex regional migration and integration exercise for one of SEAs largest regional bank.

Underscoring his commitment to academia, Mr. Goh remains actively engaged in the realms of science and mathematics and is a staunch advocate for fostering a culture of continuous learning and innovation, encouraging the next generation to push the boundaries of what's possible. His profound insights into the Science of Intelligence and its profound implications on Human Actions and Economy have propelled him to the forefront of academic discourse. Mr. Goh is a Fellow of Academy of Sciences Malaysia and a Senior Fellow of ASEAN Academy of Engineering and Technology.

Spearheading groundbreaking research in Category Theory, his Sigma Scheme offers a paradigm-shifting perspective on Time-Space, ushering in a new era of innovation and discovery. This visionary outlook has birthed Sigma Excellence Insights, heralding the advent of a high-tech enterprise group centred around the ethos of "Symmetry at Work Powering Hundreds of Deep Tech and New Tech".

The Silverlake Group remains a strong proponent of research and talent and places a high importance on continued financial support for higher education institutions to further build the talent pipeline and ensure a steady flow of skilled professionals, contributing to economic development, industry innovation and expansion. Such initiatives include working with the UTAR Education Foundation on the Kuala Lumpur Engineering Science Fair (KLESF) (2015-2019; 2023-2024) and the 24th Asian Physics Olympiad 2024, loans for deserving TAR-UMT students via the TARC–Goh Peng Ooi Student Loan programme, and donations to medical institutions such as the UTAR Hospital. Other initiatives also include sponsorships for various local and regional student exchange/mobility/outbound programmes.

Mr. Goh's indelible achievements and scholarly pursuits have also been recognised amongst them is the Ernst & Young Entrepreneur of the Year Award in Malaysia twice, in 2005 and 2014. His contributions to the software applications and technology landscape earned him a coveted Lifetime Achievement Award for Excellence in Information Technology from the World Chinese Economic Summit in 2015, alongside the esteemed ASEAN Legacy Award in 2017 and the title of ASEAN Entrepreneur of the Year in 2019. The accolades culminated with the esteemed Order of the Rising Sun, Gold Rays with Rosette bestowed upon him by the Emperor of Japan in 2022, a testament to his global impact and influence.

Board of Directors (cont'd)

GOH SHIOU LING

Group Chief Executive Officer
Deputy Executive Chairman

Chairman of Strategic Investment Committee

First appointment as a Director: 1 June 2015
Last re-election as a Director: 26 October 2023

Ms. Goh was appointed as the Executive Director on 1 April 2018 and assumed the leadership as Group Chief Executive Officer on 1 July 2024. She was previously redesignated to the position of Deputy Executive Chairman on 27 October 2023 from her role as Deputy Chief Executive Officer since 1 May 2022. She started as a Non-Executive Director in the Company.

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

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

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

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

Board of Directors (cont'd)

ONG KIAN MIN

Lead Independent Non-Executive Director
Independent Non-Executive Deputy Chairman

Chairman of Nominating and Remuneration Committee
Member of Audit and Risk Committee

First appointment as a Director: 9 January 2003
Appointment as Lead Independent Non-Executive Director: 1 July 2018
Last re-election as a Director: 27 October 2021
Due for re-election as a Director: 25 October 2024

Mr. Ong was called to the Bar of England and Wales in 1988, and to the Singapore Bar the following year. In his more than 30 years of legal practice, he focused on corporate and commercial law, such as mergers and acquisitions, joint ventures, IPOs and corporate finance. Mr. Ong was awarded the President's Scholarship and Singapore Police Force Scholarship in 1979, and holds a Bachelor of Laws (Honours) external degree from the University of London and a Bachelor of Science (Honours) degree from the Imperial College of Science & Technology in England. Mr. Ong was an elected Member of the Singapore Parliament from 1997 to 2011. He was previously an independent Non-Executive Director of BreadTalk Group Limited and Penguin International Ltd during the preceding 4 years.

He is also currently a Non-Executive Director of Food Empire Holdings Limited, and an Independent Non-Executive Director of OUE REIT Management Pte. Ltd. and YHI International Limited.

Ong Kian Min

Datuk Yvonne Chia

DATUK YVONNE CHIA P.M.W (YAU AH LAN @ FARA YVONNE)

Non-Independent Non-Executive Director

Member of Nominating and Remuneration Committee
Member of Strategic Investment Committee

First appointment as a Director: 1 June 2015
Redesignated as Non-Independent Non-Executive Director: 1 June 2024
Last re-election as a Director: 27 October 2021
Due for re-election as a Director: 25 October 2024

Datuk Yvonne Chia has more than 40 years of strategic leadership experience in the financial services industry, having held leading positions in both foreign and local institutions. She started her career in Bank of America and held various roles in Malaysia and in the Asia region. She was the former Group Managing Director and Chief Executive Officer of RHB Bank Berhad from 1996 to 2002 and Hong Leong Bank Berhad from 2003 to 2013.

Datuk Yvonne Chia is currently the Independent Non-Executive Chairman of Press Metal Aluminium Holdings Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad and Cradle Fund Sdn Bhd (until 31 December 2023). She was also the Senior Independent Non-Executive Director of Astro Malaysia Holding Berhad (until June 2023). She is a Council Member of the Asian Institute of Chartered Bankers, a Trustee for Teach For Malaysia Foundation and The Merdeka Awards Trust (until December 2022) respectively. She is also an Honorary Professor of the University of Nottingham School of Economics as well as a member of the Chartered Institute of Islamic Finance Professionals.

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

Board of Directors (cont'd)

MAH YONG SUN

Independent Non-Executive Director

Chairman of Audit and Risk Committee
Member of Strategic Investment Committee

First appointment as a Director: 27 August 2020
Last re-election as a Director: 26 October 2023

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

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

Since leaving Accenture in 2009, Mr. Mah has served as an Independent Non-Executive Director at Celcom Axiata Berhad (2010 - 2018), Catcha Digital Berhad (2011 - 2023), Omesti Berhad (2013 - 2020) and Diversified Gateway Berhad (2015 - 2018) wherein he has acquired extensive experience operating at the board level.

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

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

Mah Yong Sun

Chee Chin Leong

CHEE CHIN LEONG

Executive Director

First appointed as a Director: 14 February 2023
Last re-election as a Director: 26 October 2023

Mr. Chee has 40 years of experience in the IT industry. After graduation, he spent 1 year as an auditor with Foo, Kon & Tan, a Public Accountant in Singapore. He then joined IBM in 1983 where he spent 5 years working in the small systems (System/34, System/36 and System/38) division providing solutions to the distribution and services sector. In 1988, he moved to Australia where he spent 4 years with Synon, a company specialising in the implementation and development of CASE (Computer Software Aided Development) technology on the IBM AS/400. This technology was successfully deployed in several projects in major banks and financial institutions in Australia. He returned to Malaysia to head the banking division with the CSSL (Commercial Software and Services Ltd) group of companies in 1992.

Mr. Chee joined SILVERLAKE System, a premier provider of Banking and Finance solutions in 1995 where he was initially responsible for the IBM Business Partnership. In this role, he assisted SILVERLAKE System in getting numerous awards, most notably the IBM Star Stream Award for the Best Banking Solution on IBM AS/400 and IBM Beacon Award for The Best IBM Systems Technology Group (STG) Industry Solution. He was also involved in Sales of SILVERLAKE solutions and successfully established Partners internationally for SILVERLAKE System and was instrumental in many wins for the SILVERLAKE Integrated Banking System and Mobius. In 2021, he joined Silverlake Axis Limited as an Advisor to Sales and was responsible for setting up the Partner Management Program.

Mr. Chee graduated with a Bachelor of Economics degree from the University of Adelaide, Australia in 1982.

Board of Directors (cont'd)

EMERITUS PROFESSOR TAN SRI DATO' SERI DR. CHUAH HEAN TEIK

Independent Non-Executive Director

Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee

First appointment as a Director: 1 October 2023
Last re-election as a Director: 26 October 2023

Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik

Tan Sri Dato' Seri Dr. Chuah's passion for education, his commitment for progress and his immense contribution in the field of engineering and education spanned over a period of 35 years since his graduation from University of Malaya. From 1988-1997, he was on the faculty of the Electrical Engineering Department of the University of Malaya and in 1994, was a Fulbright Scholar at the Wave Scattering Research Centre, University of Texas at Arlington, USA. In 1997, Tan Sri Dato' Seri Dr. Chuah became a Senior Professor at the Multimedia University (MMU), during which he held various posts as Vice President (R&D and Academic Development), Dean of Engineering, and Director of Research. He also assumed the duty of the Penang State Government Professor of ICT in MMU in 2001 and was the President of Universiti Tunku Abdul Rahman (UTAR) in Malaysia from 2008-2019.

Tan Sri Dato' Seri Dr. Chuah is an eminent technical leader and is considered as a top research scientist in microwave remote sensing in Malaysia and Asia and the Pacific region. He has authored/co-authored more than 280 papers in international journals and conferences. Tan Sri Dato' Seri Dr. Chuah has received many awards locally and internationally for his research work and his outstanding contributions to the engineering profession, particularly in engineering education.

Tan Sri Dato' Seri Dr. Chuah is the recipient of 2019 World Federation of Engineering Organisations Medal of Excellence in Engineering Education. In 2021, Tan Sri Dato' Seri Dr. Chuah received the Chinese Government's Friendship Award, which is the People's Republic of China's highest award for foreign experts who have made outstanding contributions to China's economic and social development, as well as effort in facilitating friendly exchanges between China and other countries in culture, education, science and technology. Tan Sri Dato' Seri Dr. Chuah received the 2022 Lifetime Achievement Award from Malaysian Professional Centre, the umbrella body for all professions recognised by legislative Acts of Parliament in Malaysia. In 2022, Tan Sri Dato' Seri Dr. Chuah was also awarded the Distinguished Honorary Fellow by the Institution of Engineers Malaysia, which is IEM highest award to distinguished person of acknowledged eminence and high standing.

Tan Sri Dato' Seri Dr. Chuah is Past President of ASEAN Academy of Engineering and Technology (AAET) (2016-2022), Past President of the Federation of Engineering Institutions of Asia and the Pacific (FEIAP) (2011-2015), Past President of IEM (2009-2011); and current Chairman of FEIAP Standing Committee on Engineering Education, and Co-Chairman of the Africa, Asia and the Pacific (AAP) Accord Engineering Education Council. He is a Senior Fellow of the Academy of Sciences, Malaysia (ASM); Hon. Fellow of the ASEAN Federation of Engineering Organisations and Myanmar Engineering Society; a Founding Fellow of the AAET and The Academy of Engineering and Technology of the Developing World; Fellow of the Remote Sensing & Photogrammetry Society, UK; the Institution of Engineering and Technology, UK; the Institute of Electrical and Electronics Engineers, USA; and the Electromagnetics Academy, USA. He is also a Professional Engineer in Malaysia, a Chartered Engineer with the Engineering Council, UK; an APEC Engineer, International Professional Engineer and ASEAN Chartered Professional Engineer; and Hon. Member of the Golden Key International Honour Society. Tan Sri Dato' Seri Dr. Chuah serves as reviewer for technical papers submitted to international journals such as Progress in Electromagnetics Research (PIER) Journal, and IEEE Trans. Geoscience and Remote Sensing. He is currently a member of the Disciplinary Committee Panel under the Advocates and Solicitors' Disciplinary Board, Malaysia, the Malaysian Engineering Accreditation Council (EAC) and the Malaysian Technology Accreditation Council (ETAC); was a member of Aviation Authority of Malaysia (2018-2024), a Council Member of the Malaysian Qualifications Agency (2008-2012) and ASM (2007-2011, 2014-2016). He also serves in Technical Committee or Advisory Committee of a few regional and international conferences and symposia.

Currently, Tan Sri Dato' Seri Dr. Chuah is a Consultant Professor to Northwestern Polytechnical University, Xi'an, China and Distinguished Foreign Expert of China Association for Science and Technology. He is also a UTAR Council Member and Chairman of the UTAR Hospital Board. He sits on the Board of Elsoft Research Berhad since 19 June 2023 as an independent director.

Tan Sri Dato' Seri Dr. Chuah Hean Teik graduated with a BEng (First Class Honours), MEngSc and PhD in electrical engineering, all from University of Malaya, Malaysia.

Software Licensing

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

Over 40% of the top 20 largest banks in Southeast Asia run on Silverlake Axis' Core Banking solutions.

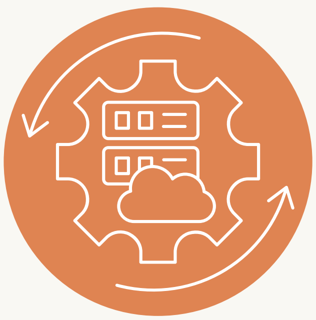
Leveraging on superior solutions and emerging technologies, Silverlake Axis is committed to achieving operational excellence and has transformed over 400 business entities across 70 countries in Asia, Europe, the Indian subcontinent, Middle East, Africa, and the Americas.

Software Project Services (Professional Services)

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

Maintenance and Enhancement Services

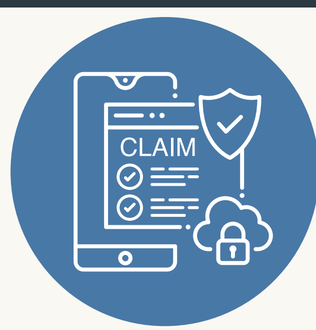
Silverlake Axis works with our customers to ensure daily business operations are running smoothly and able to keep up with dynamic industry changes. We perform Maintenance Services for the Silverlake Axis software solutions that we have implemented for our customers. Our professional teams are dedicated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



Synergy of Software and Services

Sale of System Software and Hardware Products

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



Insurance Ecosystem Transactions and Services

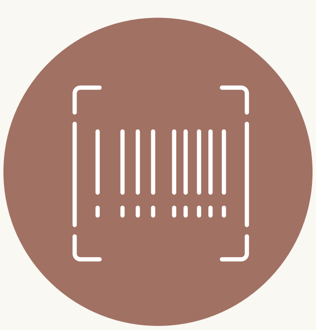
Silverlake Axis offers solutions and services for the Insurance and Takaful industry in Asia.

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

Retail Transactions Processing

Silverlake Axis offers our customers a multichannel cloud-based retail Software-as-a-Service solution as an alternative and to drive retail innovation and agility.

Our cloud–based digital platform, QR AgoraCloud, provides greater control and flexibility augmented with best in class customer engagement tools and is designed to cater for the next generation of retail players.



Group Businesses

BANKING

Software Licensing
Software Project Services (Professional Services)
Maintenance and Enhancement Services
Sale of System Software and Hardware Products

Silverlake Axis Sdn. Bhd.	100%
Silverlake Adaptive Applications & Continuous Improvement Services Ltd.	100%
Silverlake Adaptive Applications & Continuous Improvement Services (SG) Pte. Ltd.	100%
— Silverlake Holdings Sdn. Bhd.	100%
— Silverlake Axis MSC Sdn. Bhd.	100%
Silverlake Global Structured Services Pte. Ltd.	100%
— Silverlake Structured Services Sdn. Bhd.	100%
— Silverlakegroup Pte. Ltd.	100%
— Silverlakegroup Pte. Ltd. (Philippines branch)	100%
— Silverlake Structured Services Ltd.	100%
— PT Structured Services	100%
— Silverlake Sistem Sdn. Bhd.	100%
— Silverlake Cloud Computing Sdn. Bhd. [(1)]	100%
— Silverlake MasterSAM Sdn. Bhd. [(1)]	100%
— Silverlake MasterSAM Pte. Ltd. [(1)]	100%
CatgWorkz Holdings Pte. Ltd. [(2)]	100%
— CatgWorkz Pte. Ltd. [(3)]	100%
— CatgWorkz Sdn. Bhd. [(4)]	100%
Silverlake Investment (SG) Pte. Ltd.	100%
— Silverlake Digital Economy Sdn. Bhd.	100%
— Silverlake Digitale Sdn. Bhd.	100%
— Silverlake One Paradigm Sdn. Bhd.	100%
Silverlake Symmetri (Singapore) Pte. Ltd.	100%
— Silverlake Symmetri (Malaysia) Sdn. Bhd.	100%
— Silverlake Symmetri (Philippines) Enterprises, Inc.	100%
— Silverlake Symmetri Pakistan (PVT.) Limited	100%
— Silverlake Symmetri (Slovakia) spol. s.r.o.	100%
— Silverlake Symmetri (Singapore) Pte. Ltd. (Dubai branch)	100%
— Representative Office of Silverlake Symmetri (Singapore) Pte. Ltd. in Hanoi	100%
Cyber Village Sdn. Bhd. [(7)]	100%
— Affinities Village Sdn. Bhd.	100%
— DynaFront Holdings Berhad [(5)]	3.24%

INVESTMENT

Strategic Holdings

Silver Team Technology Limited	100%
— Global InfoTech Co. Ltd. [(5)]	8.30%
Silvirture Limited	100%

FERMION INSURTECH

Insurance Ecosystem
Transactions and Services

Fermion Pte. Ltd.	100%
— Merimen Ventures Sdn. Bhd.	100%
—— Merimen Online Sdn. Bhd.	100%
—— Merimen Technologies (Singapore) Pte. Ltd.	100%
—— P.T. Merimen Technologies Indonesia	100%
—— Merimen Technologies Philippines Inc.	100%
—— Motobiznes Online Sdn. Bhd.	51%
—— Merimen Technologies (Vietnam) Company Limited	100%
—— Merimen Technologies (Thailand) Co. Ltd.	100%
—— Merimen Technologies Hong Kong Limited	100%
—— Merimen Technologies (Malaysia) Sdn. Bhd.	100%
—— Merimen Technologies Japan K.K.	100%
—— Merimen Technologies - FZE	100%
— Silverlake Fermion Sdn. Bhd.	100%
— Fermion Labs Sdn. Bhd.	100%
— Ancileo Pte. Ltd. [(6)]	38.05%

RETAIL AUTOMATION

Retail Transactions Processing

QR Technology Sdn. Bhd.	100%
— QR Retail Automation (Asia) Sdn. Bhd.	100%
— QR Retail Automation (S) Pte. Ltd.	100%
— QR Agoracloud Sdn. Bhd.	100%
— QR Retail Automation Vietnam Company Limited	100%

OTHERS

Digital Identity and Security Technologies

SIA X Infotech Group	80%
— SIA X Infotech	100%
— X-Infotech Africa Limited	100%

(1) Acquisition completed after financial year end on 1 July 2024. Refer to Note 41(a) to the financial statements
(2) Formerly known as Symmetric Payments & Integration Holdings Pte. Ltd.
(3) Formerly known as Symmetric Payments & Integration Pte. Ltd.
(4) Formerly known as Symmetric Payments & Integration Sdn. Bhd.
(5) Public listed company
(6) Refer to Note 40 to the financial statements
(7) Held by Fermion Pte. Ltd.

Management Team

TAN SOO CHENG

Chief Executive Officer, Silverlake Global Structured Services (SGSS)

Ms. Tan heads the Maintenance and Support organisation of Silverlake Axis Banking Group with offices in six countries and more than 500 expert resources supporting over 70 customers in the ASEAN region, including customers in Sri Lanka, Bangladesh, and Dubai. With over 33 years of management consulting, project management, and implementation experience in the banking and finance industry, and has been with in the Silverlake family for over 23 years, Ms. Tan provides excellent leadership to an expert pool of resources to ensure Silverlake customers run and maintain their mission critical core banking system.

An Australian graduate from Monash University, Ms. Tan has a degree in computer science and has worked in the banking industry in Australia prior to returning to Malaysia to pursue a career with Ernst & Young Malaysia.

YEW YEE MING

Chief Executive Officer, QR Retail Automation

With 33 years of experience in the retail industry covering software development, implementation, retail industry application, consulting and more, Mr. Yew has contributed immensely to the Group since joining in 1995. He drove the implementation of the QR Retail Automation solution “PROFIT” across China, Taiwan, Singapore, Vietnam, Cambodia, Indonesia and Philippines. Mr. Yew is currently the senior executive in charge of projects and consulting, along with business development with large ASEAN retail groups. He began his career in retail as an analyst programmer at the Parkson Corporation, Malaysia with his qualification in Computer Studies.

ANIL SINGH GILL

Senior EVP, Strategic Finance & Risk
Chief Risk & Sustainability Officer

Anil has over 24 years of experience in finance and financial services with roles as a commercial controller and in commercial and investment banking. Beginning his career at HSBC and then OCBC Bank, he has also had leadership roles at CIMB Investment Bank and AmBank in Malaysia prior to joining the Group. At the Group he leads the Enterprise Risk Management and ESG functions with responsibility for implementation of risk management and ESG best practices throughout the organisation. He is also responsible for strategic finance which encompasses investor relations, internal business reporting and analytics.

He holds a Bachelor of Commerce degree from University of Melbourne, an MBA from University of South Australia and is a fellow member of CPA Australia, a member of the Malaysian Institute of Accountants (MIA) and an associate of The Institute of Chartered Accountants Singapore (ISCA) and The Chartered Institute of Management Accountants (CIMA). He is currently serving his second term as Treasurer to the Fintech Association of Malaysia (“FAOM”) for the 2023 / 2025 term.

CHIA YONG WEI

Chief Executive Officer of Professional Services COE

Mr. Chia has extensive experience in transforming and building sustainable businesses. A visionary leader in fostering growth in dynamic environments. Skilled in cultivating strong relationships with business partners and clients, resulting in large-scale financial growth.

Prior to this role, Mr. Chia has served as the Group CEO of Microlink Solutions, Chief Technology Officer and Executive Director of Omesti, Chief Information Officer & Head of Customer Relationship Management in AirAsia and held several leadership roles in the Telecommunications Industry while at Accenture. His expertise includes optimisation of solution delivery, organisational restructuring, and strategic business transformation.

Mr. Chia's notable work achievements include the transformation of the Group structure in Microlink Solutions, establishing their market presence in the telecommunications and public sector industry, leading business expansion into the Middle East, reinvigorating the talent pool, subsequently leading to an exponential increase in their business profit within 5-year span. Similarly, in Omesti Mr. Chia has provided executive leadership in securing Omesti as one of the Authorised System Integrator (ASI) of Huawei globally, and streamlined their technologies and solutions. During his time in AirAsia, Mr. Chia led the migration of AirAsia's entire booking platform into the Cloud, and introduced virtual waiting rooms for better efficiency.

DR. GYORGY TAMAS LADICS

Regional Managing Director of EMEA

Dr. Gyorgy Tamas Ladics is a seasoned financial services professional with over 30 years of experience for digital strategies in the financial services industry and businesses transformation globally. Started his career in Hungary and held senior positions at Citigroup Central Europe based in Budapest and Prague, at Barclays Emerging Market region based in Dubai, where he had provided essential business capabilities, enabled business expansion, entries into new markets and geographies, technology upgrades and digital transformation. He has worked in markets across Central-Eastern Europe, Middle East, Africa, Asia & Russia. At Bank Islam Brunei Darussalam (BIBD) as Chief Operating Officer, he was also responsible for organisational transformation and led business and digital transformation successfully.

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

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

PRISCILLA TAN

Chief Financial Officer

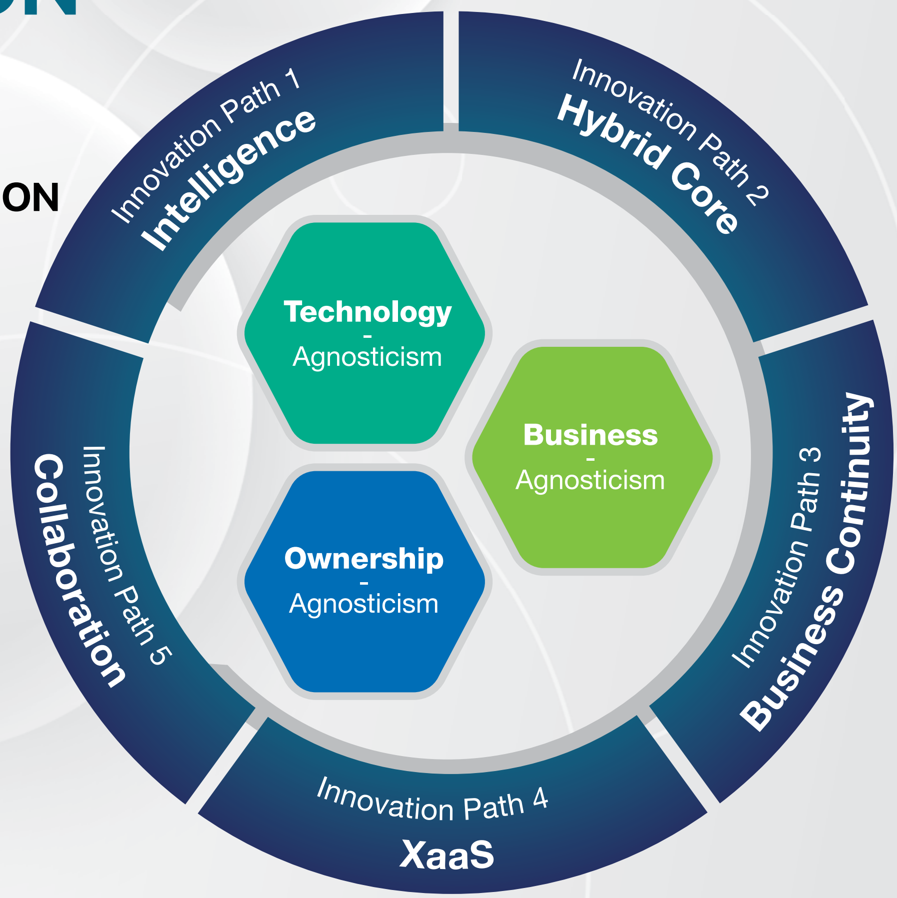
Ms. Tan was appointed to this role in October 2018 and is responsible for overseeing the Group's Finance Department which encompass Finance & Accounting, Cash Management, and Taxation functions. Her scope also includes overseeing Corporate Support Department which supports the Board in governance related matters. Ms. Tan is a qualified accountant and a fellowship member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA). She has 25 years of experience in auditing and financial management having trained in professional accounting firms, and worked in a Malaysian regulatory body and commercial sectors.

REIMAGINING BANKING WITH SILVERLAKE'S CIRCLE OF INNOVATION

AI-DRIVEN PATHWAYS IN MODERN BUSINESS EVOLUTION

Silverlake Axis recognises that the industry's appetite for innovation is now more nuanced than ever – the optimal paths for transformation are defined by the alignment of AI, people, products, and platforms unique to every organisation.

In assessing the extensive range of cross-industry partnerships that we continue to foster worldwide, there are several marked trends in how technological collaborations are being modeled in this post-digital era.



5 INNOVATION PATHS

At Silverlake Axis, we move beyond traditional solutions by embracing a transformative approach designed for long-term adaptability. By leveraging open, composable technologies, we focus on creating multi-product hubs that serve multiple business lines or partners underpinned by common foundational technologies.

Intelligence	Hybrid Core	Continuity	XaaS	Collaboration
• Generative • Robotic Process Automation • Conversational	• Product Intelligence • Deployment Model • Compute & Storage	• High Availability • Cyber Resilience • Future-proof Platform	• Bureau Lending • Banking-as-a-Service • Payment-as-a-Service	• Open Banking • Solution Co-development • Cross-industry Solutions

Financial Highlights

Revenue	Gross Profit	Other Income	EBITDA	Net Profit
RM783.5 million	RM410.0 million	RM4.8 million	RM191.3 million	RM105.2 million
↑ 2%	↓ 9%	↑ 43%	↓ 28%	↓ 38%

Financial Year Ended 30 June	2020	2021	2022	2023	2024
1. **Financial Results (RM' million)**					
Revenue	663.7	626.1	736.5	765.9	**783.5**
Gross Profit	379.6 [1]	376.9	418.6	451.0	**410.0**
Other Income	23.6 [2]	11.5 [3]	11.3 [4]	3.4 [5]	**4.8**
Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")	266.7 [1][2]	235.3 [3]	268.3 [4]	265.6 [5]	**191.3**
Profit Before Tax	201.4 [1][2]	186.7 [3]	231.9 [4]	229.6 [5]	**157.6**
Net Profit	184.7 [2]	143.1 [3]	182.7 [4]	170.3 [5]	**105.2**
2. **Financial Positions (RM' million)**					
Share Capital	191.0	191.0	1,845.2	1,845.2	**1,845.2**
Shareholders' Fund	746.6	1,054.4	962.1	1,136.2	**1,135.2**
Total Assets	1,468.2	1,364.3	1,492.1	1,633.2	**1,591.0**
Total Liabilities	721.6	309.8	516.9	483.2	**440.2**
3. **Financial Ratio**					
Gross Profit Margin (%)	57% [1]	60%	57%	59%	**52%**
Net Profit Margin (%)	28% [2]	23% [3]	25% [4]	22% [5]	**13%**
Return on Equity (%)	25% [2]	14% [3]	19% [4]	15% [5]	**9%**
Current Assets/Current Liabilities (Times)	2.1	4.1	3.9	4.4	**3.3**
4. **Per Share (RM sen)**					
Basic Earnings Per Share	7.04 [2]	5.49 [3]	6.85 [4]	6.76 [5]	**4.11**
Diluted Earnings Per Share	7.04 [2]	5.49 [3]	6.85 [4]	6.76 [5]	**4.11**
Net Assets Per Share	28.83	39.40	38.32	45.23	**45.14**
5. **Dividends**					
Dividends Per Share (Singapore cents)	0.93	0.52	0.70	0.60	**0.36**
Dividend Payout (%)	40%	30%	30%	30%	**30%**

Financial Highlights (cont'd)

(1) The Group's subsidiaries engage businesses in different jurisdictions, hence there are taxes imposed on foreign sourced income. In FY2021, it was clarified that part of these foreign and withholding taxes were derived or taxed on gross revenue and not based on taxable profits, therefore not considered as "Income Taxes" in the consolidated income statement. The Group presented such withholding taxes as part of "Cost of Sales" in the consolidated income statement for the financial year ended 30 June 2021 and comparative amounts i.e. FY2020 Gross Profit, EBITDA, Profit Before Tax and the corresponding profit margins have been restated to reflect the substance of these taxes.

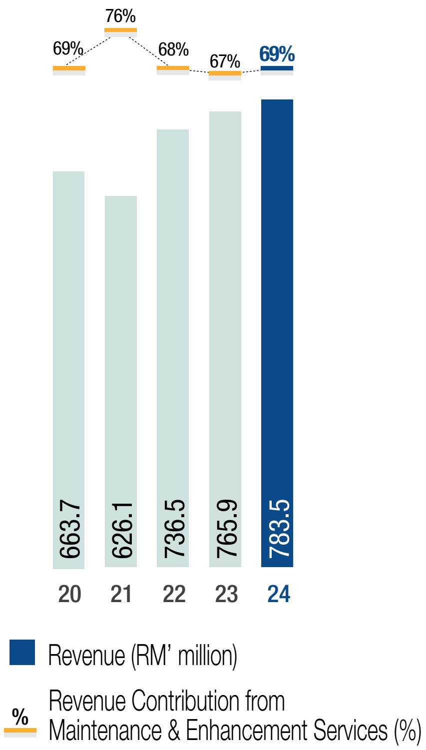
(2) In FY2020, the Group recorded RM11.3 million gain from remeasurement of put liability on the remaining 20% equity interest in SIA X Infotech Group ("XIT Group"), RM2.9 million government subsidies from Singapore and Malaysia to support businesses during COVID-19 pandemic, RM2.1 million gain from deemed disposal of investment in Finzsoft Solutions Limited, and RM1.6 million fair value gain from remeasurement of contingent consideration for the acquisition of 80% equity interest in XIT Group and 100% equity interest in Silverlake Investment (SG) Pte. Ltd. Group. These non-operational gains were reflected in Other Income and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational gains, the Group's adjusted net profit of RM166.8 million would have been 16% lower than FY2019 adjusted net profit of RM198.7 million.

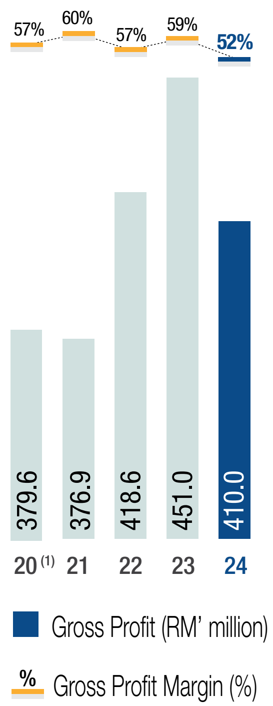
(3) In FY2021, the Group recorded non-operational losses of RM15.6 million and RM8.6 million from remeasurement of put liability for put option and remeasurement of derivative asset in relation to call option on the remaining 20% equity interest in XIT Group respectively. The Group received RM4.9 million of government subsidies and office rental concessions from Singapore, Latvia, Malaysia and Hong Kong to support businesses during COVID-19 pandemic. These non-operational losses/gains were reflected in Administrative Expenses/Other Income, and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational losses/gains, the Group's adjusted net profit of RM162.3 million would have been 3% lower than FY2020 adjusted net profit of RM166.8 million.

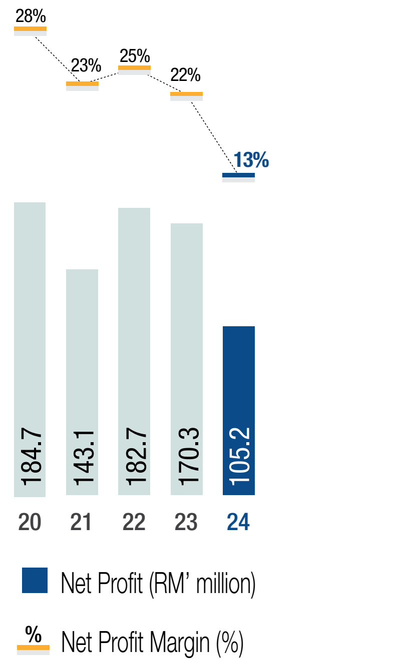
(4) In FY2022, the Group recorded RM1.5 million of government subsidies and office rental concessions from Malaysia, Singapore, Thailand and Hong Kong, RM1.1 million gain from the recognition of derivative asset in connection with the call option to acquire the remaining 16.37% equity interest in Ancileo Pte. Ltd. ("Ancileo"), as well as RM1.5 million gain from remeasurement of put liability for put option and RM0.8 million loss from derecognition of derivative asset upon expiry of call option for the acquisition of the remaining 20% equity interest in XIT Group. These non-operational gains/losses were reflected in Other Income/Administrative Expenses, and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational gains/losses, the Group's adjusted net profit of RM179.4 million would have been 11% higher than FY2021 adjusted net profit of RM162.3 million.

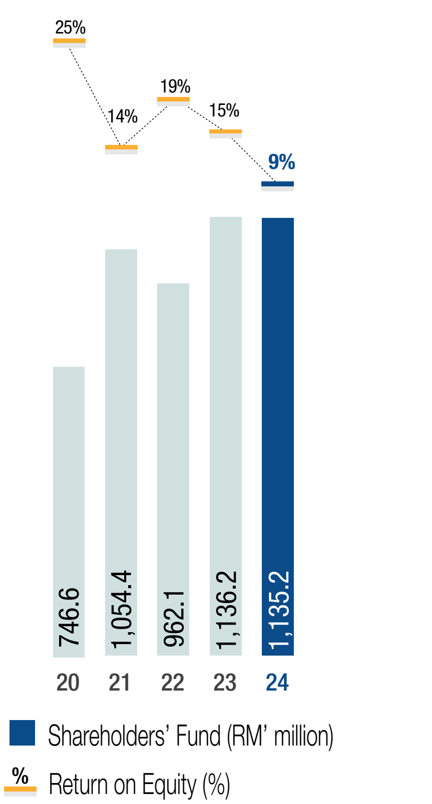
(5) In FY2023, the Group recorded RM1.2 million loss from remeasurement of derivative asset in relation to call option on the remaining 16.37% equity interest in Ancileo and RM0.2 million of government subsidies from Singapore and Hong Kong. These non-operational losses/gains were reflected in Administrative Expenses/Other Income, and correspondingly in earnings, net profit margin and return on equity ratios. Excluding the effects of these non-operational losses/gains, the Group's adjusted net profit of RM171.3 million would have been 5% lower than FY2022 adjusted net profit of RM179.4 million.

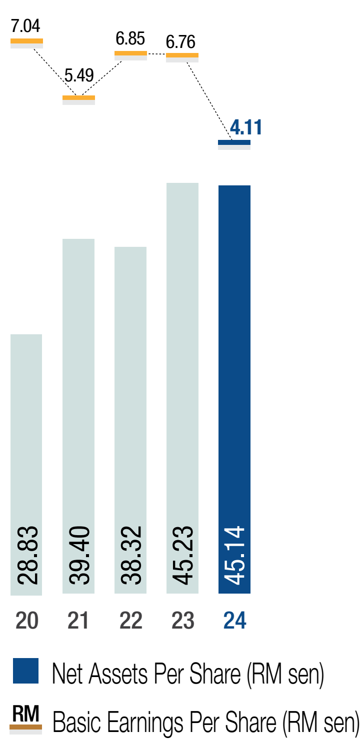
Financial Highlights (cont'd)

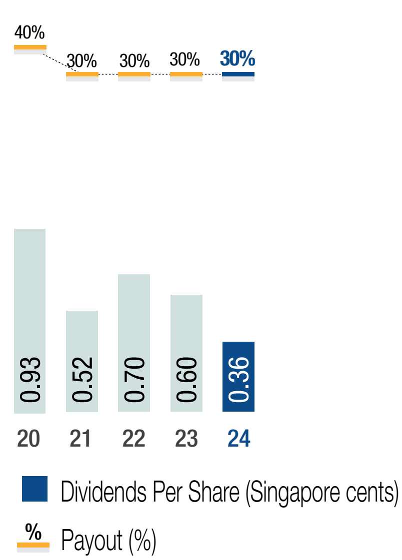












Financial Performance Review

ACQUISITION

Over the years, Silverlake Axis Ltd. ("SAL" or the "Group") has undertaken several strategic acquisitions to enlarge its suite of business enterprise software solutions and service offerings, as well as to expand the Group's geographical footprint. The Group continues to actively pursue acquisitions that could benefit and complement the Group's business.

In the financial year ended 30 June 2022, Fermion Pte. Ltd. ("FPL") entered into an agreement to acquire 38.05% equity interest in Ancileo Pte. Ltd. ("Ancileo").

The First Tranche Acquisition of 21.68% equity interest in Ancileo was completed on 30 June 2022 with a cash consideration of SGD1.9 million (equivalent to RM6.1 million) and Ancileo had subsequently became an associate of the Group.

In October 2023, FPL exercised the call option to acquire the remaining 16.37% equity interest in Ancileo ("Second Tranche Acquisition") with a cash consideration of SGD2.4 million (equivalent of RM8.2 million). Since then, FPL's equity interest in Ancileo has increased from 21.68% as at previous reporting date to 38.05% as at current reporting date as disclosed in Note 15 to the financial statements. The acquisition of Ancileo, a company engages in the provision of software technology for the insurance ecosystem, will complement the expansion of Group's insurance business.

Total Revenue
RM783.5M
(FY2023: RM765.9M) ▲ 2%

Recurring Revenue
RM607.7M
(FY2023: RM569.4M) ▲ 7%

Project Related Revenue
RM162.0M
(FY2023: RM175.9M) ▼ 8%

Sale of System Software and Hardware Products
RM13.8M
(FY2023: RM20.6M) ▼ 33%

Gross Profit
RM410.0M
(FY2023: RM451.0M) ▼ 9%

Gross Profit Margin
52%
(FY2023: 59%) ▼ 7%

EBITDA
RM191.3M
(FY2023: RM265.6M) ▼ 28%

Net Profit
RM105.2M
(FY2023: RM170.3M) ▼ 38%

Dividends per Share (30% of Net Profit)
Singapore 0.36cents
(FY2023: Singapore 0.60 cents) ▼ 40%

OVERVIEW

On a full year ended 30 June 2024 ("FY2024"), the Group recorded revenue of RM783.5 million, a growth of 2% over prior financial year ("FY2023") with the following financial performance:

- Achieved highest revenue for the Group in FY2024 since the Company's listing in Singapore Exchange Securities Trading Limited in March 2003.
- Achieved Gross Profit of RM410.0 million and Gross Profit Margin at 52%, 9% and 7% lower than FY2023 respectively.
- Achieved Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM191.3 million with EBITDA Margin at 24%, 28% and 11% lower than FY2023 respectively.
- Achieved Profit Before Tax of RM157.6 million, a decrease of 31% as compared to FY2023.
- Achieved Net Profit (or Profit After Tax) of RM105.2 million and Net Profit Margin at 13%, 38% and 9% lower than FY2023 respectively.

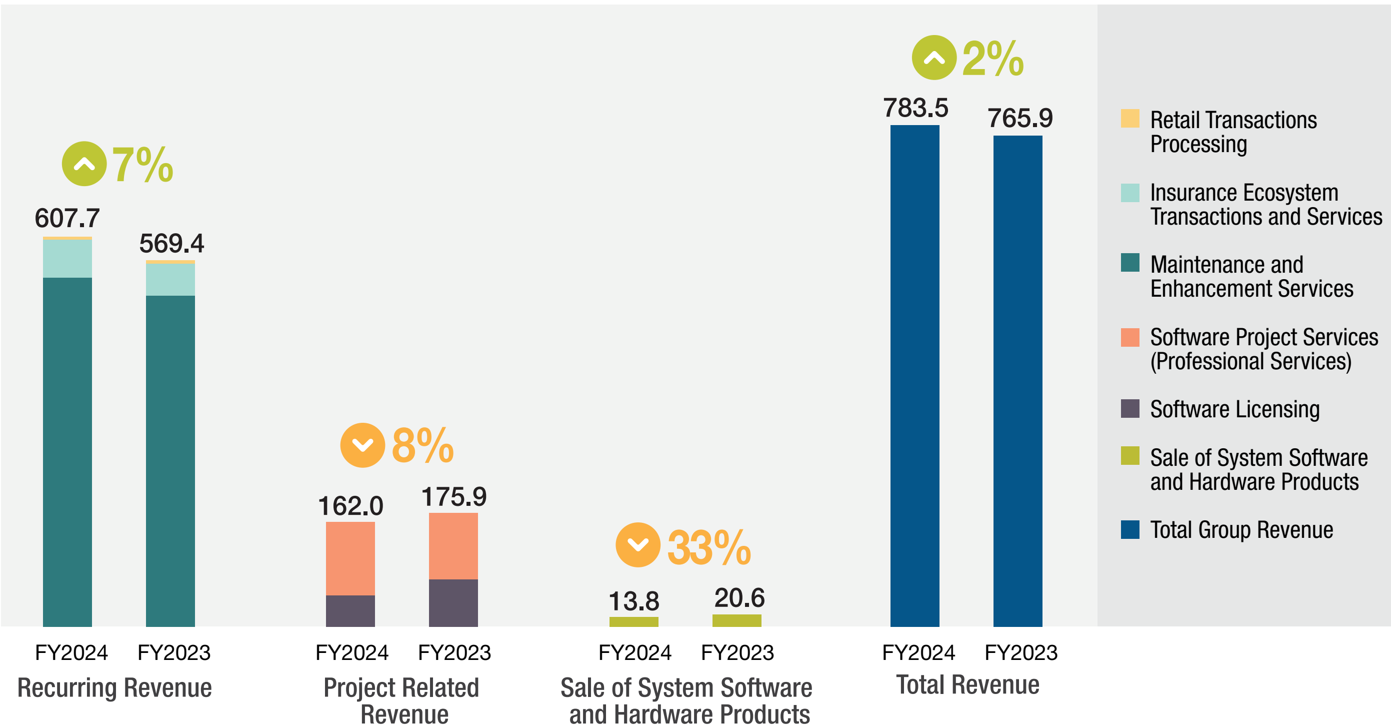
FY2024 is a year filled with many project delivery engagements for a wide variety of clients in the territories we operate in. The majority of projects are executed on time and on budget but there are some where we faced delays for a number of reasons and these projects in some cases impacted our financials in FY2024. As an example, projects that involve new products that we launch recently require more time to project completion for a variety of reasons. Also, products that we launched into new markets also needed additional learning curve to cater to local country requirements. At the same time, additional cost associated with development efforts and investments to further enhance our product offerings, business expansion and group transformation were incurred to remain competitive and ensure long-term sustainability. These caused the decrease in the Group's profitability despite continued revenue growth in FY2024.

In FY2025, we will continue to focus on executing our strategies for business growth and operational excellence to drive our growth and improve financial performance.

Financial Performance Review (cont'd)

REVENUE

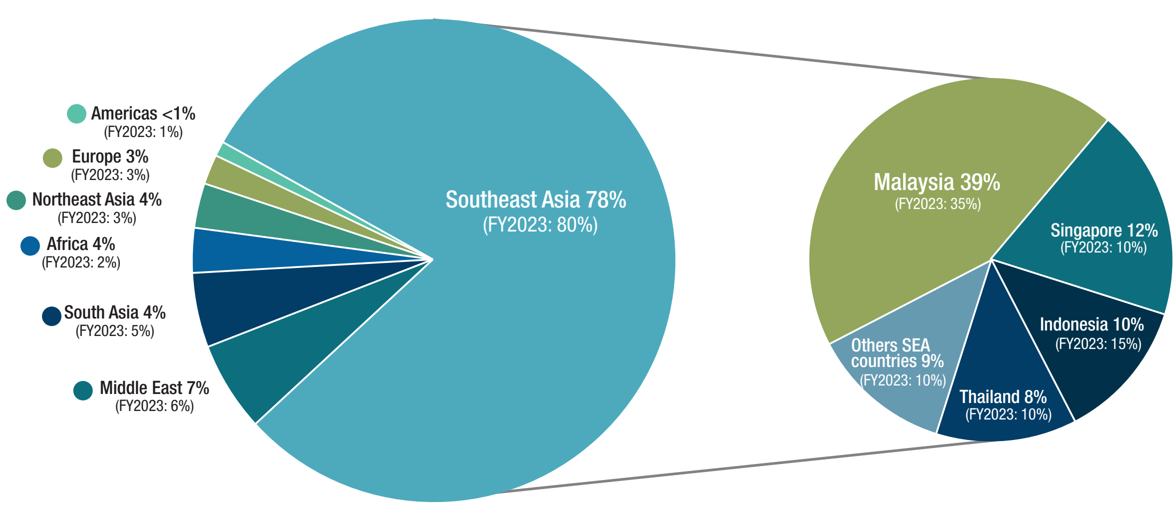
Revenue by Business Activities (RM' million)



Total Group Revenue, ▲2%

The overall Group revenue has increased by 2% from RM765.9 million to RM783.5 million in FY2024. The revenue growth of 2% was driven by increases in all three (3) business segments under recurring revenue. The quantum of this revenue increase was partially offset by the decline in software licensing revenue recognised in FY2024.

FY2024 Revenue by Geographical Segment (%)



The composition of Group revenue by region was consistent in the current and previous financial years, with Southeast Asia as the largest revenue contributor at approximately 80% of total Group revenue. The remaining 20% of Group revenue was generated from Middle East, South Asia, Africa, Northeast Asia, Europe, and the Americas regions.

Financial Performance Review (cont'd)

REVENUE (cont'd)

Out of the seven (7) regions, revenue from Africa and Middle East have shown the highest increase of 74% (or RM12.1 million) and 16% (or RM7.0 million) respectively as compared to the previous financial year. The increase was contributed mainly from the implementation of SIA X Infotech digital identity and security software solution in Angola and Saudi Arabia, the commencement of maintenance services in current financial year for projects completed particularly in Sierra Leone and Cameroon, as well as more enhancement contracts secured in United Arab Emirates ("UAE") and Bahrain.

South Asia is the only region that recorded lower revenue, decreased 21% or RM8.4 million as compared to the previous financial year. There was higher progressive revenue recognised from the implementation of Silverlake Delivery Service Processor ("DSP") Digital license and project services in this region in prior year.

Over the years, the Group has expanded its presence across the globe through several strategic acquisitions. As a continuing effort and strategic move to support business expansion, the Group has been actively expanding the reach of our product offerings as well as cross selling of software and solutions to new and existing markets through key partnerships engagements with local partners, and emphasise on the importance of project delivery improvement initiatives to support a wide variety of clients in the territories we operate in.

Recurring Revenue, ▲7%

Total recurring revenue (maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing) achieved 7% growth from RM569.4 million to RM607.7 million in FY2024.

Recurring revenue contributed 78% of total Group revenue and has consistently been a key revenue contributor for the Group.

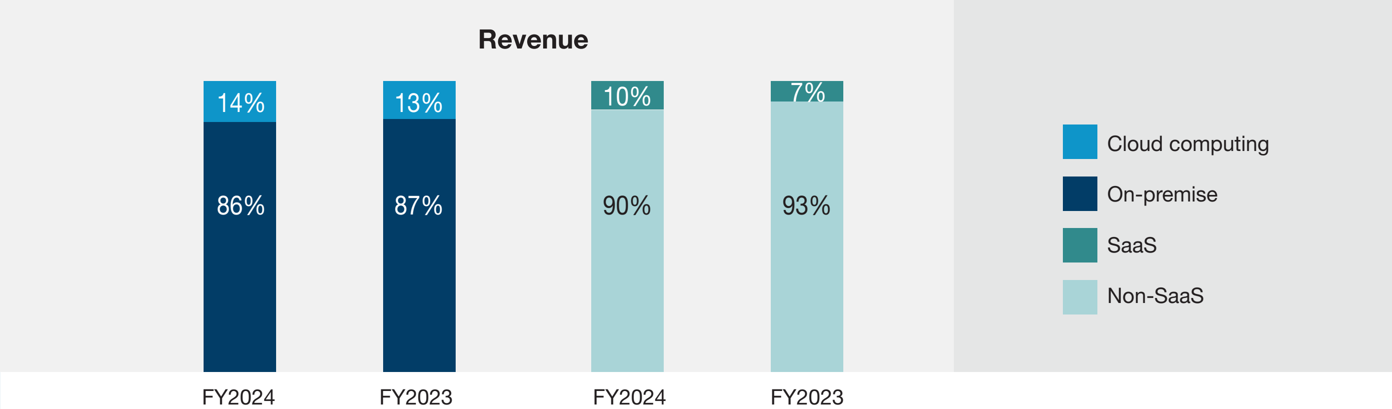
Project Related Revenue, ▼8%

Project related revenue comprising software licensing and software project services (professional services) contributed 21% to total Group revenue. This segment contributed RM162.0 million in FY2024, 8% lower compared to RM175.9 million achieved in prior year.

Sale of System Software and Hardware Products, ▼33%

Sale of system software and hardware products reduced 33% from RM20.6 million to RM13.8 million in FY2024. Hardware sale is seasonal in nature and dependent on clients' data growth and upgrade requirements.

Revenue Delivered through Cloud Computing and Software-As-A-Service ("SaaS"), ▲Increasing trend



RM107.5 million or 14% of total Group revenue was delivered via cloud computing, 11% higher than RM96.8 million recorded in prior year. The revenue from this segment increased as more and more of our clients are looking at cloud-based solution options to improve business and operational efficiency.

Revenue from SaaS grew 44% to RM75.3 million and now constitutes 10% of our total Group revenue in FY2024. Insurance ecosystem transactions and services, MÖBIUS SaaS contracts and retail transactions processing were the main contributors to the increase in SaaS revenue.

Financial Performance Review (cont'd)

PROFIT PERFORMANCE

GROSS PROFIT

The Group recorded a gross profit of RM410.0 million in FY2024, 9% lower than prior year with an aggregate gross profit margin of 52%, lower than the 59% achieved in FY2023. This was due to a change in revenue mix. The proportion of revenue from higher margin business segment such as software licensing, was lower in FY2024 as compared to the same period last year (i.e. software licensing revenue over total Group revenue was 6% in FY2024 versus 10% in FY2023). There were additional resources in place to support the implementation of new projects and the project with extended timeline in current year.

FINANCE AND OTHER INCOME

Finance income increased 42% from RM11.7 million to RM16.7 million in FY2024 as a result of higher interest earned from deposits placed with financial institutions.

Other income was 43% higher this year, an increase from RM3.4 million to RM4.8 million in FY2024 as the Group recorded foreign currency exchange gain on the cash reserves due to the fluctuation of foreign currencies in FY2024.

EXPENSES

The Group incurred 16% higher operating expenses for the year.

Key breakdowns for the increase are:

- 47% of the increase was associated with annual salary increment, the new headcounts added into the organisation in the past twelve (12) months to support business development and business expansion for the future as well as improve sales and market coverage.
- 28% of the increase was associated with development efforts and investments to further expand and enhance our product offerings including MÖBIUS etc.
- 10% of the increase was related to IT expenses particularly in software subscription and support, laptop leasing for new headcounts as well as incurred license and implementation cost of a customer collaboration and service management system during the financial year.
- The remaining cost increase was related to other operating expenses such as professional and consultancy fees for acquisition of companies, business travels, conference held by SAL to foster relationships and information sharing with clients, business partners and industry export, and expected credit losses on contract assets and long outstanding receivables which are subject to local country lengthy remittance process.

Overall, the Group's expense over revenue ratio of 35% is below the industry benchmark of 40%. It is one of the key metrics used for cost monitoring to ensure the spending are within planned parameters to deliver the existing and future contracts. The Group continues to monitor the expenses throughout the implementation of transformation and restructuring plan to remain competitive and to improve operational efficiency.

INCOME TAX

The Group's income tax expense decreased 12% from RM59.3 million to RM52.4 million in FY2024 mainly due to the decrease in chargeable income derived from lower profits from operations.

However, effective tax rate has increased 7% from 26% to 33% in FY2024 as a result of lesser incentives and bilateral tax relief claimable in FY2024 as compared to previous year.

In addition, deferred tax assets were not being recognised on unutilised tax losses for certain subsidiaries, as it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised in the near future, has also led to higher effective tax rate.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION ("EBITDA") AND NET PROFIT (OR PROFIT AFTER TAX)

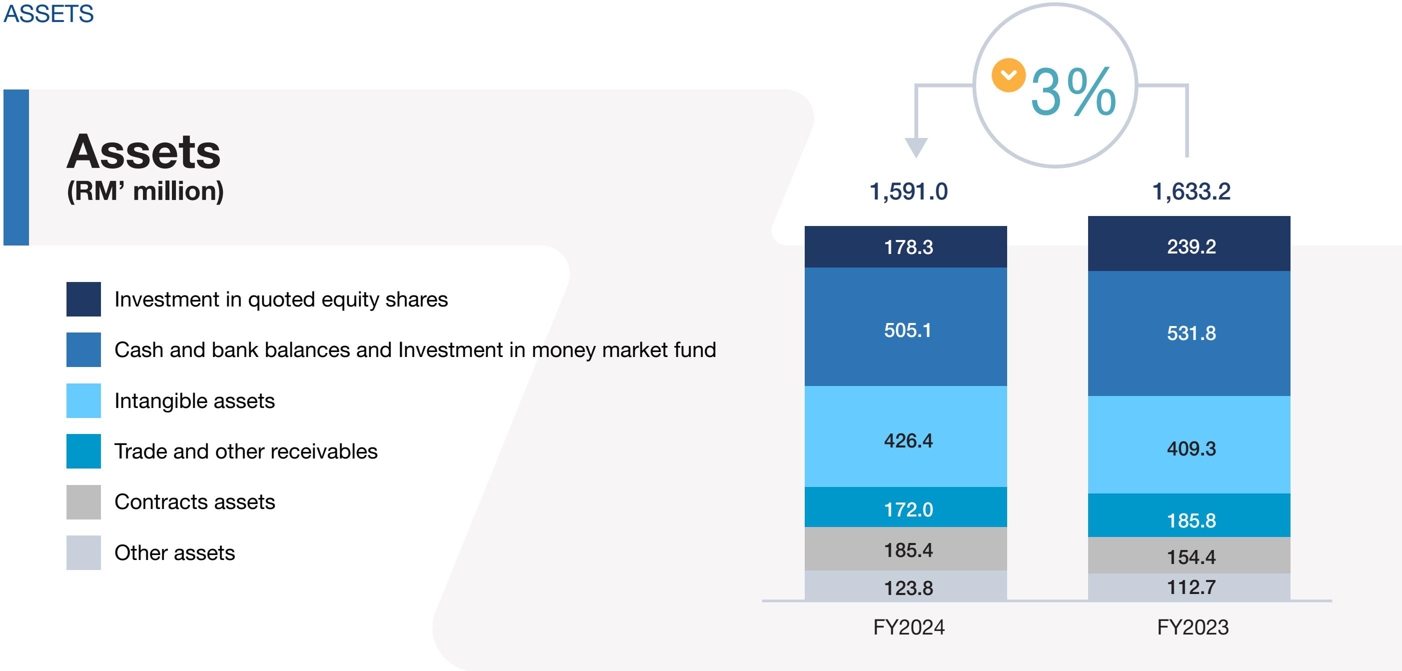
The Group achieved EBITDA of RM191.3 million and EBITDA margin of 24%, a decrease of 28% and 11% respectively as compared to FY2023. EBITDA was lower despite increase in revenue, primarily due to lower software licensing revenue, some delays in delivery projects which require additional resources to support the project implementation with extended timeline, expansion of business activities and development efforts to stay up-to-date with the requirements of emerging markets.

The Group continues to generate stable earnings whilst spent to support business as well as market expansions, and remains positive in managing the learning curve to cater for clients' country localisation requirements as we entered into new markets with new products.

Due to these factors, the Group recorded Profit After Tax of RM105.2 million, 38% lower than RM170.3 million achieved in the previous year.

FINANCIAL POSITION

ASSETS



Total assets decreased by 3% from RM1,633.2 million as at 30 June 2023 to RM1,591.0 million as at 30 June 2024. This was mainly due to the decrease in investment in quoted equity shares, investment in money market fund, cash and bank balances and trade and other receivables. The decrease was partially offset by the increase in contract assets, intangible assets and investment in an associate.

The Group's investment in quoted equity shares comprises equity interest in Global InfoTech Co. Ltd. ("GIT") and DynaFront Holdings Berhad ("DynaFront"). The investment decreased from RM239.2 million as at 30 June 2023 to RM178.3 million as at 30 June 2024, mainly due to the fair value adjustment of 37.1 million of GIT shares and 3.5 million of DynaFront shares as a result of:

- the decrease in GIT share price from RMB9.93 per unit as at 30 June 2023 to RMB7.27 per unit as at 30 June 2024; offset by
- the increase in DynaFront share price from RM0.80 per unit as at 30 June 2023 to RM0.95 per unit as at 30 June 2024.

The Group's investment in money market fund with financial institutions decreased from RM27.5 million as at 30 June 2023 to RM7.8 million as at 30 June 2024 following the reallocation of funds to fixed deposit placement during FY2024.

Cash and bank balances of the Group decreased by 1% from RM504.2 million as at 30 June 2023 to RM497.2 million as at 30 June 2024 after the partial repayment of revolving credit facility during FY2024. The cash outflow for repayment was partially offset with the cash inflow from interest earned from deposits placed with licensed banks and redemption of money market fund.

Trade and other receivables decreased from RM185.8 million as at 30 June 2023 to RM172.0 million as at 30 June 2024 mainly due to timing differences for billings to clients and improved collection from clients.

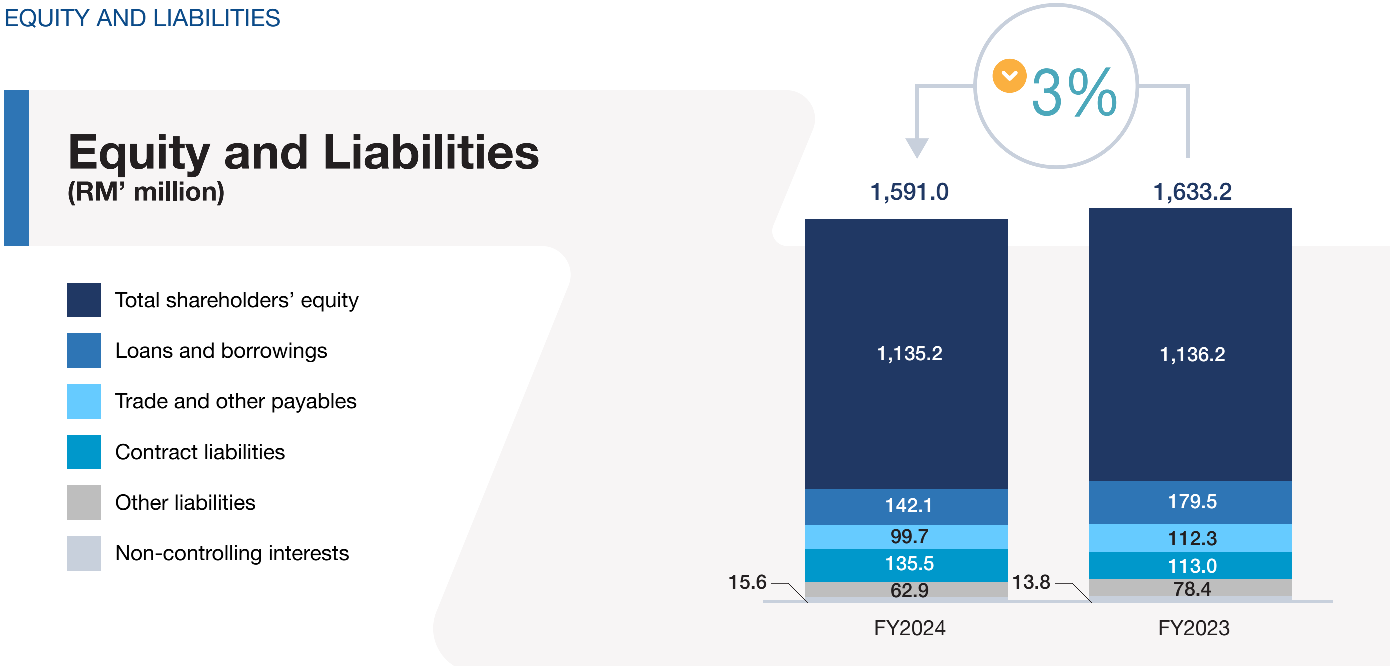
Contract assets of RM185.4 million as at 30 June 2024 was higher as compared to RM154.4 million as at 30 June 2023 mainly due to the timing of billings and revenue recognition for current contracts.

Intangible assets of the Group increased from RM409.3 million as at 30 June 2023 to RM426.4 million as at 30 June 2024 mainly due to the capitalisation of software development expenditure incurred for the development of core and digital banking, fintech and other solutions. The increase was partially offset by the amortisation of intangible assets for FY2024.

Investment in an associate increased from RM5.7 million in prior year to RM12.7 million as at 30 June 2024 after Fermion Pte. Ltd. exercised the call option during FY2024 to acquire the remaining 16.37% equity interest in Ancileo Pte. Ltd. ("Ancileo"), with a cash consideration of SGD2.4 million (equivalent of RM8.2 million).

Financial Performance Review (cont'd)

EQUITY AND LIABILITIES



EQUITY

The Group's total equity attributable to owners of the parent of RM1,135.2 million as at 30 June 2024 was comparable with RM1,136.2 million recorded last year. The RM1.0 million drop as compared to last year was primarily due to fair value loss recognised in FY2024 from remeasurement of investment in quoted equity shares at reporting date, partially offset by the profits generated during the financial year as well as decrease in treasury shares.

The non-controlling interests represent 20% and 49% equity interest held by minority shareholders in SIA X Infotech Group and Motobiznes Online Sdn. Bhd. respectively. The movement during the year was due to the profit attributable to non-controlling interests of RM1.8 million.

In aggregate, total equity as at 30 June 2024 was RM1,150.8 million as compared to RM1,150.0 million last year.

LIABILITIES

Total liabilities decreased by 9% from RM483.2 million to RM440.2 million as at 30 June 2024. The decrease was mainly due to the decrease in loans and borrowings, deferred tax liabilities and trade and other payables, partially offset by increase in contract liabilities and tax payable.

The Group's loans and borrowings decreased from RM179.5 million as at 30 June 2023 to RM142.1 million as at 30 June 2024 following the partial repayment of revolving credit facility in FY2024.

The Group recorded deferred tax liabilities of RM23.1 million as at 30 June 2024 as compared to RM44.1 million as at 30 June 2023 mainly due to the reversal of deferred tax liabilities attributable to the fair value loss on financial assets at fair value through other comprehensive income as well as the undistributed profit of foreign subsidiaries upon dividend declaration to holding company during the financial year.

Trade and other payables of the Group amounted to RM99.7 million as at 30 June 2024 as compared to RM112.3 million as at 30 June 2023 mainly due to performance incentives accruals in FY2023 and subsequently paid out in FY2024.

Contract liabilities of RM135.5 million as at 30 June 2024 was higher as compared to RM113.0 million as at 30 June 2023 mainly due to the timing of billings and revenue recognition for current contracts.

Tax payable was RM23.8 million as at 30 June 2024 as compared to RM19.6 million as at 30 June 2023 mainly due to higher profitability and taxable income from certain subsidiaries and lower tax credits available for use in current year.

CASH FLOW

The primary liquidity needs of the Group in the ordinary course of business are to fund operating expenses, pay financial obligations and finance capital expenditures.

Cash and cash equivalents of the Group stood at RM484.5 million as at 30 June 2024, 2% or RM10.2 million lower than RM494.7 million recorded as at 30 June 2023. During the financial year, the Group exercised the call option to acquire the remaining 16.37% equity interest in Ancileo with a cash consideration of SGD2.4 million (equivalent of RM8.2 million). The operating cash flow generated by the Group in FY2024 was sufficient to support major activities such as software development, dividend payment and partial repayment of revolving credit facility drawdown in FY2022 for settlement of off-market equal access purchase of the Company's shares.

The Group has adequate working capital and continues to maintain a stable cash flow position.

CASH FROM OPERATING ACTIVITIES

Net cash flow from operating activities in FY2024 was RM107.5 million as compared to RM72.6 million in FY2023, due to the improved working capital movement, which was primarily driven by decreased trade and other receivables corresponding to improved collection from clients and the timing of billings and revenue recognition for current contracts.

CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities was lower in FY2024 at RM21.6 million as compared to RM45.7 million in FY2023 mainly due to lower investment in software development.

During the financial year, the Group invested RM44.9 million in software development and paid RM8.2 million for acquisition of 16.37% equity interest in an associate. The cash outflow was partially offset with the cash inflow from redemption of money market fund of RM19.9 million and RM15.8 million interest income from deposits with licensed banks.

Whereas in the previous financial year, investments were higher particularly in software development (RM78.1 million), but this was partially offset by the RM28.0 million proceeds from redemption of money market fund and RM11.2 million interest earned from deposits placement.

CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities in FY2024 was RM99.0 million as compared to RM107.8 million in FY2023.

This was mainly due to lower dividend paid and lesser share buyback transacted in FY2024 as compared to FY2023. The amounts of dividends declared and paid in FY2024 was RM51.9 million, RM5.7 million lower than FY2023; and the Company re-purchased 150,000 own shares with RM0.1 million cash as compared to FY2023 with RM5.4 million cash for 4,498,700 own shares.

CAPITAL MANAGEMENT

The Group manages its capital structure and optimises debt and equity mix to create value for shareholders.

With favourable contributions and positive profit margins in FY2024, retained earnings increased but total shareholders' equity decreased primarily as a result of unfavourable change in share prices of quoted equity shares invested. The Group's gross gearing ratio reduced from 0.16 to 0.13 in FY2024 after partial repayment of revolving credit facility in FY2024. Net gearing ratio of the Group for both FY2024 and FY2023 was zero. The Group's interest cover ratio was at 17.7 times for FY2024. Overall, the Group continues to maintain an optimal debt leverage level while ensuring sufficient cash to take advantage of any growth potential or business opportunities when they arise.

	As at 30 June 2024	**As at 30 June 2023**
Group Debt and Equity		
Total debts (RM' million) *	142.1	179.5
Cash and bank balances (RM' million)	497.2	504.2
Net debts (RM' million) **	-	-
Total shareholders' equity (RM' million)	1,135.2	1,136.2
Gearing ratio		
Total debts/Equity	0.13	0.16
Net debts/Equity	-	-

* Total loans and borrowings
** Total loans and borrowings less cash and bank balances

Financial Performance Review (cont'd)

SHARE CAPITAL

	As at 30 June 2024	As at 30 June 2023
Issued and fully paid shares	2,696,472,800	2,696,472,800
Treasury shares	181,715,441	184,631,179

The number of treasury shares decreased from the following transactions:
- the reissuance of 3,065,738 treasury shares to Group Chief Executive Officer pursuant to the Silverlake Axis Ltd. Performance Share Plan; partially offset with
- the buyback of 150,000 shares by way of market acquisition in FY2024.

The percentage of treasury shares over total ordinary shares net of treasury shares amounts to 7.2% as at 30 June 2024 as compared to 7.4% as at 30 June 2023.

BANK BORROWINGS

As at 30 June 2024, the Group and the Company have bank borrowings from unsecured committed revolving credit facility of RM115.9 million. There was partial repayment during the financial year.

SHAREHOLDERS' RETURN

EARNINGS PER SHARE ("EPS")

FY2024 basic and diluted EPS were the same at RM4.11 sen as there was no other transaction involving ordinary shares or potential ordinary shares as at 30 June 2024. Compared to FY2023, the Group's profitability was lower due to a decrease in software licensing revenue, increased resources to support projects implementation with extended timeline and higher operating expenses in FY2024. As a result, EPS in FY2024 was 39% lower than the RM6.76 sen achieved in FY2023.

Earnings per Share (RM sen)	FY2024	FY2023
Basic earnings per share	4.11	6.76
Diluted earnings per share	4.11	6.76
Weighted average number of ordinary shares in issue (in million)	2,512.8	2,510.0

RETURN ON EQUITY

Total shareholders' equity in FY2024 and FY2023 were comparable. With lower profits in FY2024 as compared to FY2023, the Group's Return on Equity of 9% as at 30 June 2024 was 6% lower than 15% recorded as at 30 June 2023.

DIVIDEND

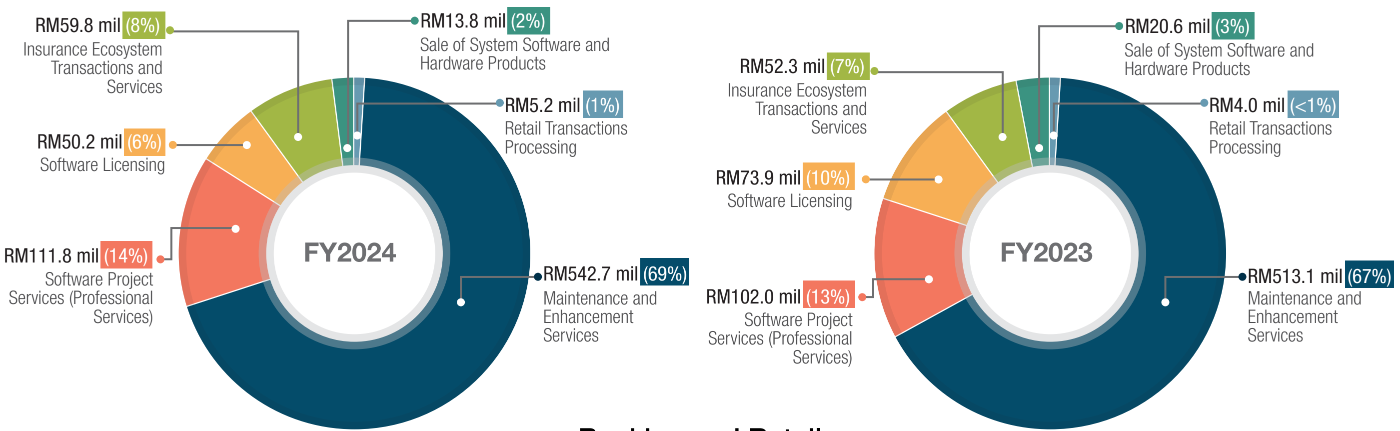
Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 25 October 2024, the Directors proposed a final tax exempt one-tier dividend of Singapore 0.36 cents per ordinary share amounting to approximately RM31.5 million to be paid on 15 November 2024 in respect of the financial year ended 30 June 2024. For the previous financial year end, a dividend of Singapore 0.60 cents per ordinary share, amounting to RM51.9 million was declared.

The proposed dividend of Singapore 0.36 cents per ordinary share for FY2024 represents:
- dividend pay-out ratio of 30% based on net profit attributable to shareholders;
- dividend yield of 1.3% based on dividend per share over the average share price of Singapore 26.8 cents traded during the financial year.

	Dividend per Share (Singapore cents)	Dividend Amount (RM' million)	Dividend Payout (%)	Dividend Yield (%)
FY2024	0.36	31.5	30%	1.3%
FY2023	0.60	51.9	30%	1.7%

Operations Review

REVENUE BY SEGMENT



Banking and Retail

Industry Trends in FY2024

At the close of financial year 2024 ("FY2024") and the beginning of financial year 2025 ("FY2025"), we observe a generally optimistic and positive sentiment despite the ongoing volatility brought about by a confluence of geopolitical conflicts and the balanced probability of a slowing global economy and recession fears. We expect a continuation of low to moderate growth and a generally favourable outlook for the upcoming year, though there are risks to growth. We continue to observe a largely positive momentum in deal activity and successful closures, as evidenced by our respectable deal closures in FY2024, and together these factors have contributed to our single-digit revenue growth.

Unpredictable events aside, this momentum is expected to continue into the coming financial year with deal activity remaining robust, and we anticipate a low single-digit percentage increase in information technology ("IT") spending over the next 12-18 months. The Financial Services industry and our clients remain extremely sensitive to macroeconomic conditions, with positive Gross Domestic Product ("GDP") growth being a key indicator for growth in financial services. Risks such as the possibility of a hard landing and a recession, as well as geopolitical instability, particularly the ongoing conflict in Ukraine and the Middle East, pose potential threats to these growth rates and could negatively impact IT expenditures.

As we concluded FY2024, our revenues have been driven by the increasing demand, especially for digital financial services, and this continues to drive clients to look for innovative solutions. FY2024 started slower than anticipated, though we were able to maintain adequate growth in our key revenue segments, save for the software licensing segment which was lacklustre. However, as we entered the second quarter, prospects improved significantly, and this positive trend persisted throughout the year as we closed RM448 million worth of deals in FY2024. The go-to-market of new digital banks has also accelerated transformation activities at financial institutions, emphasising the need to adapt their business models to meet customer demands and improve customer experience. Despite this, there was a lack notable large-scale transformation deals, particularly in the second half. While we do see encouraging momentum, the sales cycle remains slow. However, many of our clients are expressing interest in innovating their operating models, including increased adoption of cloud computing, Artificial Intelligence ("AI"), Machine Learning, and embracing open banking concepts.

This ongoing transformation and digitisation, driven by customer demand and external competition, are key demand drivers that will significantly impact all our major business lines. Structural changes in the industry and the proliferation of fintech in every vertical of financial services have enabled us to engage in and potentially secure several substantial contracts to enhance our clients' technology and digital infrastructure in FY2024.

Our key clients in the banking and financial services sector play pivotal roles in their markets and have global interconnectedness. We have observed a surge in inquiries, budget reinstatements, and encouraging activities as we concluded FY2024 on a strong note. Our clients are exploring multiple options and they are expediting critical decisions related to core and complementary platform modernisation.

While we maintain cautious optimism regarding the market outlook, we acknowledge that the markets we operate in face a range of geopolitical and national challenges. We will closely monitor any potential impact on our business while continuing to close deals and witness increased interest in our solutions and capabilities for the financial services sector. Our clients continue to entrust us with the responsibility of maintaining, supporting, and guiding them towards core modernisation and a stronger position in the digital era.

As we enter FY2025, there is strong momentum in deal-making, and our engagement teams are actively collaborating with existing and potential clients to tailor solutions that align with their budgets and enhance their competitiveness.

It is apparent that the evolutionary path for the industry will be long and complex but cannot be slowed. Many large financial institution groups are still grappling with complex, outdated systems that lack flexibility and fail to provide valuable insights or superior customer experiences. The costs of maintaining these legacy systems continue to rise, raising operational concerns for regulators who closely monitor this aspect. These industry dynamics underpin our value proposition and strategy as we continue to partner with our clients in their transformation efforts.

Digital customer engagement and regulatory compliance remain top priorities, and cloud technology continues to offer flexibility in business transformation while delivering cost advantages over traditional on-premise models. Our product suite now includes Software-as-a-Service ("SaaS") options for hosting applications, further reducing the cost of maintaining proprietary infrastructure. In FY2024, there has been a lot of emphasis on AI and its applications, benefits, and the tangible results it will bring. We are closely monitoring this area and making conscious investments to provide a set of solutions to our clients.

Operations Review (cont'd)

SOFTWARE LICENSING

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

Performance

Software licensing contributed 6% to the Group's overall revenue and is a core business for the Group. This revenue segment is dependent on the closure of large contracts. In FY2024, we were not able to close a number of large deals in ASEAN due to delays on the client side. The Group recorded a 32% decrease in revenue from this segment to RM50.2 million compared to RM73.9 million in FY2023. This decrease was attributed primarily by one significant license from a client in Indonesia, recognised in prior year FY2023, which was not repeated in this financial year.

Outlook

The licensing revenue segment is dependent on large scale core transformations and tied to our ability to secure new contracts, and we have observed a slowing of urgency and expansion in our sales pipeline. We are actively addressing proposals from our existing client base.

We hold a positive outlook that a substantial number of these opportunities will successfully materialise in FY2025, driven by the robust momentum we are currently experiencing. Nevertheless, it is important to acknowledge that there exist noteworthy risks, which are challenging to fully predict. These risks are primarily associated with macroeconomic factors, including inflation, the ongoing conflict in Ukraine and the Middle East, and the potential for a recession.

SOFTWARE PROJECT SERVICES (PROFESSIONAL SERVICES)

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

Performance

Software project services (professional services) revenue is highly correlated to software licensing revenue and the securing of core replacement and transformation deals. In FY2024, revenue increased 10% to RM111.8 million as a result of strong revenue flow from services contracts closed in current and previous financial years - namely new MÖBIUS, SIBS and Symmetri core banking installations in Malaysia, Thailand, Indonesia and the Middle East; and digital identity and security software project implementation in the Middle East and Africa. Despite the positive contributions from key core banking implementation projects, we experienced some delays in delivery projects. These projects involve new products launched recently which require more time to complete and also additional learning curve as we enter new markets.

Overall project services contributed 14% to Group revenue.

There is good traction in Thailand, Indonesia, MENASA, and with Malaysian prospects beginning to materialise. We have secured a handful of sizeable contracts in FY2024 that will be positive contributors to this segment as we begin FY2025.

Outlook

The outlook is optimistic with the Group being at the forefront of discussions with many enquiries and proposals in Malaysia, Thailand, and Indonesia.

Both software project services (professional services) and software licensing are highly correlated and the Group is well positioned to capitalise on developments in ASEAN around banking consolidations and the maturing of digital banks that may necessitate our services to innovate and integrate new applications.

MAINTENANCE AND ENHANCEMENT SERVICES

The maintenance and enhancement business provides our clients with round-the-clock software support services as well as enhancement services to support our clients in the delivery and execution of their strategies in making available new capabilities to their customers. These capabilities can be in the areas of new channels, to augment customer experience, and to address any new regulatory and emerging governance, risk, and compliance requirements.

Performance

Revenue from maintenance and enhancement services increased by 6% from RM513.1 million in FY2023 to RM542.7 million in FY2024. Overall, this segment accounts for 69% of Group revenue. This revenue stream consistently grew at a steady rate as new maintenance contracts and support will commence when current projects are completed and successfully handed over to the clients. Furthermore, the revision of maintenance rates for existing clients upon maintenance renewal and favourable foreign currencies movement had also contributed to the increase in maintenance revenue. Our clients have also continued to engage us to further enhance, modernise and provide up-to-date features required in the platforms they acquired from us for execution of their strategies in making new capabilities available for their customers.

Outlook

This segment's performance is closely linked to our existing software installations, and our maintenance contracts typically span a recurring five (5)-year period. The Group's installed base remains steady, with our clients embracing digitalisation and actively executing their transformation initiatives in the areas of new channels, to augment customer experience, and to address any new regulatory and emerging governance, risk and compliance requirements etc. As a result, the demand for our services remains strong.

In an increasingly competitive landscape, our clients are swiftly implementing customised digital solutions, necessitating our expertise in enhancing our offerings. Leveraging our robust partnerships with ASEAN's top banking franchises, the Group is confident in securing a substantial share of their spending in this regard.

Operations Review (cont'd)

SALE OF SYSTEM SOFTWARE AND HARDWARE PRODUCTS

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

Performance

Sales in this segment decreased by 33% from RM20.6 million in FY2023 to RM13.8 million in FY2024 and this segment accounts for only 2% of the Group's revenue. The performance was largely attributed to the contributions from various smaller transactions in FY2024 as opposed to one large deal to an existing client for a server tech refresh in FY2023 in additions to some smaller transactions last year.

Outlook

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

INSURANCE ECOSYSTEM TRANSACTIONS AND SERVICES

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

Performance

Insurance ecosystem transactions and services revenue increased by 14% to RM59.8 million from RM52.3 million in FY2023. This segment contributed 8% to Group revenue and comprises revenue from the processing of motor and non-motor claims ("eClaims"), the processing of insurance policies ("ePolicy"), TrueSight suite of productivity & analytics solutions, and integration and maintenance services (where required). These solutions contributed approximately 71%, 11%, 9% and 9% respectively to the total Insurtech revenue in FY2024.

A key statistic is the growing non-motor claims contribution to total insurance ecosystem revenue; from 20% four (4) years ago to current 35%. As we expand our insurance ecosystem offerings, we are seeing greater adoption from clients for our non-motor claims products. TrueSight continues its upward trajectory by onboarding more new clients to this product. In addition, higher volume of claims and policy processing particularly in countries such as Malaysia, Singapore, Indonesia and Hong Kong, integration revenue as a result of higher demand from clients in Southeast Asia also contributed to the double-digit growth.

Outlook

We expect FY2025 to surpass the performance of FY2024, driven in large part by the positive momentum we experienced in the insurance sector during FY2024. Furthermore, the strategic initiatives and acquisitions we undertook in prior years are poised to yield results in the coming years. These initiatives include the convergence of our strengths in banking and insurance, as well as the development of the insurance ecosystem platform.

The integration of Fermion's platform to support ecosystems, coupled with our expanded AI and data analytics solutions, will not only bolster our recurring revenue stream but also establish a robust foundation for Fermion's operations in FY2025 and beyond.

RETAIL TRANSACTIONS PROCESSING

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

Performance

Retail transactions processing revenue accounts for approximately 1% of total Group revenue. The revenue of RM5.1 million achieved in FY2024 was 29% higher than RM4.0 million recorded in FY2023.

The growth in this revenue segment for the past three (3) years has been strong since the launch of our cloud-based retail solution – AgoraCloud in FY2021. It was first adopted by clients from the retail sector in FY2021 and subsequently extended to clients engaged in the pharmaceutical industry. Over the years, there are increased usage and subscriptions to new modules of AgoraCloud from our existing base of six (6) clients particularly pharmacy chains in Malaysia and this has contributed higher revenue year-on-year.

Outlook

The COVID-19 pandemic in previous years had an unprecedented impact on the Retail Industry, leading to significant structural changes that affected our business operations. However, as we look ahead to FY2025, we anticipate a steady improvement in our business prospects.

Encouragingly, we are witnessing positive trends emerging in both the retail and pharmaceutical sectors, where many enterprises are embracing digital innovations to diversify their business models. Our primary focus will be on expanding our reach within the pharmaceutical chain retail segment, offering our Retail PharmacyTech SaaS Platform. This strategic move will continue to establish a solid foundation for our recurring revenue streams in the years to come.

Building upon our strong collaborations and partnerships with key stakeholders, we are committed to reaching out to a wider pool of potential clients and integrating them into our RetailTech platform ecosystem. This concerted effort aims to set a robust foundation for QR Group's business, not only in FY2025 but also for the foreseeable future.

Introduction

This report represents Silverlake Axis Ltd. ("Silverlake Axis", "SAL" or "the Group")'s seventh (7th) annual Sustainability Report, highlighting our commitment and performance in the Environmental, Social and Governance ("ESG") aspects of sustainability.

In preparing this report, we have been guided by the key principles of the following:

- Singapore Exchange ("SGX") Listing Rules 711A and 711B;
- Global Reporting Initiative ("GRI") Standards and its latest Universal Standards 2021; and
- Task Force on Climate-related Financial Disclosure ("TCFD")*.

* *Following the publication of the inaugural International Sustainability Standards Board ("ISSB") — International Financial Reporting Standards ("IFRS") S1 and IFRS S2—the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD from 2024.*

Reporting Scope

Disclosures in this report comprise the Group's sustainability performance from 1 July 2023 to 30 June 2024 ("FY2024"), encompassing our Group-wide business operations under Banking, Fermion Insurtech, Retail Automation, Investment and other sectors which include Digital Identity and Security Technologies. A comprehensive list of subsidiaries covered in this report can be found in the Group Overview section of the Annual Report. Unless mentioned otherwise, this report excludes the Group's associate because we do not exercise operational control over the entity.

Where relevant, we included data from previous years to track year-on-year progress and to provide additional context. This report addresses our response to material sustainability topics impacting our business and our ability to deliver value to all our stakeholders.

Assurance

In strengthening the credibility of this report, data for each corresponding material topic has undergone review by our Internal Auditors.

Feedback and Accessibility

Our report can be accessed through SAL's corporate website at www.silverlakeaxis.com. We encourage and appreciate all inquiries, comments, and feedback regarding our Sustainability Report. Please communicate with us through our email: investor.relations@silverlakeaxis.com.

Our Sustainability Policy

Our sustainability policy directs our commitment to long-term and responsible business practices. It aligns our initiatives with the three (3) sustainability pillars of the United Nations Sustainable Development Goals ("UNSDGs"), ensuring effective ESG contributions.

SUSTAINABILITY PILLARS

OUR BUSINESS	OUR PEOPLE	OUR STEWARDSHIP
Delivering long-term value to our stakeholders through ethical governance, innovative ideas and progressive mindsets	Fostering a people-centric culture to develop a productive and engaged workforce while caring for their community	Our commitment to act in an environmentally friendly manner and reduce our business impact on the natural surroundings
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	13 CLIMATE ACTION

Supported by eight (8) guiding principles, this policy integrates ESG practices into our operations, focusing on ethical standards, employee well-being, and environmental preservation.

01 To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice.

02 To integrate sustainability considerations into all our business decisions.

03 To provide a healthy, safe, conducive and empowering equal opportunity workplace.

04 To conserve natural resources by optimising re-use and recycling wherever possible.

05 To utilise operational processes that do not adversely impact the environment.

06 To work with our stakeholders to enhance awareness, and incorporate, practice and promote sound environmental practices, using our resources to provide leadership, guidance and motivation, where necessary.

07 To continue develop and provide environmentally supportive performance and advances including embedding sustainability into our decision-making, planning and investment processes to provide sustainable value to our shareholders.

08 To review, annually report and continually strive to improve our sustainability performance.

Sustainability Governance Structure

The sustainability governance structure manages our approach to sustainability, climate issues, compliance, risk management, and governance by clearly defining roles, responsibilities, and accountability.

The Board of Directors ("Board") meets quarterly to review our ESG direction, Key Performance Indicators ("KPIs"), and overall performance.

The following diagram illustrates SAL's sustainability governance structure, which ensures ESG considerations are integrated into our business strategy and operations as well as aligns with TCFD recommendations and SGX's climate-related disclosure requirements.

Sustainability Governance Structure (cont'd)

Board of Directors

- Ultimately responsible for the sustainability direction of the Group.
- Ensures progressive integration of sustainability in business strategies.
- Approves and reviews sustainability-related business strategies and performance.
- Monitors and oversees the progress of climate-related goals and targets.

Audit and Risk Committee

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

Group Chief Executive Officer ("CEO")

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

ESG Committee

- Represented by the Group's Chief Sustainability Officer.
- Develops sustainability-related business strategies.
- Oversees and steers business functions to ensure robustness of system and sustainability management.
- Reports on performance against sustainability-related targets, processes and controls.
- Manages and reports on progress of climate-related initiatives.

Corporate and Business Functions

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

Integrating ESG into Enterprise Risk Management System ("ERM")

Recognising the importance of sustainability and ethics in risk management, we maintain an ERM framework aligned with Committee of Sponsoring Organisations of the Treadway Commission ("COSO") guidelines. Updated with new software in FY2023, our ERM framework addresses financial, human capital, health and safety, cybersecurity, operational, as well as sustainability and climate-related risks. The system automates risk assignments, alerts, and mitigation plans.

Risks are managed by designated owners to ensure alignment with our risk tolerance thresholds and are reviewed by management and the Audit and Risk Committee, which meets quarterly to assess the effectiveness of our risk mitigation strategies.

Stakeholder Engagement

We understand the importance of engaging with our stakeholders to align our ESG efforts with their expectations. We gather feedback from those affected by or interested in our operations to understand their concerns and refine our sustainability approach. This helps us address relevant issues and build strong relationships.

The table below outlines our approach to stakeholder engagement, including key areas of concern and our responses:

Engagement Platform	Frequency	Areas of Concern	Our Responses	Link to Material Matter
Employees				
• Intranet portal • Email communications • Performance appraisal • Townhalls • Internal meetings • Employee Engagement Survey	Ongoing Ongoing Annual Quarterly Ongoing Annual	• Professional development • Employee benefits and compensation • Work-life balance and company culture • Employees' health, safety and wellness	• Diversity • Talent Recruitment • Training and Development • Employee Appraisals • Compensation and Benefits • Employee Well-being	• Diversity • Human Capital Management • Health, Safety and Well-being

Stakeholder Engagement (cont'd)

Engagement Platform	Frequency	Areas of Concern	Our Responses	Link to Material Matter
Customers				
• Roadshow activities and events • Technology updates • Roundtable discussions • Account Service Managers • Webinar	Ongoing Ongoing Ongoing Ongoing Quarterly	• Compliance with regulations • Environmental impact • Cybersecurity and data protection	• Research and Development ("R&D") and collaborations • Ethical conduct and strong governance • Energy consumption and carbon footprint • Cybersecurity measures and key initiatives to enhance information security operations	• Innovation and Customer Experience • Anti-Corruption • Energy and Emissions • Cybersecurity
Business Partners				
• Email communications • Meetings and briefings	Ongoing Ongoing	• Increased market presence • Innovation partnerships	• R&D and collaborations	• Innovation and Customer Experience
Regulators				
• Email communications • Meetings • Quarterly reporting	As needed As needed Quarterly	• Compliance with regulations • Anti-corruption • Environmental impact	• Anti-Bribery Policy • Periodic internal assessments • Anti-corruption training for employees • Ethical conduct and strong governance • E-waste Policy • Cybersecurity and Data Governance Policies • Adherence to data protection regulations	• Anti-Corruption • Waste Management • Cybersecurity
Shareholders				
• Annual General Meeting • Quarterly reporting	Annual Quarterly	• Business sustainability • Share price • Dividends • Compliance with regulations • Transparency	• Economic performance • Return on investments • Consistent dividend policies • Ethical conduct and strong governance	• Economic Performance • Anti-Corruption
Communities				
• Press releases • Social media	Quarterly As needed	• End-user experience • Corporate social responsibility • Branding	• R&D and collaborations • Employee Engagement Taskforce • Reliable media reporting and marketing communications	• Innovation and Customer Experience • Community Engagement
Media				
• Media briefings and interviews • Website and events • Social media • Press conference • Quarterly reporting	As needed As needed As needed As needed Quarterly	• Transparency • Branding	• Ethical conduct and strong governance • Dialogues with Leaders, Partners, and Investors • Reliable media reporting and marketing communications	• Innovation and Customer Experience • Anti-Corruption

Materiality Assessment

Our materiality assessment identifies and prioritises ESG issues significant to our organisation and stakeholders. The process involves identifying material ESG factors, assessing their impact, prioritising them, and validating the materiality matrix.

We base our assessment on internal and external factors and refer to both domestic and international best practices. Our approach includes referencing reporting standards such as Bursa Malaysia's Sustainability Reporting Guide, TCFD, GRI Standards, and SGX core metrics.

Materiality Assessment Approach

1. **Identification of Material ESG Factors**
   The ESG Committee identified the most pressing material ESG factors based on its relevance to the Group for this reporting period.

2. **Sustainability Impact Assessment**
   Internal discussions were held to assess the sustainability impacts onto SAL's business, by factoring in industry trends and stakeholders' expectations.

   The sustainability impact assessment is also in line with SAL's ERM, utilising its parameters to guide the scoring of likelihood and consequence for each sustainability matter.

3. **Prioritisation of Material ESG Factors**
   The inputs from the sustainability impact assessment is used to evaluate the materiality topics and materiality matrix is formed for effective visualisation of the prioritisation of material ESG factors.

4. **Validation of Materiality Matrix**
   The materiality matrix is presented to the ESG Committee and Board of Directors to confirm as well as approve the matrix.

Materiality Matrix

The materiality matrix below illustrates a comprehensive list of the material topics plotted on the x-axis to indicate their importance to the business, while the y-axis reflects the criticality of each topic in influencing stakeholders' decisions regarding our business engagements.

FY2024 Materiality Matrix

Materiality Assessment (cont'd)

Mapping Our Material ESG Factors

Material ESG Factors	Stakeholders Impacted	GRI Standards Disclosure	Relevant UNSDGs
Our Business			
Cybersecurity	• Customers • Business Partners • Employees • Shareholders • Regulators • Media	GRI 418: Customer Privacy 2016	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Economic Performance	• All stakeholder groups	GRI 201: Economic Performance 2016	
Innovation and Customer Experience	• All stakeholder groups	Not Applicable ("N/A")	
Anti-Corruption	• All stakeholder groups	GRI 205: Anti-Corruption 2016	
Procurement Practices	• Business partners	GRI 204: Procurement Practices 2016	
Our People			
Human Capital Management	• Employees	GRI 401: Employment 2016 GRI 404: Training and Education 2016	8 DECENT WORK AND ECONOMIC GROWTH
Diversity	• Employees • Media • Business Partners	GRI 405: Diversity and Equal Opportunity 2016 GRI 202: Market Presence 2016	
Health, Safety and Well-being	• Employees • Customers	GRI 403: Occupational Health and Safety 2018	
Community Engagement	• Communities • Media	GRI 201: Economic Performance 2016	
Our Stewardship			
Energy and Emissions	• Customers • Shareholders • Business Partners • Regulators	GRI 302: Energy 2016 GRI 305: Emissions 2016	13 CLIMATE ACTION
Waste Management	• Customers • Shareholders • Business Partners • Regulators	GRI 306: Waste 2020	
Water Management	• Customers • Shareholders • Business Partners • Regulators	GRI 303: Water and Effluents 2018	

Our Business

Cybersecurity

Cybersecurity is critical in our operations due to heightened cybersecurity concerns and risks associated with data breaches and leaks. We understand that effective cybersecurity measures are needed to maintain business continuity and uphold customer trust. Therefore, our target is to maintain a record of zero data breaches and zero disruptions to business operations arising from poor Information Technology ("IT") controls.

Here at SAL, we prioritise robust cybersecurity measures and policies to safeguard business integrity and customer confidence. These include our Cybersecurity and Data Governance Policies, which outline our incident response plan and ensure effective management of information across all platforms.

The following table below summarises the Group's key initiatives to enhance our information security operations:

Initiative	Description
Implementation of an automated security compliance and risk workflow	• A streamlined system designed to consolidate and centralise risk management activities for the Group. • The application is capable of managing multiple compliance requirements, security management, and Payment Card Industry Data Security Standard ("PCI DSS").
Implementation of an automated security awareness platform, including Security Awareness Training ("SAT")	• An online learning platform that builds cybersecurity awareness. • The platform provides comprehensive updates on training content, evaluation, reminders, and simulations of cybersecurity threats to the Group and local content. • For FY2024, SAT consists of four (4) training sessions, including topics on ransomware, phishing, online scams, and safe usage of work emails. • With respect to SAT, we maintain an average percentage of completion above 70%, which is 81% for FY2024.

SAL has also implemented cybersecurity initiatives to allow the Group to effectively prevent, detect, and respond to any cyberattacks. Some of our key cybersecurity initiatives implemented can be found tabulated below:

Initiative	Description	Outcome
SentinelOne	• An Advanced Threat Protection ("ATP") platform and Endpoint Detection and Response ("EDR") tool that detects, investigates, and responds to cybersecurity threats on endpoint devices such as laptops, servers, and mobile devices. • EDR solutions are designed to identify and respond to advanced threats such as malware and ransomware that can evade traditional security controls such as antivirus and firewalls. • Implemented throughout SAL entities.	To improve organisational security with the ability to identify and respond to advanced threats.
Microsoft 365 Defender	• An email ATP (Cloud-based email filtering service) protects against unknown malware and viruses by providing robust zero-day protection and includes features to safeguard from harmful links in real-time. • Implemented for all SAL entities that use Microsoft 365-based email.	To better secure email accounts and Microsoft 365.
Implementation of Multi-Factor Authentication ("MFA") for Virtual Private Networks ("VPN")	• MFA Token enabled for VPN users to access critical data.	To provide higher degrees of identity assurance for a user attempting to access a resource via VPN.

Our Business (cont'd)

Cybersecurity (cont'd)

Initiative	Description	Outcome
Implementation of Windows Server Update Service ("WSUS")	• WSUS provides a centralised console that allows administrators to manage and control the deployment of updates across multiple computers and servers in the network. • Continuous update service is performed on a regular/ monthly basis for development/critical servers that are hosted and managed by Private IT.	To ensure that devices receive important patches and fixes in a timely manner, reducing the risk of vulnerabilities and protecting against potential security threats.
Implementation of Active Directory ("AD")	• A system that organises and manages network resources and allows administrators to control access and permissions for users and devices.	Any abnormal user account activities, misconfigurations or vulnerabilities of the AD system detected, will be triggered, and taken care of by the respective team.
Revamped our network infrastructure to protect web application services	• Network segmentation is in place to accommodate Demilitarised Zone ("DMZ") set up.	Public-facing websites are protected from malicious attacks.
TÜV Trusted Network Infrastructure certification program by TÜV TRUST IT GmBH	• The certification process is currently underway. This involves ongoing assessments and evaluations to meet certification requirements. • The anticipated completion date for this process is the end of November 2024.	Adherence to evaluation criteria and quality benchmarks enhances our operational reliability and performance.

Business Continuity Management/ Disaster Recovery Plan

Acknowledging the cybersecurity risks associated with climate change and cyber threats, we understand the importance of a disaster contingency plan within our business continuity strategy. It ensures the swift recovery or continuous operation of vital technology infrastructure and systems following natural disasters, human-induced incidents, or cyberattacks. At SAL, our current disaster recovery strategy primarily consists of backup and restoration plans.

Overall, during the reporting period, we are proud to share that we have met our target and have not received any substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2024.

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FY2024, FY2023, and FY2022	None Reported

Substantiated complaints refer to written statements by regulatory or similar official bodies addressed to the company that identify breaches of customer privacy, or legitimate complaints received by our customers due to our negligence.

Innovation and Customer Experience

We acknowledge that innovation and technology are important components of our sustainability strategy. Leveraging technologies such as Artificial Intelligence ("AI"), Blockchain, and Big Data allows us to enhance customer service, support data-driven decision-making, and maintain our competitive edge.

We also recognise the importance of customer experience as it directly affects client satisfaction, builds strong relationships, and impacts our economic performance. To enhance customer experience, we prioritise stakeholder engagement to better understand our customers' needs and expectations. Additionally, as part of our future plans, we are investing in a new Customer Relationship Management ("CRM") tool. This upgrade will bring improved analytics, better integration, and enhanced automation to support more efficient operations and a better customer experience.

Further discussion on the Group's Innovation and Customer Experience can be found in the Operations Review section of this Annual Report.

Our Business (cont'd)

Economic Performance

SAL's economic performance remains a primary concern for our key stakeholders. Our target is to generate and sustain financial returns for our shareholders and lenders, provide career opportunities for our direct and indirect employees, and pay taxes to local authorities, where we operate.

The following table outlines key financial metrics for the past three (3) years:

(RM' million)	FY2024	FY2023	FY2022
Economic Value Generated	**803.8**	**780.0**	**750.9**
Economic Value Distributed	**733.1**	**657.6**	**615.9**
• Operating Cost	204.5	179.1	154.3
• Employee wages and benefits	426.0	367.1	356.8
• Payments to providers of capital	39.9	60.2	58.3
• Payments to government	62.7	51.2	46.5
Economic Value Retained	**70.7**	**122.4**	**135.0**

For more information of the Group's financial performance, kindly refer to the respective sections of this Annual Report:
- Financial Highlights
- Financial Performance Review
- Operations Review
- Financial Statements

Anti-Corruption

At SAL, we are aware of the risks associated with bribery and corruption that we may be exposed in our business operations. With our presence in a diverse range of countries, it is imperative to remain vigilant regarding any corruption risks amongst our stakeholders and throughout our supply chain. This is particularly significant given the varying heightened risks associated with the numerous countries where we operate, as assessed by their Corruption Perception Index Score.

To this end, our Anti-Bribery and Anti-Corruption ("ABAC") Policy, and procedures are shaped by annual corruption risk assessments conducted by the risk management function. The results of these assessments are reviewed by the Audit and Risk Committee to ensure that key risks are regularly updated and addressed.

	FY2024 (%)
Percentage of business operations and entities assessed for anti-corruption risks	100

Data for percentage of all SAL business operations and entities assessed for anti-corruption risks covers the SAL Group.

Our commitment remains to ensure the uninterrupted delivery of quality software and services to our clients, thereby maintaining stakeholder trust. As a result, anti-corruption risks are embedded into our ERM framework, ensuring systematic identification, assessment, and mitigation of these risks across operations.

Code of Conduct, ABAC Policy, and Whistleblowing Policy

The Group has policies and procedures in place, including our Code of Conduct, ABAC Policy, and Whistleblowing Policy, to manage and mitigate risks.

These guidelines set clear standards for employee behaviour regarding anti-corruption, ensuring compliance with laws and industry norms. We evaluate the effectiveness of our ABAC Policy through external reviews and monitor contracts and high-risk transactions to detect and address bribery risks.

Our Business (cont'd)

Anti-Corruption (cont'd)

Anti-corruption training

Throughout the reporting period, all employees, particularly top management, and decision-makers, are trained in our anti-corruption policies and procedures. Attendance at formal training sessions is mandatory for these individuals.

The following table illustrates the extent of participation in our formal anti-corruption training. Our target is to organise formal training for all key employees at least once in three (3) years, or when our risk assessments warrant formal training due to changes in country-based corruption risk factors.

Percentage of employees who have received training on anti-corruption by employee category (%)	FY2024	FY2023	FY2022
Director or Executive Vice President ("VP")	To be conducted in November 2024	99	82
Head of Department ("HoD")			
Senior Manager			
Manager			
Consultants and Associates			

Data for percentage of employee attendance for formal anti-corruption training covers the SAL Group.

SAL utilises other communication methods, such as email reminders, to reinforce our Gift Policy to all employees and the Board. This practice is especially emphasised in the months leading up to December and other significant holidays, when there is an increased risk of perceived improper influence and potential policy violations.

Overall, despite the challenging risks of bribery and corruption, there have been no investigations made by local authorities pertaining to anti-corruption matters nor were there any confirmed incidents of corruption in the past three (3) years.

Number of confirmed corruption incidents for FY2024, FY2023, and FY2022	None Reported

Data for number of confirmed incidents covers the SAL Group.

Procurement Practices

We understand that effective procurement practices are crucial for maintaining a continuous supply of operational needs and high-quality standards. As a global company, we do not have any specific targets in this area because our approach focuses on global sourcing to ensure the best value for the company without compromising on quality and ethical standards.

However, we recognise the importance of local procurement in supporting the local economies where we operate. Therefore, we engage with local suppliers whenever feasible. This approach enables us to support the local markets without compromising our interests and needs, promoting both global efficiency, and local economic development.

The following table reflects the percentage of spending on local suppliers by country, at Group level:

Percentage of spending on local suppliers by country (%)	FY2024 [1]	FY2023 [2]	FY2022 [2]
Malaysia	82	81	79
Singapore	4		
Others [3]	14		

1. *Data collected for local suppliers for FY2024 is from Silverlake Structured Services Sdn. Bhd. ("SSVC"), Silverlake Axis Sdn. Bhd.("SASB"), Silverlake Axis MSC Sdn. Bhd. ("SMSC"), Silverlake One Paradigm Sdn. Bhd. ("SOPS"), Silverlake Digitale Sdn. Bhd. ("SDSB"), Silverlake Fermion Sdn. Bhd. ("SFSB"), Silverlake Holdings Sdn. Bhd. ("SHSB"), CatgWorkz Sdn. Bhd. (f.k.a. Symmetric Payments & Integration Sdn. Bhd.) ("SPIS"), Silverlake Digital Economy Sdn. Bhd. ("SDES"), Silverlake Symmetri (Malaysia) Sdn. Bhd. ("SSMY"), Cyber Village Sdn. Bhd. ("CVSB"), Merimen Online Sdn. Bhd. ("MOSB") and QR Retail Automation (Asia) Sdn. Bhd. ("QRRA").*
2. *Data collected for local suppliers for FY2023 and FY2022 is from SSVC, SASB, SMSC, SOPS, SDSB, SFSB, SHSB, SPIS, SDES and SSMY.*
3. *Data collected for local suppliers under the "Others" category consists of the following countries: Thailand, United States, Ireland, Hungary, Australia, Indonesia, India, Netherland, China, Bangladesh, United Kingdom, and Vietnam.*

Our People

Health, Safety and Well-being

SAL recognises the pivotal role that employee health and well-being play in delivering our value proposition to our customers and shareholders. This encompasses physical, mental, emotional, and social health. Our goal is to continuously foster an environment where employees feel supported and valued on both personal and professional levels.

Here at SAL, we have implemented several health, safety, and wellness initiatives. These include an emergency response plan addressing key workplace safety risks, initiatives promoting mindfulness and mental health, as well as activities such as yoga to enhance physical well-being.

We have also established health and safety risk training across all business entities which includes training on Cardiopulmonary Resuscitation ("CPR") and Basic Occupational First Aid ("BOFA"). In line with our objectives, our health and safety risk training extends past the scope of just physical health, encompassing other areas such mental and emotional health. The following is the number of employees trained on health and safety standards:

	FY2024	FY2023
No. of employees trained on health and safety standards	69	66

Data for employees trained on health and safety standards covers the SAL Group.

We are pleased to report that there were no workplace fatalities, injuries, or incidents of ill-health among our employees in FY2024. Our commitment to health and safety remains a top priority, and we continuously strive to enhance our measures to ensure a safe and supportive work environment for everyone. We will keep reviewing and improving our practices to protect our workforce effectively. The following table outlines our safety performance for the past two (2) years:

Safety performance	FY2024	FY2023
Number of fatalities due to workplace injury and ill-health	None Reported	None Reported
Number of recordable work-related injury and ill-health, and high consequence injuries	None Reported	None Reported
Loss Time Incident Rate ("LTIR")	None Reported	None Reported

Data for safety performance covers the SAL Group.

Human Capital Management

At SAL, we recognise that our employees as essential to our identity and success. As a talent-focused company, we depend on them to create and deliver our value to customers. Our target is to attract, develop, and retain skilled professionals to sustain our workforce and business success despite challenges such as global competition for niche talent, skill mismatches in the supply chain, and high attrition rates among post-millennials.

SAL's human capital management strategy is largely guided by the Project Starlight framework, consisting of four (4) strategic priorities aimed at talent attraction, development, and retention. This framework ensures that our business remains agile and responsive to the evolving needs and expectations of our stakeholders.

The diagram below shows Project Starlight's four (4) strategic priorities for SAL's People and Organisation:

Our People (cont'd)

Human Capital Management (cont'd)

Talent Recruitment

Here at SAL, our talent recruitment process consists of initiatives as well as active engagement in various events and platforms, tabulated below:

Initiative	Description
Campus engagement and recruitment	• Maintains close relationships with selected education institutions and student societies/initiatives. • Offers internships and participates in career fairs to build our early-in-career talent pipeline. • Sponsorship of student initiatives/events which are in line with SAL's talent needs.
Structured Internship Programme	• To provide three (3) to six (6) months on-the-job training and exposure for interns to develop skills with continuous guidance and engagement through mentoring and evaluation. • To assess the intern's performance for job transition into permanent employees and offering the company resources with new ideas.
SAL Accelerate Programme (Previously known as Graduate Programme)	• Mutually beneficial programme for the Group. • Allows mentors (our employees) to hone their mentoring skills whilst engaging with participants. • Provides recent graduates with a structured and tailored route into the industry, broadening their commercial knowledge and professional networks. • A progress evaluation will be conducted to assess both participant and mentor learning progress in key criteria such as communication skills and teamwork. • 14 graduates enrolled in the programme.
Social Media Engagement	• Demonstrates SAL as Employer of Choice through social media to better engage with post-millennials.

Training and Development

Recruitment represents just one facet of human capital management at SAL. Whilst it is important to hire the right individuals, it is equally important to provide ongoing training and development for our workforce. Given the rapid pace of digitalisation and innovation within the industry that we operate in, continuous learning is essential for staying adaptable and meeting evolving business needs.

The table below outlines the current training and development programmes implemented here at SAL:

Programme	Description
MySkill Programme	• Aims to provide employees with the soft skills needed to be an engaged and productive member of SAL by increasing efficiency, team building, and innovation at the workplace. • Assists in the development of soft skills such as critical thinking, negotiation, emotional intelligence, and effective coaching.
UpSkill Programme	• Aims to provide employees with technical knowledge to upskill and reskill technical skill sets. • To provide opportunities for employees to be subject-matter-experts to conduct knowledge sharing through the programme.
Leadership Development Programme	• Aims to equip our middle-to-senior management employees with the capabilities they need to succeed in future leadership roles. Our CEOs have access to 'The 7 Habits of Highly Effective People' Programme to help develop their core values and build a highly effective culture. • Assists in the development of various traits of an effective leader based on the '8 Key Leadership Competencies Trait'. This includes: 1) Strategic Agility and Innovation 2) Leadership and Influencing Others 3) Strong Business Acumen 4) Communication Skills 5) Resilience and Emotional Intelligence 6) Judgement and Decision Making 7) Result Driven 8) Critical Thinking and Complex Problem Solving

Our People (cont'd)

Human Capital Management (cont'd)

Training and Development (cont'd)

Programme	Description
Graduate Development Programme	• Aims to develop strong foundations in fresh graduates' technical job knowledge required in their job roles throughout their first six (6) months of employment. • This includes on-the-job training and classroom learning to ensure that the fresh graduates are getting both the necessary knowledge and experience to better transition into their job roles.
LinkedIn Learning Solution	• An online learning platform that offers more than 5,000 courses and personalised recommendations. • Our employees have invested 7,893 hours of learning on this platform. • Through an annual subscription, we provide customised training materials in accordance with the Individual Training Plan ("ITP") and collect feedback to improve the feasibility of remote training.
Udemy Business	• An online learning platform that offers more than 24,000 courses and personalised recommendations. • Our employees have invested 1,314 hours of learning on this platform.

On a group level, the average training hours for our employees by gender and employee category are as follows:

Average Training Hours by Gender	FY2024 (Hours)	FY2023 (Hours)	FY2022 (Hours)
Male	35	29	38
Female	37	30	

1. Data for average training hours by gender covers the SAL Group.
2. Data includes both permanent and contract employees only.

Average Training Hours by Employee Category	FY2024 (Hours)	FY2023 (Hours)	FY2022 (Hours)
Director or Executive VP	18	29	38
HoD	22		
Senior Manager	32		
Manager	35		
Consultants and Associates	41		
Overall composition	36		

1. Data for average training hours by employee category covers the SAL Group.
2. Data includes both permanent and contract employees only.

Our Group-wide targeted training hours for FY2024 was set as 40 hours per employee.

Succession Planning

Establishing a robust succession plan is crucial for maintaining a steady talent pool capable of supporting the Group during staffing transitions. As a key component of SAL's Project Starlight, SAL reaffirms its commitment towards nurturing young talents for future leadership positions through our Succession Planning strategy. An example of this strategy would be our Leadership Development Programme as mentioned earlier.

Our People (cont'd)

Human Capital Management (cont'd)

Employee Appraisals

At SAL, we conduct an annual performance and career development review for all employees. This process serves two (2) main purposes: evaluating individual performance over the past year and aligning training with our business objectives based on the review results. During the reporting period, 94% of employees participated in the review, excluding contract employees.

Compensation and benefits

Compensation and benefits play a significant role to the Group as retention tools. Hence, we are committed to provide full-time employees at our Malaysia and Singapore operations with competitive remuneration packages. This includes:

Remuneration Packages	Benefits
Leaves	Annual, parental, marriage, childcare (limited to several business operations), compassionate, sick, and hospitalisation.
Medical	Outpatient, hospitalisation, maternity health with delivery charges, and dental coverage.
Insurance	Group term life, Group hospitalisation and surgical, and Group personal accident.
Travel	Business travel, office parking, mileage, taxi and outstation claims, accommodation, per diem, renewal of passport, and telephone charges.
Allowances	Overtime, meal, winter clothing, outstation, broadband, travel, transportation, and entertainment.

Parental Leave

Parental leave legislation allows employees to take time off and return to work in comparable positions without facing career discrimination. Offering equitable parental leave options, including maternity, paternity, childcare, and solo parent leave, helps us recruit and retain qualified employees, which is a key aspect of effective human capital management strategies.

All of our employees were eligible for parental leave subject to the local employment laws. Overall, we achieved a return-to-work rate of 92% and a commendable and healthy retention rate of 94% across the Group.

	FY2024		FY2023		FY2022	
	Male	Female	Male	Female	Male	Female
Return to Work Rate (%)	96.2	86.5	100.0	88.9	100.0	86.2
Overall composition (%)	92.2		94.4		93.2	
Retention Rate (%)	88.9	100.0	66.7	100.0	83.3	80.4
Overall composition (%)	94.1		81.8		81.7	

1. *Data covers the SAL Group.*
2. *Data includes both permanent and contract employees, as well as those who resigned by the end of the reporting period.*
3. *Data for FY2023 and FY2022 shows the restatement from the previous reporting periods.*

Our People (cont'd)

Human Capital Management (cont'd)

Employee Turnover

Our talent attraction and retention capabilities are reflected in our turnover rate. While a zero-turnover rate appears ideal, the Group recognises the importance of maintaining a healthy turnover rate instead. For SAL, this target is set at 20% or lower, as assessed according to industry standards. This not only ensures organisational efficiency, but it also facilitates the recruitment of new talents with enhanced skill sets. The table below presents the turnover rate breakdown by employee category for FY2024:

Turnover by employee category	FY2024 (%)	FY2023 (%)	FY2022 (%)
Director or Executive VP	2.2	2.9	18.1
HoD	10.1	8.2	
Senior Manager	6.3	10.5	
Manager	10.3	15.2	
Consultants and Associates	16.2	21.1	
Overall composition/attrition rate	12.3	16.7	

1. *Data for turnover by employee category covers the SAL Group.*
2. *Data includes both permanent and contract employees only.*
3. *Data for FY2023 shows the restatement from the previous reporting period.*

Utilisation of Temporary/Contract Staff

The table below shows the percentage breakdown of SAL's workforce that are temporary/contract staff. In FY2024, this percentage was kept at approximately 6%, due to our commitment in maintaining stringent quality standards and ensuring the uninterrupted continuity of our business operations.

	FY2024	FY2023	FY2022
Percentage of temporary/contract staff (%)	6.2	6.9	8.1

1. *Data for temporary/contract staff covers the SAL Group.*
2. *Data for FY2023 shows the restatement from the previous reporting period.*

Our People (cont'd)

Human Capital Management (cont'd)

Employee Engagement Survey

SAL conducts an annual Employee Engagement Survey to gather anonymous feedback from all employees, focusing on aspects such as work environment, employee remuneration, and training. This survey serves as an important tool for employees to provide formal and systematic feedback, allowing for SAL to gain insights into both positive aspects and areas for improvement. By understanding employee priorities, the Group can implement any relevant initiatives, policies, and procedures to address the concerns effectively.

During the reporting period, the survey revealed an overall satisfaction rate of 86% across all categories. A breakdown of the survey results, categorised by key areas, are presented in the table below:

Employee satisfaction rate by survey category	FY2024 (%)	FY2023 (%)	FY2022 (%)
Leadership and planning	86	86	85
Corporate culture and communication	90		
Employee's roles within the organisation	89		
Work environment	90		
Relationship with immediate supervisor	93		
Training and development	84		
Pay and benefits	73		
Employee Experience	84		
Overall employee satisfaction rate	86		
Participation rate	90	87	95

Issues Regarding Human Rights Compliance

As part of our commitment to promote a merit-based workforce and a healthy workplace, we adopted a zero-tolerance stance on any human rights violations. During the reporting period, we continue to maintain zero substantiated complaints regarding human rights violations in all the markets we operate in.

Number of substantiated complaints received in FY2024, FY2023, and FY2022	None Reported

Substantiated complaints refer to written statements by regulatory or similar official bodies addressed to the company that identifies violation of human rights.

Diversity

Here at SAL, we are committed to offering equal opportunities to both existing and prospective employees, assessing them based on merit and potential for growth. Therefore, we do not establish specific diversity targets in our talent recruitment practices.

However, we noted that diversity and inclusiveness is one of the areas of concern for some of our stakeholders. Therefore, despite our policy, we continued to achieve a healthy level of diversity whilst still emphasising meritocracy in all our hiring practices.

Our People (cont'd)

Diversity (cont'd)

The following tables reflect the percentage of gender, age, and diversity in terms of nationality across our business:

Gender Diversity by Employee Category	FY2024		FY2023		FY2022	
	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Director or Executive VP	69	31	65	35	60	40
HoD	55	45	55	45	54	46
Senior Manager	57	43	57	43	58	42
Manager	58	42	59	41	57	43
Consultants and Associates	58	42	57	43	56	44

1. *Data includes both permanent and contract employees only.*
2. *Data for FY2023 and FY2022 shows the restatement from the previous reporting periods.*

Age diversity by employee category	Age in Years (%)								
	FY2024			FY2023			FY2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Director or Executive VP	Nil	13.6	86.4	Nil	24.4	75.6	Nil	35.7	64.3
HoD	Nil	52.2	47.8	Nil	57.9	42.1	Nil	65.3	34.7
Senior Manager	0.3	72.6	27.1	Nil	78.2	21.8	Nil	83.0	17.0
Manager	2.6	86.2	11.3	3.4	88.0	8.6	5.1	88.3	6.6
Consultants and Associates	64.7	32.0	3.3	61.9	34.7	3.4	58.5	38.4	3.1

1. *Data for age diversity by employee category excludes SIA X Infotech Group ("XIT") Group.*
2. *Data includes both permanent and contract employees only.*
3. *Data for FY2023 and FY2022 shows the restatement from the previous reporting periods.*

		FY2024		FY2023[4]		FY2022[4]	
Diversity by nationality/origins of our employees[1]		Male	Female	Male	Female	Male	Female
Permanent	Malaysia	876	669	827	640	709	590
	Asia-Pacific ("APAC")[2]	260	168	243	168	215	143
	Europe, Middle East, Africa ("EMEA")	56	27	55	26	52	25
Temporary[3]	Malaysia	40	26	39	22	36	14
	APAC[2]	60	10	73	10	88	9
	EMEA	1	0	2	0	5	0
Total number of employees		2,193		2,105		1,886	

1. *The dataset excludes resignations and is based on headcount as of the end of Q4 FY2024. It includes employees who were retained or transferred at the end of June. Additionally, the definitions for APAC and EMEA regions have been updated to follow nationality rather than office location.*
2. *Data for APAC excludes Malaysia.*
3. *Data under the "Temporary" category consists of interns and contract for service employees.*
4. *Data for FY2023 and FY2022 shows the restatement from the previous reporting periods.*

Our People (cont'd)

Diversity (cont'd)

Lastly, below is a percentage summary of the senior management team hired from the local community where we operate. Given the market presence of SAL, leveraging local talent provides us with a deeper understanding of community needs in our operational areas, ultimately enhancing our overall business performance.

Key Locations	Senior Management (%)		
	FY2024	FY2023	FY2022
Malaysia	97	94	87
Singapore	57	67	80
Others	60	75	83

1. *Senior Management Team defined by SAL is employees from the Director or Executive VP category.*
2. *Data under the "Others" category consists of the following countries: Thailand, United Arab Emirates, and Latvia.*
3. *Data for FY2023 and FY2022 shows the restatement from the previous reporting periods.*

Board Diversity

With respect to Board Diversity, please refer to our Corporate Governance Statement section in this Annual Report.

Community Engagement

SAL values community involvement in the regions where we operate. We support community initiatives and our key clients' Corporate Social Responsibility ("CSR") efforts to build strong relationships and contribute positively to society. Although we do not set specific targets for community engagement, we aim to make a meaningful impact wherever we operate.

Overall, SAL's community engagement focus can be broken down into three (3) major areas:
- Youth and education
- Social Initiatives and Welfare
- Fitness and Health

The following table lists all of our Community Engagement programmes in FY2024:

No.	Programme
1.	Association of Malaysia Economics Undergraduates
2.	Kongres dan Pertandingan Inovasi dalam Pengajaran dan Pembelajaran ("KNovasi")
3.	Persatuan Kebajikan Amal Jian An Malaysia
4.	Police Children's Fund Education

Through our programmes in FY2024, we managed to contribute RM29,000 to the community, providing overall estimated support towards 642 beneficiaries.

We are aware that the figure reflects a decrease from previous years due to adjustments in our resource allocation to better balance priorities, including our commitments to employees, vendors, and other stakeholders.

	FY2024	FY2023	FY2022
Total amount invested in the local community (RM'000)	29	475	1,232
Total number of individuals who benefited	642	2,345	2,703

Data for the number of beneficiaries is based on our best estimate given the difficulty in tracking exact number of beneficiaries for some of our initiatives.

Our Stewardship

Energy and Emissions

Energy Security

The Group recognises the importance of ensuring uninterrupted power supply is available for our offices and data centres, especially in view of heightened climate change and global geopolitical risk. Realising the need to future-proof our business against energy disruption, we have taken proactive measures. Chiefly, we have ensured that our Malaysian headquarters is located in a Multimedia Super Corridor ("MSC") certified building. MSC-certified buildings, amongst others, have in-build energy redundancy features (e.g. redundant power supply from electricity provider or genset/USP to provide 100% load backup to the building, and Automatic Transfer Switch between primary and secondary power source).

Energy Consumption

In FY2024, we continued to track our energy consumption on a Group level, categorised by source and location of markets where we operate.

Energy Source	Location	FY2024 (GJ)	FY2023 (GJ)	FY2022 (GJ)
Fuel Consumption (Petrol)	Malaysia	467	517	366
	Singapore	39	8	5
	Thailand	Nil	Nil	151
Purchased Electricity	Malaysia	2,511	727	1127
	Singapore	406	367	408
	Others	233	21	24
Total Energy Consumed		3,656	1,640	2,081

1. *Fuel consumption was tracked by considering the vehicles owned or controlled by the Group.*
2. *Fuel consumption was calculated by converting the claims in Ringgit Malaysia ("RM") for vehicles owned or controlled by the Group into Liters using the RON 95 price in their respective countries.*
3. *The energy conversion factor used was based on fuel litre consumption derived from the UK Government Greenhouse Gas ("GHG") Conversion Factors for Company Reporting in 2024, 2023, and 2022, assuming that the fuel used is 100% mineral petrol.*
4. *Purchased Electricity in kWh for FY2024 by location is as follows: Malaysia at 80%; Singapore at 13%; and Others (e.g., Indonesia, Philippines, Pakistan and Slovakia) at 7%.*

The following is our energy intensity ratio. Although we have not established any targets for this, we will investigate any significant increases in intensity to understand its source and basis. Additionally, given the impact of this ratio to the environment as well as our initiative to manage our electricity costs, we are committed to monitor this ratio closely starting from FY2024.

	FY2024	FY2023	FY2022
Energy Intensity Ratio (MWh / RM' Million)	1.1	0.41	0.57

1. *Our energy intensity calculation is limited to purchase electricity given the nature of business which is highly reliant to purchase electricity as source of energy in delivering our business.*
2. *Revenue excludes finance income and share of loss of an associate, given that this does not have any direct impact to our electricity consumption.*

Our Stewardship (cont'd)

Energy and Emissions (cont'd)

Emissions Management

The Group does not have an emissions management framework due to our low level of emissions vis-a-vis industries such as manufacturing, energy, and logistics. Consequently, we do not have any targets for emission reduction.

Currently, our approach in reducing our carbon emissions relies on the ability of our electricity service providers and government to deliver greener energy, as most of our emissions stem from electricity usage in our operations and by our employees. However, we will continue to review our current practices and approach for emission management, especially in light of the adoption of the IFRS S2 Climate-Related Disclosures and other regulatory requirements in the markets where we operate.

A summary of our emission profile is as follows:

Emission Type	FY2024 (tCO2e)	FY2023 (tCO2e)	FY2022 (tCO2e)
Direct GHG Emission (Scope 1)	34	35	35
Indirect GHG Emission (Scope 2)	454	160	229
Total Emissions	488	195	264

1. *The emission conversion factor used for Scope 1 is derived from UK Government GHG Conversion Factors for Company Reporting 2024, 2023, and 2022.*
2. *We only considered the calculation of Scope 1 emissions from Malaysia and Singapore, as they account for a significant percentage of 72% and 28%, respectively.*
3. *The emission conversion factor used for Scope 2 (Malaysia) is from 2017 Clean Development Mechanism ("CDM") Electricity Baseline for Malaysia: Combined Margins by Malaysian Green Technology Corporation (0.585 tCO2e/MWh).*
4. *The emission conversion factor used for Scope 2 (Singapore) is based on Singapore Grid Emissions Factor by the Energy Market Authority of Singapore. (0.4057 tCO2e/MWh).*
5. *As a result of a review, the Scope 1 emission figures has been revised.*

Waste Management

Given the nature of our operations, the responsible management of electrical and electronic equipment waste ("e-waste") is our priority. As a result, we have established an E-waste Policy outlining proper handling and disposal procedures, management protocols, and defining the roles and responsibilities of relevant stakeholders involved in the oversight and monitoring of our e-waste practices.

To ensure compliance with our E-waste Policy, the Group collaborated with authorised contractors for environmentally conscious e-waste disposal, ensuring compliance with our e-waste policy. Through this, our disposal processes are conducted in strict adherence to government regulations and our environmental standards.

For FY2024, the total waste generated by SAL was 0.53 tonnes. We do not have specific targets for waste reduction, as our business operations do not involve hazardous or waste-intensive processes.

Category	FY2024	FY2023	FY2022
Total Waste Generated (Tonne)	0.53	1.87	0.14

All of our waste is categorised as e-waste.

Our Stewardship (cont'd)

Water Management

Understanding the cascading effects of climate change, we recognise the urgent need to address not only its direct energy-related impacts but also its significant repercussions on water availability. Our operations depend heavily on data centres, which consume substantial amounts of water for cooling processes.

Climate change, particularly through increased frequency and severity of droughts, exacerbates stress on our variable water resources. This can lead to severe water shortages, potentially disrupting the operation of our data centres and impacting our ability to deliver essential financial technologies and services.

To mitigate these risks, we maintain continuous communication with our third-party data centre providers to ensure they have robust contingency plans and redundancy measures in place.

Additionally, our offices' water consumption is minimal and limited to typical uses, such as restrooms, kitchens, break rooms, general cleaning, and water dispensers.

Conclusion

SAL is dedicated to pursue sustainable growth and integrate sustainability throughout all facets of our business. Our goal is to set a standard for our customers, marked by innovative strategies, as we strive to fortify our business resilience against both economic uncertainties and climate-related risks.

TCFD Realignment

SAL recognises the risks associated with climate change and is transparently addressing these risks through our ongoing climate-related disclosures. We have been aligning with the TCFD framework and continue to enhance our disclosures in FY2024.

Recommendations	Our Responses
Governance: Disclose the organisation's governance around climate-related risks and opportunities.	
a) Describe the Board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	Climate change issues are managed through our Sustainability Governance structure, as outlined in the Sustainability Governance Structure section of this Sustainability Report. We understand that climate change is interlinked with other sustainability factors, such as economic performance, health and safety, and the sustainability of water, energy, and emissions.
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning. c) Describe the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C of lower scenario.	SAL has yet to conduct a climate scenario analysis to evaluate physical and transitional risks, and as a result, we do not have a resilience strategy for different climate-related scenarios. However, we continue to identify the risks and opportunities associated with climate change. For details on the risks posed by climate change, please refer to the Our Stewardship - Risks Posed by Climate Change section of this Sustainability Report.

Our Stewardship (cont'd)

Conclusion (cont'd)

TCFD Realignment (cont'd)

Recommendations	Our Responses
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material. (cont'd)	
	Opportunities related to climate change: Climate change presents valuable opportunities for the Group. As the demand for financial technologies that support eco-friendly practices grows, we can capitalise on this trend by integrating climate-conscious features into our products. The opportunities include: a) Developing a blockchain-based platform that enables financial institutions to track the carbon footprint of products and verify the legitimacy of green bonds, ensuring transparency and accountability in funding environmental projects. b) Creating advanced software solutions to help insurance companies accurately assess climate-related risks, such as damage from floods or storms, by using AI models to predict and evaluate the impact of climate events on insurance portfolios. c) Developing tools to streamline the management of claims related to climate events, making it easier for insurers to handle claims efficiently, reduce processing times, and improve customer satisfaction.
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks.	
a) Describe the organisation's processes from identifying and assessing climate-related risks. b) Describe the organisation's process for managing climate-related risks. c) Describe how process for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We have embedded climate-related risk in ERM framework. This includes processes in identifying and assessing risks; and mitigation and control measures in managing our risks. Further details can be found in the Integrating ESG into Enterprise Risk Management System (ERM) section of this Sustainability Report.
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the Our Stewardship - Energy and Emissions section for our material metrics regarding this topic, which include energy consumption, Scope 1 and Scope 2 emissions.
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 GHG emissions and the related risks.	The Group disclosed Scope 1 and Scope 2 emissions in the Our Stewardship - Energy and Emissions section of this Sustainability Report.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Group has not established any targets to manage climate-related risks and opportunities. However, we monitor emissions and emphasise improving our energy efficiency to reduce electricity costs.

Our Stewardship (cont'd)

Conclusion (cont'd)

Risks Posed by Climate Change

Type of Risk	Risk	Impact	Mitigation Plan
Physical Risk	a) Infrastructure Damage Extreme weather, like floods, can damage our physical spaces - our data centres, office buildings, and other key facilities. This kind of damage does not just mean broken equipment or closed offices; it affects our entire team and, ultimately, our customers. We understand that when our infrastructure is impacted, it disrupts our ability to serve our customers effectively.	When it comes to our data centres, we recognise that any physical damage can have a significant ripple effect. A disruption here can lead to outages that directly impact service availability, potentially affecting our customers' operations. If our servers or storage systems suffer physical harm, there is a risk of data loss or corruption that could disrupt crucial operations. Beyond the immediate technical challenges, there is also considerable expense of repairing or replacing equipment and restoring data. Damage to our office buildings presents another set of challenges. Such damage could displace our dedicated team members and halt daily business activities. The process of repairing or rebuilding facilities, and temporarily relocating our team, introduces both financial and operational strains. More importantly, any damage also poses risks to the health and safety of our customers and employees. Operational continuity is at the heart of our strategy. Extreme weather events pose a real threat to power supplies, which can disrupt our IT systems. We know that interruptions in our critical operations could affect client service delivery and satisfaction. The recovery process can be lengthy, putting pressure on our resources and potentially straining client relationships.	Resilience is at the heart of how we handle potential risks. • For our data centres, we ensure continuous operation by maintaining redundant systems, so that even in the face of unexpected damage, we can quickly restore services. Our disaster recovery plans are regularly tested to guarantee they are effective when needed. Additionally, we stay in regular contact with our third-party technology partners about their redundancy measures. For more details, please refer to Our Business - Cybersecurity and Our Stewardship - Energy and Emissions and Water Management sections of this Sustainability Report. • When it comes to our office buildings, we prioritise having robust insurance and emergency preparedness plans. We have set up alternative workspaces to keep our team productive if our primary locations are disrupted. With respect to our Malaysian headquarters, we continue our tenancy in a MSC-certified building, in order to take advantage of in-build redundancies which mitigates any risk of climate change risk disruption. • For operational continuity, we invest in reliable power backup systems and support remote work capabilities to keep things running smoothly during outages. We also maintain clear communication with our clients and partners, ensuring everyone stays informed and supported.

Our Stewardship (cont'd)

Conclusion (cont'd)

Risks Posed by Climate Change (cont'd)

Type of Risk	Risk	Impact	Mitigation Plan
Physical Risk (cont'd)	b) Supply chain disruptions Extreme weather can significantly disrupt our supply chain for technology hardware, causing delays or driving up costs for the essential components we rely on.	The Group is aware of the impact extreme weather can have on our supply chain, specifically in causing delays in receiving critical technology hardware. This directly affects our digital services, potentially impacting the availability and reliability of the platforms and applications that our customers rely on. These delays can also slow down the development and deployment of new features or upgrades, pushing back the time-to-market for the innovations that are in progress. Additionally, we are aware that any service interruptions or delays in product updates can lead to customer dissatisfaction. This not only affects our customers' experience but can also damage the Group's reputation and undermine customer trust.	• We are diversifying our sources for critical technology hardware by partnering with multiple suppliers and exploring local options to minimise disruptions. • Our focus is on strengthening relationships with these suppliers through open communication and clear agreements, ensuring they prioritise our needs during any crisis. • We are also committed to keeping our customers informed with timely updates on any service interruptions or delays, as we believe transparency is key to maintaining their trust.
	c) Increased Premium The increased risk of natural disasters can lead to higher insurance premiums for our physical assets.	Higher insurance premiums increase the overall cost of insuring our physical assets, such as data centres and office facilities, which raises our operating expenses. For example, the added cost for insuring our data centres could affect our budget and potentially lead to higher costs for the services we provide.	We regularly review our insurance policies to ensure we are getting the best rates and coverage.
Transition Risk	Increase in energy cost (fuel and electricity tariff)	We anticipate higher energy tariffs resulting from policies promoting the shift to renewable energy. This will likely lead to increased electricity and fuel costs, thereby raising our overall expenses.	We will continue to explore and implement initiatives to improve our energy practices and continuously seek opportunities for advancement.

GRI Content Index

Statement of use	Silverlake Axis Ltd. has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure		Reference (Page No.)
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organisational details	02 - 15
	2-2	Entities included in the organisation's sustainability reporting	13
	2-3	Reporting period, frequency and contact point	32
	2-4	Restatement of information	45, 46, 48, 49, 51
	2-5	External assurance	32
	2-6	Activities, value chain and other business relationships	03, 12, 16, 17, 29 - 31
	2-7	Employees	42 - 49
	2-9	Governance structure and composition	34
	2-14	Role of highest governance body in sustainability reporting	34
	2-23	Policy commitments	33, 40, 41, 51
	2-24	Embedding policy commitments	33, 40, 41, 51
	2-26	Mechanisms for seeking advice and raising concerns	40
	2-27	Compliance with laws and regulations	39, 40, 41, 47
	2-29	Approach to stakeholder engagement	34 - 35
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	36
	3-2	List of material topics	37
Cybersecurity			
GRI 3: Material Topics 2021	3-3	Management of material topics	38 - 39
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	39
Innovation and Customer Experience			
GRI 3: Material Topics 2021	3-3	Management of material topics	39
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	40
Anti-Corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	40 - 41
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	40
	205-2	Communication and training about anti-corruption policies and procedures	41
	205-3	Confirmed incidents of corruption and actions taken	41

GRI Content Index (cont'd)

GRI Standards	Disclosure		Reference (Page No.)
Material Topics			
Procurement Practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	41
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	41
Health, Safety and Well-being			
GRI 3: Material Topics 2021	3-3	Management of material topics	42
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	42
	403-6	Promotion of worker health	42
	403-9	Work-related injuries	42
	403-10	Work-related ill health	42
Human Capital Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	42 - 47
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	44
	404-2	Programs for upgrading employee skills and transition assistance programs	43 - 44
	404-3	Percentage of employees receiving regular performance and career development reviews	45
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	46
	401-3	Parental leave	45
	N/A	Target for training hours	44
Diversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	47 - 49
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	48
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	49
Community Engagement			
GRI 3: Material Topics 2021	3-3	Management of material topics	49
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	49
Energy and Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	50 - 51
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	50
	302-3	Energy intensity	50
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	51
	305-2	Energy indirect (Scope 2) GHG emissions	51
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	51
GRI 306: Waste 2020	306-3	Waste generated	51
Water Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	52
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	52

Corporate Governance Statement

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

This Report outlines the corporate governance policies, processes and practices adopted by the Company during the financial year ended 30 June 2024 ("FY2024"), which in all material aspects, comply with the principles and provisions as set out in the Code of Corporate Governance 2018 (the "Code") which was issued on 6 August 2018, last amended on 11 January 2023, and Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual"). Where there are deviations or variations from the provisions of the Code and/or the Listing Manual, appropriate explanations are provided in the relevant sections of this Report.

Regulatory updates - Amendments to SGX Listing Rules and Code of Corporate Governance 11 January 2023

1. Limit the tenure of Independent Directors ("IDs") serving on the boards of listed issuers to nine (9) years

Singapore Exchange Regulation ("SGX RegCo") limits the tenure of IDs serving on the boards of listed issuers to nine (9) years. With immediate effect from 11 January 2023, SGX RegCo has also removed the two-tier vote mechanism to retain long serving IDs who have served for more than nine (9) years. On 1 January 2022, long serving IDs could continue to be deemed independent as long as their appointment approval is obtained in two-tier vote: first, from all shareholders; and second, from shareholders excluding directors, Chief Executive Officer ("CEO") and their associates.Transition arrangements - IDs whose tenure exceeds the nine (9)-year limit can continue to be deemed independent until the issuer's Annual General Meeting ("AGM") held for the financial year ending on or after 31 December 2023.

2. Mandatory remuneration disclosures of Directors and CEO

SGX RegCo now mandates listed issuers to disclose in their annual reports, the name, amount and breakdown of remuneration paid to each individual director and the CEO by the listed issuers and its subsidiaries. The breakdown must include (in percentage terms) base or fixed salary, variable or performance related income or bonuses, benefits-in-kind, stock options granted, share based incentives and awards, and other long-term incentives. The remuneration disclosures of directors and CEO will take effect for listed issuers' annual reports for the financial years ending on or after 31 December 2024.

During the year, the following changes to the composition of the Board and Board Committees were announced on SGXNet:

- Appointment of Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik ("Prof. Chuah") as Independent Non-Executive Director ("INED") on 1 October 2023.
- Redesignation of Ms. Goh Shiou Ling ("Ms. Goh") as Deputy Executive Chairman and Mr. Ong Kian Min ("Mr. Ong") as the Independent Non-Executive Deputy Chairman with effect from 27 October 2023.
- Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid ("Tan Sri Munir") retired by rotation pursuant to Regulation 108(1) ("R108(1)") of the Company's Constitution and ceased as an INED at the conclusion of the AGM held on 26 October 2023 as he did not offer himself for re-election as Director. Following his voluntary retirement, he relinquished his role as Chairman of the Remuneration Committee ("RC") and a member of the Audit and Risk Committee ("ARC").
- Mr. Yano Satoru ("Mr. Yano") voluntarily retired as an INED and relinquished his role as a member of the Strategic Investment Committee ("SIC") with effect from 27 October 2023.
- Dr. Kwong Yong Sin ("Dr. Kwong") and Mr. Chee Hin Kooi ("Mr. Chee") voluntarily retired as Non-Independent Non-Executive Directors ("NINED") of the Company with effect from 27 October 2023.
- Mr. Andrew Tan Teik Wei ("Mr. Andrew Tan") voluntarily retired as an Executive Director ("ED") from the Board of the Company with effect from 27 October 2023 and was redesignated to Group CEO from Group Managing Director with no change in job function and scope.
- Merger of the Nominating Committee ("NC") and the RC to form the Nominating and Remuneration Committee ("NRC") with effect from 27 October 2023, with the functions and responsibilities of the dissolved NC and RC directly undertaken by the NRC. The NRC is chaired by Mr. Ong, and Datuk Yvonne Chia (NINED with effect from 1 June 2024) and Prof. Chuah are the members of NRC.
- Redesignation of Datuk Yvonne Chia as NINED with effect from 1 June 2024 as she has served on the Board of the Company for a continuous period of nine (9) years and ceased to be an independent director pursuant to SGX Listing Rule 210(5)(d)(iv). The Board concurred with the NRC and approved that Datuk Yvonne Chia has the requisite experience, qualification and competencies to continue to provide insights and support to the Board and she will continue to be a member of the NRC and SIC of the Company. Datuk Yvonne Chia had abstained from the deliberations and decision of her redesignation.
- Appointment of Ms. Goh to succeed Mr. Andrew Tan as the Group CEO with effect from 1 July 2024. Mr. Andrew Tan will continue to be with the Group to provide ongoing strategic guidance until 31 December 2024.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

Provision 1.1: Board's Code of Conduct and Ethics

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

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

- Provide entrepreneurial leadership, set overall directions, strategies, values and standards for the Group taking into consideration ethical and sustainability issues;
- Review the Group's business plans, including the annual budgets, operational and capital expenditure as well as constructively challenge the Management on the strategic options and planning process;
- Ensure the necessary financial and human resources are in place for the Group to meet its strategic objectives;
- Review the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;
- Monitor and manage risks to achieve appropriate balance between risks and the Group's performance;
- Ensure the Group's strategies and affairs are in the best interests of the Group and its stakeholders;
- Provide guidance to the Management on the identification of key stakeholder groups and strategies in addressing the concerns of these key stakeholder groups;
- Review and monitor the Group's performance, position and prospects, review the performance of Management against agreed goals and objectives, and satisfying themselves that the Group's businesses are properly managed;
- Review and approve the release of the Group's quarterly, half-yearly and annual financial results and a variety of other strategic initiatives tabled by Management;
- Foster ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture;
- Ensure transparency and accountability to key stakeholder groups;
- Ensure the policies are in place and enforced to comply with legislative and regulatory requirements;
- Advocates strong corporate governance practices in the organisation.

Conflicts of interest

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

Provision 1.2: Directors' Duties and Trainings of Directors

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

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

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

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

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

During FY2024, the training programmes attended by Directors through Singapore Institute of Directors ("SID") Listed Entity Director Programmes ("LED") were as follows:
- LED1: Listed Entity Director Essentials;
- LED2: Board Dynamics;
- LED3: Board Performance;
- LED4: Stakeholder Engagement;
- LED5: Audit Committee Essentials;
- LED6: Board Risk Committee Essentials;
- LED7: Nominating Committee Essentials;
- LED8: Remuneration Committee Essentials;
- LED9: Environmental, Social and Governance Essentials.

Task Force on Climate-Related Financial Disclosures ("TCFD")

SGX has unveiled its road map for listed entities to provide climate-related disclosures based on the TCFD on 15 December 2021. Effective 1 January 2022, listed entities are subject to new compliance requirements following the amendments to SGX Listing Rules on climate disclosures. The SID LED Programme has launched a new module namely, LED9 – Environmental, Social and Governance ("ESG") Essentials that will delve into the board's role and directors' responsibilities in sustainability governance. In highlighting the TCFD recommendations and SGX Listing Rules on sustainability reporting, the programme provides a foundation for board of directors to drive sustainability compliance and integrate ESG factors into their business strategies. All SAL Directors have completed the LED9 - ESG program by SID.

The newly appointed Director, Emeritus Professor Tan Sri Dato Seri Dr. Chuah Hean Teik has completed all SID LED programmes as listed above.

Provision 1.3: Board Approval Matters

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

The key activities carried out by the Board during FY2024 include, but are not limited to the following:
- Review business performance and sets the strategic direction and vision of the Company and the Group;
- Review the conformance by the Company and Group to statutory and regulatory requirements and considerations of good corporate governance practices;
- Review and approve the unaudited results announcements of the Company and the Group for the half year ended 31 December 2023 and for the full year ended 30 June 2024;
- Review and approve the financial highlights and business update announcements of the Group for the first quarter ended 30 September 2023 and third quarter ended 31 March 2024;
- Review and approve dividend payments and fixing of dates for books closure;
- Review and approve remuneration, rewards and awards for key management personnel and approval of Directors' Fees;
- Receive, review reports and recommendations from ARC, NC, RC, thereon NRC, and SIC;
- Review the Group's key strategic initiatives;
- Review share buyback exercises;
- Review and approve the Annual Report, Sustainability Report and Corporate Governance Statement;
- Review the Terms of Reference of Board Committees;
- Review and approve business plan and budget;
- Succession planning deliberations and approval of Board and key management personnel;
- Review and approve cybersecurity policies and procedures;
- Approve acquisition and disposal of investments, and liquidation of subsidiaries;
- Approve Interested Party Mandate and Share Buyback Mandate for shareholders' approval at the AGM;
- Approve changes to the Board and Board Committees composition structure;
- Environmental, Social, and Governance ("ESG") considerations;
- Review of Anti-Bribery and Anti-Corruption ("ABAC") framework and Whistleblowing Policy.

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

Provision 1.4: Delegations by the Board

Formal Board Committees were established by the Board in accordance with the Code and Listing Manual, to facilitate the Board in the execution of its duties and to enhance its effectiveness in the light of the Company's continuing expansion. The Board Committees are ARC, NRC and SIC. Having reviewed the functions of the NC and the RC, the Board approved the merger of the NC and the RC to form the Nominating and Remuneration Committee ("NRC") with effect from 27 October 2023. The functions and responsibilities of the dissolved NC and RC are directly undertaken by the NRC. Each Board Committee has its written Terms of Reference ("TOR"), which clearly sets out its composition, administration, authority, accountabilities, duties and responsibilities. At quarterly Board meetings, the Chairman of the respective Board Committees reports on significant deliberations and decisions made at the Board Committee meetings. All conflicting views shall be submitted to the Board for its final decision.

The TORs are reviewed on a regular basis, along with the Board Committee structures and membership, to ensure their continued relevance. Any amendment to the TORs of any Board Committees is subject to the approval of the Board. The composition of the Board and Board Committees were reviewed in August 2024.

The Board and Board Committees composition as at the date of this report are as shown below:

Director	Board	ARC	NRC [(1)]	SIC
Executive Directors				
Goh Peng Ooi	Chairman	-	-	-
Goh Shiou Ling	Deputy Chairman [(2)]	-	-	Chairman
Chee Chin Leong	Member	-	-	-
Non-Executive Directors				
Non-Independent				
Datuk Yvonne Chia (NINED with effect from 1 June 2024) [(3)]	Member	-	Member	Member
Independent				
Ong Kian Min [(4)]	Deputy Chairman [(4)]	Member	Chairman	-
Mah Yong Sun	Member	Chairman	-	Member
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik [(5)]	Member	Member	Member	-

(1) The NRC was formed by merging the NC and RC with effect from 27 October 2023. The functions and responsibilities of the dissolved NC and RC are directly undertaken by the NRC.
(2) Ms. Goh Shiou Ling was redesignated as Deputy Executive Chairman with effect from 27 October 2023.
(3) Datuk Yvonne Chia was redesignated as NINED with effect from 1 June 2024 in accordance to SGX Listing Rule 210(5)(d)(iv).
(4) Mr. Ong Kian Min was redesignated to Independent Non-Executive Deputy Chairman with effect from 27 October 2023.
(5) Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik was appointed as an INED with effect from 1 October 2023.

The Board Committees are guided by their written TORs which are disclosed at the respective sections such as, SIC reported below, NRC reported under Provisions 4.1, 4.2, 6.1 and 6.2 and ARC reported under Provisions 9.1, 10.1 and 10.2 of this Report.

Strategic Investment Committee ("SIC")

In accordance with its TORs, the SIC shall comprise at least three (3) Directors, and the Chairman of SIC shall be elected by the Board. The composition of SIC is as below -

SIC	Director	
Chairman	Goh Shiou Ling	Deputy Executive Chairman Group Chief Executive Officer (with effect from 1 July 2024)
Member	Datuk Yvonne Chia	Non-Independent Non-Executive Director (with effect from 1 June 2024)
Member	Mah Yong Sun	Independent Non-Executive Director

Based on the TOR, the principal roles of SIC include, inter alia:

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

Corporate Governance Statement (cont'd)

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

Provision 1.4: Delegations by the Board (cont'd)

The principal responsibilities of the SIC encompass the following, amongst others:

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

The key activities carried out by the SIC during FY2024 were as follows:

- Review business performance of the Company and the Group;
- Receive updates on the scorecard for BUs;
- Review potential investments deals;
- Receive updates and monitor investments in the pipeline;
- Review and monitor performance of newly acquired companies;
- Review the excerpt of corporate governance statement on SIC.

Provision 1.5: Board Meetings

The Board meets regularly throughout the year on quarterly intervals and ad hoc meetings are convened as and when necessary, either physically or virtually as allowed by the Company's Constitution. Board meetings are scheduled in advance prior to the start of each financial year in order to provide ample notice to all Directors so that sufficient time is devoted for considerations of the agenda matters.

A total of six (6) Board meetings including the Business Plan meeting, two (2) INED meetings, six (6) ARC meetings, one (1) RC meeting, one (1) NC meeting, two (2) NRC meetings and four (4) SIC meetings were held during FY2024.

The attendance of the Directors at the Board and Board Committee meetings during FY2024 are set out below:

	Attendance Record of Meetings in FY2024						
	Board	**INED [1]**	**ARC**	**RC [2]**	**NC [2]**	**NRC [3]**	**SIC**
Executive Directors							
Goh Peng Ooi	5	-	-	-	1	-	-
Goh Shiou Ling	5	-	-	1	-	-	4
Chee Chin Leong	6	-	-	-	-	-	-
Andrew Tan Teik Wei [4]	2	-	-	-	-	-	-
Non-Executive Directors							
<u>Non-Independent</u>							
Datuk Yvonne Chia (NINED with effect from 1 June 2024) [5]	6	2	-	1	1	2	4
Dr. Kwong Yong Sin [4]	2	-	-	-	-	-	-
Chee Hin Kooi [4]	2	-	-	-	-	-	-
<u>Independent</u>							
Ong Kian Min	6	2	6	1	1	2	-
Mah Yong Sun	5	2	6	-	-	-	4
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik [6]	4	2	4	-	-	2	-
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid [7]	2	-	1	1	-	-	-
Yano Satoru [4]	2	-	-	-	-	-	1

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

Provision 1.5: Board Meetings (cont'd)

The attendance of the Directors at the Board and Board Committee meetings during FY2024 are set out below: (cont'd)

(1) All INEDs in office during the financial year attended INED meetings held during the year.
(2) The NC and RC were dissolved with effect from 27 October 2023.
(3) The NRC was formed with effect from 27 October 2023.
(4) Mr. Andrew Tan, Dr. Kwong, Mr. Chee and Mr. Yano voluntarily retired from the Board with effect from 27 October 2023.
(5) Datuk Yvonne Chia was redesignated as NINED with effect from 1 June 2024 in accordance to SGX Listing Rule 210(5)(d)(iv).
(6) Prof. Chuah was appointed as an INED with effect from 1 October 2023.
(7) Tan Sri Munir retired as an INED of the Company pursuant to R108(1) of the Company's Constitution at the conclusion of the AGM held on 26 October 2023.

Provision 1.6: Board's Access to Information

To assist the Board in discharging its duties and responsibilities, Management provides the Board with comprehensive, accurate, quality and timely information. Notice of meetings enumerating a structured agenda are sent to the Directors ahead of each Board and/or Board Committee meetings to allow them to have sufficient time to peruse or obtain additional information and/or seek clarification on the matters prior to the meeting. This will be accompanied by the relevant proposal papers outlining the background, explanatory information such as resources needed, financial impact, expected benefits, risk analysis and mitigation measures, conclusions and recommendations. All meeting papers of the Board and Board Committees are distributed to Directors at least one week in advance of the meeting. Key management personnel ("KMP") and/or external experts are invited to attend the Board and Board Committees meetings to make the appropriate presentations and to answer any queries from the Directors, if necessary.

With the Company's implementation of the digital board portal in conjunction with the digitalisation of board management system, it enabled board meetings to be conducted electronically and board papers shared in a secured environment. Each of the Directors is given an electronic device by the Company and provided with appropriate trainings to ensure efficient use of the digitalised board portal. With the use of the digital board portal, it has reduced the carbon footprint for printing of board materials. The Directors are able to gain immediate access and review the papers anytime and anywhere via the digital portal. Any additional materials or information that the Directors may request are promptly furnished by Management. The Directors are also provided with relevant regulatory updates from time to time.

Provision 1.7: Independent Access

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

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

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

Principle 2: Board Composition and Guidance

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

Provisions 2.1, 2.2 and 2.3: Board Independence

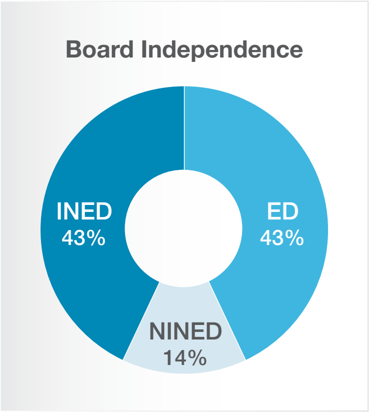
The NRC reviews the independence of each Independent Director ("ID") annually and as and when required. An ID is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders (as defined in the Code) or its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

Corporate Governance Statement (cont'd)

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

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

As at the date of this report, the Board is composed by a majority of 57% Non-Executive Directors ("Non-EDs"). Non-EDs play a role to balance the Board by providing objective judgement in the decision-making process, conflict of interest situations besides ensuring appropriate checks and balances, thereby avoiding undue influence of Management over the Board. Currently, the Board comprises seven (7) members of which three (3) or 43% are Executive Directors ("EDs"), one (1) or 14% is NINED and three (3) or 43% are INEDs.



The NRC conducted an annual review of each of the Director's independence, particularly those who have served more than nine (9) years, and is satisfied with the composition of 43% of the Board are INEDs. As the Group Executive Chairman, Mr. Goh Peng Ooi is not an ID, the NRC is aware that the requirement of Provision 2.2 of the Code requiring IDs to make up a majority of the Board where Chairman is not independent, is not met. Mr. Ong Kian Min as the Lead Independent Director ("Lead ID") plays a role to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The NRC and the Board are mindful and thus, have agreed that the Company will work towards compliance of this provision with the Board Renewal and Succession Plan. Following the conclusion of the AGM held on 26 October 2023, the Board size has significantly reduced to seven (7) directors on board currently from twelve (12) directors.

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

Independency of Directors who have served on the Board beyond nine (9) years

There was a regulatory update on the amendments to SGX Listing Rules and Code of Corporate Governance issued on 11 January 2023 where SGX RegCo limits the tenure of IDs serving on the boards of listed issuers to nine (9) years. With immediate effect from 11 January 2023, SGX RegCo has removed the two-tier vote mechanism to retain long serving IDs who have served for more than nine (9) years. Previously, long serving IDs could continue to be deemed independent as long as their appointment approval were obtained in two-tier vote: first, from all shareholders; and second, from shareholders excluding directors, CEO and their associates. However, there is a transition arrangement whereby IDs whose tenure exceeded the nine (9)-year limit can continue to be deemed independent until the issuer's AGM held for the financial year ending on or after 31 December 2023.

The Board also recognises that IDs may over time develop significant relationship with other Directors and Management but at the same time have valuable insights into the Group's business and can continue to provide considerable and useful contributions objectively to the Board. When there are such Directors, the NRC and the Board will assess and review their contributions and independence of character and judgement in discharging their duties for the best interest of the Company, shareholders and stakeholders.

Mr. Ong Kian Min has served as INED, also as Lead INED of the Company beyond nine (9) years from the date of his first appointment to the Board. The NRC (save for Mr. Ong Kian Min who abstained from deliberation in the matter) had performed a stringent review to assess the independence of Mr. Ong Kian Min. The NRC is satisfied that Mr. Ong Kian Min had maintained an appropriate degree of independence when fulfilling his role as an ID. The Board (save for Mr. Ong Kian Min who abstained from deliberation on the matter) concurred with the NRC's view that Mr. Ong Kian Min remained independent, professional and objective in discharging his responsibilities to the Board and respective Board Committees and acting in the best interests of the Company notwithstanding his tenure of service.

The re-appointment of Mr. Ong Kian Min as INED of the Company was sought via the two-tier voting process in accordance to Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B) during AGM held in October 2021. Under the transition arrangement, such resolutions shall continue in force until the earlier of the following:

(i) the retirement or resignation of Mr. Ong Kian Min as a Director; or
(ii) the conclusion of the third AGM of the Company following the passing of the resolutions (AGM in October 2024).

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

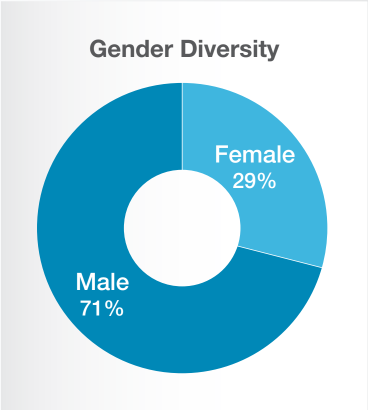
Provisions 2.1, 2.2 and 2.3: Board Independence (cont'd)

Independency of Directors who have served on the Board beyond nine (9) years (cont'd)
Datuk Yvonne Chia has been redesignated as NINED with effect from 1 June 2024 in accordance to the nine (9)-year rule. Mr. Ong will retire by rotation pursuant to R108(1) of the Company's Constitution at the upcoming AGM in October 2024 ("2024 AGM") and will be seeking for re-election as Director and to be redesignated as NINED after the conclusion of 2024 AGM pursuant to the SGX Listing Rule 210(5)(d)(iv).

The NRC has assessed the independence of the two (2) INEDs, namely Mr. Mah Yong Sun and Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik, and is satisfied that there are no other factors such as gifts or financial assistance, past association, business dealings, representative of shareholder, financial dependence and relationship with the Group or the Group's Management which would impair their independent judgement. Each ID had recused himself/herself in the determination of his/her own independence during the process.

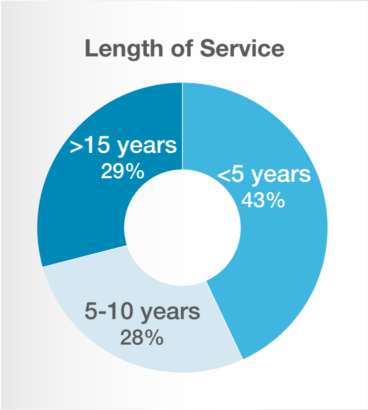
Provision 2.4: Board Size and Diversity

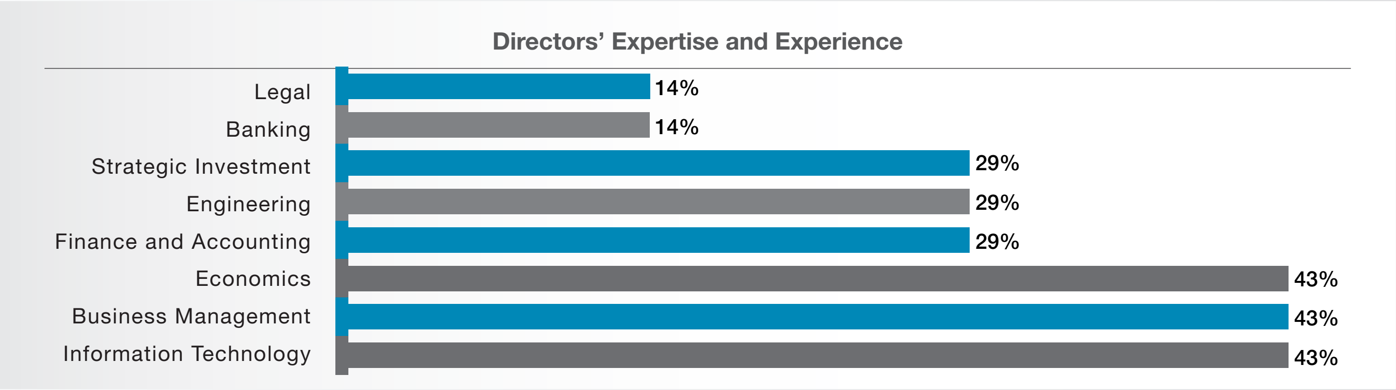
The Company continuously seeks to maintain an appropriate mix of diversity in its Board and also focuses on Board renewal and succession. In reviewing the size, composition and succession planning of the Board and its Committees, the NRC considers various aspects of diversity, namely skills, experience, background, gender, age and other relevant factors, to ensure optimal effectiveness and contribution towards the development and growth of the Company. The Company has adopted Board Diversity Policy in August 2021, whereby "diversity" has been set as a key criterion in any search process for the Board. The NRC shall discuss as appropriate the relevant measurable objectives for promoting and achieving diversity on the Board and make recommendations for consideration and approval by the Board. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly. The NRC evaluates candidates recommended by Board members, as well as from other external sources, taking into consideration their knowledge, industry background, competencies and integrity of the candidates, amongst others.



The Board, having considered the recommendation of the NRC and assessed Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik's qualification and experience, is of the view that he has the requisite experience and capability to assume the duties and responsibilities of an INED. Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik was appointed to the Board on 1 October 2023.

Taking into account the nature and scope of the Group's operations, the Board is of the view that the board size of seven (7) Directors is adequate for its purpose. Collectively, our Directors' skills, expertise and experience spans over different industries, markets and professions. Their core competencies include information technology, business management, economics, finance and accounting, engineering, strategic investment, banking and legal. The Board views that the current composition of the Board and Board Committees are of an appropriate size and provides the right balance and mix of skills, knowledge, experience and other aspects of diversity such as gender, age and tenure with the Company, can contribute to effective decision-making on the strategy and development of the Company. Details of the Directors' qualifications, background and working experience are set out under the Board of Directors section of this Annual Report.





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

Provision 2.4: Board Size and Diversity (cont'd)

The Board also believes that the current Board structure in the principal subsidiaries is well-organised and structured. Together with the Management, the Board will from time to time review the board composition and make the necessary changes if required, including the appointment of IDs to the Board of principal subsidiaries.

Provision 2.5: Non-Executive Directors ("Non-EDs")

Non-EDs and IDs, led by the Lead ID shall meet regularly without the presence of Management. The Chairman will provide feedback to the Board as appropriate. The Non-EDs also have access to the Management.

The Lead ID plays an additional facilitative role within the Board, and where necessary, facilitates communications between the Board and shareholders or other stakeholders of the Company. The Lead ID of the Company is represented by Mr. Ong Kian Min, who can be contacted via email at okm@silverlakeaxis.com. The roles of the Lead ID include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board and providing a channel to Non-EDs for confidential discussions on any concerns besides acting to resolve situations of conflicts of interest that may arise. In addition, the Lead ID may also assist the NRC to conduct annual performance evaluation and develop succession plans for the Chairman and CEO.

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

Principle 3: Chairman and Chief Executive Officer

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

Provisions 3.1 and 3.2: Roles of Chairman and Group CEO/Group Managing Director ("Group MD")

Mr. Goh Peng Ooi ("Mr. Goh") is the Group Executive Chairman and Mr. Andrew Tan was the Group MD. Mr. Andrew Tan voluntarily retired as an ED from the Board of the Company with effect from 27 October 2023 and redesignated as Group CEO with no change in job function and scope. On 28 June 2024, the Company announced that Ms. Goh will succeed Mr. Andrew Tan as the Group CEO with effect from 1 July 2024. Mr. Andrew Tan will continue to be with the Group to provide ongoing strategic guidance until 31 December 2024. Ms. Goh is the daughter of Mr. Goh, the Group Executive Chairman and a substantial shareholder of the Company.

The respective roles of Chairman and Group MD/Group CEO are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board establishes and sets out in writing the division of responsibilities between the Chairman and the Group MD/Group CEO.

The Chairman leads and governs the Board, oversees the Group's business performance, and ensures that all relevant issues are discussed in a timely manner. The roles include:

a) Chairs the board meeting, fostering open and effective discussions, allowing constructive debates, as well as setting the agenda focusing on strategic matters, including risk management, strategic planning, corporate governance, capital and financial planning;
b) Ensures that the board receives complete, relevant, and reliable information on all matters particularly those that would require the board to make decisions, such as reports, proposals, opportunities, issues or challenges facing the Group;
c) Ensures that the strategies and policies approved by the board are effectively implemented by top management, and that board decisions take into account the Group's stakeholders' best interest;
d) Establishes and maintains good corporate governance practices, promotes high standards of probity and integrity across the Group;
e) Represents the Group and ensures effective communication with external parties, shareholders, and other stakeholders.

Within the Company, the Chairman ensures appropriate relations within the Board and act as a direct liaison between the Board and Management, in particular between the Board and the Group MD/ Group CEO.

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

Principle 3: Chairman and Chief Executive Officer (cont'd)

Provisions 3.1 and 3.2: Roles of Chairman and Group CEO/Group Managing Director ("Group MD") (cont'd)

The Group MD/Group CEO spearheads and oversees the Group's business operations, management, investments and business ventures. The roles include:

a) Provides strategic guidance or advice and executes the Group's business strategies in order to achieve the Group's mission and objectives;
b) Ensures that the Chairman and board are updated on the potential issues of the Group and developments within the industry so that they have a better view of the Group's future as well as the market;
c) Develops and implements comprehensive business plans, frameworks and policies to plan and facilitate cost-effective business activities;
d) Ensures that all company policies are communicated and implemented throughout the Company and the Group that they are compliant with the legal guidelines or statutory regulations;
e) Maintain trust and positive relationships with shareholders, business partners as well as regulatory authorities;
f) Act as the public figure or representative of the Group.

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

Mr. Ong Kian Min was appointed by the Board as the Lead ID to provide leadership in situations where the Chairman is conflicted. The role of the Lead ID may include chairing Board meetings in the absence of the Chairman, working with the Chairman in leading the Board, and providing a channel to Non-EDs for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary. He is also available to shareholders where they have concerns for which contact through the normal channels of the Group Executive Chairman, Group MD/Group CEO or Chief Financial Officer have failed to resolve or is inappropriate. Shareholders and other stakeholders may contact Mr. Ong Kian Min directly at okm@silverlakeaxis.com. Nevertheless, the Board is of the view that the separation of the role of the Chairman and that of the Group MD/Group CEO and the chairing of the ARC and NRC by IDs ensure sufficient balance of power and authority in the Board.

Principle 4: Board Membership

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

Provisions 4.1 and 4.2: Nominating and Remuneration Committee ("NRC") and its Responsibilities

During the year, the Board has approved and announced the merger of the NC and the RC to form the NRC with effect from 27 October 2023. The functions and responsibilities of the dissolved NC and RC are directly undertaken by the NRC. The composition of the NRC comprises the following Directors:

NRC	Director	
Chairman	Ong Kian Min	Independent Non-Executive Deputy Chairman (Lead ID)
Member	Datuk Yvonne Chia	Non-Independent Non-Executive Director (with effect from 1 June 2024)
Member	Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik	Independent Non-Executive Director

In accordance to the TOR, the NRC shall comprise at least three (3) Directors, including the Lead ID and the majority of members (including the Chairman of the NRC) are INEDs.

The NRC is guided by its written TOR which stipulates that its principal nominating role to assist the Board in discharging its fiduciary duties in attracting, maintaining and retaining a set of directors and key management personnel of requisite calibre and skillset to propel the Company towards greater prospects and sustainable growth.

Principle 4: Board Membership (cont'd)

Provisions 4.1 and 4.2: Nominating and Remuneration Committee ("NRC") and its Responsibilities (cont'd)

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

Nomination Duties
- Make recommendations to the Board on the appointment of new EDs, Non-EDs and INEDs, including making recommendations to the composition of the Board and Board Committees generally and the balance between EDs, Non-EDs, and INEDs appointed to the Board;
- Ensure that the Board and Board Committees are of an appropriate size and comprise directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender, age, ethnicity, race and cultural background so as to avoid groupthink and foster constructive debate. Responsible for setting the Board Diversity Policy, including the targets, plans and timelines for the Board's approval;
- Responsible for identifying and nominating candidate(s) for the approval of the Board, determining annually whether or not a director is independent, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular for the Chairman, Group CEO and key management personnel;
- Ensure that newly appointed directors are aware of their duties and responsibilities;
- To review the independence of the Directors and if the NRC determines that a director, who has one (1) or more of the relationships that could interfere with his exercise of independent business relationship judgement, it should disclose in full, nature of the director's relationship and bear responsibility for explaining the reason he should be considered independent. Conversely, the NRC may determine that a director is not independent even if he/she has no business or other relationships with the Company, its related corporations, its substantial shareholders or its officers, and submit its recommendation to the Board. The independence of such director would be subjected to particularly rigorous review;
- Recommend the appointment of key management positions, review succession plans for key management positions within the Company and its subsidiary companies (the "Group") and overseeing the development of talented key management personnel within the Group;
- Implement a process assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director on the Board and Board Committees;
- Review and recommend training and professional development programmes for the Board and key management personnel.

The remuneration duties of the NRC are disclosed in Provision 6.1 and 6.2 of this report.

The key Nominating activities of the NRC carried out during FY2024 were as follows:
- Review the performance of the Board as a whole, the Board Committees and each individual Director;
- Review the size and composition of the Board and Board Committees;
- Review and recommend to the Board the succession plans for the Chairman, Directors, Group MD/Group CEO and key management personnel;
- Consider and approve the appointment and resignation of Directors;
- Review and recommend training and professional development programs for the Board;
- Review and assess if Directors with multiple board representations had devoted sufficient time and attention to the affairs of the Company in the performance of their duties as Director of the Company;
- Consider re-nomination and re-election of the Directors who are due for retirement at the forthcoming AGM pursuant to the Constitution of the Company;
- Evaluate the independence of each Director, particularly any Director who has served more than nine (9) years;
- Review the excerpt of corporate governance statement pertaining to the NRC (Nominating Duties) for disclosure in the Annual Report;
- Review the NRC TOR to ensure that it is aligned with the principles and provisions of the Code.

Provision 4.3: Process of Selection, Appointment and Re-election of Directors
The NRC is responsible for identifying candidates and reviewing nominations for the appointment and re-election of directors for recommendation to the Board. The NRC will consider the Company's current Board in terms of its size, composition, matrix of skills, knowledge, experience and diversity in the light of the Company's current and future needs. Potential candidates are selected through internal resources, referrals from existing Directors, and/or external search. Candidates should possess relevant experience and have the calibre to contribute to the Group and its businesses, have the skills, competencies and attributes to complement the existing Board and the requirements of the Group. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he/she is serving on multiple boards. The Company believes that board review should be an ongoing process to ensure the Board collectively has the required skills, diversity and experience to meet the changing needs of the Group and its businesses.

Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik was appointed to the Board in October 2023. The NRC confirmed that it had observed the due process enumerated above for the appointment.

Principle 4: Board Membership (cont'd)

Provision 4.3: Process of Selection, Appointment and Re-election of Directors (cont'd)

In accordance to the provisions of the Company's Constitution, one-third of the Directors (or the number nearest one-third but not less than one-third) who have been longest in office since their last election or re-election, are required to retire by rotation at the AGM every year and at least once every three (3) years. A retiring Director is eligible for re-election at the AGM. The Company's Constitution also stipulates that new Directors appointed by the Board during the financial year will hold office only until the next AGM following their appointments and they will be eligible for re-election. Newly appointed Directors are not taken into account in determining the number of Directors who are to retire by rotation.

All Directors that are due for re-election have to be assessed and recommended by the NRC before submission to the Board. In recommending a Director for re-election to the Board, the NRC takes into consideration the Director's contribution and performance at Board and Board Committee meetings.

Mr. Goh Peng Ooi, Mr. Ong Kian Min and Datuk Yvonne Chia (NINED with effect from 1 June 2024) would be retiring by rotation at the forthcoming AGM pursuant to R108(1) of the Company's Constitution and are eligible for re-election. Datuk Yvonne Chia, who will be retiring under R108(1) of the Company's Constitution, and although eligible, has expressed her intention to retire at the upcoming AGM in October 2024 and will not be seeking for re-election. Datuk Yvonne Chia will retire from the Board at the conclusion of the AGM in October 2024.

Taking into consideration their satisfactory commitment and performance, the NRC has recommended that these Directors be re-elected to the Board. The Board has accepted the recommendation by NRC. All the Directors seeking for re-election at the Company's forthcoming AGM had abstained from deliberations and voting on their own re-election.

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

Provision 4.4: Review of Directors' Independence

On an annual basis and as and when circumstances may require, the NRC will assess on the independency of Directors in accordance with the Listing Manual and provisions of the Code. For the year under review, each ID completed a declaration form to evaluate his/her independency in conduct, character and judgement whereby Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board. If the Board, having taken into account the views of the NRC, determines that such Directors are independent notwithstanding the existence of such directorships, the Company discloses the relationships and the reasons in the Annual Report. The NRC is also committed to re-assess the independence of each ID as and when warranted.

Provision 4.5: Commitment of Directors with Multiple Board Representations

The NRC conducts a qualitative assessment of each Director's contributions annually. In assessing the Director's contribution and ability to carry out his duties as a Director of the Company, the NRC takes into account the individual Director's actual conduct on the Board, ability and availability to provide valuable insights and advice, devotion of time and attention to the Company and the level of commitment and complexity of the Director's other principal commitments and directorships. All Directors are required to confirm annually to the Company his/her ability to devote sufficient time and attention to the Company's affairs, despite his/her other commitments.

In FY2024, none of the Directors hold more than four (4) directorships in other listed companies. The Board has established a guide that four (4) is a maximum number of directorships in other listed companies and principal commitments for a Director. Review by the NRC and approval of the Board would have to be obtained before a Director accepts any new appointment which exceeds this guide.

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

Director	Current directorship in other listed companies
Ong Kian Min	• Food Empire Holdings Limited • YHI International Limited • OUE REIT Management Pte. Ltd.
Datuk Yvonne Chia (NINED with effect from 1 June 2024)	• Press Metal Aluminium Holdings Berhad
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik	• Elsoft Research Berhad

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

The Board has adopted the stand that alternate directors should only be appointed in exceptional circumstances. In FY2024 and as at the date of this report, the Board does not have any alternate Directors.

Corporate Governance Statement (cont'd)

Principle 5: Board performance

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

Provision 5.1: Board Performance and Performance Criteria for Board Evaluation

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

The NRC assessed the performance of the Board, Board Committees and the individual Directors for FY2024 in August 2024 and formed the view that the performance of the Board as a whole, its Board Committees and each individual Director were satisfactory.

Provision 5.2: Evaluation of Individual Director

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

The Company did not engage any external professional facilitator for the Board, Board Committees and individual Director evaluation process. The evaluation process is facilitated by Company Secretary and the NRC Chairman.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

Provisions 6.1 and 6.2: Roles and Composition of Nominating and Remuneration Committee ("NRC")

The RC was dissolved to form the NRC with effect from 27 October 2023. The functions and responsibilities of the RC are directly undertaken by the NRC. The composition of the NRC is disclosed in Provision 4.1. and 4.2 of this report.

The NRC is guided by its written TOR which stipulates that its principal remuneration role to ensure that the remuneration framework and the specific remuneration package realistically commensurate with the responsibilities and performance of executive directors ("EDs") and key management personnel ("KMP").

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

Remuneration Duties

- Review and make recommendation to the Board a framework of remuneration for the directors, executive officers and KMP;
- Recommend the specific remuneration packages appropriate to attract, retain and motivate each director and KMP to run the Company successfully for the long term. The NRC should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms to ensure they are fair;
- Recommend remuneration of INEDs appropriate for the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors;
- Administer the Performance Share Plan ("PSP") in accordance with the rules of the PSP;

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

Provisions 6.1 and 6.2: Roles and Composition of Nominating and Remuneration Committee ("NRC") (cont'd)

Remuneration Duties (cont'd)

- Structure a proportion of EDs remuneration so as to link rewards to group or corporate and individual performance. The performance-related elements of remuneration shall form a significant proportion of the total remuneration package of EDs and KMP and shall be designed to align their interests with those of shareholders and to give these directors keen incentives to perform at the highest levels. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subjected to, an explanation on why such performance conditions were chosen and a statement of whether such performance conditions are met;
- Recommend the remuneration/benefits benchmark for the Company as compared to its competitors and comparable companies;
- Review and recommend to the Board the terms of renewal for those executive directors whose current employment contracts will expire or have expired;
- Review the Company's obligations arising in the event of termination of the ED's and KMP's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses. The NRC should aim to be fair and avoid rewarding poor performance;
- Consider the various disclosure requirements for director's and KMP's remuneration, particularly those required by regulatory bodies such as the SGX, and ensure that there is adequate disclosure in the Annual Report to enhance transparency;
- Review and recommend long-term incentive schemes for EDs and KMP, if and when appropriate, taking into account the costs and benefits;
- Consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from EDs and KMP in exceptional circumstances, including for example, misstatement of financial results, or misconduct resulting in financial loss to the Company;
- Review the remuneration of employees related to directors and substantial shareholders (if any), whose annual remuneration exceeds S$50,000, to ensure that their remuneration packages are in line with employee remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Review also on bonus, increment and/or promotion for these employees.

The key remuneration activities of the NRC during FY2024 include, but are not limited to, the following:

- Oversee Project Starlight which encompasses the Group's initiatives around succession management, talent development, talent management as well as compensation and benefits;
- Review and approve remuneration packages of EDs and Group MD/Group CEO;
- Review and approve the Group's KMP's remuneration structure;
- Recommend Directors' Fees for the financial year ending 2025;
- Review and approve the renewal of the PSP mandate and circular for shareholders' approval at AGM;
- Review and approve the PSP framework for KMP;
- Review and approve the PSP Award for Group CEO in FY2023;
- Review the compliance of Rule 704(13) of the Listing Manual that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director or CEO or Substantial Shareholder of the Company, other than the disclosure in Provision 8.2 of this report;
- Review the excerpt of corporate governance statement on items under the purview of the NRC (Remuneration Duties) for disclosure in the Annual Report;
- Review the NRC TOR to ensure that it is aligned with the principles and provisions of the Code.

Provision 6.3: Remuneration Framework

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

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

The total Directors Fees for FY2024 of SGD1,100,000 was approved by the shareholders during AGM in October 2023. The NRC proposed, and the Board approved, that the Directors' fees for the Board and other Board Committees for FY2025 be as tabulated below. The total Directors' fees for FY2025 are subject to shareholders' approval during the upcoming AGM in October 2024.

Corporate Governance Statement (cont'd)

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

Provision 6.3: Remuneration Framework (cont'd)

Fees (per annum)	Chairman		Deputy Chairman		Member	
Roles	**FY2025**	**FY2024**	**FY2025**	**FY2024**	**FY2025**	**FY2024**
Board of Directors	S$120,000	S$120,000	S$90,000	S$90,000	S$60,000	S$60,000
Audit and Risk Committee	S$65,000	S$65,000	-	-	S$35,000	S$35,000
Nominating and Remuneration Committee	S$50,000	S$50,000	-	-	S$30,000	S$30,000
Strategic Investment Committee	S$25,000	S$50,000	-	-	S$15,000	S$30,000
Special or ad hoc projects	Appropriate fee depending on complexity, as recommended by the NRC and approved by the Board to be proposed for shareholders' approval.					

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

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

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

Provision 6.4: NRC's Access to Independent Advice

The NRC has full authority to investigate any matter within its TOR and engage any independent external professional consultant on executive's compensation and remuneration related matters, as and when required, at the Company's expense. The NRC will ensure the appointed professional consultant is independent and objective in discharging its services and is not affected by any relationship with the Company. In view of the remuneration framework and internal review process that the Group has in place, the Company has not appointed any professional consultant for FY2024. The NRC and the Board are of the view that the current remuneration framework is competitive and sufficient to attract, retain and motivate Directors and KMP to deliver long-term shareholders value.

Principle 7: Level and Mix of Remuneration

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

Provision 7.1: Performance-linked Remuneration

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

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

Having reviewed the variable components of the compensations of the EDs and KMP, the NRC is currently of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years. The Board and the NRC are satisfied that the level and structure of the remuneration align with the long-term interest and risk management policies of the Group.

Principle 7: Level and Mix of Remuneration (cont'd)

Provisions 7.2 and 7.3: Remuneration of Non-Executive Directors

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

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

The Group's long-term incentive scheme comprises performance shares award to eligible directors and employees under the Silverlake Axis Ltd. PSP. The NRC evaluates the costs and benefits of PSP, reviews the eligibility of Directors and KMP for the PSP and determines the award date, performance period, number of shares, performance targets, vesting schedule and any other condition deemed necessary including any restrictions against the disposal or sale in the shares.

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

Principle 8: Disclosure on Remuneration

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

Provision 8.1: Remuneration Report

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

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

The remuneration of Directors for FY2024 is set out below:

Name	Directors' Fees [1] S$	Perform Committee Fees [2] S$	Salary [3] S$	Benefits [4] S$	Total S$
Executive Directors					
Goh Peng Ooi	126,667	30,000	862,176	29,488	1,048,331
Goh Shiou Ling	141,875	20,000	624,386	-	786,261
Chee Chin Leong	60,000	-	222,729	-	282,729
Andrew Tan Teik Wei [5] (until 27 October 2023)	20,000	-	211,864	3,035	234,899
Non-Executive Directors					
Non-Independent					
Datuk Yvonne Chia (NINED with effect from 1 June 2024)	127,292	-	-	-	127,292
Chee Hin Kooi [6] (until 27 October 2023)	20,000	-	-	-	20,000
Dr. Kwong Yong Sin [6] (until 27 October 2023)	20,000	-	-	-	20,000
Independent					
Ong Kian Min	181,250	-	-	-	181,250
Mah Yong Sun	146,354	-	-	-	146,354
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik [7]	89,688	-	-	-	89,688
Yano Satoru [8] (until 27 October 2023)	30,000	-	-	-	30,000
Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid [9] (until 27 October 2023)	45,000	-	-	-	45,000
Total Directors' Remuneration	1,008,126	50,000	1,921,155	32,523	3,011,804
In percentage terms	33.5%	1.7%	63.8%	1.0%	100.0%

Principle 8: Disclosure on Remuneration (cont'd)

Provision 8.1: Remuneration Report (cont'd)

Note:

(1) Directors' Fees relate to directors' fees received from the Company.
(2) Perform Committee Fees relate to fees received from participation in Management Committee of the Company.
(3) Salary relates to salary received from subsidiaries and includes the provident fund contributions.
(4) Benefits include car benefits, leave passage and club membership.
(5) Mr. Andrew Tan voluntarily retired as an ED from the Board and redesignated as Group CEO from Group Managing Director with effect from 27 October 2023.
(6) Mr. Chee and Dr. Kwong voluntarily retired as NINED from the Board with effect from 27 October 2023.
(7) Prof. Chuah was appointed as an INED with effect from 1 October 2023.
(8) Mr. Yano voluntarily retired as an INED from the Board and relinquished his role as member of the SIC with effect from 27 October 2023.
(9) Tan Sri Munir retired by rotation as an INED of the Company pursuant to R108(1) of the Company Constitution at the conclusion of the AGM held on 26 October 2023. He relinquished his role as the RC Chairman and member of the ARC.

The above disclosure has taken into account the latest amendments of the Rule 1207(10D) of the SGX Mainboard Listing Rules issued on 11 January 2023, which requires issuers to disclose in their annual reports, the names, exact amounts and breakdown of remuneration paid to each individual director and the CEO by the issuer and its subsidiaries. Such breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives. The rule is applicable for financial year ending on or after 31 December 2024, but the Company has already early adopted the disclosure requirements.

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

There were thirteen (13) KMP (who are not Directors of the Company) in the Group in FY2024. The Board is of the opinion that it is not in the best interest of the Company to disclose the details of remuneration of KMP due to the competitiveness of the industry for key talents. The band of remuneration and mix of remuneration by percentage (%) paid to the five (5) top earning KMP during the current financial year are presented as follows:

Name	Percentage of Fixed Remuneration (consists of salary, allowance, benefits-in-kind and contributions to provident fund)	Percentage of Variable Remuneration (consists of incentives and share-based incentives award)
Range from S$500,001 to S$750,000		
Choo Soo Ching	11%	89%
Andrew Tan Teik Wei	34%	66%
Chia Yong Wei	98%	2%
Gyorgy Tamas Ladics	74%	26%
Tan Soo Cheng	76%	24%

The annual aggregate remuneration paid to all the above mentioned KMP of the Group in FY2024 amounted to RM20,488,923 equivalent to S$5,897,790 (FY2023: RM10,560,571, equivalent to S$3,223,421).

The NRC has reviewed the level and mix of remuneration for the Directors and KMPs of the Company for FY2024 to ensure that the remuneration commensurate with their performance whilst taking into account the industry norms and corporate performance of the Group as a whole during the financial year.

Principle 8: Disclosure on Remuneration (cont'd)

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

Ms. Goh Shiou Ling, the Deputy Executive Chairman and the Group CEO (with effect from 1 July 2024) of the Company, is the daughter of Mr. Goh Peng Ooi, the Group Executive Chairman and a substantial shareholder of the Company.

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

Provision 8.3: Employee Share Scheme

Performance Share Plan ("PSP")

The first Silverlake Axis Ltd. Performance Share Plan ("2010 PSP") was approved by the Company's shareholders at the Special General Meeting ("SGM") held on 28 October 2010 and subsequently expired and lapsed on 28 October 2020 after a maximum period of ten (10) years from the date it was first adopted.

At the SGM held on 27 October 2020, the Company put forward two proposals, (1) adoption of a new PSP to be known as "Silverlake Axis Ltd. Performance Share Plan" ("SAL PSP") to replace the 2010 PSP; and (2) participation by Ms. Goh Shiou Ling in the SAL PSP, the details of the proposals are set out in the Circular to Shareholders dated 12 October 2020 and can be downloaded from the Company's website. Both proposals were approved by the Company's shareholders at the SGM held on 27 October 2020 and effected to replace the expired PSP under which awards ("Awards") of fully-paid shares will be issued free of charge to eligible employees, EDs and Non-EDs of the Company and its subsidiaries, provided certain prescribed performance targets are met.

The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the total number of shares available under any other share-based schemes of the Company, will not exceed ten percent (10%) of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The SAL PSP shall take effect from the date of the SGM, continue to be in force at the discretion of the RC, subject to the maximum period of ten (10) years commencing on 27 October 2020.

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

PSP shares granted to Former Group CEO, Mr. Andrew Tan

On 26 February 2024, 3,065,738 (2023: 5,400,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.240 (2023: SGD0.335) per share at grant date, amounted to RM2,600,604 (2023: RM5,862,065) to Mr. Andrew Tan in recognition of his service and contribution to the Group for the financial year ended 30 June 2023 (2023: 30 June 2022). The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date. On 13 September 2024, the Company has released an announcement on SGXNet on the waiver of moratorium on the restricted shares awarded to Mr. Andrew Tan.

The details of PSP are disclosed in Note 25(c) to the financial statements.

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

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

Enterprise Risk Management ("ERM")

Management has established and implemented an effective ERM framework that is integrated into the business to monitor, mitigate and manage potential risks. The ERM system and internal controls, including the periodical review of their adequacy and integrity is under the responsibility of the Management, the ARC and the Board. The internal controls system emphasizes governance, risk management, organisational, operational, financial strategic, regulatory and compliance controls. This system is designed to manage, as opposed to eliminating, and is an approach to determine and achieve the right balance between mitigating the downside of risks to an acceptable level whilst still taking advantage of opportunities.

Corporate Governance Statement (cont'd)

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

Provision 9.1: Risk Management and Internal Control Systems

With the increasingly dynamic, complex, and sophisticated business environment, understanding the interconnection between risk, internal controls, strategy, and value is essential. Effective risk management is crucial for achieving competitive advantage and safeguarding assets, which is vital for the ongoing growth and success of the Group's business. At the Group level, this interconnection is formalised by aligning strategy, risk management, and internal processes. This alignment supports the fulfilment of the Group's strategic priorities, thereby delivering value to all stakeholders.

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

The principal responsibilities of the ARC include, but are not limited to, the following:
- To ensure appropriate risk management framework and process that identifies business, operational, financial and regulatory risks and the risk mitigation measures to manage these risks;
- To review the risk governance structure of the Company including the Board and management level structures;
- To review the risk management framework to ensure it remains appropriate based on the Company's operation, external environment and current regulatory requirements;
- To ensure broad awareness of the risk management framework and assess the extent to which the risk framework is embedded across the Group and whether there is a culture of identifying and managing risks;
- To confirm on the adequacy and capabilities of human and financial resources directly involved in establishing and maintaining the risk management framework across the Company;
- Overseeing and advising the Board on the current risk exposure and future risk strategy of the Company; and
- To articulate and review the material risk and risk appetite of the Company, and recommend to the Board for approval.

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

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

The Board's responsibilities include, but are not limited to, the following:
- Determine the approach to risk governance;
- Establish and instil the right culture throughout the Company for effective risk governance;
- Delegation of the responsibility to Management to design, implement and monitor the risk management;
- Ensuring that risk assessment is performed continually;
- Ensuring that the frameworks and methodologies are implemented to reduce the probability of unpredictable risk;
- Ensuring continual risk monitoring by Management on the exposure and the key risks that could undermine the Company's strategy, reputation or long-term viability;
- Receiving assurance regarding the effectiveness of the risk management process; and
- Ensuring that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.

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

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

Enterprise Risk Management ("ERM") Framework

The Enterprise Risk Management (ERM) framework is shaped by the Board and Management of an entity. It is designed to identify potential events that could impact the business and to manage associated risks effectively. The framework aims to provide reasonable assurance that the Company's objectives will be achieved. The Group's core risk management principle aligns with the ISO 31000 Risk Management Standards.

The framework encompasses the culture, processes, and structures designed to capitalise on potential opportunities while managing adverse effects. It serves as a tool to assist Management in enhancing decision-making, minimising losses, and maximising profits. The framework provides a systematic approach to manage uncertainties, respond to risks, and seizing opportunities, to ensure that value is created, increased, and safeguarded.

The core elements under the Group ERM framework are:
- Identify internal and external events that could impact the achievement of organisational objectives;
- Classify risks into categories such as strategic, operational, financial, and compliance to ensure comprehensive coverage;
- Regularly review and assess the effectiveness of internal controls in managing identified risks;
- Maintain risk management policies and procedures that align with the organisation's risk appetite and strategic objectives;
- Promote a risk-aware culture throughout the organisation, integrating risk management into daily operations and decision-making;
- Ongoing training and communication to ensure that all employees understand their role in the risk management process;
- Constant monitoring and communicating of risk associated with any activity, function or process in a way that will enable the Group to minimise losses and maximise opportunities; and
- Business continuity plan as a form of assurance to ensure business continuity and minimise damages and losses under adverse or abnormal condition.

Within this framework, day-to-day risk management is the responsibility of the Management within each function and business unit. The Risk Managers, as risk owners, are accountable for identifying, assessing, and managing their respective risks. The Risk Management Department, as per the ISO 31000 guideline will provide supports for the overall risk management of the Group, including financial, operational, compliance, and information technology risks, by collaborating with Management. This collaboration ensures continuous monitoring of risks, evaluates the adequacy and effectiveness of related controls, and oversees the development and implementation of action plans to manage these risks to acceptable levels.

Risk management is deeply integrated into the Group's key processes through its Risk Management Framework, adhering to Principle 9 and Provisions 9.1 and 9.2 of the Code. These provisions are embedded in the Group's activities, necessitating the establishment of risk tolerance thresholds to proactively identify, assess, control, and monitor significant business risks encountered by the Group.

Risk management principles, policies, procedures, and practices are reviewed periodically, with the findings communicated to the Board through the ARC. Necessary changes and improvements are implemented to ensure these elements remain relevant and compliant with current laws, rules, and regulations.

Other Risks and Internal Control Processes

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

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

The Board and ARC identified nine (9) categories of risks which may impact the Group such as:
- Revenue assurance risk;
- Country risk;
- Project risk;
- Investment risk;
- Regulatory compliance risk;
- People and capabilities risk;
- Counterparty credit risk;
- Cybersecurity, IP protection and business continuity planning risk; and
- Anti-bribery and anti-corruption risk.

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

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

Other Risks and Internal Control Processes (cont'd)
The framework and methodologies are implemented to reduce the impact and ensure continual monitoring and management of these risks for the Group.

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

The internal controls consist of the following components:

- **Control Environment**
  The control environment encompasses the Company's commitment to integrity and ethical values, the mechanisms that enable the Board to fulfill its governance and oversight responsibilities, the organisational structure and assignment of authority and responsibility, the processes for attracting, developing, and retaining competent individuals, and the rigor of performance measures, incentives, and rewards that drive accountability and performance.

- **Risk Assessment**
  Risk assessment provides the foundation for identifying, evaluating, and managing risks throughout the Company and establishing acceptable risk tolerance levels.

- **Control Activities**
  Control activities are actions defined through policies and procedures that support management's directives to mitigate risks and achieve objectives. These activities are implemented at all levels of the Company, integrated within business processes, and extend across the technology environment.

- **Information and Communication**
  Management acquires and utilises relevant, high-quality information from internal and external sources to support internal controls. Communication within the Group is a continuous, iterative process of providing, sharing, and obtaining essential information.

- **Cybersecurity Policy and Activities**
  The Group Cybersecurity Policy, established on 30 November 2020, along with the Cloud Computing Security Policy introduced in July 2023 and the Information Security Policy released in August 2023, aims to protect information and create a secure cyberspace environment, thereby strengthening the Company's regulatory framework. These policies are designed to ensure a safe and secure network environment for the business. While these policies represent a significant advancement towards cybersecurity, some areas still require further development for effective implementation. It is crucial to address risks associated with both existing and emerging technologies, such as Cloud Computing and Artificial Intelligence ("AI"), by incorporating robust cyber-crime tracking and monitoring. In June 2022, the Cybersecurity Committee was established as a joint team of Group Risk and Group IT to manage, report on, and raise awareness of cyber threats across the Group. Ongoing training and awareness programs are in place to support these efforts.

- **Monitoring Activities**
  This ongoing evaluation assesses the effectiveness of internal controls in managing and mitigating the Company's risks to ensure they remain at an acceptable level for achieving business objectives.

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

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

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

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

For FY2024, the Board had received assurance from the Group CEO and:

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

Based on the risk management framework and internal controls established and maintained by the Group, work performed by the Internal Auditors and External Auditors (in the course of their annual statutory audit), and reviews performed by the Management and the Board, the Board with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective for FY2024 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations.

Principle 10: Audit Committee

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

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

Upon the conclusion of AGM held on 26 October 2023, Tan Sri Munir has retired as the INED of the Company pursuant to R108(1) of the Company's Constitution and following his retirement, he had relinquished his role as a member of the ARC. The Board has announced the revised composition of ARC with effect from 27 October 2023 as below –

ARC	Director	
Chairman	Mah Yong Sun	Independent Non-Executive Director
Member	Ong Kian Min	Independent Non-Executive Deputy Chairman (Lead ID)
Member	Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik	Independent Non-Executive Director

In accordance to the TOR, the ARC shall comprise at least three (3) Directors, all of whom are Non-EDs and the majority being independent.

The Board and NRC have considered Mr. Mah, who has sufficient accounting and financial management experience, is well qualified to chair the ARC. The ARC members, Mr. Ong and Prof. Chuah collectively bring with them appropriate professional experience in accounting and financial management. The Board is satisfied that the ARC members are appropriately qualified to discharge their responsibilities.

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

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

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

- To review the scope and results of the external audit work, cost effectiveness of the audit, and the independence and objectivity of the External Auditors;
- To review the Group's quarterly results, half-yearly results and full year financial statements, the accounting principles adopted, significant financial reporting issues and judgements and the External Auditor's report on the financial statements of the Group before submission to the Board for approval;
- To review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, and risk management systems;
- To review the assurance from the Group CEO and CFO on the financial records and financial statements;

Principle 10: Audit Committee (cont'd)

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

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

- To review the adequacy, effectiveness, independence, scope and results of the external audits and the Company's internal audit function. The internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experiences. The qualifications of Internal Auditors comply with the standards set by local and internationally recognised professional bodies;
- To recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors; and approving the remuneration and terms of engagement of the external auditors taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA;
- To review Interested Person Transactions ("IPT") in accordance with the requirements of the Listing Manual of the SGX-ST; and
- To review the effectiveness of the Group's Whistleblowing Policy, arrangements and the matters raised via the whistleblowing channel.

The key activities of the ARC during FY2024 include, but are not limited to, the following:

- Review draft financial results announcements of the Company and the Group and recommend the same for approval by the Board;
- Review and approve IPT in accordance with the requirements of the Listing Manual of the SGX-ST and the IPT General Mandate;
- Renew the IPT General Mandate for shareholders' approval at the AGM;
- Receive and review the External Auditors' reports;
- Review the nature and extent of non-audit services provided by the External Auditors;
- Review the independence of the External Auditors;
- Review the appointment of different auditors for the Group's subsidiaries and/or significant associated companies, and confirm the appointment would not compromise the standard and effectiveness of the audit of the Company;
- Review the performance of the External Auditors and recommend its re-appointment as External Auditors of the Company for the following financial year;
- Meet and discuss with the External and Internal Auditors without the presence of Management;
- Receive and review the Internal Auditors' reports;
- Discuss the adequacy of the internal controls pursuant to Rule 1207 of the Listing Manual for disclosure in the Annual Report and to form an opinion on the adequacy of internal controls addressing financial, operational and compliance risks;
- Review and update on new accounting standards applicable to the Company and its impact assessment;
- Review and update on new SGX requirements for its quarterly announcements;
- Consider final dividend for the FY2024 and to fix dates for books closure and dividend payment;
- Review the banking facility compliance requirements;
- Review the ERM of the Group;
- Review the material risk and risk appetites as well as the risk mitigation measures of the Group;
- Review the Group Whistleblowing Report (if any);
- Review the excerpt of corporate governance statement on ARC for disclosure in the Annual Report.

In the review of the financial statements for FY2024, the ARC has discussed with the Management and the External Auditors on significant issues and assumptions that impact the financial statements. The most significant matters, as outlined below, have also been included in the External Auditors' report to the members under Key Audit Matters section of this Annual Report. Following the review, the ARC was satisfied that these matters have been properly dealt with and recommended the Board to approve the financial statements.

Key Audit Matters	How ARC reviewed these matters and what decisions were made
Revenue from software licensing and software project services (professional services)	The ARC reviewed the appropriateness and reasonableness of management's assessment of software licensing and software project services (professional services) revenue and cost including, application of SFRS(I) 15 Revenue from Contracts with Customers, project cost estimates, assumptions and the appropriateness and adequacy of disclosures in the financial statements.
Impairment assessment on investments in subsidiaries and goodwill	The ARC reviewed the appropriateness and reasonableness of management's impairment assessment on investments in subsidiaries and goodwill including the methodology, assumptions, cash flow forecasts, long-term growth rates and discount rates.
Capitalisation of software development expenditure as intangible assets	The ARC reviewed the appropriateness and reasonableness of management's assessment of the eligibility of the development costs for capitalisation as intangible assets is in accordance with SFRS(I) 1-38 and the adequacy of disclosures in the financial statements.

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

Principle 10: Audit Committee (cont'd)

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

Independence of External Auditors
The ARC regularly reviews and monitors the non-audit services provided by the External Auditors as part of the ARC's assessment of the External Auditors' independence. The aggregate amount of audit and non-audit fees payable to the External Auditors of the Group for FY2024 were RM3,261,248 and RM597,963 (FY2023: RM2,829,377 and RM626,078) respectively. The non-audit services provided by the External Auditors of the Group were related to tax services. The ARC is satisfied that the nature and extent of these services would not prejudice the independence and objectivity of the External Auditors.

In compliance with the amended Rule 712 of the Listing Manual, the Company has put forward the appointment of Ernst & Young LLP ("EY Singapore") as External Auditor in place of Ernst & Young PLT ("EY Malaysia") in financial year 2021. The Company has realigned all of its subsidiaries' External Auditors to EY Singapore and member firms of EY to undertake audit of the Company's significant foreign-incorporated subsidiaries and associated companies located in Malaysia, Thailand, Indonesia, Philippines, Hong Kong, Dubai, Vietnam, Brunei and Slovakia for the purpose of consolidation of the financial statements of the Group, with the exception of a few subsidiaries due to certain conditions.

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

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

Interested Person Transactions ("IPT")

Proposed Renewal of, and Amendments to, the IPT General Mandate dated 11 October 2023
The Company has tabled an ordinary resolution ("Resolution") in connection with the proposed renewal of, and amendments to, the IPT General Mandate for consideration and it was approved by the shareholders of the Company at the AGM held on 26 October 2023.

The ARC having reviewed the terms of the proposed renewal of, and amendments to, the IPT General Mandate, is of the view that the methods or procedures for determining transaction prices, the review and approval procedures in relation to IPTs are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and recommend the proposed renewal of, and amendments to, the IPT General Mandate for approval by the Directors.

Mr. Goh Peng Ooi and Ms. Goh Shiou Ling who are deemed to be interested in the proposed renewal of, and amendments to, the IPT General Mandate for reasons set out in the Circular, have abstained from voting on the Resolution in which they are deemed to have an interest. Further, Mr. Goh Peng Ooi and Ms. Goh Shiou Ling will decline to accept appointment as proxies to vote and attend at the AGM in respect of the Resolution unless specific instructions as to voting are given by the shareholder concerned.

The Company has appointed CNPLaw LLP ("CNP") as the Singapore Counsel in relation to the proposed renewal of, and amendments to, the IPT General Mandate. 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 ("IFA") 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 the evaluation of the amended IPT General Mandate and the opinion thereof. The IFA Letter has been prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual and this IFA Letter forms part of the Circular.

Having regard to the considerations set out in the IFA Letter, 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.

Principle 10: Audit Committee (cont'd)

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

Interested Person Transactions ("IPT") (cont'd)

Rationale for and benefits of the proposed renewal of, and amendments to, the IPT General Mandate
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.

The Circular was submitted to SGX for review and SGX has issued a clearance letter on 22 August 2023 thereon. Please refer to the Circular to Shareholders dated 11 October 2023 ("Circular") for more details on the renewal of, and amendments to, the IPT General Mandate.

The nature and value of the significant related party transactions are disclosed in Note 35(a) of the Financial Statements in this Annual Report.

Whistleblowing Policy
The ARC and the Board have incorporated a whistleblowing policy into the Group's internal control procedures to provide a channel for employees and any external party (i.e., external party refers to customer, contractor, agent, consultant or third-party intermediary engaged) to report in good faith and in confidence, without fear of reprisals, any concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and appropriate follow-up actions are in place. Employees and any external party are encouraged to report possible improprieties in financial reporting or other improper business conduct they encounter in the course of work through appropriate channel. The Group treats all information received confidentially and protects the identity of all whistleblowers. Anonymous reporting is allowed under the Whistleblowing Policy. The Company will consider anonymous reports, but concerns expressed or information provided anonymously will be investigated on the basis of their merits. The whistleblowing contact email is whistleblower@silverlakeaxis.com and can be found on the Company's website. There was no reported incident pertaining to whistleblowing in FY2024.

Provision 10.3: Audit and Risk Committee ("ARC") Member Restriction
No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

Provision 10.4: Internal Audit Function
The Group's in-house Internal Audit and Compliance ("IAC") function is responsible for reviewing, monitoring and assessing the system of internal control and is independent of activities it audits. The IAC function, headed by the Head of IAC, whose primary reporting line is to the ARC and administratively reports to Group CEO. The IAC function has unfettered access to all the Group's documents, records, properties and personnel, including direct access to the ARC.

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

The IAC function is adequately staffed with six (6) suitably qualified and experienced professionals with a range of five (5) to twenty (20) years of relevant audit experience, and adopts the standards set by internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing ("SPPIA") set by the Institute of Internal Auditors ("IIA"). The Head of IAC is a Fellow Chartered Accountant of Chartered Accountants Ireland and a member of the Malaysia Institute of Accountants. The Internal Auditors continuously maintain their professional competency through training program, conferences and seminars.

The annual internal audit plan, which focuses on material internal controls, including financial, operational and compliance controls across the Group's business, is submitted to the ARC for its review and approval at the beginning of each financial year. Quarterly internal audit reports are submitted to the ARC detailing the internal auditor's progress in executing the internal audit plan. The Internal Auditors also review the Corporate Governance Statement and the Sustainability Report annually. All audit findings and agreed audit action items are reported to the ARC. The Internal Auditors follow up on all agreed audit action items to ensure Management has implemented them on a timely basis and reports the results to the ARC every quarter.

Principle 10: Audit Committee (cont'd)

Provision 10.4: Internal Audit Function (cont'd)

The ARC reviews the adequacy and effectiveness of the internal audit function on an ongoing basis, to ensure that internal audit function remains effective and is adequately staffed. The ARC is satisfied that the IAC function has sufficient resources to perform its functions effectively during FY2024.

Provision 10.5: Meetings with External and Internal Auditors

The ARC meets with the External and Internal Auditors, in the absence of Management at least once a year. The External Auditors have unrestricted access to the ARC.

During FY2024, the ARC met six (6) times. The ARC also had one (1) meeting with External and Internal Auditors separately, without the presence of Management.

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

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

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

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

Annual General Meeting ("AGM") on 26 October 2023

The Company held its FY2023 AGM on 26 October 2023 at Banquet Suite, Level 10, M Hotel Singapore, 81 Anson Road, Singapore 079908. Notice of the FY2023 AGM was published on SGXNet and the Company's website on 11 October 2023. The AGM was held in a wholly physical format, at the venue, date and time stated above. There was no option for members to participate virtually. Shareholders were welcomed to attend the AGM physically. Shareholders who wished to exercise their votes without attending the AGM could submit a proxy form to appoint their proxy(ies) or the Chairman of the Meeting as their proxy to cast votes on their behalf.

The Company subjected all resolutions to voting by poll and shareholders were informed of the applicable rules and voting procedures. Shareholders who had any substantial and relevant questions in relation to any agenda item in the notice of the AGM, could also send their queries to the Company in advance by 18 October 2023 via email to FY2023AGM@silverlakeaxis.com or by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. ("Boardroom"), at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632. The questions received together with the respective responses were announced on 19 October 2023 and 20 October 2023 via SGXNet.

The Group MD gave a presentation on the Group's performance for FY2023, business strategy and prospects of the Group. The AGM presentation slides together with the results of the poll votes on each resolution tabled at the AGM were announced via SGXNet after the conclusion of the said meeting on 26 October 2023.

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

Provision 11.2: Separate Resolutions at General Meetings

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

Provision 11.3: Attendees at General Meetings

All Directors, including the Group Executive Chairman, Mr. Goh and the Group MD, Mr. Andrew Tan attended the AGM held on 26 October 2023 physically, except for Mr. Mah, one of the INED who was unable to attend. Mr. Ong being the ARC Chairman prior to the change of the ARC composition has attended the AGM held on 26 October 2023. The Chairman of the meeting facilitates communications between shareholders and the Board, Management, internal and external auditors and any other relevant professions to address any question or feedback from the shareholders at the general meetings. The External Auditors were invited to the Company's AGM to address shareholders' queries about the conduct of the audit and preparation and contents of the Auditors' Report.

Provision 11.4: Voting Procedures and Proxies for Nominee Companies

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

Shareholders may appoint up to two (2) proxies to attend and vote on their behalf. Pursuant to the introduction of the multiple proxy's regime under the Companies Act 1967 of Singapore and the Company's Constitution, shareholders who are relevant intermediaries (i.e., banks, capital markets services license holders which provide custodial services for securities and the Central Provident Fund Board) are allowed to appoint more than two (2) proxies to attend, speak and vote at the general meetings.

During the AGM held on 26 October 2023, shareholders could cast their votes for each resolution through real-time remote electronic voting at the AGM. For voting on the resolutions by poll, the Company's Share Registrar, Boardroom explained to the shareholders on how electronic poll voting at the Meeting is to be conducted. A video on the electronic voting was screened and a test resolution was conducted.

Shareholders could vote at the AGM themselves:

(i) through their duly appointed proxy(ies) (other than the Chairman). A member could appoint not more than two (2) proxies and the proportion of the shareholdings to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company, or

(ii) appoint the Chairman of the AGM as their proxy.

Shareholders have been advised to give specific instructions as to voting or abstentions from voting on the resolutions set out in the proxy form. The proxy form attached to the Notice of AGM can be downloaded from the Company's announcement on SGXNet and the Company's website. The voting instructions were clearly spelled out in the notice of AGM.

Provision 11.5: Minutes of General Meetings

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. Provision 11.5 requires companies to publish minutes of general meetings with shareholders on its corporate website as soon as practicable. The Company published its minutes of general meetings via the SGXNet and on the Company's corporate website within 30 days from the conclusion of the general meetings. The Company published the minutes of FY2023 AGM on SGXNet on 22 November 2023.

Provision 11.6: Dividend Policy Guideline

The Company has made dividend payment of Singapore 0.60 cents per ordinary share in respect of FY2023. The dividend was paid on 16 November 2023. The Company does not have a dividend policy. The form, frequency and amount (or quantum) of dividends will depend on, among other things, the Company's earnings, financial performance, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Dividend payouts are communicated clearly to shareholders via announcements on SGXNet when the Company discloses its financial results. The Company also discloses its dividend payment history on its corporate website.

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

Provision 11.6: Dividend Policy Guideline (Cont'd)

Embracing the consistent approach as in previous years, the Board will be proposing at the forthcoming AGM in October 2024, the declaration of a final tax exempt one-tier dividend of Singapore 0.36 cents per ordinary share in respect of FY2024. The proposed dividend, when approved by shareholders at the AGM, shall be paid on 15 November 2024.

Principle 12: Engagement with Shareholders

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

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

Shareholders can write in to investor.relations@silverlakeaxis.com if they have any questions to be addressed.

Provision 12.1: Understanding Views of Shareholders

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

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

Provisions 12.2 and 12.3: Investor Relations Policy

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

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

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

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

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

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

MANAGING STAKEHOLDERS' RELATIONSHIPS

Principle 13: Engagement with Stakeholders

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

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

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

The Company was awarded the Gold Award for the 2024 Best Investor Relations for Companies with $300 million to less than $1 billion in market capitalisation by the 2024 Singapore Corporate Awards. The Company was awarded the Silver Award for Best Investor Relations in the mid-cap category in 2022 Singapore Corporate Awards as well.

Provision 13.1: Identify, Engage and Manage Relationship with Stakeholders

The Group identifies its key stakeholders by taking into consideration their involvement in and influence on the Group's business, as well as their vested interests in the Group's performance. To continuously improve the Group's ESG strategies, the Group consult the stakeholders regularly. These engagements enable us to gain a deeper understanding of crucial ESG issues which in turn assist us to define our priorities and achieve the desired outcomes. Important stakeholders include both internal and external parties whose influence in our business operations are crucial to its long-term success.

Keys stakeholders of the Company include, but are not limited to, customers, employees, shareholders, business partners, regulators, media and the communities. The seven (7) stakeholder groups identified have remained unchanged since FY2021. The Group's strategies and key areas of focus in relation to the management of stakeholder relationships during FY2024 can be found under Sustainability Report section of this Annual Report.

The Code of Conduct for Third Parties is introduced as a guidelines and ethical business standards between the Group and all its Third Parties. The main principles of this Code are to ensure that business dealings by the Group is not tainted by improprieties or malpractices under any circumstances, whether by its employees or Third Parties. The Group recognises the growing importance of sustainability developments in products, services and solutions, combining economic success, social responsibility and environmental protection in our business operations and thereby enable our customers to meet current and future needs of society.

In addition, the Group also has an Investor Relations team which works closely with the media and oversees the Group's external communications efforts. Our Group CEO has participated in a number of interviews with reputable media outlets (Techwire Asia, Business Times, and The Edge Singapore) to discuss how the Group has capitalised on modern Fintech services to provide contemporary banking solutions. In these interviews, he has also provided insights into the advantages and disadvantages that disruptive technology can have on traditional banking industries.

Provision 13.2: Sustainability Report

The Sustainability Report comprises the Group's sustainability performance from 1 July 2023 to 30 June 2024 ("FY2024"), encompassing our Group-wide business operations under Banking, Fermion Insurtech, Retail Automation, Investment and sector which include Digital Identity and Security Technologies.

The FY2024 Sustainability Report has been prepared in accordance with the SGX Listing Rules 711A and 711B with reference to the Global Reporting Initiative ("GRI") Standards and its latest Universal Standards 2021, and the Task Force on Climate-related Financial Disclosure ("TCFD"). The GRI framework was selected for its robust and internationally recognised standards encompassing a comprehensive range of sustainability topics, disclosures as well as its set of well-established reporting principles. In response to greater stakeholder demand and SGX's mandatory disclosure requirements for greater accountability on climate change, we have taken steps towards incorporating the TCFD recommendations in the Sustainability Report. The Company has engaged with external consultants to assist with its implementation into the Group's management and operations.

Principle 13: Engagement with Stakeholders (cont'd)

Provision 13.2: Sustainability Report (Cont'd)

The Board is responsible for ESG integration into the Group's strategy and provides an advisory role as well as supervision on the Group's material ESG factors, KPIs, and sustainability report disclosures. The Board convenes on a quarterly basis to discuss the Group's ESG direction and review KPIs and performance. The Board is assisted by the ARC that reports on the progress of the Group's sustainability agenda including climate-related risks. The IAC conducts annual review on the sustainability reporting process including reviewing meetings, decision making and approvals on material topics and target and verifying data reported in the Sustainability Report.

The below illustrates the Group's sustainability governance structure, which aligns with both the recommendations of the TCFD and the mandate on climate-related disclosures set by SGX-ST.

Board of Directors

- Ultimately responsible for the sustainability direction of the Group;
- Ensures progressive integration of sustainability in business strategies;
- Approves and reviews sustainability-related business strategies and performance;
- Monitors and oversees the progress of climate-related goals and targets.

Audit & Risk Committee

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

For effective ESG implementation at the management and operational levels, the Group CEO, Ms. Goh chairs the ESG Committee, which presents the ESG-related strategy and targets for review and approval. The ESG Committee is supported by the corporate and business functions that submit quarterly reports on SAL's progression to meet the ESG goals and targets.

SAL's ESG framework comprehensively guides the integration of sustainability principles throughout our business operations. Our framework outlines our corporate objectives, vision, and mission as guiding principles, all of which are aligned with the three (3) sustainability pillars of the United Nations Sustainable Development Goals ("UNSDGs"); Our Business, Our People, and Our Stewardship.

Please refer to the Sustainability Report section in this Annual Report. The Sustainability Report can be accessed through the Company's corporate website as well.

Provision 13.3: Corporate website

The Company maintains a corporate website (www.silverlakeaxis.com) as a channel of communication and engagement with the stakeholders. The Group's mission and vision statement are stated in the website for all to view, with the latest incorporated Corporate Governance on Anti-Bribery and Anti-Corruption Policy, Code of Conduct, Whistle-blowing Policy, and Code of Conduct for Third Parties, to emphasize on zero tolerance to any bribery and corruption business activity. Information regarding to financial results, analyst briefings, business operations reviews, Company Annual Reports and Circulars can be found on the Company's corporate website.

DEALINGS IN SECURITIES

Rule 1207(19) of the Listing Manual

The Company has in place a share trading policy in relation to dealings in the Company's securities pursuant to the Listing Manual that are applicable to all its officers. The Group issues quarterly reminders to Directors, officers and employees on the restrictions in dealings in the Company's shares during the period commencing two (2) weeks before the announcement of the Group's quarterly financial results and one (1) month before the announcement of the Group's full year results and ending on the date of the announcement of the results or when they are in possession of unpublished material price-sensitive information of the Group.

Since the adoption of half-yearly financial reporting cycle in March 2020 (as described under Provision 12.1), the Group has opted to maintain its quarterly reminders to Directors, officers and employees on the restrictions in dealings in the Company's shares during the period commencing two (2) weeks before the announcement of the first and third quarter voluntary announcement and its first half-yearly announcement, and one (1) month before the announcement of the Group's full year results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period and are discouraged from dealing in the Company's securities on short-term considerations.

Other Information

1. RECURRENT INTERESTED PERSON TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Audit and Risk Committee has reviewed the Group's Interested Person Transactions ("IPT") for the financial year ended 30 June 2024 ("FY2024") to ensure IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and complied with the mandates granted by the shareholders at the Annual General Meeting of the Company held on 26 October 2023. The review procedures for IPTs are disclosed in the Company's Circular to Shareholders dated 10 October 2024.

The aggregate value of recurrent IPT of revenue or trading nature conducted during FY2024 by the Group were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
		01-07-2023 to 30-06-2024 RM	**01-07-2023 to 30-06-2024 RM**
Silverlake Private Entities ("SPE") (1)	Associates of Mr. Goh Peng Ooi		
IPT Mandate (2)			
Contract value from SPE:			
• Silverlake Cloud Computing Sdn. Bhd. (3)		-	6,265,560
• Silverlake Innovation Partners Sdn. Bhd.		-	46,567,100
• Silverlake Capital Market Solution Sdn. Bhd.		-	17,572,850
• Silverlake Processing Services Sdn. Bhd.		-	10,143,300
• Silver Peak Technology Integration Services (Beijing) Co. Ltd.		-	7,493,850
		-	**88,042,660**
Service contract fees to SPE:			
• Silverlake Cloud Computing Sdn. Bhd. (3)		-	(1,984,980)
• Silverlake Mobility Ecosystem Sdn. Bhd.		-	(1,125,508)
		-	**(3,110,488)**
Non-Mandate Transactions (4)			
Contract value from SPE:			
• Silverlake Processing Services Sdn. Bhd.		737,530	-
		737,530	**-**
Service contract fees to SPE:			
• Silverlake Cloud Computing Sdn. Bhd. (3)		(1,665,600)	-
• Sure-Reach Records Management Sdn. Bhd.		(611,819)	-
		(2,277,419)	**-**

Other Information (cont'd)

1. RECURRENT INTERESTED PERSON TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

(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 Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement and Master Services Agreement, and the renewal with the amendments of IPT Mandate was approved by shareholders on 26 October 2023. The IPT Mandate is subject to annual renewal.

(3) As per the SGX announcement by the Company dated 21 May 2024, Silverlake Global Structured Services Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a share purchase agreement for the proposed acquisition ("**Proposed Acquisition**") of the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd., Silverlake MasterSAM Sdn. Bhd. and Silverlake MasterSAM Pte. Ltd. (collectively, the "**Target Companies**"). On 1 July 2024, the Company released a further announcement to announce that the acquisition has been completed. Please refer to the aforementioned announcements for details. The Target Companies are associates of Mr. Goh Peng Ooi prior to completion of the Proposed Acquisition and the aggregate value of the IPT contained in the table above includes the IPT entered into between the Group with the Target Companies during FY2024.

(4) The Non-Mandate Transactions were derived from the out-of-pocket expenses reimbursement from Silverlake Processing Services Sdn. Bhd. (associate of Mr. Goh Peng Ooi) by Silverlake Digitale Sdn. Bhd. (Group entity), provision of marketing support services by Silverlake Cloud Computing Sdn. Bhd. (associate of Mr. Goh Peng Ooi during FY2024) to Silverlake Sistem Sdn. Bhd. (Group entity) and provision of maintenance services by Sure-Reach Records Management Sdn. Bhd. (associate of Mr. Goh Peng Ooi) to Silverlake Structured Services Ltd. (Group entity).

2. ADDITIONAL DISCLOSURE IN RELATION TO THE COMPANY'S UNDERTAKINGS TO THE SGX-ST ON IPT

The ageing of amounts owing from Silverlake Private Entities as at 30 June 2024 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-60 days RM	61-90 days RM	91-180 days RM	>180 days RM
Transactions conducted under the IPT Mandate						
Silverlake Private Entities [1]	21,068,663	12,201,486	8,521,428	345,749	-	-
Non-Mandate Transactions						
Silverlake Private Entities	27,885	-	27,885	-	-	-
Non-Trade Transactions						
Silverlake Private Entities	141,960	141,960	-	-	-	-
Grand Total	**21,238,508**	**12,343,446**	**8,549,313**	**345,749**	**-**	**-**

(1) The Audit and Risk Committee confirms that collections from the Silverlake Private Entities were within the mandated terms.

3. MATERIAL CONTRACTS

Save as disclosed in Note 1 above, there were no material contracts, including contracts relating to loans, entered into by the Company and its subsidiaries involving the interests of any Director, the Chief Executive Officer, or controlling shareholder during FY2024.

Financial Statements

Directors' Report

The directors are pleased to present their report together with the audited consolidated financial statements of Silverlake Axis Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 30 June 2024.

1. Directors

The directors of the Company in office at the date of this report are:

Goh Peng Ooi
Goh Shiou Ling
Chee Chin Leong
Ong Kian Min
Datuk Yvonne Chia
Mah Yong Sun
Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik (appointed on 1 October 2023)

2. Arrangement to enable directors to acquire shares

Except as disclosed in the financial statements, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

3. Directors' interests in shares

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and its related corporations as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Goh Peng Ooi	-	-	1,862,760,568	1,862,760,568
Goh Shiou Ling	630,400	-	-	630,400
Chee Chin Leong	120,000	120,000	-	-
Ong Kian Min	1,800,000	200,000	-	1,600,000
Datuk Yvonne Chia	200,000	-	410,000	610,000
Ordinary shares of the holding company (Zezz FundQ Pte. Ltd.)				
Goh Peng Ooi	602,996,927	602,996,927	-	-

There was no change in any of the abovementioned interests between the end of the financial year and 21 July 2024.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Report (cont'd)

5. Performance share plan

The first Silverlake Axis Ltd. Performance Share Plan ("PSP") was approved by the Company's shareholders at the Special General Meeting held on 28 October 2010 and subsequently expired and lapsed on 28 October 2020 after a maximum period of 10 years from the date it was first adopted.

The new PSP approved by the Company's shareholders at the Special General Meeting held on 27 October 2020 has been effected to replace the expired PSP under which awards ("Awards") of fully-paid shares will be issued free of charge to eligible employees, executive directors and non-executive directors of the Company and its subsidiaries, provided certain prescribed performance targets are met.

The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the total number of shares available under any other share-based schemes of the Company, will not exceed 10% of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The new PSP shall continue to be in force at the discretion of the Remuneration Committee ("RC"), subject to the maximum period of 10 years commencing on 27 October 2020.

The RC comprised Tan Sri Dato' Dr. Mohd Munir bin Abdul Majid as the Chairman and Ms. Goh Shiou Ling, Mr. Ong Kian Min and Datuk Yvonne Chia as members of RC up to the date of the Company's last Annual General Meeting held on 26 October 2023. Subsequently, the Board of Directors of the Company has announced the merger of the Nominating Committee and the Remuneration Committee to form the Nominating and Remuneration Committee ("NRC") with effect from 27 October 2023. The NRC comprises Mr. Ong Kian Min as the Chairman and Datuk Yvonne Chia and Emeritus Professor Tan Sri Dato' Seri Dr. Chuah Hean Teik as members, who undertakes the duties of overseeing the administration of the PSP. In the event that the share awards are granted to non-executive directors who are members of NRC, for good governance, the Board of Directors of the Company shall be responsible for the administration of the PSP.

(i) PSP shares granted to Group Chief Executive Officer

On 26 February 2024, 3,065,738 (2023: 5,400,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.240 (2023: SGD0.335) per share at grant date, amounted to RM2,600,604 (2023: RM5,862,065) to the Group Chief Executive Officer (2023: Group Managing Director), Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2023 (2023: 30 June 2022).

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

(ii) PSP shares granted to key management personnel

In the previous financial year, 600,000 PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 per share at grant date, amounted to RM651,340 to a key management personnel, in recognition of her service and contribution to the Group for the financial year ended 30 June 2022.

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

Details of the PSP are disclosed in Note 25(c) to the financial statements.

6. Treasury shares

On 26 February 2024, 3,065,738 (2023: 6,000,000) treasury shares were released at the price of SGD0.240 (2023: SGD0.335) each, which reflected the fair values of shares at release date, for the purposes of award of shares to the Group Chief Executive Officer (2023: Group Managing Director and a key management personnel) under the PSP.

During the financial year, the Company purchased 150,000 (2023: 4,498,700) shares pursuant to the share purchase mandate approved by shareholders on 26 October 2023 (2023: 27 October 2022). These shares were acquired by way of market acquisition for a total consideration of RM144,218 (2023: RM5,377,265) and are held as treasury shares by the Company.

Further details of the treasury shares are disclosed in Note 25(b) to the financial statements.

7. Significant event during the financial year

Details of significant event during the financial year is disclosed in Note 40 to the financial statements.

8. Significant events after the financial year end

Details of significant events after the financial year end are disclosed in Note 41 to the financial statements.

9. Audit and Risk Committee ("ARC")

Information on the functions and activities of the ARC are disclosed in the Corporate Governance Statement.

10. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

GOH PENG OOI
Director

GOH SHIOU LING
Director

26 September 2024

Statement by Directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position of the Company together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of the results of the business, changes in equity and cash flows of the Group for the year then ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

GOH PENG OOI Director	**GOH SHIOU LING** Director

26 September 2024

Independent Auditor's Report

To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Silverlake Axis Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

(1) Revenue from software licensing and software project services (professional services)

(Refer to Note 2.4(g) Summary of material accounting policies - Revenue recognition, Note 2.5(a) - Key sources of estimation uncertainty, Note 2.5(b) - Judgements made in applying accounting policies, Note 3 - Revenue)

For the financial year ended 30 June 2024, the Group's revenue from the provision of software licensing and software project services (professional services), amounted to RM50 million and RM112 million respectively. Software licensing contracts comprise of sale of license and provision of design and implementation which contain one or more performance obligations while software project services (professional services) are long-term contracts which span more than one accounting period.

We identified revenue from the provision of software licensing and software project services (professional services) as areas requiring audit focus as significant management judgement and estimates are involved, particularly in the following areas:

(a) in determining whether sale of license and provision of design and implementation should be considered as one performance obligation; and

(b) in respect of long-term contracts where revenue is recognised over time in accordance with SFRS(I) 15, estimates made by the management in respect of total budgeted costs in measuring progress towards complete satisfaction of a performance obligation.

Independent Auditor's Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

(1) Revenue from software licensing and software project services (professional services) (cont'd)

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we read the relevant contracts to obtain an understanding of the specific terms and conditions impacting revenue recognition, including the relative proportion of the fees for service and license and the project timeline, in evaluating management's identification and assessment of the performance obligations;

(b) we obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls related to estimating total budgeted costs and profit margin;

(c) we have inquired the management to understand the current status of the project. Depending on the status of the project, we reviewed the available supporting documents, which include vouching of customers' email approval for acknowledgement of work and issuance of billing, purchase orders and relevant documents to evident testing status of software implementation. For each significant stage of implementation (e.g. functional specification, system integration test, user acceptance test, go live), we evaluated the completion status of each significant stage of implementation against sign-offs by customers;

(d) we evaluated the key assumptions applied by management in estimating the total budgeted costs by examining the documentary evidence, such as approved purchase orders, subsequent invoices and letters of award issued to the sub-contractors which support the total budgeted costs;

(e) we also considered the historical accuracy of management's budgets for similar contracts in assessing the estimated total contract costs; and

(f) we reviewed and recomputed the progress towards completion of a performance obligation using input method, including checking the actual costs incurred to date to sub-contractors' claims, invoices and time cost sheets.

(2) Impairment assessment of goodwill

(Refer to Note 2.4(n) Summary of material accounting policies - Impairment of non-financial assets, Note 2.5(c) - Key sources of estimation uncertainty, Note 13 - Intangible assets)

As at 30 June 2024, the carrying amount of goodwill recognised by the Group amounted to RM152 million, representing 22% and 10% of the Group's total non-current assets and total assets respectively. The Group is required to perform annual impairment assessment of the cash-generating units ("CGU") or groups of CGUs to which goodwill has been allocated.

The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value in use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.

We identified this as an area of audit focus as the VIU determined using discounted cash flows is complex as it involves significant management judgement and estimates, specifically the key assumptions on the revenue growth rate, gross profit margin, long-term growth rate and discount rate.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of the methodology adopted by the management in estimating the VIU;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

(2) Impairment assessment of goodwill (cont'd)

Our audit response: (cont'd)

In addressing this area of audit focus, we performed, amongst others, the following procedures: (cont'd)

(b) we obtained an understanding and assessed management's basis of inclusion of potential contracts in the VIU with reference to the stage of negotiation with the customers. In this respect we have inspected supporting documents relating to potential contracts on a sampling basis. We evaluated management's other key assumptions on revenue growth rate, gross profit margin and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective business segments and geographical regions of the CGUs, business plans and growth strategies. We also compared the key assumptions against past actual outcomes;

(c) we involved our internal valuation experts in assessing the reasonableness of the discount rate and long-term growth rate used by management;

(d) we performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the CGUs; and

(e) we assessed the adequacy of disclosures of key assumptions to which the outcome of the impairment assessment is most sensitive.

(3) Impairment assessment on investments in subsidiaries

(Refer to Note 2.4(n) Summary of material accounting policies - Impairment of non-financial assets, Note 2.5(d) - Key sources of estimation uncertainty, Note 14 - Investments in subsidiaries)

As at 30 June 2024, the carrying amount of the Company's investments in subsidiaries amounted to RM2,205 million.

The Company is required to perform impairment assessment of its investments in subsidiaries whenever there is an indication that the investments may be impaired.

Accordingly, the Company performed an impairment assessment on the cash-generating units ("CGUs") relating to certain subsidiaries. The Company estimated the recoverable amounts of the CGUs based on the higher of its value in use ("VIU") and fair value less cost to sell. Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.

We identified this as an area of audit focus as the VIU determined using discounted cash flows is complex and involves significant management judgement and estimates, specifically the key assumptions on the revenue growth rate, gross profit margin, long-term growth rate and discount rate.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of the methodology adopted by the management in estimating the VIU;

(b) we obtained an understanding and assessed management's basis of inclusion of potential contracts in the VIU with reference to the stage of negotiation with the customers. In this respect we have inspected supporting documents relating to potential contracts on a sampling basis. We evaluated management's other key assumptions on revenue growth rate, gross profit margin and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective subsidiaries. We also compared the key assumptions against past actual outcomes;

(c) we involved our internal valuation experts in assessing the discount rate and long-term growth rate used by management;

Independent Auditor's Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

(3) Impairment assessment on investments in subsidiaries (cont'd)

Our audit response: (cont'd)

In addressing this area of audit focus, we performed, amongst others, the following procedures: (cont'd)

(d) we performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the investments in subsidiaries; and

(e) we assessed the adequacy of disclosures of impairment testing of investments in subsidiaries.

(4) Capitalisation of software development expenditure as intangible assets

(Refer to Note 2.4(m) Summary of material accounting policies - Intangible assets, Note 2.5(b) - Key sources of estimation uncertainty, Note 13 - Intangible assets)

As at 30 June 2024, the carrying amount of software development expenditure recognised by the Group amounted to RM251 million, representing 36% and 16% of the Group's total non-current assets and total assets respectively.

We identified this as an area of audit focus due to significant judgement required to determine appropriateness of types of expenditure and amounts capitalised in accordance with SFRS(I) 1-38 Intangible Assets, of which specific criteria has to be met before a particular expense item can be capitalised.

Our audit response:

In addressing this area of audit focus, we performed, amongst others, the following procedures:

(a) we obtained an understanding of management's process and controls in place which govern the capitalisation of software development expenditure;

(b) we tested controls over the process which tracks and records payroll costs specifically incurred for the software development projects;

(c) we reviewed management's assessment of the eligibility of the development costs for capitalisation as intangible asset in accordance with SFRS(I) 1-38;

(d) on a sampling basis, we inspected supporting documents to verify that the costs were incurred during the development stage and only qualifying costs are capitalised in accordance with SFRS(I) 1-38. For samples selected, we also obtained and reviewed the development plan from management to understand the progress of the development projects and consider whether they are consistent with the originally approved budget. Projects with significant delays were investigated to determine if completion of those projects are probable;

(e) we involved our internal technology specialists in the review of significant software development plans and activities carried out by the Group during the financial year; and

(f) we reviewed the adequacy of disclosures in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT’D)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors’ responsibilities include overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (cont'd)
To members of Silverlake Axis Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The signing partner on the audit resulting in this independent auditor's report is Tee Huey Yenn.

ERNST & YOUNG LLP

Public Accountants and Chartered Accountants
Singapore

26 September 2024

Consolidated Income Statement
For the financial year ended 30 June 2024

		Group	
		2024	2023
	Note	RM	RM
Revenue	3	783,454,953	765,915,225
Cost of sales		(373,410,664)	(314,903,304)
Gross profit		410,044,289	451,011,921
Other items of income			
Finance income	4	16,662,746	11,746,754
Other income	5	4,832,856	3,383,782
Other items of expenses			
Selling and distribution costs		(73,633,526)	(50,258,324)
Administrative expenses		(190,631,643)	(177,016,356)
Finance costs	6	(8,440,900)	(8,351,752)
Share of loss of an associate	15	(1,224,703)	(954,267)
Profit before tax	7	157,609,119	229,561,758
Income tax expense	9	(52,432,758)	(59,282,715)
Profit for the year		105,176,361	170,279,043
Profit for the year attributable to:			
Owners of the parent		103,349,387	169,591,931
Non-controlling interests		1,826,974	687,112
		105,176,361	170,279,043
Earnings per share attributable to the owners of the parent:			
- Basic (sen)	10	4.11	6.76
- Diluted (sen)	10	4.11	6.76

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2024

	Note	Group 2024 RM	Group 2023 RM
Profit for the year		105,176,361	170,279,043
Other comprehensive income:			
Item that may be reclassified to profit or loss in the subsequent periods:			
- Foreign currency translation gain		1,577,703	45,829,596
Items that will not be reclassified to profit or loss in the subsequent periods:			
- Fair value (loss)/gain on financial assets - quoted equity shares	26(d)	(62,734,868)	16,994,912
- Deferred tax relating to fair value loss/(gain) on financial assets - quoted equity shares	30	6,333,872	(1,650,306)
- Actuarial loss on defined benefit plans	32	(87,302)	(272,070)
- Deferred tax relating to actuarial loss on defined benefit plans	30	6,113	70,790
		(56,482,185)	15,143,326
Other comprehensive (loss)/income for the year, net of tax		(54,904,482)	60,972,922
Total comprehensive income for the year		50,271,879	231,251,965
Total comprehensive income for the year attributable to:			
Owners of the parent		48,444,905	230,564,853
Non-controlling interests		1,826,974	687,112
		50,271,879	231,251,965

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 30 June 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Non-current assets					
Property, plant and equipment	11	11,084,905	11,713,163	21,401	29,648
Right-of-use assets	12	25,451,525	26,703,864	-	-
Intangible assets	13	426,402,989	409,304,299	-	-
Investments in subsidiaries	14	-	-	2,205,432,727	2,259,360,871
Investment in an associate	15	12,710,643	5,650,767	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	16	178,337,413	2,800,000	-	-
Amount due from a subsidiary	20	-	-	150,570,098	145,607,986
Deferred tax assets	30	45,144,335	49,984,324	-	-
		699,131,810	506,156,417	2,356,024,226	2,404,998,505
Current assets					
Inventories	17	886,005	399,155	-	-
Trade and other receivables	18	172,001,500	185,797,367	117,843	156,811
Contract assets	19	185,351,347	154,441,619	-	-
Prepayments		4,387,153	4,000,523	178,259	42,518
Dividend receivable		-	-	-	41,262,000
Amounts due from subsidiaries	20	-	-	168,818	93,954
Amounts due from related parties	20	21,238,508	7,747,946	-	-
Loans to subsidiaries	21	-	-	-	4,865,478
Tax recoverable		2,968,423	6,433,217	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	16	-	236,434,408	-	-
Financial assets at fair value through profit or loss - money market fund	22	7,844,763	27,544,302	-	-
Derivative asset	23	-	2,586	-	-
Cash and bank balances	24	497,222,962	504,249,343	88,349,137	120,155,839
		891,900,661	1,127,050,466	88,814,057	166,576,600
Total assets		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position as at 30 June 2024 (cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Equity and liabilities					
Equity					
Share capital	25(a)	1,845,200,087	1,845,200,087	1,845,200,087	1,845,200,087
Treasury shares	25(b)	(193,093,213)	(196,600,677)	(193,093,213)	(196,600,677)
Other reserves	26	(57,842,297)	(1,967,926)	291,686,129	265,644,529
Merger deficit	27	(1,943,942,990)	(1,943,942,990)	-	-
Retained profits		1,484,854,267	1,433,502,822	378,540,099	498,095,391
Equity attributable to owners of the parent		1,135,175,854	1,136,191,316	2,322,333,102	2,412,339,330
Non-controlling interests		15,631,626	13,804,652	-	-
Total equity		1,150,807,480	1,149,995,968	2,322,333,102	2,412,339,330
Non-current liabilities					
Loans and borrowings	28	133,914,057	171,950,644	115,895,112	152,731,692
Deferred tax liabilities	30	23,093,054	44,130,441	-	-
Provision for defined benefit liabilities	32	13,900,749	13,763,331	-	-
		170,907,860	229,844,416	115,895,112	152,731,692
Current liabilities					
Trade and other payables	31	99,706,517	112,308,808	4,048,555	3,560,926
Contract liabilities	19	135,518,326	112,978,637	-	-
Loans and borrowings	28	8,224,167	7,561,360	-	-
Provision for defined benefit liabilities	32	567,388	-	-	-
Amounts due to subsidiaries	20	-	-	2,075,682	2,548,370
Amounts due to related parties	20	1,548,228	873,424	-	-
Tax payable		23,752,505	19,644,270	485,832	394,787
		269,317,131	253,366,499	6,610,069	6,504,083
Total liabilities		440,224,991	483,210,915	122,505,181	159,235,775
Net current assets		622,583,530	873,683,967	82,203,988	160,072,517
Total equity and liabilities		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2024

2024		Attributable to owners of the parent							
			<------ Non-distributable ------>						
Group	Note	Share capital (Note 25(a)) RM	Treasury shares (Note 25(b)) RM	Other reserves (Note 26) RM	Merger deficit (Note 27) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2023		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968
Profit for the year		-	-	-	-	103,349,387	103,349,387	1,826,974	105,176,361
Other comprehensive loss for the year		-	-	(54,823,293)	-	(81,189)	(54,904,482)	-	(54,904,482)
Total comprehensive (loss)/ income for the year		-	-	(54,823,293)	-	103,268,198	48,444,905	1,826,974	50,271,879
Transactions with owners									
Purchase of treasury shares	25(b)	-	(144,218)	-	-	-	(144,218)	-	(144,218)
Grant of shares under Performance Share Plan	25(c)	-	-	2,600,604	-	-	2,600,604	-	2,600,604
Release of shares under Performance Share Plan	25(b)	-	3,651,682	(3,651,682)	-	-	-	-	-
Dividends on ordinary shares	33	-	-	-	-	(51,916,753)	(51,916,753)	-	(51,916,753)
Total transactions with owners in their capacity as owners		-	3,507,464	(1,051,078)	-	(51,916,753)	(49,460,367)	-	(49,460,367)
At 30 June 2024		1,845,200,087	(193,093,213)	(57,842,297)	(1,943,942,990)	1,484,854,267	1,135,175,854	15,631,626	1,150,807,480

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity (cont'd)
For the financial year ended 30 June 2024

2023 Group	Note	Attributable to owners of the parent: Share capital (Note 25(a)) RM	Treasury shares (Note 25(b)) RM	<------ Non-distributable ------> Other reserves (Note 26) RM	Merger deficit (Note 27) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2022		1,845,200,087	(197,775,703)	(63,103,242)	(1,943,942,990)	1,321,682,810	962,060,962	13,117,540	975,178,502
Profit for the year		-	-	-	-	169,591,931	169,591,931	687,112	170,279,043
Other comprehensive income/(loss) for the year		-	-	61,174,202	-	(201,280)	60,972,922	-	60,972,922
Total comprehensive income for the year		-	-	61,174,202	-	169,390,651	230,564,853	687,112	231,251,965
Transactions with owners									
Purchase of treasury shares	25(b)	-	(5,377,265)	-	-	-	(5,377,265)	-	(5,377,265)
Grant of shares under Performance Share Plan	25(c)	-	-	6,513,405	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	25(b)	-	6,552,291	(6,552,291)	-	-	-	-	-
Dividends on ordinary shares	33	-	-	-	-	(57,570,639)	(57,570,639)	-	(57,570,639)
Total transactions with owners in their capacity as owners		-	1,175,026	(38,886)	-	(57,570,639)	(56,434,499)	-	(56,434,499)
At 30 June 2023		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2024

	Note	Group 2024 RM	2023 RM
Operating activities			
Profit before tax		157,609,119	229,561,758
Adjustments for:			
Amortisation of intangible assets	7, 13	28,762,185	27,253,208
Write off of intangible assets	7	557,200	-
Depreciation of property, plant and equipment	7, 11	3,951,405	3,597,195
Depreciation of right-of-use assets	7, 12	9,220,769	8,549,998
Write off of property, plant and equipment	7	116,754	28,943
Net (gain)/loss on disposal of property, plant and equipment	5, 7	(2,364)	38,647
Net gain on disposal of right-of-use assets	5	(1,526)	(103,490)
Net gain on lease modifications	5	-	(173,984)
Bad debts written off	7	277,608	73,007
Expected credit losses on trade receivables	7	2,490,265	1,948,852
Expected credit losses on contract assets	7	1,595,365	-
Reversal of expected credit losses on trade receivables	5	(561,258)	(289,316)
Reversal of expected credit losses on contract assets	5	-	(150,382)
Provision/(reversal of provision) for foreseeable losses	7	644,262	(508,068)
Dividend income from financial assets - quoted equity shares	5	(21,000)	(63,000)
Net gain on redemption of financial assets - money market fund	5	(188,364)	(861,177)
Net unrealised foreign currency exchange loss	7	2,459,197	3,231,581
Loss on derivative asset at fair value through profit or loss	7	-	1,176,968
Performance shares issued	8	2,556,090	6,595,272
Waiver of debts	5	(106,355)	(108,112)
Allowance for unutilised leave	8	2,242,534	1,853,268
Defined benefit obligation	8, 32	1,465,978	590,497
Share of loss of an associate	15	1,224,703	954,267
Finance costs	6	8,440,900	8,351,752
Finance income	4	(16,662,746)	(11,746,754)
Total adjustments		48,461,602	50,239,172
Operating cash flows before changes in working capital		206,070,721	279,800,930
Changes in working capital:			
Inventories		(468,803)	21,124
Trade and other receivables		9,403,944	(56,439,341)
Contract assets/liabilities		(9,997,489)	(95,887,698)
Amounts due from/to related parties, net		(12,835,949)	9,621,422
Trade and other payables		(22,267,829)	(9,764,967)
Total changes in working capital		(36,166,126)	(152,449,460)
Cash flows from operations		169,904,595	127,351,470
Net placement of deposits pledged		(3,135,572)	(414,937)
Defined benefits paid	32	(415,686)	(89,886)
Income tax paid		(50,311,422)	(46,142,514)
Interest paid		(8,544,619)	(8,086,832)
Net cash flows from operating activities		107,497,296	72,617,301

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows (cont'd)
For the financial year ended 30 June 2024

	Note	Group 2024 RM	Group 2023 RM
Investing activities			
Purchases of property, plant and equipment	11	(3,465,400)	(5,121,089)
Downpayment for hire purchase assets	(a)	(87,400)	(46,401)
Payments for software development expenditure	13	(44,933,150)	(78,110,516)
Payments for other intangible assets	13	(648,854)	(2,131,855)
Proceeds from disposal of property, plant and equipment		6,261	152,191
Proceeds from disposal of right-of-use assets		2,234	275,314
Proceeds from redemption of financial assets - money market fund		19,907,903	27,976,424
Acquisition of additional equity interest in an associate	15	(8,209,008)	-
Purchases of financial assets - money market fund		(20,000)	-
Interest received		15,802,212	11,209,177
Dividend income received from financial assets - quoted equity shares		21,000	63,000
Net cash flows used in investing activities		(21,624,202)	(45,733,755)
Financing activities			
Dividends paid	33	(51,916,753)	(57,570,639)
Purchase of treasury shares	25(b)	(144,218)	(5,377,265)
Repayment of revolving credit and term loan	37	(38,546,713)	(36,582,936)
Payment of principal portion of lease liabilities	37	(8,424,651)	(8,265,745)
Net cash flows used in financing activities		(99,032,335)	(107,796,585)
Net decrease in cash and cash equivalents		(13,159,241)	(80,913,039)
Effects of exchange rate changes on cash and cash equivalents		2,983,824	26,687,864
Cash and cash equivalents at beginning of the year		494,709,601	548,934,776
Cash and cash equivalents at end of the year	24	484,534,184	494,709,601

(a) Additions of right-of-use assets during the financial year were by way of:

	Group 2024 RM	Group 2023 RM
Cash	87,400	46,401
Leases	1,679,464	5,167,388
	1,766,864	5,213,789

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2024

1. Corporate information

Silverlake Axis Ltd. (the "Company") was an exempt company with limited liability and incorporated in Bermuda. On 23 September 2021, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

The Company regards Zezz FundQ Pte. Ltd. ("Zezz"), an exempt private company incorporated in Singapore, as its holding company.

The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST).

On 14 November 2023, the registered office of the Company was relocated to 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14. There have been no significant changes in the nature of these activities during the financial year.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by Accounting Standards Council Singapore ("ASC"). SFRS(I)s are equivalent to International Financial Reporting Standards ("IFRSs").

The financial statements have been prepared on a historical cost basis, except as disclosed in the summary of material accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's and the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.5.

2.2 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to SFRS(I) which are effective 1 July 2023 for the Group and the Company:

SFRS(I) 17: Insurance Contracts
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
Amendments to SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 - Comparative Information

The adoption of the above amendments to standards did not have any significant effect on the financial performance or position of the Group and of the Company, except for:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description		Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1	Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21	Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group intends to adopt these standards when they become effective. The directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements.

2.4 Summary of material accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) Business combinations and goodwill

Certain business combinations of the Group are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combinations of the Group involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the equity of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control. Expenditure incurred in relation to a business combination under common control is recognised as an expense in the period in which it is incurred.

(c) Associate

The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Investments in subsidiaries and associate

Investments in subsidiaries and associate are carried at cost less accumulated impairment losses in the Company's separate financial statements. Where an indication of impairment exists, the carrying amounts of the investments are assessed and written down immediately to its recoverable amount. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(n).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(e) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent. Gain or loss on disposal of non-controlling interests is recognised directly in equity.

(f) Foreign currency translation

The Company's functional currency is Singapore Dollar ("SGD"). The Group's consolidated financial statements are presented in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(g) Revenue recognition

Revenue from contracts with customers

The Group is in the business of providing digital economy solutions such as software licensing, software project services (professional services), maintenance and enhancement services, sale of system software and hardware products, insurance ecosystem transactions and services and retail transactions processing. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, since it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.5.

(i) Software licensing

Revenue from software licensing is recognised at a point in time when there are no remaining obligations in accordance with the substance of the agreement. When there are no obligations subsequent to the delivery of the software source codes, license fees are recognised upon transfer of title to the customer, which takes place upon delivery and customer acceptance.

When there is significant modification required subsequent to the delivery of the software source codes, the performance obligation on software licensing is satisfied over time, where revenue is recognised using the input method in measuring the progress towards complete satisfaction of the performance obligation. Payment is generally due upon completion of customisation and acceptance by the customer.

(ii) Software project services (professional services)

Revenue from the rendering of software project services (professional services) is recognised over time. The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services), by reference to the actual cost incurred for work performed to date bear to the estimated total costs for each contract, as disclosed in Note 2.4(h).

(iii) Maintenance and enhancement services

The Group provides maintenance and enhancement services that are either sold separately or bundled together with software licensing and software project services (professional services) to a customer.

Contracts for bundled software project services (professional services) and maintenance services comprise multiple performance obligations as the promises to perform the software implementation and to provide maintenance services subsequent to the completion of software implementation are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of each performance obligation.

The Group recognises revenue from maintenance services over the contractual period and enhancement services over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(g) Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

(iv) Sale of system software and hardware products

Revenue from the sale of system software and hardware products is recognised at a point in time upon delivery of products and customer acceptance, net of discounts.

When another party is involved in providing the software and hardware to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis when it controls the promised goods or services before transferring them to the customer (e.g. provides services of integrating software and hardware products provided by another party into the specified service for which the customer has contracted). When the Group's role is only to arrange for another party to provide the software and hardware products, the Group is an agent and records revenue at the net amount that it retains for its agency services.

(v) Insurance ecosystem transactions and services

Revenue on insurance ecosystem transactions and services comprises service fee received from customers which are recognised at a point in time, as well as subscription fee and integration services which are recognised over time. The payments for these services are generally due upon rendering of services and acceptance by customers respectively.

(vi) Retail transactions processing

Revenue from retail transactions processing comprises cloud subscriptions received from customers which are recognised over the subscription period. The payment for this service is generally due at the beginning of the subscription period.

The Group considers whether there are other promises in each of the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. options to acquire additional licensing or services at a discount and free man-days or maintenance services for specified period in bundled contract). The Group allocates a portion of the transaction price to each separate performance obligation identified. The revenue allocated to these separate performance obligations are deferred until they are utilised, exercised, expired or lapsed, and presented within contract liabilities when the consideration is received.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Note 2.4(o).

(ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The accounting policies of financial assets are as disclosed in Note 2.4(o).

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(g) Revenue recognition (cont'd)

Contract balances (cont'd)

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Other income

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(h) Income recognition on contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the progress towards complete satisfaction of a performance obligation in the contract at the reporting date. An expected loss on the contract is recognised as an expense immediately when it is probable that total contract costs will exceed total revenue.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is adjusted based on the stand-alone selling prices for contracts with bundled services in accordance with the requirements for determining the transaction price in SFRS(I) 15.

The progress towards complete satisfaction of a performance obligation in a contract is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Contract costs include staff costs, allowances and other directly attributable costs.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(j) Taxes (cont'd)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, based on the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Sales tax and service tax

Revenues, expenses and assets are recognised net of the amount of sales and/or service tax, except:

- when the sales and/or service tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and/or service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- when receivables and payables that are stated with the amount of sales and/or service tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The payable amount of sales and service tax ("SST") in Malaysia is included as part of payables in the statements of financial position.

(k) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives, as follows:

Furniture and fittings	3 to 10 years
Motor vehicles	5 to 7 years
Office equipment	2 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(l) Leases (cont'd)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicles	5 to 7 years
Office equipment	2 to 5 years
Office premises	1 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the income statement due to its operating nature.

(m) Intangible assets

(i) Software development expenditure

Software development expenditure comprises purchased software, manpower and related overhead incurred directly in the development of computer software. Software development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and use or sell the asset;
- the ability to use or sell the intangible asset generated;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(m) Intangible assets (cont'd)

(i) Software development expenditure (cont'd)

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit (to the maximum of 10 years), at the principal annual amortisation rate of 10% to 20%. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Software development expenditures which are not or have ceased to be commercially viable are written off. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(n).

(ii) Other intangible assets

Other intangible assets of the Group comprise purchased software, proprietary software, customer relationship and customer contracts.

Other intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding software development expenditures, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Other intangible assets with finite lives are amortised over the economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Other intangible assets of the Group are amortised on a straight-line basis over their estimated economic useful lives, as follows:

Purchased software	5 to 10 years
Proprietary software	10 years
Customer relationship	2 to 12 years
Customer contracts	2 years

(n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognised in the income statement.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A reversal of impairment loss is recognised in the income statement.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(n) Impairment of non-financial assets (cont'd)

Goodwill

Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate that the carrying value may be impaired.

Impairment of goodwill is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in those units or groups of units on a pro-rata basis.

(o) Financial instruments – Initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of SFRS(I) 9 of the Group and the Company are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

Subsequent measurement

<u>Financial assets at amortised cost</u>

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amounts due from related parties, amounts due from subsidiaries, loans to subsidiaries, and cash and bank balances.

<u>Financial assets designated at fair value through OCI (equity instruments)</u>

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under SFRS(I) 1-32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investment in quoted equity shares under this category.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(o) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the income statement.

The Group's financial assets at fair value through profit or loss include investment in money market fund.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due based on the Group's policy. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities which are classified, at initial recognition, as financial liabilities at amortised cost, are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, payables, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

This category includes trade and other payables, amounts due to related parties, amounts due to subsidiaries and loans and borrowings.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(o) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Fair value measurement

The Group and the Company measure financial instruments such as quoted investments, money market fund and derivative asset at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(q) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method.

(r) Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash at banks and on hand and short-term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, and are subject to an insignificant risk of changes in values, net of pledged deposits.

(s) Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against the share capital.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(t) Share-based payment transactions

Equity-settled transactions - Performance share plan ("PSP")

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions). The cost of equity-settled transactions is measured by reference to the fair value of shares at the date when the award is granted using an appropriate valuation model.

The cost of equity-settled transactions is recognised in employee benefits expense, together with a corresponding increase in the PSP reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the performance shares are released on the release date, the PSP reserve is transferred to share capital if new shares are issued, or to treasury shares if the performance shares are satisfied by the reissuance of treasury shares.

(u) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employees' Provident Fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee benefits expense in the period in which the related service is performed, unless they can be capitalised as an asset.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(iii) Severance benefits

Severance benefits are payable whenever an employee's employment is terminated in exchange for these benefits. The Group recognises severance benefits when it is demonstrably committed to terminating the employment of current employees according to a formal plan without possibility of withdrawal.

2. Material accounting policies (cont'd)

2.4 Summary of material accounting policies (cont'd)

(w) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability
- Remeasurements of net defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in income statement. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change in the net defined benefit liability during the period, that arises from the passage of time and determined by applying the discount rate based on high quality corporate bonds to measure the net defined benefit liability. The net interest is recognised in the income statement.

Remeasurements, comprising actuarial gains and losses, are recognised immediately in the statements of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they arise. Remeasurements are not reclassified to income statement in subsequent periods.

2.5 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Measurement of progress towards complete satisfaction of software project services (professional services)

The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services) in accounting for its contract revenue for rendering of these services where it is probable that contract costs are recoverable. The progress towards complete satisfaction of software project services (professional services) is determined by the proportion that the contract costs incurred to date bear to the estimated total costs for the contract.

Significant judgement is required in determining the progress towards complete satisfaction of software project services (professional services), the extent of the contract costs incurred and the estimated total contract costs, as well as the recoverability of the contract costs. In making the estimation, the Group evaluates based on its past experience of similar types of contracts.

Sensitivity analysis on the estimated remaining contract costs

If the estimated remaining contract costs (excluding sub-contractor fees) for material contracts increase by 10%, the net profit of the Group will decrease by approximately RM1,797,000 (2023: RM1,504,000).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(b) Capitalisation and economic useful lives of software development expenditure

The Group capitalised costs relating to the development and enhancement of its new and existing software respectively, upon meeting the criteria for capitalisation as disclosed in Note 2.4(m)(i). Amortisation of the software begins when development is complete and the software is available for use over the period of expected future benefit (to the maximum of 10 years). The Group reviews the economic useful lives of the software at least once a year. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

Sensitivity analysis on economic lives of software development expenditure

If the economic lives of these intangible assets vary by 1 year from management's estimates, the Group's amortisation will vary as follows:

	Group	
	2024 RM	**2023 RM**
If economic lives increase by 1 year: Decrease in amortisation	1,957,778	1,645,730
If economic lives decrease by 1 year: Increase in amortisation	(2,392,840)	(2,011,448)

(c) Impairment of goodwill

An impairment exists when the carrying value of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flows model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amounts are most sensitive to the discount rate used for the discounted cash flows model as well as the expected future cash inflows and the long-term growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are further explained in Note 13. No further impairment loss on goodwill has been recognised in the current and previous financial years.

(d) Impairment of investments in subsidiaries

The Company assesses, at each reporting date, whether there is an indication that the investments in subsidiaries may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 30 June 2024 was RM2,205,432,727 (2023: RM2,259,360,871) (Note 14).

The carrying value of the Company's investments in subsidiaries has been tested for impairment by discounting the total estimated future cash flows of the subsidiaries' business using long-term growth rate ranging from 2% to 3% (2023: 2% to 3%) and discount rate ranging from 11% to 15% (2023: 11% to 16%), varying in accordance to country and industry, taking into consideration the nature and basis for valuation adjustments and calculations. In the current financial year, an impairment loss of RM79,790,832 (2023: Nil) has been recognised on the investment of a certain subsidiary company.

2. Material accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(d) Impairment of investments in subsidiaries (cont'd)

Sensitivity analysis on discount rate and long-term growth rate used

On the basis that all other assumptions in the value in use calculation remain constant, an increase of 0.5% in discount rate and a decrease of 0.5% in long-term growth rate would result in potential impairment loss amounting to RM52,286,000 (2023: RM57,668,000) and RM36,674,000 (2023: RM42,578,000) respectively, on investments in two subsidiaries of the Company.

(e) Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated with the changes in the forward-looking estimates.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs require estimation. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amounts of the Group's trade receivables and contract assets at the reporting date are disclosed in Note 18 and Note 19 respectively. The assessment of credit risk and the information about the ECLs on the Group's trade receivables and contract assets are disclosed in Note 36(c).

(f) Income tax and deferred tax

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the written-down allowance of intellectual property rights, capital and other tax allowances, and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimation of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unutilised tax losses and other tax benefits to the extent that it is probable that taxable profit will be available against which the losses and tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has RM63,908,471 (2023: RM10,708,605) of unutilised tax losses carried forward in which no deferred tax assets have been recognised. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries do not have sufficient taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

If the Group was able to recognise these unrecognised deferred tax assets, profit and equity would have increased by RM15,345,637 (2023: RM2,506,187). Further details on taxes are disclosed in Note 9 and Note 30.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effects on the amounts recognised in the consolidated financial statements.

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the environment in which the entities operate and the entities' process of determining sales prices.

(b) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Identifying separate performance obligations in a bundled contract

The Group provides software license, software project services (professional services), maintenance and enhancement services that are either sold separately or bundled together to a customer. These promises are part of the negotiated exchange between the Group and the customer.

The Group determined that for software that is to be substantially customised to add significant new functionality to enable the software to interface with other software applications used by the customer, both the license and the implementation services are not capable of being distinct. The contract results in a promise to provide a significant service of integrating the licensed software into the existing software system by performing a customisation. In other words, the Group is using the license and the customisation as inputs to produce the combined output (i.e. a functional and integrated software system). The software is significantly modified and customised by the implementation service.

The Group also determined that the promises to transfer the customised software solution and to provide maintenance services are distinct within the context of the contract. The customised software solution and maintenance services are not inputs to a combined item in the contract. The Group is not providing a significant integration service as the presence of the customised software solution and maintenance services together in this contract do not result in any additional or combined functionality and neither the customised software solution nor the maintenance services modify or customise the other. In addition, the customised software solution and maintenance services are not highly interdependent or highly interrelated since the Group would be able to transfer the customised software solution even if the customer does not engage the Group for the maintenance services.

The Group also identified a small number of maintenance service contracts with customers that contain free man-days and certain contracts that grants options to customers to acquire additional goods or services at discounts. The free man-days and the options that provide the customers material rights are accounted for as separate performance obligations.

(ii) Determining the timing of satisfaction of performance obligations

The Group concluded that revenue from the provision of software implementation services is to be recognised over time because the Group creates or enhances the customised software solution that the customer controls as it is created or enhanced; and the Group's performance does not create a software solution with alternative use and the Group has a right to payment for performance completed to date.

The Group determined that the input method is the appropriate method in measuring progress of the implementation services because there is a direct relationship between the Group's effort and the transfer of implementation service to the customer.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

2. Material accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Judgements made in applying accounting policies (cont'd)

(b) Revenue from contracts with customers (cont'd)

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers: (cont'd)

(ii) Determining the timing of satisfaction of performance obligations (cont'd)

For maintenance services, the Group concluded that revenue is to be recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the maintenance services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

(c) Determining the lease term of contracts with renewal and termination options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3. Revenue

		Group	
	Note	2024 RM	2023 RM
Sale of goods or rendering of services			
Software licensing	(a)	50,173,247	73,913,899
Software project services (professional services)	(b)	111,812,645	102,014,974
Maintenance and enhancement services	(c)	542,724,757	513,111,353
Sale of system software and hardware products	(d)	13,820,297	20,630,038
Insurance ecosystem transactions and services	(e)	59,775,793	52,260,628
Retail transactions processing	(f)	5,148,214	3,984,333
Total revenue from contracts with customers		783,454,953	765,915,225
Timing of revenue recognition			
At a point in time		71,186,422	70,251,568
Over time		712,268,531	695,663,657
Total revenue from contracts with customers		783,454,953	765,915,225

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

3. Revenue (cont'd)

Performance obligations

Information about the Group's performance obligations are summarised below:

(a) Software licensing

The performance obligation is satisfied at a point in time when there are no obligations subsequent to the delivery of the software source codes, and payment is due upon transfer of title to the customer, which takes place upon delivery and acceptance by customer.

When there is significant modification required subsequent to the delivery of the software source codes, the performance obligation on software licensing is satisfied over time, where revenue is recognised using the input method in measuring the progress towards complete satisfaction of the performance obligation. Payment is generally due upon completion of customisation and acceptance by the customer.

Included in software licensing revenue disclosed above is software licensing revenue recognised over time using the input method amounting to RM40,794,769 (2023: RM67,089,232).

(b) Software project services (professional services)

The performance obligation is satisfied over time and payment is generally due upon completion of customisation and acceptance by the customer. For some contracts, short-term advances are required before the customisation service is provided.

In compliance with SFRS(I) 15, software licensing together with software project services (professional services) which involve significant customisation are treated as a single performance obligation. For SFRS(I) 15 disclosure purpose, total software licensing and software project services revenue (professional services) recognised over time amounted to RM152,607,414 (2023: RM169,104,206).

(c) Maintenance and enhancement services

Revenue from maintenance and enhancement services comprise two separate performance obligations i.e. maintenance services and enhancement services, amounting to RM282,150,098 and RM260,574,659 (2023: RM257,314,483 and RM255,796,870) respectively.

Maintenance services are satisfied over time and payment is generally due in advance at the beginning of the maintenance period.

Enhancement services are satisfied over time and payment is generally due upon completion of customisation and acceptance by the customer. For some contracts, short-term advances are required before the customisation service is provided.

(d) Sale of system software and hardware products

The performance obligation is satisfied at a point in time and payment is due upon delivery and acceptance by customer.

(e) Insurance ecosystem transactions and services

Revenue from insurance ecosystem comprises service fee received from customers which are recognised at a point in time, as well as subscription fee and integration services which are recognised over time, amounting to RM47,987,647 and RM11,788,146 (2023: RM42,796,863 and RM9,463,765) respectively. Payments for these services are generally due upon rendering of services and acceptance by customer respectively.

3. Revenue (cont'd)

Performance obligations (cont'd)

Information about the Group's performance obligations are summarised below: (cont'd)

(f) Retail transactions processing

This represents cloud subscription received from customers which are recognised over time and payment for this service is generally due at the beginning of the subscription period.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	Group	
	2024 RM	**2023 RM**
Within one year	383,079,089	354,564,852
More than one year	137,156,932	139,769,154
	520,236,021	494,334,006

The Group applies the practical expedient on the exemption to disclose the information on the remaining performance obligations that have original expected durations of one year or less.

Included in the aggregate amount of remaining performance obligations (unsatisfied or partially unsatisfied) to be recognised within one year are maintenance services contracts with auto-renewal term amounting to RM155,052,041 (2023: RM146,571,303), which is recurring in nature unless notice of termination is made available and mutually agreed before renewal.

The remaining performance obligations expected to be recognised in more than one year relate to the customisation of software solutions to be satisfied within three years (2023: within three years) and maintenance services to be satisfied within five years (2023: within five years).

4. Finance income

	Group	
	2024 RM	**2023 RM**
Interest income from deposits with licensed banks	15,637,570	11,328,559
Interest income on receivables	48,077	-
	15,685,647	11,328,559
Unwinding of discount on amounts due from customers (receivables) *	977,099	418,195
Total finance income	16,662,746	11,746,754

** This represents unwinding of discount on project related contracts with deferred billing arrangements.*

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

5. Other income

	Group	
	2024 RM	2023 RM
Net realised foreign currency exchange gain	1,518,853	-
Miscellaneous income	1,374,013	472,941
Commission income and other incentives	728,763	738,715
Reversal of expected credit losses on trade receivables (Note 36(c))	561,258	289,316
Rental income of office premises	229,045	241,014
Net gain on redemption of financial assets - money market fund	188,364	861,177
Waiver of debts	106,355	108,112
Government subsidies	101,315	181,651
Dividend income from financial assets - quoted equity shares	21,000	63,000
Net gain on disposal of property, plant and equipment	2,364	-
Net gain on disposal of right-of-use assets	1,526	103,490
Net gain on lease modifications	-	173,984
Reversal of expected credit losses on contract assets (Note 36(c))	-	150,382
Total other income	4,832,856	3,383,782

6. Finance costs

	Group	
	2024 RM	2023 RM
Interest expense on:		
- Revolving credit	7,359,102	7,522,022
- Lease liabilities (Note 29)	1,044,350	783,878
- Term loan	-	5,623
	8,403,452	8,311,523
Unwinding of discount on amounts due to customers (payables) *	37,448	40,229
Total finance costs	8,440,900	8,351,752

* *This represents unwinding of discount on sub-contracted software projects with deferred billing arrangements.*

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group 2024 RM	Group 2023 RM
Amortisation of intangible assets (Note 13)	28,762,185	27,253,208
Write off of intangible assets (Note 13)	557,200	-
Depreciation of property, plant and equipment (Note 11)	3,951,405	3,597,195
Depreciation of right-of-use assets (Note 12)	9,220,769	8,549,998
Net loss on disposal of property, plant and equipment	-	38,647
Bad debts written off	277,608	73,007
Expected credit losses on trade receivables (Note 36(c))	2,490,265	1,948,852
Expected credit losses on contract assets (Note 36(c))	1,595,365	-
Provision/(reversal of provision) for foreseeable losses	644,262	(508,068)
Write off of property, plant and equipment	116,754	28,943
Loss on derivative asset at fair value through profit or loss	-	1,176,968
Net foreign currency exchange loss:		
- Realised	-	1,179,717
- Unrealised	2,459,197	3,231,581
Directors' fees	3,502,226	3,792,202
Employee benefits expense (Note 8)	391,270,479	323,684,694
Audit fees:		
- Auditor of the Company	533,000	435,000
- Member firms of the auditor of the Company	2,342,147	2,131,000
- Other auditors	386,101	263,377
Non-audit fees:		
- Auditor of the Company	85,113	377,089
- Member firms of the auditor of the Company	512,850	248,989
Lease expenses (Note 29)	4,918,469	4,651,111

8. Employee benefits expense (including directors' remuneration)

	Group 2024 RM	Group 2023 RM
Wages and salaries	369,040,991	320,669,339
Defined contribution plans	33,213,639	29,944,413
Defined benefit obligation (Note 32)	1,465,978	590,497
Performance shares issued	2,556,090	6,595,272
Allowance for unutilised leave	2,242,534	1,853,268
Other employee benefits	17,446,748	7,454,761
	425,965,980	367,107,550
Less: Capitalised under intangible assets (Note 13)	(34,152,352)	(40,399,897)
Less: Capitalised under contract assets (Note 19)	(543,149)	(3,022,959)
	391,270,479	323,684,694

Included in other employee benefits are severance benefits and performance incentive amounted to RM8,000,000 (2023: Nil) for key management personnel.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

9. Income tax expense

	Group	
	2024 RM	2023 RM
Current income tax	58,081,130	51,311,991
Deferred tax (Note 30)		
- Origination and reversal of temporary differences	(7,169,859)	7,492,120
(Over)/under provision in prior financial years:		
- Income tax	(377,032)	(69,394)
- Deferred tax (Note 30)	(3,071,862)	547,998
	(3,448,894)	478,604
Income tax expense for the year	47,462,377	59,282,715
Foreign and withholding tax	4,970,381	-
	52,432,758	59,282,715

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the financial years ended 30 June 2024 and 2023 are as follows:

	Group	
	2024 RM	2023 RM
Profit before tax	157,609,119	229,561,758
Tax at the domestic rates applicable to profits in the countries where the Group operates	35,106,920	46,572,881
Tax effect of:		
Expenses not deductible for tax purposes	16,156,823	18,579,004
Income not subject to tax	(3,666,260)	(1,330,317)
Partial exemption and tax relief	(683,620)	(849,464)
Exempted income under increase in value of export incentive [1]	(122,174)	(1,991,477)
Utilisation of bilateral tax credit	(4,003,100)	(9,000,327)
Share of loss of an associate	208,200	162,225
Others	(165,861)	28,475
Deferred tax assets not recognised	12,696,069	681,248
Recognition of deferred tax assets previously not recognised	-	(63,286)
Utilisation of previously unrecognised deferred tax assets on capital allowances and tax losses	-	(51,187)
Utilisation of deferred tax assets on tax allowance claimable in relation to acquired intellectual property (Note 30)	826,949	3,494,998
Deferred tax on undistributed profits of subsidiaries (Note 30)	(5,442,675)	2,571,338
Over provision of income tax in prior financial years	(377,032)	(69,394)
(Over)/under provision of deferred tax in prior financial years	(3,071,862)	547,998
Income tax expense for the year	47,462,377	59,282,715
Foreign and withholding tax	4,970,381	-
	52,432,758	59,282,715

For the financial year ended 30 June 2024, the corporate income tax rate applicable to the Company is 17% (2023: 17%). The corporate income tax rates applicable to the subsidiaries of the Group are ranging from 17% to 31% (2023: 17% to 31%).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction and eliminating intra-group transactions.

9. Income tax expense (cont'd)

1. Certain subsidiaries of the Group qualifies for exemption on income for value of increased export of services under Income Tax Act, 1967 (Exemption) (No.2) 2001 - P.U. (A) 154 and (No.9) 2002 - P.U. (A) 57 and (Amendment) 2006 - P.U. (A) 275, for services rendered to foreign customers.

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the potential dilutive ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group	
	2024	**2023**
Profit net of tax attributable to owners of the parent (RM)	103,349,387	169,591,931
Weighted average number of ordinary shares for basic earnings per share computation *	2,512,804,236	2,510,047,364
Basic earnings per share (RM sen)	4.11	6.76
Weighted average number of ordinary shares for diluted earnings per share computation	2,512,804,236	2,510,047,364
Diluted earnings per share (RM sen)	4.11	6.76

* The weighted average number of shares has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

11. Property, plant and equipment

Group	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2024				
Cost				
At 1 July 2023	9,516,412	2,382,951	18,697,746	30,597,109
Additions	897,098	-	2,568,302	3,465,400
Disposals	(4,070)	-	(17,378)	(21,448)
Written off	(209,808)	-	(884,257)	(1,094,065)
Currency translation differences	15,440	2,045	(42,873)	(25,388)
At 30 June 2024	10,215,072	2,384,996	20,321,540	32,921,608
Accumulated depreciation				
At 1 July 2023	4,628,144	1,108,779	13,147,023	18,883,946
Charge for the year (Note 7)	1,739,606	283,705	1,928,094	3,951,405
Disposals	(4,069)	-	(13,482)	(17,551)
Written off	(111,377)	-	(865,934)	(977,311)
Currency translation differences	15,094	(699)	(18,181)	(3,786)
At 30 June 2024	6,267,398	1,391,785	14,177,520	21,836,703
Net carrying amount	3,947,674	993,211	6,144,020	11,084,905
At 30 June 2023				
Cost				
At 1 July 2022	8,771,361	1,931,621	15,505,840	26,208,822
Additions	1,409,441	391,229	3,320,419	5,121,089
Disposals	(795,447)	(345,242)	(127,374)	(1,268,063)
Written off	(140,067)	-	(480,324)	(620,391)
Transfer (Note a)	-	365,708	-	365,708
Currency translation differences	271,124	39,635	479,185	789,944
At 30 June 2023	9,516,412	2,382,951	18,697,746	30,597,109
Accumulated depreciation				
At 1 July 2022	3,526,766	928,080	11,578,175	16,033,021
Charge for the year (Note 7)	1,584,452	234,392	1,778,351	3,597,195
Disposals	(605,077)	(345,242)	(126,906)	(1,077,225)
Written off	(114,451)	-	(476,997)	(591,448)
Transfer (Note a)	-	283,423	-	283,423
Currency translation differences	236,454	8,126	394,400	638,980
At 30 June 2023	4,628,144	1,108,779	13,147,023	18,883,946
Net carrying amount	4,888,268	1,274,172	5,550,723	11,713,163

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

11. Property, plant and equipment (cont'd)

Company	Office equipment RM
At 30 June 2024	
Cost	
At 1 July 2023	45,732
Additions	12,381
Written off	(25,086)
Currency translation differences	510
At 30 June 2024	33,537
Accumulated depreciation	
At 1 July 2023	16,084
Charge for the year	7,513
Written off	(11,641)
Currency translation differences	180
At 30 June 2024	12,136
Net carrying amount	21,401
At 30 June 2023	
Cost	
At 1 July 2022	42,008
Currency translation differences	3,724
At 30 June 2023	45,732
Accumulated depreciation	
At 1 July 2022	6,969
Charge for the year	8,096
Currency translation differences	1,019
At 30 June 2023	16,084
Net carrying amount	29,648

(a) Transfer of ownership at the end of the lease term

In the previous financial year, motor vehicles with net carrying amount of RM82,285 that had been previously used under lease agreement were transferred from right-of-use assets (Note 12) to property, plant and equipment at the end of their lease terms.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

12. Right-of-use assets

Group	Motor vehicles RM	Office equipment RM	Office premises RM	Total RM
Net carrying amount				
At 1 July 2023	1,046,876	587,956	25,069,032	26,703,864
Additions	317,400	132,039	1,317,425	1,766,864
Charge for the year (Note 7)	(412,104)	(350,787)	(8,457,878)	(9,220,769)
Modification	-	-	6,064,296	6,064,296
Disposals	-	(708)	-	(708)
Currency translation differences	1,971	3	136,004	137,978
At 30 June 2024	954,143	368,503	24,128,879	25,451,525
At 1 July 2022	1,328,271	835,205	23,460,594	25,624,070
Additions	483,401	63,358	4,667,030	5,213,789
Charge for the year (Note 7)	(535,594)	(312,891)	(7,701,513)	(8,549,998)
Modification	-	-	3,492,094	3,492,094
Disposals	(166,077)	(5,747)	-	(171,824)
Transfer (Note a)	(82,285)	-	-	(82,285)
Currency translation differences	19,160	8,031	1,150,827	1,178,018
At 30 June 2023	1,046,876	587,956	25,069,032	26,703,864

(a) Transfer of ownership at the end of the lease term
In the previous financial year, motor vehicles with net carrying amount of RM82,285 that had been previously used under lease agreement were transferred from right-of-use assets to property, plant and equipment (Note 11) at the end of their lease terms.

Modification of right-of-use assets
The Group has several lease contracts for office premises that contain extension and termination options. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The right-of-use asset is subsequently adjusted for any remeasurement of the lease liability resulting from reassessments during the financial year.

Assets held under finance leases
Right-of-use assets of the Group with net carrying amount of RM1,322,646 (2023: RM1,634,832) are held under finance leases and these assets are pledged as security for the related finance lease liabilities as at the reporting date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

13. Intangible assets

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Goodwill RM	Total RM
At 30 June 2024							
Cost							
At 1 July 2023	360,866,969	19,887,440	98,922,786	29,537,426	2,016,000	165,798,888	677,029,509
Additions							
- internal development	44,933,150	-	-	-	-	-	44,933,150
- purchased	-	648,854	-	-	-	-	648,854
Written off (Note 7)	(57,243)	(499,957)	-	-	-	-	(557,200)
Currency translation differences	835,105	328,464	383,138	40,630	-	419,543	2,006,880
At 30 June 2024	406,577,981	20,364,801	99,305,924	29,578,056	2,016,000	166,218,431	724,061,193
Accumulated amortisation							
At 1 July 2023	130,411,708	12,409,196	80,752,162	21,548,303	2,016,000	-	247,137,369
Charge for the year (Note 7)	21,535,561	1,094,171	3,801,742	2,330,711	-	-	28,762,185
Currency translation differences	193,559	29,073	446,909	55,883	-	-	725,424
At 30 June 2024	152,140,828	13,532,440	85,000,813	23,934,897	2,016,000	-	276,624,978
Accumulated impairment losses							
At 1 July 2023	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
Currency translation differences	145,201	300,184	-	-	-	-	445,385
At 30 June 2024	3,714,289	3,262,937	-	-	-	14,056,000	21,033,226
Net carrying amount	250,722,864	3,569,424	14,305,111	5,643,159	-	152,162,431	426,402,989
At 30 June 2023							
Cost							
At 1 July 2022	277,613,317	16,280,881	92,812,645	28,284,539	2,016,000	157,159,207	574,166,589
Additions							
- internal development	78,110,516	-	-	-	-	-	78,110,516
- purchased	-	2,131,855	-	-	-	-	2,131,855
Currency translation differences	5,143,136	1,474,704	6,110,141	1,252,887	-	8,639,681	22,620,549
At 30 June 2023	360,866,969	19,887,440	98,922,786	29,537,426	2,016,000	165,798,888	677,029,509
Accumulated amortisation							
At 1 July 2022	110,462,878	10,017,913	70,514,456	18,415,804	2,016,000	-	211,427,051
Charge for the year (Note 7)	18,103,034	919,749	5,767,686	2,462,739	-	-	27,253,208
Currency translation differences	1,845,796	1,471,534	4,470,020	669,760	-	-	8,457,110
At 30 June 2023	130,411,708	12,409,196	80,752,162	21,548,303	2,016,000	-	247,137,369
Accumulated impairment losses							
At 1 July 2022/30 June 2023	3,569,088	2,962,753	-	-	-	14,056,000	20,587,841
Net carrying amount	226,886,173	4,515,491	18,170,624	7,989,123	-	151,742,888	409,304,299

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

13. Intangible assets (cont'd)

Software development expenditure
Included in software development expenditure capitalised during the financial year is employee benefits expense amounted to RM34,152,352 (2023: RM40,399,897) (Note 8).

Purchased software
Purchased software represents mainly software acquired from third parties for enhancing front-end customer interaction software components and expansion of the capabilities of the Group's existing software solutions as well as the Enterprise Resource Planning ("ERP") system acquired and implemented during the current and previous financial years for internal process improvement.

Proprietary software
Proprietary software represents software acquired through the acquisition of SIA X Infotech Group ("XIT") Group, Silverlake Symmetri (Singapore) Pte. Ltd. ("Symmetri") Group, Cyber Village Sdn. Bhd. ("CVSB"), Merimen Ventures Sdn. Bhd. ("Merimen") Group and CatgWorkz Holdings Pte. Ltd. (f.k.a. Symmetric Payments & Integration Holdings Pte. Ltd.) ("SPI") Group in prior years.

Customer relationship
Customer relationship acquired through:
(i) the acquisition of XIT Group in financial year 2019 represents the relationships that existed between XIT Group and its major recurring customers in Latvia as at the acquisition date;
(ii) the acquisition of Symmetri Group in financial year 2016 represents the relationships that existed between Symmetri Group and its major recurring customers in Malaysia and Singapore as at the acquisition date;
(iii) the acquisition of CVSB in financial year 2014 represents the relationships that existed between CVSB and its major recurring banking customers in Malaysia as at the acquisition date; and
(iv) the acquisition of Merimen Group in financial year 2013 represents the relationships that existed between Merimen Group and its major recurring customers in Malaysia, Singapore and Indonesia as at the acquisition date.

Customer contracts
Customer contracts acquired through the acquisition of CVSB in financial year 2014 represents software licensing and software project services contracts entered by CVSB with its major banking customers.

Goodwill
Goodwill represents the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed arising from the acquisition of XIT Group, Symmetri Group, CVSB, Merimen Group and SPI Group.

Goodwill acquired through business combinations has been allocated to five cash-generating units ("CGUs"), as follows:

	2024 RM	2023 RM
Payments and integration solution	21,941,205	21,532,381
Insurance ecosystem transactions processing solution	37,894,012	37,894,012
Mobile and internet solution	23,032,343	23,032,343
Silverlake Symmetri retail banking solution	19,138,539	18,899,181
Digital identity and security software solution	50,156,332	50,384,971
	152,162,431	151,742,888

Amortisation expense
The amortisation of intangible assets (other than goodwill) of RM27,668,014 (2023: RM26,333,459) is included in the cost of sales line item in the consolidated income statement.

Impairment testing for intangible assets (other than goodwill)
The carrying value of intangible assets (other than goodwill) is expected to be recovered from the probable future economic benefits that are expected to be generated from the commercial exploitation of these intangible assets. The remaining amortisation period at financial year end is less than 10 years (2023: less than 10 years).

The Group performed a review on the commercial prospects and marketability of software development expenditure and purchased software of subsidiaries. No impairment loss was recognised in the current and previous financial years.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

13. Intangible assets (cont'd)

Impairment testing for goodwill
The recoverable amounts of the CGUs have been determined based on value in use calculations using projected cash flows from financial budgets approved by management covering a five-year period. The discount rates applied to the cash flow projections and the forecast long-term growth rates used to extrapolate the cash flows beyond the five-year period are as follows:

	Payments and integration solution		Insurance ecosystem transactions processing solution		Mobile and internet solution		Silverlake Symmetri retail banking solution		Digital identity and security software solution	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate	13%	13%	13%	13%	11%	12%	13%	13%	13%	13%
Long-term growth rate	2%	2%	3%	3%	3%	3%	3%	3%	3%	3%

Discount rate - Discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both cost of debt and cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Long-term growth rate - Rate is based on management's expectation of the long-term average growth rate of the industry.

The Group tests goodwill, proprietary software, customer relationship and customer contracts for impairment by assessing the value in use of the underlying CGU. No impairment loss was recognised in the current and previous financial years. Based on the results of the sensitivity analysis, no reasonable change in the discount rate and long-term growth rate used would result in an impairment charge for current financial year.

14. Investments in subsidiaries

	Company	
	2024 RM	2023 RM
Shares at cost, unquoted		
At beginning of the year	2,585,511,074	2,411,130,014
Disposal of subsidiaries	-	(108,337,291)
Contribution to subsidiaries arising from:		
- Internal restructuring	-	71,036,370
- Performance Share Plan granted to key management personnel	-	651,340
Currency translation differences	29,603,905	211,030,641
At end of the year	2,615,114,979	2,585,511,074
Accumulated impairment losses		
At beginning of the year	326,150,203	299,591,513
Impairment loss for the year	79,790,832	-
Currency translation differences	3,741,217	26,558,690
At end of the year	409,682,252	326,150,203
Net carrying amount	2,205,432,727	2,259,360,871

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

14. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2024 %	2023 %
Held by the Company:				
Silverlake Axis Sdn. Bhd. *	Rendering of software project, maintenance and enhancement services and provision of management services to related companies	Malaysia	100	100
Silverlake Adaptive Applications & Continuous Improvement Services Ltd. *	Dormant	Bermuda	100	100
Silverlake Adaptive Applications & Continuous Improvement Services (SG) Pte. Ltd. ("SAACIS SG") *	Software licensing and the rendering of enhancement services	Singapore	100	100
QR Technology Sdn. Bhd. ("QRT") *	Investment holding	Malaysia	100	100
Silverlake Global Structured Services Pte. Ltd. ("SGSS") *	Investment holding	Singapore	100	100
Silver Team Technology Limited *	Investment holding	Hong Kong	100	100
CatgWorkz Holdings Pte. Ltd. (f.k.a. Symmetric Payments & Integration Holdings Pte. Ltd.) ("SPI") *	Investment holding	Singapore	100	100
Silverlake Symmetri (Singapore) Pte. Ltd. ("Symmetri") *	Provision of customised software solutions for banking and financial services industry	Singapore	100	100
Silverlake Investment (SG) Pte. Ltd. ("SISG") *	Investment holding	Singapore	100	100
SIA X Infotech Group ("XIT") ^	Investment holding	Latvia	80	80
Silvirture Limited *	Investment holding	Hong Kong	100	100
Fermion Pte. Ltd. ("FPL") *	Investment holding	Singapore	100	100
Held by SAACIS SG:				
Silverlake Holdings Sdn. Bhd. *	Trading of IBM products in Malaysia, rendering of enhancement services and provision of management services to related companies	Malaysia	100	100
Silverlake Axis MSC Sdn. Bhd. *	Rendering of software project services and provision of enhancement services	Malaysia	100	100

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2024 %	2023 %
Held by QRT:				
QR Retail Automation (Asia) Sdn. Bhd. *	Software trading, development and maintenance services	Malaysia	100	100
QR Retail Automation (S) Pte. Ltd. *	Software trading, development and maintenance services	Singapore	100	100
QR Agoracloud Sdn. Bhd. *	Provision of cloud-based Software-as-a-Service solution for retailers of all sizes	Malaysia	100	100
QR Retail Automation Vietnam Company Limited *	Provision of application management services and software maintenance support services	Vietnam	100	100
Held by SGSS:				
Silverlake Structured Services Sdn. Bhd. *	Services and maintenance of Silverlake customised software	Malaysia	100	100
Silverlakegroup Pte. Ltd. *	Services and maintenance of Silverlake customised software	Singapore	100	100
Silverlakegroup Pte. Ltd. (Philippines branch) *	Services and maintenance of Silverlake customised software	Philippines	100	100
Silverlake Structured Services Ltd. *	Services and maintenance of Silverlake customised software	Thailand	100	100
PT Structured Services *	Services and maintenance of Silverlake customised software	Indonesia	100	100
Silverlake Sistem Sdn. Bhd. *	Services and maintenance of Silverlake customised software	Brunei	100	100
Held by SPI:				
CatgWorkz Pte. Ltd. (f.k.a. Symmetric Payments & Integration Pte. Ltd.) *	Sales of computer software and provision of technical support services	Singapore	100	100
CatgWorkz Sdn. Bhd. (f.k.a. Symmetric Payments & Integration Sdn. Bhd.) *	Sales of computer software and provision of technical support services	Malaysia	100	100
Held by Symmetri:				
Silverlake Symmetri (Malaysia) Sdn. Bhd. *	Provision of card and payment software solution services	Malaysia	100	100
Silverlake Symmetri (Philippines) Enterprises, Inc. *	Provision of services related to designing, selling and installing computer hardware and software	Philippines	100	100
Silverlake Symmetri Pakistan (PVT.) Limited *	Provision of services related to designing, developing, engineering, promoting, exporting, marketing and selling computer related technologies, products and services	Pakistan	100	100
Silverlake Symmetri (Slovakia) spol. s.r.o. *	Provision of services related to designing, developing, engineering, promoting, exporting, marketing and selling computer related technologies, products and services	Slovakia	100	100

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2024 %	2023 %
Held by Symmetri: (cont'd)				
Representative Office of Silverlake Symmetri (Singapore) Pte. Ltd. in Hanoi	Provision of customised software solutions for banking and financial services industry	Vietnam	100	100
Silverlake Symmetri (Singapore) Pte. Ltd. (Dubai Branch) *	Provision of customised software solutions for banking and financial services industry	United Arab Emirates	100	100
Held by SISG:				
Silverlake Digital Economy Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Silverlake Digitale Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Silverlake One Paradigm Sdn. Bhd. *	Marketing of computer equipment and software, licensing of software, and provision of modification, implementation and maintenance services	Malaysia	100	100
Held by XIT:				
SIA X Infotech ^	Provision of software product development and solution implementation in area of banking and government sector	Latvia	100	100
X-Infotech Africa Limited ^^	Sale of payments and card systems to government and banking sector, software support and allied services	Kenya	100	100
Held by FPL:				
Silverlake Fermion Sdn. Bhd. *	Investment holding and provision of management services	Malaysia	100	100
Fermion Labs Sdn. Bhd. * #	Provision of solution and services using digital technologies, internet and e-commerce	Malaysia	100	100
Merimen Ventures Sdn. Bhd. ("Merimen") * ##	Investment holding	Malaysia	100	100
Cyber Village Sdn. Bhd. ("CVSB") * ##	Provision of internet and mobile services, portal, customer loyalty and e-commerce solutions and services	Malaysia	100	100
Held by Merimen:				
Merimen Online Sdn. Bhd. *	Provision of electronic insurance claim solution services	Malaysia	100	100
Merimen Technologies (Singapore) Pte. Ltd. *	Provision of electronic insurance claim solution services	Singapore	100	100
P.T. Merimen Technologies Indonesia *	Provision of electronic insurance claim solution services	Indonesia	100	100

14. Investments in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest held 2024 %	2023 %
Held by Merimen: (cont'd)				
Merimen Technologies Philippines Inc. *	Provision of electronic insurance claim solution services	Philippines	100	100
Motobiznes Online Sdn. Bhd. *	Provision of electronic insurance claim solution services	Malaysia	51	51
Merimen Technologies (Vietnam) Company Limited *	Provision of electronic insurance claim solution services	Vietnam	100	100
Merimen Technologies (Thailand) Co. Ltd. *	Provision of electronic insurance claim solution services	Thailand	100	100
Merimen Technologies Hong Kong Limited *	Provision of electronic insurance claim solution services	Hong Kong	100	100
Merimen Technologies (Malaysia) Sdn. Bhd. *	Develop and commercialise a data science and machine learning product for insurance industry	Malaysia	100	100
Merimen Technologies Japan K.K. ^^^	Provision of electronic insurance claim solution services and other services	Japan	100	100
Merimen Technologies - FZE *	Provision of a collaborative and information exchange platform for insurance ecosystem, including portal and software house	United Arab Emirates	100	100
Held by CVSB:				
Affinities Village Sdn. Bhd. *	Provision of innovative insurance and financial services ecosystem solutions including the offers of Software-as-a-Service and licensing of fintech and insurtech platforms	Malaysia	100	100

* Audited by Ernst & Young Global network firm
^ Audited by SIA Deloitte Audits Latvia
^^ Audited by Deloitte, Kenya
^^^ Audited by Baker Tilly, Japan
\# 100% issued share capital of Fermion Labs Sdn. Bhd. was transferred from Silverlake Fermion Sdn. Bhd. to Fermion Pte. Ltd. on 8 July 2022.
\## 100% issued share capital of Merimen Ventures Sdn. Bhd. and Cyber Village Sdn. Bhd. were transferred to Fermion Pte. Ltd. on 5 September 2022 and 8 September 2022 respectively.

<u>Contribution to subsidiaries in financial year ended 30 June 2023</u>

Internal restructuring

As part of the internal restructuring, the Company had transferred its investments in Merimen Ventures Sdn. Bhd. and Cyber Village Sdn. Bhd. to Fermion Pte. Ltd. ("FPL") in the previous financial year at a consideration mutually agreed by both parties ("Disposal"). FPL is an investment holding company incorporated to support the Group's business expansion for Fermion Insurtech ecosystem.

As a result of the Group's internal restructuring, the Company recognised a resultant loss on disposal of RM38,157,427 in the income statement and contributed RM71,036,370 in assets to FPL for the financial year ended 30 June 2023.

The internal restructuring which involved the transfer of subsidiaries within the Group did not have any impact to the financial performance and position of the Group.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

14. Investments in subsidiaries (cont'd)

Contribution to subsidiaries in financial year ended 30 June 2023 (cont'd)

Performance Share Plan

In the previous financial year, the Company contributed RM651,340 to a subsidiary as a result of the shares granted and released to a key management personnel pursuant to the Silverlake Axis Ltd. Performance Share Plan (Note 25 (c)(ii)).

Impairment testing of investments in subsidiaries

During the financial year, management performed an impairment test on investments in subsidiaries with indications of impairment. Based on the assessment, an impairment loss of RM79,790,832 (2023: Nil) was recognised during the financial year to write down the carrying amount of an investment in subsidiary to its recoverable amount of RM108,407,000 in the Company's statement of financial position. The impairment loss arose as the newly developed products, which have just been launched in the recent few years, have yet to mature in terms of performance and market penetration. The recoverable amount is determined based on the value in use, which is calculated using cash flow projections based on the approved financial budgets, at a post-tax discount rate of 15% (2023: 16%).

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI which is material to the Group.

Name of subsidiary	Principal place of business/ Country of incorporation	Proportion of ownership interest held by NCI %	Profit allocated to NCI during the reporting period RM	NCI balance as at the reporting date RM
2024				
SIA X Infotech Group ("XIT")	Latvia	20	1,832,275	15,588,423
2023				
SIA X Infotech Group ("XIT")	Latvia	20	697,623	13,756,148

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

(i) Summarised statement of financial position

	XIT	
	2024 RM	**2023 RM**
Non-current assets	8,350,303	10,121,523
Current assets	37,366,582	24,413,514
Total assets	45,716,885	34,535,037
Non-current liabilities	991,025	1,602,257
Current liabilities	27,973,406	25,148,453
Total liabilities	28,964,431	26,750,710
Total equity	16,752,454	7,784,327
Goodwill and intangible assets	61,189,661	60,996,413
Group's carrying amount of the investment	77,942,115	68,780,740
Attributable to:		
Owners of the Company	62,353,692	55,024,592
NCI	15,588,423	13,756,148
	77,942,115	68,780,740

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

14. Investments in subsidiaries (cont'd)

Interest in a subsidiary with material non-controlling interest ("NCI") (cont'd)

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations. (cont'd)

(ii) Summarised statement of comprehensive income

	XIT	
	2024 RM	2023 RM
Revenue	45,490,536	30,817,964
Profit before tax	10,029,416	3,493,814
Tax expense	(868,039)	(5,697)
Profit after tax and total comprehensive income	9,161,377	3,488,117
Profit attributable to:		
Owners of the Company	7,329,102	2,790,494
NCI	1,832,275	697,623
	9,161,377	3,488,117

(iii) Summarised cash flow information

	XIT	
	2024 RM	2023 RM
Net cash inflows from operating activities	12,557,337	1,221,765
Net cash outflows from investing activities	(1,523,021)	(2,639,739)
Net cash outflows from financing activities	(625,243)	(887,215)
Net increase/(decrease) in cash and cash equivalents	10,409,073	(2,305,189)

15. Investment in an associate

	Group	
	2024 RM	2023 RM
Shares at cost, unquoted		
At beginning of the year	5,650,767	6,118,674
Addition by way of:		
- Cash	8,209,008	-
- Transfer from derivative asset upon exercised call option	2,612	-
Share of loss for the year	(1,224,703)	(954,267)
Currency translation differences	72,959	486,360
At end of the year	12,710,643	5,650,767

On 21 January 2022, a subsidiary of the Company, Fermion Pte. Ltd. ("FPL"), entered into a share subscription and purchase agreement ("Share Subscription Agreement") with Ancileo Pte. Ltd. ("Ancileo") and original founder in relation to the subscription and acquisition of shares in the issued and paid-up capital of Ancileo, representing 38.05% equity interest in Ancileo.

Ancileo is a private company limited by shares incorporated and principally operating in Singapore, and is engaged in the provision of software technology for the insurance ecosystem, including technology solutions to enable digital partnerships between insurers and their distribution partners. *

** Audited by Ernst & Young Global network firm*

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

15. Investment in an associate (cont'd)

On 30 June 2022, the parties entered into a Supplemental Agreement where FPL:

(a) executed and completed the first tranche acquisition of 21.68% equity interest in Ancileo for a cash consideration of SGD1,937,209 (equivalent of RM6,118,674) ("First Tranche Acquisition"); and

(b) was granted by the vendors a right to a call option to acquire the remaining 16.37% equity interest in Ancileo for a cash consideration of SGD2,362,984 upon satisfaction of the conditions stipulated in the Supplemental Agreement (i.e. Second Tranche Acquisition).

Following the completion of the First Tranche Acquisition on 30 June 2022, Ancileo became an associate of the Group.

On 3 October 2023, FPL exercised the call option to acquire the remaining 16.37% equity interest in Ancileo with a cash consideration of SGD2,362,984 (equivalent of RM8,209,008). Consequently, the derivative asset which represent the fair value of the call option recognised as at 30 June 2023 (Note 23) has been derecognised with an adjustment to the cost of investment in an associate in the current financial year. Accordingly, FPL's equity interest in Ancileo has increased from 21.68% as at previous reporting date to 38.05% as at current reporting date.

The Group's investment in an associate is accounted for using the equity method in the consolidated financial statements. The summarised financial information of the Group's investment in Ancileo is provided below.

(i) Summarised statement of financial position

	Unaudited Ancileo	
	2024 RM	**2023 RM**
Non-current assets	274,418	312,898
Current assets	7,790,843	2,707,728
Current liabilities	(1,596,463)	(1,232,617)
Total equity	6,468,798	1,788,009
Group's share in equity	2,461,378	387,571
Goodwill	10,249,265	5,263,196
Group's carrying amount of the investment	12,710,643	5,650,767

The associate had no contingent liability or capital commitment as at 30 June 2024 and 30 June 2023.

(ii) Summarised statement of comprehensive income

	Unaudited Ancileo	
	2024 RM	**2023 RM**
Revenue	9,404,403	6,333,714
Loss before tax	(3,554,159)	(4,367,100)
Tax expense	-	(35,292)
Loss after tax and total comprehensive loss	(3,554,159)	(4,402,392)

16. Financial assets at fair value through other comprehensive income - quoted equity shares

	Group	
	2024 RM	**2023 RM**
Shares at fair value, quoted		
At beginning of the year	239,234,408	207,895,863
Subsequent fair value (loss)/gain through other comprehensive income (Note 26(d))	(62,734,868)	16,994,912
Currency translation differences	1,837,873	14,343,633
At end of the year	178,337,413	239,234,408
Presented as:		
Current	-	236,434,408
Non-current	178,337,413	2,800,000
	178,337,413	239,234,408

At the reporting date, these represent investment in equity interest in Global InfoTech Co. Ltd. ("GIT") and an investment held by a subsidiary in DynaFront Holdings Berhad which have been measured at fair value. The fair values are derived based on Level 1 valuation input under the fair value hierarchy.

The carrying amount of the Group's investment in GIT was reclassified from current asset to non-current asset in the current financial year as management does not intent to dispose of the Group's investment in GIT within the next twelve months from the reporting date given the potential future growth in the People's Republic of China.

17. Inventories

	Group	
	2024 RM	**2023 RM**
Finished products for re-sale	886,005	399,155

Inventories recognised as an expense under "Cost of sales" in the consolidated income statement for the financial year ended 30 June 2024 amounted to RM1,859,539 (2023: RM2,782,969).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

18. Trade and other receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	171,547,175	182,909,280	-	-
Less: Expected credit losses (Note 36(c))	(10,918,232)	(9,145,593)	-	-
Net trade receivables (Note 36(c))	160,628,943	173,763,687	-	-
Other receivables				
Sundry receivables	7,340,201	8,158,435	117,843	156,811
Deposits	4,032,356	3,875,245	-	-
	11,372,557	12,033,680	117,843	156,811
Total trade and other receivables	172,001,500	185,797,367	117,843	156,811
Trade and other receivables	172,001,500	185,797,367	117,843	156,811
Dividend receivable	-	-	-	41,262,000
Amounts due from:				
- Subsidiaries (Note 20)	-	-	150,738,916	145,701,940
- Related parties (Note 20)	21,238,508	7,747,946	-	-
Loans to subsidiaries (Note 21)	-	-	-	4,865,478
Total debt instruments at amortised cost *	193,240,008	193,545,313	150,856,759	191,986,229

* Debt instruments at amortised cost, other than cash and short-term deposits

Trade receivables
Trade receivables are non-interest bearing and are generally on 30 days to 45 days (2023: 30 days to 45 days) term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

As at the reporting date, the Group's significant concentration of credit risk is as disclosed in Note 36(c).

Trade receivables that are impaired
Trade receivables that are impaired at the reporting date relate to debtors collectively or individually assessed for expected credit losses in accordance with SFRS(I) 9 Financial Instruments as disclosed in Note 36(c).

Other receivables
Other receivables are unsecured, non-interest bearing and repayable on demand.

Other information on financial risks of trade and other receivables are disclosed in Note 36(c).

19. Contract assets/(liabilities)

	Group 2024 RM	Group 2023 RM
Contract assets		
Amounts due from customers for contract work-in-progress	159,890,690	126,661,624
Advance maintenance costs	13,072,399	11,828,180
Prepaid license and hardware costs	14,400,862	16,368,588
	187,363,951	154,858,392
Less: Expected credit losses (Note 36(c))	(2,012,604)	(416,773)
Net contract assets	185,351,347	154,441,619
Contract liabilities		
Amounts due to customers for contract work-in-progress	(24,967,938)	(16,179,439)
Advance maintenance fees	(99,050,041)	(87,134,562)
Deferred revenue	(11,500,347)	(9,664,636)
	(135,518,326)	(112,978,637)

Contract assets include amounts due from customers for contract work-in-progress, which are initially recognised for revenue earned from project implementation services and enhancement services as the timing of billing may not coincide with service rendered. Upon acceptance of work progress by the customer and issuance of billing to customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets also include advance maintenance costs where billings are received or payments are made in advance for which the maintenance costs will be recognised over the contractual period, as well as prepaid costs where the costs will be recognised when the goods are received from the suppliers or upon sale of licenses or expiry.

Contract liabilities include amounts due to customers for contract work-in-progress where billings have been issued to or amounts collected from customers for work yet to be performed, maintenance fees billed in advance for which revenue will be recognised over the contractual period, as well as deferred revenue where transaction price is allocated to unexpired free man-days and options for the customers to acquire additional goods or services at discounts.

Set out below is the amount of revenue recognised from:

	Group 2024 RM	Group 2023 RM
Amounts included in contract liabilities at the beginning of the year	104,870,779	124,746,860

Included in contract assets capitalised during the financial year is employee benefits expense amounted to RM543,149 (2023: RM3,022,959) (Note 8).

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

20. Amounts due from/(to) subsidiaries and related parties

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amounts due from subsidiaries (Note 18)				
- Current	-	-	168,818	93,954
- Non-current	-	-	150,570,098	145,607,986
	-	-	150,738,916	145,701,940
Amounts due to subsidiaries (Note 31)	-	-	(2,075,682)	(2,548,370)
Amounts due from related parties (Note 18)				
- Trade (Note 36(c))	21,096,548	7,680,326	-	-
- Non-trade	141,960	67,620	-	-
	21,238,508	7,747,946	-	-
Amounts due to related parties (Note 31)				
- Trade	(1,306,587)	(617,090)	-	-
- Non-trade	(241,641)	(256,334)	-	-
	(1,548,228)	(873,424)	-	-

Amounts due from/(to) subsidiaries
The non-current amount due from a subsidiary is non-trade in nature, unsecured and non-interest bearing. The Company does not intend to call for the settlement of this amount within the next twelve months from the reporting date.

The current amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable in cash on demand.

Amounts due from related parties
The amounts due from related parties are unsecured and non-interest bearing except for amounts owing by related parties to certain subsidiaries amounting to RM4,315,090 (2023: RM2,226,650) which carry interest at 1.0% (2023: 1.0%) per month for debts past due credit terms. The trade amounts due from related parties have a credit term of 30 days (2023: 30 days). The amounts due from related parties are to be settled in cash.

Amounts due to related parties
The amounts due to related parties are unsecured, non-interest bearing and repayable in cash on demand.

Further details on related party transactions are disclosed in Note 34(a).

Other information on financial risks of amounts due from/(to) subsidiaries and related parties are disclosed in Note 36.

21. Loans to subsidiaries

	Company	
	2024 RM	2023 RM
Loans to subsidiaries	-	4,865,478

In the previous financial year, loans to subsidiaries were unsecured, repayable on demand and carried interest at a range of 3.1% to 5.6% per annum.

These amounts were fully settled during the current financial year.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

22. Financial assets at fair value through profit or loss - money market fund

	Group	
	2024 RM	2023 RM
Money market fund	7,844,763	27,544,302

Financial assets at fair value through profit or loss of the Group represent investment in money market fund with financial institutions. Fair value of this investment is determined by reference to the net asset value of the fund. Any subsequent changes in fair value is recognised in profit or loss.

23. Derivative asset

	Group	
	2024 RM	2023 RM
Financial asset at fair value	-	2,586

This represents the fair value of call option in connection with the Second Tranche Acquisition of Ancileo Pte. Ltd. as disclosed in Note 15(b), accounted for as a derivative asset in accordance with SFRS(I) 9 Financial Instruments. Any subsequent changes in fair value was recognised in profit or loss.

During the financial year, the call option has been exercised by Fermion Pte. Ltd. and the derivative asset was derecognised with an adjustment to the cost of investment in an associate (Note 15) in the current financial year.

24. Cash and bank balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash at banks and on hand	333,401,273	289,219,959	30,308,106	15,298,782
Short-term deposits with licensed banks	163,821,689	215,029,384	58,041,031	104,857,057
Cash and bank balances	497,222,962	504,249,343	88,349,137	120,155,839

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and twelve months (2023: one day and twelve months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The interest rates of short-term deposits of the Group and of the Company at the reporting date range from 0.10% to 5.45% (2023: 0.05% to 5.10%) and 2.80% to 5.42% (2023: 3.70% to 5.10%) per annum respectively.

As at the reporting date, short-term deposits with licensed banks of the Group and the Company amounting to RM12,688,778 and RM11,376,983 (2023: RM9,539,742 and Nil) respectively, are pledged by the Company and certain subsidiaries of the Group for bank guarantee facilities in relation to project tenders.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	497,222,962	504,249,343	88,349,137	120,155,839
Less: Pledged deposits	(12,688,778)	(9,539,742)	(11,376,983)	-
Cash and cash equivalents	484,534,184	494,709,601	76,972,154	120,155,839

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

25. Share capital, treasury shares and performance share plan

(a) Ordinary share capital issued and fully paid

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	2024	2023	2024 RM	2023 RM
At beginning and end of the year	2,696,472,800	2,696,472,800	1,845,200,087	1,845,200,087

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

(b) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2022	186,132,479	197,775,703
Purchase of treasury shares	4,498,700	5,377,265
Release of treasury shares pursuant to Performance Share Plan	(6,000,000)	(6,552,291)
At 30 June 2023	184,631,179	196,600,677
At 1 July 2023	184,631,179	196,600,677
Purchase of treasury shares	150,000	144,218
Release of treasury shares pursuant to Performance Share Plan	(3,065,738)	(3,651,682)
At 30 June 2024	181,715,441	193,093,213

Treasury shares relate to ordinary shares of the Company that are held by the Company.

Purchase of treasury shares

During the financial year, the Company purchased 150,000 (2023: 4,498,700) shares pursuant to the share purchase mandate approved by shareholders on 26 October 2023 (2023: 27 October 2022). These shares were acquired by way of market acquisition for a total consideration of RM144,218 (2023: RM5,377,265).

The percentage of treasury shares over total ordinary shares net of treasury shares amounts to 7.2% (2023: 7.4%).

(c) Performance share plan ("PSP")

	Group and Company	
	2024 RM	2023 RM
At beginning of the year	-	-
Grant of PSP	2,600,604	6,513,405
Release of PSP	(2,600,604)	(6,513,405)
At end of the year	-	-

(i) PSP shares granted to Group Chief Executive Officer

On 26 February 2024, 3,065,738 (2023: 5,400,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.240 (2023: SGD0.335) per share at grant date, amounted to RM2,600,604 (2023: RM5,862,065) to the Group Chief Executive Officer (2023: Group Managing Director), Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2023 (2023: 30 June 2022).

25. Share capital, treasury shares and performance share plan (cont'd)

(c) Performance share plan ("PSP") (cont'd)

(ii) PSP shares granted to key management personnel

In the previous financial year, 600,000 PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 per share at grant date, amounted to RM651,340 to a key management personnel, in recognition of her service and contribution to the Group for the financial year ended 30 June 2022.

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

During the financial year, the deficit on reissuance of treasury shares of RM1,051,078 (2023: RM38,886) was recognised in the loss on reissuance of treasury shares reserve.

26. Other reserves

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Foreign currency translation reserve	(a)	95,958,773	94,381,070	293,204,862	266,112,184
Capital reserve	(b)	466,828	466,828	-	-
Statutory reserve	(c)	141,159	141,159	-	-
Fair value reserve of financial assets at FVOCI	(d)	(152,890,324)	(96,489,328)	-	-
Loss on reissuance of treasury shares	(e)	(1,518,733)	(467,655)	(1,518,733)	(467,655)
		(57,842,297)	(1,967,926)	291,686,129	265,644,529

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of all entities within the Group whose functional currencies are different from that of the Group's presentation currency.

(b) Capital reserve

This represents non-distributable capital reserve of a subsidiary arising from the issuance of bonus shares in prior years.

(c) Statutory reserve

This represents non-distributable reserve of a subsidiary incorporated in Thailand. As required by Thailand Civil and Commercial Code, an entity shall allocate at least 5% of its annual net profit to a reserve, when dividend is declared, until the reserve reaches an amount not less than 10% of the entity's authorised capital.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

26. Other reserves (cont'd)

(d) Fair value reserve of financial assets at fair value through other comprehensive income ("FVOCI")

Group	Fair value (gain)/loss on financial assets (Note 16) RM	Deferred tax relating to fair value gain/(loss) on financial assets (Note 30) RM	Total RM
At 1 July 2022	123,909,274	(12,075,340)	111,833,934
Remeasurement of financial assets	(16,994,912)	1,650,306	(15,344,606)
At 30 June 2023	106,914,362	(10,425,034)	96,489,328
At 1 July 2023	106,914,362	(10,425,034)	96,489,328
Remeasurement of financial assets	62,734,868	(6,333,872)	56,400,996
At 30 June 2024	169,649,230	(16,758,906)	152,890,324

This represents non-distributable reserve arising from cumulative fair value changes, net of tax, of financial assets until they are disposed off.

(e) Loss on reissuance of treasury shares

This represents the loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

(f) Performance share plan reserve

This represents non-distributable reserve arising from performance shares. The movement in this reserve during the current and previous financial year is as shown in Note 25(c) above. As at current and previous reporting dates, there were no outstanding shares awarded.

The above reserves are not available for dividend distribution to shareholders.

27. Merger deficit

	Group	
	2024 RM	2023 RM
At beginning and end of the year	1,943,942,990	1,943,942,990

The merger deficit represents the excess of nominal value of the shares issued by the Company over the book value of the assets and liabilities of the acquired subsidiaries, accounted for using the pooling of interest method.

The above reserve is not available for dividend distribution to shareholders.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

28. Loans and borrowings

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Unsecured				
Lease liabilities (Note 29)	7,833,182	7,293,999	-	-
Secured				
Lease liabilities (Note 29)	390,985	267,361	-	-
	8,224,167	7,561,360	-	-
Non-current				
Unsecured				
Lease liabilities (Note 29)	17,333,663	18,420,389	-	-
Revolving credit - Committed	115,895,112	152,731,692	115,895,112	152,731,692
	133,228,775	171,152,081	115,895,112	152,731,692
Secured				
Lease liabilities (Note 29)	685,282	798,563	-	-
	133,914,057	171,950,644	115,895,112	152,731,692
Total loans and borrowings (Note 31)	142,138,224	179,512,004	115,895,112	152,731,692

Lease liabilities - fixed rate
This represents the present value of lease payments to be made over the lease term. The details and interest rate of the leases are disclosed in Note 29.

Committed and uncommitted revolving credit facility - floating rate

(i) The Company secured a 5-year medium term committed revolving credit facility and an uncommitted revolving credit facility in financial year ended 30 June 2022. Both facilities are guaranteed by subsidiaries of the Company, can be drawn down for one, three or six months and are repayable on the last day of its interest period. The principal amount of committed revolving credit facility may be rolled over at the discretion of the Company within the availability period, provided that any interest accrued on the facility is paid on the last day of its interest period. The utilisation of the uncommitted revolving credit facility is subject to the lender's review from time to time. The facilities will be due for termination on 2 March 2027.

As at the reporting date, the Company has outstanding balance of committed revolving credit amounting to SGD33,600,000, equivalent to RM115,895,112 (2023: SGD44,800,000, equivalent to RM152,731,692). The average effective interest rate of this committed revolving credit at the reporting date was 5.24% (2023: 4.62%) per annum. There was no amount drawdown from the uncommitted revolving credit facility as at the current and previous reporting dates.

(ii) A subsidiary has an uncommitted revolving credit facility. There was no amount drawdown as at the current and previous reporting dates.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

29. Lease liabilities

The Group has lease contracts for various items of office equipment, motor vehicles and office premises. These leases generally have lease terms between one to seven years.

The Group also has certain leases of office premises and office equipment with either lease terms of 12 months or less, or leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		
	Unsecured RM	Secured RM	Total RM
At 1 July 2022	23,976,443	1,377,923	25,354,366
Additions (Note 37)	4,667,030	500,358	5,167,388
Modification (Note 37)	3,318,110	-	3,318,110
Accretion of interest (Note 6)	700,134	83,744	783,878
Payments	(8,130,870)	(918,753)	(9,049,623)
Currency translation differences	1,183,541	22,652	1,206,193
At 30 June 2023	25,714,388	1,065,924	26,780,312
At 1 July 2023	25,714,388	1,065,924	26,780,312
Additions (Note 37)	1,317,425	362,039	1,679,464
Modification (Note 37)	6,064,296	-	6,064,296
Accretion of interest (Note 6)	992,889	51,461	1,044,350
Payments	(9,064,494)	(404,507)	(9,469,001)
Currency translation differences	142,341	1,350	143,691
At 30 June 2024	25,166,845	1,076,267	26,243,112

The maturity analysis of lease liabilities is as follows:

	Group					
	2024			2023		
	Unsecured RM	Secured RM	Total RM	Unsecured RM	Secured RM	Total RM
Future minimum lease payments:						
Not later than one year	8,778,222	434,469	9,212,691	8,090,962	311,541	8,402,503
Later than one year but not later than five years	17,592,597	722,453	18,315,050	19,349,408	788,150	20,137,558
Later than five years but not later than seven years	1,068,403	12,039	1,080,442	-	84,435	84,435
Total future minimum lease payments (Note 36(b))	27,439,222	1,168,961	28,608,183	27,440,370	1,184,126	28,624,496
Less: Amounts representing finance charges	(2,272,377)	(92,694)	(2,365,071)	(1,725,982)	(118,202)	(1,844,184)
Present value of lease liabilities	25,166,845	1,076,267	26,243,112	25,714,388	1,065,924	26,780,312
The present value of the lease liabilities may be analysed as follows:						
Not later than one year	7,833,182	390,985	8,224,167	7,293,999	267,361	7,561,360
Later than one year but not later than five years	16,291,822	673,302	16,965,124	18,420,389	716,179	19,136,568
Later than five years but not later than seven years	1,041,841	11,980	1,053,821	-	82,384	82,384
	25,166,845	1,076,267	26,243,112	25,714,388	1,065,924	26,780,312
Presented as:						
Current (Note 28)	7,833,182	390,985	8,224,167	7,293,999	267,361	7,561,360
Non-current (Note 28)	17,333,663	685,282	18,018,945	18,420,389	798,563	19,218,952
	25,166,845	1,076,267	26,243,112	25,714,388	1,065,924	26,780,312

29. Lease liabilities (cont'd)

The following are the amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Depreciation of right-of-use assets (Note 7 and 12)	9,220,769	8,549,998
Interest expense on lease liabilities (Note 6)	1,044,350	783,878
Expenses (included in administrative expenses) (Note 7) relating to:		
- Short-term leases	1,012,361	1,047,698
- Leases of low-value assets	3,906,108	3,603,413
	4,918,469	4,651,111
Total amount recognised in profit or loss	15,183,588	13,984,987

During the financial year, the Group had total cash outflows for leases of RM14,387,470 (2023: RM13,700,734), and non-cash additions to right-of-use assets and lease liabilities of RM1,679,464 (2023: RM5,167,388).

The weighted average incremental borrowing rate of unsecured lease liabilities was 4.49% (2023: 3.65%).

The effective interest rates for secured lease liabilities at the reporting date ranged from 2.20% to 4.29% (2023: 1.88% to 4.29%) per annum.

30. Deferred tax

	Group	
	2024 RM	2023 RM
At beginning of the year	(5,853,883)	(16,519,693)
Recognised in income statement (Note 9):		
Provision in current year	(7,169,859)	7,492,120
(Over)/under provision in prior financial years	(3,071,862)	547,998
Recognised in other comprehensive income:		
Provision in current year	(6,339,985)	1,579,516
Currency translation differences	384,308	1,046,176
At end of the year	(22,051,281)	(5,853,883)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(103,961,477)	(93,241,847)
Offsetting	58,817,142	43,257,523
Deferred tax assets (after offsetting)	(45,144,335)	(49,984,324)
Deferred tax liabilities	81,910,196	87,387,964
Offsetting	(58,817,142)	(43,257,523)
Deferred tax liabilities (after offsetting)	23,093,054	44,130,441
Deferred tax	(22,051,281)	(5,853,883)

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

30. Deferred tax (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Software development expenditure RM	Proprietary software RM	Customer relationship RM	Property, plant and equipment RM	Right-of-use assets RM	Undistributed profits of subsidiaries (Note 9) RM	Financial assets at fair value through OCI RM	Others RM	Total RM
At 1 July 2022	26,975,290	5,388,797	2,046,400	724,915	4,420,881	6,086,231	19,840,913	130,597	65,614,024
Recognised in income statement:									
Provision in current year	14,101,851	(1,536,334)	(525,731)	58,855	(858,432)	2,571,338	-	3,467,611	17,279,158
Under/(over) provision in prior financial years	-	38,613	-	3,583	(114,043)	-	-	(886,990)	(958,837)
Recognised in other comprehensive income (Note 26(d)):									
Provision in current year	-	-	-	-	-	-	1,650,306	-	1,650,306
Currency translation differences	58,457	1,636,734	243,375	10,219	176,070	182,261	1,385,763	110,434	3,803,313
At 30 June 2023	41,135,598	5,527,810	1,764,044	797,572	3,624,476	8,839,830	22,876,982	2,821,652	87,387,964
At 1 July 2023	41,135,598	5,527,810	1,764,044	797,572	3,624,476	8,839,830	22,876,982	2,821,652	87,387,964
Recognised in income statement:									
Provision in current year	6,725,026	(1,306,135)	(489,319)	35,798	866,234	(5,442,675)	-	(258,895)	130,034
Under/(over) provision in prior financial years	228,108	(136,686)	15,077	81,340	24,783	-	-	(346,747)	(134,125)
Recognised in other comprehensive income (Note 26(d)):									
Provision in current year	-	-	-	-	-	-	(6,333,872)	-	(6,333,872)
Currency translation differences	7,083	600,062	6,475	730	18,054	25,294	175,765	26,732	860,195
At 30 June 2024	48,095,815	4,685,051	1,296,277	915,440	4,533,547	3,422,449	16,718,875	2,242,742	81,910,196

30. Deferred tax (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd)

Deferred tax assets of the Group:

	Provision for defined benefit liabilities RM	Allowance for unutilised leave RM	Contract liabilities RM	Unutilised tax losses RM	Lease liabilities RM	Tax allowance claimable on acquired intellectual property (Note 9) RM	Others RM	Total RM
At 1 July 2022	(2,804,557)	(3,349,776)	(14,761,481)	(22,797,574)	(4,444,920)	(23,586,062)	(10,389,347)	(82,133,717)
Recognised in income statement:								
Provision in current year	(104,546)	(361,911)	(1,853,967)	(13,290,803)	867,041	3,494,998	1,462,150	(9,787,038)
(Under)/over provision in prior financial years	-	(2,872)	(11,212)	101,368	11,484	-	1,408,067	1,506,835
Recognised in other comprehensive income (Note 32):								
Provision in current year	(70,790)	-	-	-	-	-	-	(70,790)
Currency translation differences	(128,663)	(54,618)	(23,613)	(345,660)	(182,668)	(1,917,758)	(104,157)	(2,757,137)
At 30 June 2023	(3,108,556)	(3,769,177)	(16,650,273)	(36,332,669)	(3,749,063)	(22,008,822)	(7,623,287)	(93,241,847)
At 1 July 2023	(3,108,556)	(3,769,177)	(16,650,273)	(36,332,669)	(3,749,063)	(22,008,822)	(7,623,287)	(93,241,847)
Recognised in income statement:								
Provision in current year	(256,746)	(750,925)	(1,695,049)	(2,096,729)	(918,713)	826,949	(2,408,680)	(7,299,893)
(Under)/over provision in prior financial years	(581)	(121,200)	376,958	(4,774,780)	(40,222)	(3,706,008)	5,328,096	(2,937,737)
Recognised in other comprehensive income (Note 32):								
Provision in current year	(6,113)	-	-	-	-	-	-	(6,113)
Currency translation differences	101,833	2,935	9,193	(131,311)	(18,858)	(256,143)	(183,536)	(475,887)
At 30 June 2024	(3,270,163)	(4,638,367)	(17,959,171)	(43,335,489)	(4,726,856)	(25,144,024)	(4,887,407)	(103,961,477)

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

30. Deferred tax (cont'd)

As at reporting date, the deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM	2023 RM
Unutilised tax losses	63,908,471	10,708,605
- Expiring within 1 to 5 years	1,194,624	1,085,233
- Expiring within 6 to 10 years	61,398,149	8,290,902
- No expiry period	1,315,698	1,332,470
Unabsorbed capital allowances	324,643	700,158
Other deductible temporary differences	585,607	911,075
	64,818,721	12,319,838

Tax consequences of proposed dividends
There are no income tax consequences (2023: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 33).

Unutilised tax losses
The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate. The number of years for which the unutilised tax losses can be carried forward ("Utilisation Period") varies for each country and any excess at the end of the Utilisation Period will be disregarded. Deferred tax assets have not been recognised in respect of these losses as it is not probable that future taxable profits will be available in these subsidiaries against which the Group can utilise the benefits. If the Group was able to recognise the unrecognised deferred tax assets, profit would increase by RM15,345,367 (2023: RM2,506,187).

Unrecognised earnings
At 30 June 2024, deferred tax liabilities of RM3,422,449 (2023: RM8,839,830) have been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries. There was no other recognised deferred tax liability for taxes that would be payable on the undistributed earnings of other subsidiaries of the Group as the Group has determined that undistributed profits of other subsidiaries will not be distributed in the foreseeable future. At the reporting date, deferred tax liability on undistributed earnings of other subsidiaries amounting to RM6,503,977 (2023: RM3,073,520) has not been recognised.

31. Trade and other payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	4,462,758	14,873,561	-	-
Accrual of sub-contractor fees	7,972,073	9,140,257	-	-
Total trade payables	12,434,831	24,013,818	-	-
Other payables				
Sundry payables and accruals	65,317,795	68,586,005	4,048,555	3,560,926
Allowance for unutilised leave	21,953,891	19,708,985	-	-
Total other payables	87,271,686	88,294,990	4,048,555	3,560,926
Total trade and other payables	99,706,517	112,308,808	4,048,555	3,560,926
Trade and other payables	99,706,517	112,308,808	4,048,555	3,560,926
Loans and borrowings (Note 28)	142,138,224	179,512,004	115,895,112	152,731,692
Amounts due to:				
- Subsidiaries (Note 20)	-	-	2,075,682	2,548,370
- Related parties (Note 20)	1,548,228	873,424	-	-
Total financial liabilities carried at amortised cost	243,392,969	292,694,236	122,019,349	158,840,988

31. Trade and other payables (cont'd)

Trade and other payables
These amounts are non-interest bearing. Trade payables are normally settled on 60 days (2023: 60 days) term while other payables have an average term of 6 months (2023: 6 months).

Other information on financial risks of trade and other payables are disclosed in Note 36(b).

32. Provision for defined benefit liabilities

The Group has defined benefit pension plans in Indonesia, Thailand and Philippines respectively, for its employees.

(a) Indonesia plans

Two subsidiaries in Indonesia provide benefits for their employees who achieve the retirement age. The retirement age varies from 57 to 58 years old and will increase gradually for every 3 years until reaching 65 years old. The benefits are determined based on Labor Law No. 6/2023 and Government Regulation 35/2021 dated 2 February 2021.

The employee benefits liability is unfunded.

The details of the defined benefit pension plans for two subsidiaries in Indonesia are as follows:

(i) The employee benefits liability of an Indonesian subsidiary was determined by an independent actuarist in its report dated 2 July 2024 for financial year ended 30 June 2024 and 5 July 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	7.00%	6.75%
Salary increment rate	10%	10%
Mortality rate	100% *	100% *
Disability rate	5% *	5% *
Resignation rate	10% to age 35, then decreasing linearly to 0% at Normal Retirement age	10% to age 35, then decreasing linearly to 0% at Normal Retirement age
Normal Retirement Age	58 years old and will increase gradually every 3 years until reaching 65 years old	58 years old and will increase gradually every 3 years until reaching 65 years old

* Based on Indonesian Mortality Table IV

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

32. Provision for defined benefit liabilities (cont'd)

(a) Indonesia plans (cont'd)

The details of the defined benefit pension plans for two subsidiaries in Indonesia are as follows: (cont'd)

(ii) The employee benefits liability of another Indonesian subsidiary was determined by an independent actuarist in its report dated 4 July 2024 for financial year ended 30 June 2024 and 4 July 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	7.00%	7.00%
Salary increment rate	10%	10%
Mortality rate	100% *	100% *
Disability rate	5% *	5% *
Resignation rate	5% to age 30, then decreasing linearly to 0% at age 57	5% to age 30, then decreasing linearly to 0% at age 57
Normal Retirement Age	58 years and continues to increase by 1 year every 3 years until reaching 65 years old	57

* Based on Indonesian Mortality Table IV

(b) Thailand plans

Two subsidiaries in Thailand provide benefits for their employees who achieve the retirement age at 60 based on the provisions of Labour Protection Act (A.D. 2019), on Severance Pay.

The employee benefits liability is unfunded.

The details of the defined benefit pension plans for two subsidiaries in Thailand are as follows:

(i) The employee benefits liability of a Thailand subsidiary was determined by an independent actuarist in its report dated 3 July 2024 for financial year ended 30 June 2024 and 7 July 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	2.80%	2.70%
Salary increment rate	15% per annum for ages up to 29; 8% per annum for ages 30 to 39; 4% per annum for ages 40 to 49; 2% per annum for ages 50 and above	15% per annum for ages up to 29; 8% per annum for ages 30 to 39; 4% per annum for ages 40 to 49; 2% per annum for ages 50 and above
Mortality rate	Thailand Mortality Ordinary 2017 Table	Thailand Mortality Ordinary 2017 Table
Disability rate	0%	0%
Resignation rate	7% per annum for ages up to 39; 4% per annum for ages 40 to 49; 0% per annum for ages 50 and above	7% per annum for ages up to 39; 4% per annum for ages 40 to 49; 0% per annum for ages 50 and above

32. Provision for defined benefit liabilities (cont'd)

(b) Thailand plans (cont'd)

The details of the defined benefit pension plans for two subsidiaries in Thailand are as follows: (cont'd)

(ii) The employee benefits liability of another Thailand subsidiary was determined by an independent actuarist in its report dated 11 July 2024 for financial year ended 30 June 2024 and 26 July 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	3.60%	3.40%
Salary increment rate	10% per annum	10% per annum
Mortality rate	Thailand Mortality Ordinary 2017 Table	Thailand Mortality Ordinary 2017 Table
Disability rate	0%	0%
Resignation rate	15% per annum for ages up to 29; 10% per annum for ages 30 to 39; 5% per annum for ages 40 to 49; 0% per annum for ages 50 and above	15% per annum for ages up to 29; 10% per annum for ages 30 to 39; 5% per annum for ages 40 to 49; 0% per annum for ages 50 and above

(c) Philippines plans

Three subsidiaries in Philippines conform to the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) and provide retirement benefits equal to 22.5 days pay for every year of credited service for employees who attain the normal retirement age of 60 with at least five years of service. The regulatory benefit is paid in a lump sum upon retirement.

The employee benefits liability is unfunded.

The details of the defined benefit pension plans for three subsidiaries in Philippines are as follows:

(i) The employee benefits liability of a Philippines subsidiary was determined by an independent actuarist in its report dated 13 June 2024 for financial year ended 30 June 2024 and 1 July 2022 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	6.84%	6.18%
Salary increment rate	6%	9%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

32. Provision for defined benefit liabilities (cont'd)

(c) Philippines plans (cont'd)

The details of the defined benefit pension plans for three subsidiaries in Philippines are as follows: (cont'd)

(ii) The employee benefits liability of another Philippines subsidiary was determined by an independent actuarist in its report dated 3 July 2024 for financial year ended 30 June 2024 and 10 July 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	6.75%	6.24%
Salary increment rate	5%	5%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	8.0% per annum for ages 19 to 24; 9.2% per annum for ages 25 to 29; 16.9% per annum for ages 30 to 34; 12.4% per annum for ages 35 to 39; 4.5% per annum for ages 40 to 44; 4.3% per annum for ages 45 and above	8.6% per annum for ages 19 to 24; 10.0% per annum for ages 25 to 29; 18.3% per annum for ages 30 to 34; 13.5% per annum for ages 35 to 39; 3.9% per annum for ages 40 to 44; 4.7% per annum for ages 45 and above

(iii) The employee benefits liability of another Philippines subsidiary was determined by an independent actuarist in its report dated 11 June 2024 for financial year ended 30 June 2024 and 18 May 2023 for financial year ended 30 June 2023.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2024	2023
Discount rate	6.93%	5.98%
Salary increment rate	10%	10%
Mortality rate	2017 Philippine Intercompany Mortality Table	2017 Philippine Intercompany Mortality Table
Disability rate	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)	The Disability Study, Period 2 Benefit 5 (Society of Actuaries)
Resignation rate	3.8% per annum for ages 19 to 24; 8% per annum for ages 25 to 29; 10.6% per annum for ages 30 to 34; 8.6% per annum for ages 35 to 39; 1% per annum for ages 40 to 44; 1% per annum for ages 45 to 49; 0.5% per annum for ages 50 to 54; 0.5% per annum for ages 55 and above	3.8% per annum for ages 19 to 24; 3% per annum for ages 25 to 29; 2.3% per annum for ages 30 to 34; 14% per annum for ages 35 to 39; 1% per annum for ages 40 to 44; 1% per annum for ages 45 to 49; 0.5% per annum for ages 50 to 54; 0.5% per annum for ages 55 and above

32. Provision for defined benefit liabilities (cont'd)

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the statements of financial position as employee benefits liabilities.

The details of the net employee benefits liability are as follows:

	Group							
	2024				2023			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Present Value of the Defined Benefit Obligation ("PVDBO") as at 1 July	2,834,127	4,348,086	6,581,118	13,763,331	3,368,205	3,915,234	5,143,671	12,427,110
Defined benefit obligation (Note 8)	132,802	492,649	840,527	1,465,978	(567,457)	418,770	739,184	590,497
Benefits paid	(73,380)	(342,306)	-	(415,686)	-	(89,886)	-	(89,886)
Gross amount of actuarial (gain)/loss	(94,374)	398,903	(217,227)	87,302	33,379	(108,155)	346,846	272,070
Currency translation differences	-	(111,401)	(321,387)	(432,788)	-	212,123	351,417	563,540
PVDBO as at 30 June	2,799,175	4,785,931	6,883,031	14,468,137	2,834,127	4,348,086	6,581,118	13,763,331
Analysis of funded and unfunded PVDBO								
PVDBO from plans that are wholly unfunded	2,799,175	4,785,931	6,883,031	14,468,137	2,834,127	4,348,086	6,581,118	13,763,331
Analysed as:								
Current	207,354	360,034	-	567,388	-	-	-	-
Non-current:								
Later than:								
- one year but not later than two years	-	127,024	-	127,024	190,553	-	-	190,553
- two years but not later than five years	552,004	1,147,507	1,123,503	2,823,014	436,648	1,185,883	428,308	2,050,839
- five years	2,039,817	3,151,366	5,759,528	10,950,711	2,206,926	3,162,203	6,152,810	11,521,939
Total non-current	2,591,821	4,425,897	6,883,031	13,900,749	2,834,127	4,348,086	6,581,118	13,763,331
	2,799,175	4,785,931	6,883,031	14,468,137	2,834,127	4,348,086	6,581,118	13,763,331

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

32. Provision for defined benefit liabilities (cont'd)

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the statements of financial position as employee benefits liabilities. (cont'd)

The details of the net employee benefits expense recognised in operations are as follows:

	Group							
	2024				2023			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Current service cost	403,948	374,871	438,589	1,217,408	368,059	345,561	389,041	1,102,661
Past service cost	(428,661)	-	-	(428,661)	(1,095,095)	-	-	(1,095,095)
Interest cost	157,515	117,778	401,938	677,231	159,579	73,209	350,143	582,931
Net employee benefits expense (Note 8)	132,802	492,649	840,527	1,465,978	(567,457)	418,770	739,184	590,497
Total amount recognised in statement of comprehensive income								
Actuarial (gain)/loss arising from changes in financial assumptions	(46,462)	(50,189)	(1,034,414)	(1,131,065)	231,098	104,943	391,337	727,378
Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	195,189	195,189	(190,876)	(96,962)	(95,410)	(383,248)
Actuarial (gain)/loss arising from experience adjustments	(47,912)	449,092	621,998	1,023,178	(6,843)	(116,136)	50,919	(72,060)
Gross amount of actuarial (gain)/loss	(94,374)	398,903	(217,227)	87,302	33,379	(108,155)	346,846	272,070
Deferred tax (Note 30)	20,762	(79,780)	52,905	(6,113)	(7,343)	21,631	(85,078)	(70,790)
Net amount of actuarial (gain)/loss	(73,612)	319,123	(164,322)	81,189	26,036	(86,524)	261,768	201,280
Cumulative amount of actuarial (gain)/loss recognised in statement of comprehensive income	(724,835)	1,220,513	(2,662,450)	(2,166,772)	(651,223)	901,390	(2,498,128)	(2,247,961)

32. Provision for defined benefit liabilities (cont'd)

<u>Sensitivity analysis:</u>

The sensitivity analysis below have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Discount rate
A one percentage point change in the assumed discount rate would have the following effects:

	Increase in one percentage point on discount rate				Decrease in one percentage point on discount rate			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
(Decrease)/increase:								
2024								
Effect on the aggregate current service cost and interest cost	(221,661)	(421,231)	(646,652)	(1,289,544)	252,643	496,188	735,948	1,484,779
Effect on the PVDBO as at 30 June	(221,661)	(411,927)	(628,935)	(1,262,523)	252,643	485,229	715,875	1,453,747
2023								
Effect on the aggregate current service cost and interest cost	(251,921)	(392,110)	(648,527)	(1,292,558)	286,681	459,526	751,069	1,497,276
Effect on the PVDBO as at 30 June	(251,921)	(406,977)	(683,966)	(1,342,864)	286,681	476,949	791,925	1,555,555

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

32. Provision for defined benefit liabilities (cont'd)

Sensitivity analysis: (cont'd)

The sensitivity analysis below have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another. (cont'd)

Salary increment rate
A one percentage point change in the assumed salary increment rate would have the following effects:

	Increase in one percentage point on salary increment rate				Decrease in one percentage point on salary increment rate			
	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM	Indonesia Plans RM	Thailand Plans RM	Philippines Plans RM	Total RM
Increase/(decrease):								
2024								
Effect on the aggregate current service cost and interest cost	239,186	487,159	738,032	1,464,377	(214,624)	(423,114)	(660,190)	(1,297,928)
Effect on the PVDBO as at 30 June	239,186	476,399	717,852	1,433,437	(214,624)	(413,768)	(642,064)	(1,270,456)
2023								
Effect on the aggregate current service cost and interest cost	278,084	451,640	767,880	1,497,604	(249,192)	(394,161)	(675,087)	(1,318,440)
Effect on the PVDBO as at 30 June	278,084	468,764	809,820	1,556,668	(249,192)	(409,105)	(712,100)	(1,370,397)

Amounts for the current and previous periods are as follows:

	Indonesia Plans		Thailand Plans		Philippines Plans	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
PVDBO	2,799,175	2,834,127	4,785,931	4,348,086	6,883,031	6,581,118
Experience adjustments on plan liabilities	(47,912)	(6,843)	439,174	(120,540)	604,032	53,847

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

33. Dividends

	2024		2023	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
Declared and paid/payable during the financial year:				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2023/2022: - Final dividend paid per share, tax exempt (1-tier)	0.0060 / 0.0210	51,916,753	0.0070 / 0.0230	57,570,639
Proposed but not recognised as a liability as at 30 June:				
Final dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting	0.0036 / 0.0130	31,486,774	0.0060 / 0.0210	51,821,804

34. Significant related party transactions

(a) Sale and purchase of goods and services

The Group regards the companies within Zezz FundQ Pte. Ltd. group, and companies with common directors, other than its own subsidiaries, as its related parties.

The Group has the following significant related party transactions with the related parties, which took place on terms agreed between the parties during the financial year:

	Group	
	2024 RM	2023 RM
Sale of goods and rendering of services to related parties:		
- Software licensing	9,034,906	597,780
- Software project services (professional services)	17,436,762	12,774,179
- Maintenance and enhancement services	72,270,905	58,838,318
- Sale of system software and hardware products	4,114,372	12,008,586
Service fees paid to related parties	6,240,815	4,740,698
Administrative expenses paid to related parties	643,662	767,307
Data centre and infrastructure support expenses paid to related parties	4,302,452	3,057,488
Other costs reimbursed from related parties	30,517	26,239
Rental paid to related parties	232,677	153,664
Rental paid by related parties	226,532	214,775
Interest income from a related party	-	168
Purchase of property, plant and equipment from related parties	-	152,152
Purchase of intangible assets from a related party	-	31,000

Information regarding outstanding balances arising from related party transactions as at reporting date are disclosed in Note 20.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

34. Significant related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2024 RM	2023 RM
Salaries and other short-term employee benefits	36,753,570	28,193,312
Performance shares plan	2,556,090	6,595,272
Defined contribution plans	1,643,493	1,603,505
Benefits-in-kind	320,730	176,072
	41,273,883	36,568,161
Comprise amounts paid to:		
- Directors of the Company	10,463,002	18,955,203
- Other key management personnel	30,810,881	17,612,958
	41,273,883	36,568,161

35. Commitments and financial guarantees

(a) Capital commitments

At the reporting date, the Group has commitment of RM154,077 (2023: RM920,107) in relation to purchased software.

(b) Finance lease commitments

The Group has finance leases for its motor vehicles and office equipment (Note 12).

Future minimum lease payment under finance leases together with the present value of net minimum lease payments are disclosed in Note 29.

(c) Guarantees

At the reporting date, the Group has provided bank guarantees to third parties amounting to RM19,782,174 (2023: RM23,763,834). No liability is expected to arise.

At the reporting date, the Company has provided corporate guarantee to its subsidiaries amounting to RM79,327,500 (2023: RM59,926,500). No liability is expected to arise.

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instrument where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rate. The Group's policy is to manage its interest costs by obtaining the most favourable interest rates on its borrowings.

Surplus funds of the Group are placed with licensed banks as deposits or money market fund to generate interest income. The Group has no significant net exposure to interest rate risk.

<u>Sensitivity analysis for interest rate risk</u>
The Group's revolving credit at variable rate is denominated in Singapore Dollar ("SGD"). At the reporting date, assuming the market interest rate increases/decreases by 1% with other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been lower/higher by RM1,158,951 (2023: RM1,527,317) arising mainly as a result of higher/lower interest expense on these revolving credit.

The assumed fluctuation in market interest rate sensitivity analysis is based on the observable market environment.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. There is no significant exposure to liquidity risk. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. The Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group's liquidity risk management policy is to match maturities of financial assets and liabilities, and to maintain available banking facilities of a reasonable level to its overall debt position.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contracted undiscounted repayment obligations.

Group	Less than 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
At 30 June 2024				
Trade and other payables (Note 31)	99,706,517	-	-	99,706,517
Amounts due to related parties (Note 20)	1,548,228	-	-	1,548,228
Revolving credit	-	131,714,794	-	131,714,794
Lease liabilities (Note 29)	9,212,691	18,315,050	1,080,442	28,608,183
	110,467,436	150,029,844	1,080,442	261,577,722
At 30 June 2023				
Trade and other payables (Note 31)	112,308,808	-	-	112,308,808
Amounts due to related parties (Note 20)	873,424	-	-	873,424
Revolving credit	-	178,670,682	-	178,670,682
Lease liabilities (Note 29)	8,402,503	20,137,558	84,435	28,624,496
	121,584,735	198,808,240	84,435	320,477,410

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contracted undiscounted repayment obligations.

Company	Less than 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
At 30 June 2024				
Trade and other payables (Note 31)	4,048,555	-	-	4,048,555
Amounts due to subsidiaries (Note 20)	2,075,682	-	-	2,075,682
Revolving credit	-	131,714,794	-	131,714,794
	6,124,237	131,714,794	-	137,839,031
At 30 June 2023				
Trade and other payables (Note 31)	3,560,926	-	-	3,560,926
Amounts due to subsidiaries (Note 20)	2,548,370	-	-	2,548,370
Revolving credit	-	178,670,682	-	178,670,682
	6,109,296	178,670,682	-	184,779,978

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract assets and amounts due from related parties. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises primarily from amounts due from subsidiaries and loans to subsidiaries.

Exposure to credit risk profile
At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 18 (2023: 16) customers, representing 71% (2023: 63%) of the Group's trade receivables and amounts due from related parties (trade).

Trade receivables and contract assets
The Group monitors its credit risk closely and trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group does not expect its related parties to default on their repayment obligations.

Other receivables
Credit risks on other receivables are mainly arising from deposits paid for office premises and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position and the Group did not recognise any expected credit losses.

Cash and bank balances and money market fund
Cash and bank balances and money market fund are placed with reputable licensed banks/financial institutions. At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These reputable licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Accordingly, the Group and the Company are of the view that the expected credit loss is minimal.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Amounts due from subsidiaries and loans to subsidiaries
These represents payment on behalf and loans given to in support of subsidiaries' principal activities. At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Credit risk concentration profile
The Group determines concentrations of credit risk by monitoring the region of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date is as follows:

	Group			
	2024 RM	%	2023 RM	%
By geographical areas				
Southeast Asia	118,860,255	65%	130,131,091	72%
Northeast Asia	9,351,858	5%	3,619,125	2%
South Asia	17,827,030	10%	19,567,258	11%
Middle East	22,774,424	13%	13,609,538	8%
Americas	752,079	-*	1,241,427	-*
Africa	4,965,009	3%	7,722,029	4%
Europe	7,194,836	4%	5,553,545	3%
	181,725,491	100%	181,444,013	100%

* Less than 1%

	Group	
	2024 RM	2023 RM
Represented by:		
Trade receivables - third parties (Note 18)	160,628,943	173,763,687
Amounts due from related parties - trade (Note 20)	21,096,548	7,680,326
	181,725,491	181,444,013

An impairment analysis is performed at the reporting date using a provision matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables past due more than one year are subjected to further assessment for impairment and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18 and Note 20.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

		Gross carrying amount		Expected credit losses		Net balance
Group	**Expected credit loss rate %**	**Trade receivables (including related parties) RM**	**Contract assets RM**	**Collectively assessed RM**	**Individually assessed RM**	**RM**
2024						
Current	0.82%	61,864,596	187,363,951	(157,231)	(1,890,535)	247,180,781
Past due 0 to 1 month	0.02%	57,447,496	-	(9,011)	-	57,438,485
Past due 1 to 2 months	0.65%	17,932,392	-	(116,619)	-	17,815,773
Past due 2 to 3 months	0.26%	10,302,147	-	(26,379)	-	10,275,768
Past due 3 to 6 months	4.11%	25,665,928	-	(1,055,797)	-	24,610,131
Past due over 6 months	49.79%	19,431,164	-	(2,969,522)	(6,705,742)	9,755,900
		192,643,723	187,363,951	(4,334,559)	(8,596,277)	367,076,838
2023						
Current	0.18%	87,693,817	154,858,392	(31,718)	(408,644)	242,111,847
Past due 0 to 1 month	0.08%	34,839,588	-	(29,497)	-	34,810,091
Past due 1 to 2 months	0.19%	12,105,653	-	(23,386)	-	12,082,267
Past due 2 to 3 months	0.03%	19,439,386	-	(5,476)	-	19,433,910
Past due 3 to 6 months	2.74%	15,930,407	-	(437,161)	-	15,493,246
Past due over 6 months	41.92%	20,580,755	-	(1,478,306)	(7,148,178)	11,954,271
		190,589,606	154,858,392	(2,005,544)	(7,556,822)	335,885,632

The movement of the loss allowance accounts used to record the impairment are as follows:

	Trade receivables (including related parties)			Contract assets		
Group	**Expected credit losses (collectively assessed) RM**	**Expected credit losses (individually assessed) RM**	**Total (Note 18) RM**	**Expected credit losses (collectively assessed) RM**	**Expected credit losses (individually assessed) RM**	**Total (Note 19) RM**
2024						
At beginning of the year	1,997,415	7,148,178	9,145,593	8,129	408,644	416,773
Charge for the year (Note 7)	2,205,076	285,189	2,490,265	113,474	1,481,891	1,595,365
Reversal (Note 5)	-	(561,258)	(561,258)	-	-	-
Written off	-	(166,807)	(166,807)	-	-	-
Currency translation differences	9,999	440	10,439	466	-	466
At end of the year	4,212,490	6,705,742	10,918,232	122,069	1,890,535	2,012,604
2023						
At beginning of the year	276,770	7,358,210	7,634,980	158,369	408,644	567,013
Charge for the year (Note 7)	1,709,482	239,370	1,948,852	-	-	-
Reversal (Note 5)	-	(289,316)	(289,316)	(150,382)	-	(150,382)
Written off	-	(551,083)	(551,083)	-	-	-
Currency translation differences	11,163	390,997	402,160	142	-	142
At end of the year	1,997,415	7,148,178	9,145,593	8,129	408,644	416,773

36. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The companies in the Group primarily transact in their respective functional currencies. The Group's business is exposed to foreign exchange risk arising from various currency exposures primarily with respect to sales and operating expenses denominated mainly in Singapore Dollar ("SGD") and United States Dollar ("USD").

The Group holds short-term deposits denominated in USD and SGD which also give rise to foreign currency exposure. The Group is also exposed to currency translation risk arising from its net investments in foreign operations whose functional currencies are not in RM, the Group's presentation currency. The Company's net investments in foreign operations are not hedged as currency positions of the respective companies are considered to be long-term in nature.

At the reporting date, the Group does not hedge its foreign currency exposure using any financial instruments. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis for foreign currency risk
The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the SGD, USD, Thailand Baht ("Baht"), Hong Kong Dollar ("HKD"), Chinese Renminbi ("RMB") and Brunei Dollar ("BND") exchange rates against the respective functional currencies of the Group entities and the Group's presentation currency, with all other variables including tax rate being held constant.

	Group			
	Profit net of tax		Equity	
	2024 RM	2023 RM	2024 RM	2023 RM
SGD/RM				
- strengthened by 1% (2023: 9%)	332,585	2,099,554	26,545,774	242,573,566
- weakened by 1% (2023: 9%)	(332,585)	(2,099,554)	(26,545,774)	(242,573,566)
USD/RM				
- strengthened by 1% (2023: 6%)	856,178	9,103,692	2,353,110	17,241,643
- weakened by 1% (2023: 6%)	(856,178)	(9,103,692)	(2,353,110)	(17,241,643)
Baht/RM				
- strengthened by 2% (2023: 5%)	117,068	11,177	846,205	1,799,312
- weakened by 2% (2023: 5%)	(117,068)	(11,177)	(846,205)	(1,799,312)
HKD/RM				
- strengthened by 1% (2023: 7%)	38,091	8,804	1,638,582	15,004,633
- weakened by 1% (2023: 7%)	(38,091)	(8,804)	(1,638,582)	(15,004,633)
RMB/RM				
- strengthened by 1% (2023: 2%)	34,118	(86,872)	1,784,243	4,641,816
- weakened by 1% (2023: 2%)	(34,118)	86,872	(1,784,243)	(4,641,816)
BND/RM				
- strengthened by 1% (2023: 9%)	24,461	94,521	230,213	1,818,781
- weakened by 1% (2023: 9%)	(24,461)	(94,521)	(230,213)	(1,818,781)

The changes in exchange rates of other foreign currencies will not have a material impact on the financial statements of the Group.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)
The following table demonstrates the sensitivity of the Company's profit net of tax and equity to a reasonably possible change in the SGD and USD exchange rates against the functional and presentation currencies of the Company, with all other variables including tax rate being held constant.

	Company			
	Profit net of tax		Equity	
	2024 RM	2023 RM	2024 RM	2023 RM
SGD/RM				
- strengthened by 1% (2023: 9%)	-	-	23,223,331	217,110,540
- weakened by 1% (2023: 9%)	-	-	(23,223,331)	(217,110,540)
USD/RM				
- strengthened by 1% (2023: 6%)	280,597	4,239,323	280,597	4,239,323
- weakened by 1% (2023: 6%)	(280,597)	(4,239,323)	(280,597)	(4,239,323)

The changes in exchange rates of other foreign currencies will not have a material impact on the financial statements of the Company.

36. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows:

At 30 June 2024	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Chinese Renminbi RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Euro RM	Hong Kong Dollar RM	Others RM	Total RM
Financial assets											
Financial assets at fair value through other comprehensive income - quoted equity shares	3,325,000	-	-	175,012,413	-	-	-	-	-	-	178,337,413
Financial assets at fair value through profit or loss - money market fund	7,844,763	-	-	-	-	-	-	-	-	-	7,844,763
Cash and bank balances	150,355,696	137,177,765	97,746,300	68,474	24,245,766	25,091,715	36,812,204	9,480,854	2,239,004	14,005,184	497,222,962
Trade receivables	36,903,976	15,005,713	55,027,760	62,974	22,935,904	6,391,736	15,696,263	7,166,590	403,625	1,034,402	160,628,943
Other receivables	3,100,134	1,034,315	697,445	-	2,075,542	43,529	1,411,011	1,111,368	28,768	1,870,445	11,372,557
Amounts due from related parties	13,887,473	141,960	-	3,351,586	-	-	-	-	3,857,489	-	21,238,508
	215,417,042	153,359,753	153,471,505	178,495,447	49,257,212	31,526,980	53,919,478	17,758,812	6,528,886	16,910,031	876,645,146
Financial liabilities											
Loans and borrowings	11,498,250	125,044,549	-	-	663,076	-	2,128,857	2,206,047	-	597,445	142,138,224
Trade payables	5,764,776	344,208	4,283,618	53,888	1,048,416	-	146,095	623,178	55,975	114,677	12,434,831
Other payables	42,744,814	10,863,862	3,553,597	17,307	6,191,964	591,960	3,998,586	10,737,753	382,020	8,189,823	87,271,686
Amounts due to related parties	971,210	506,397	-	-	-	70,621	-	-	-	-	1,548,228
	60,979,050	136,759,016	7,837,215	71,195	7,903,456	662,581	6,273,538	13,566,978	437,995	8,901,945	243,392,969
Net financial assets	154,437,992	16,600,737	145,634,290	178,424,252	41,353,756	30,864,399	47,645,940	4,191,834	6,090,891	8,008,086	633,252,177
Less: Net financial position denominated in the respective entities' functional currencies	(134,332,914)	16,657,720	(60,016,444)	-	(35,500,353)	(28,418,278)	(46,677,093)	(503,761)	(2,281,805)	(7,582,809)	(298,655,737)
Currency exposure	20,105,078	33,258,457	85,617,846	178,424,252	5,853,403	2,446,121	968,847	3,688,073	3,809,086	425,277	334,596,440

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows: (cont'd)

At 30 June 2023	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Chinese Renminbi RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Euro RM	Hong Kong Dollar RM	Others RM	Total RM
Financial assets											
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	236,434,408	-	-	-	-	-	-	239,234,408
Financial assets at fair value through profit or loss - money market fund	27,544,302	-	-	-	-	-	-	-	-	-	27,544,302
Cash and bank balances	96,735,797	135,709,702	149,841,128	67,598	25,786,366	21,333,713	54,084,704	4,477,861	2,122,061	14,090,413	504,249,343
Trade receivables	59,985,372	12,621,987	54,816,576	222,124	16,421,095	9,975,884	9,177,953	8,431,597	338,273	1,772,826	173,763,687
Other receivables	3,267,156	1,218,305	784,949	-	1,596,193	8,837	3,107,549	551,032	28,532	1,471,127	12,033,680
Amounts due from related parties	6,628,390	67,620	-	981,025	-	-	-	-	70,911	-	7,747,946
Derivative asset	-	2,586	-	-	-	-	-	-	-	-	2,586
	196,961,017	149,620,200	205,442,653	237,705,155	43,803,654	31,318,434	66,370,206	13,460,490	2,559,777	17,334,366	964,575,952
Financial liabilities											
Loans and borrowings	8,568,244	164,255,325	114,859	-	1,028,908	-	1,821,991	2,915,190	-	807,487	179,512,004
Trade payables	12,458,200	699,840	8,478,025	105,837	750,580	560,677	99,287	793,444	35,316	32,612	24,013,818
Other payables	45,937,766	10,717,148	1,921,062	5,508,539	5,248,262	1,204,009	2,655,155	7,046,563	366,154	7,690,332	88,294,990
Amounts due to related parties	611,099	-	-	-	184,486	69,458	-	-	-	8,381	873,424
	67,575,309	175,672,313	10,513,946	5,614,376	7,212,236	1,834,144	4,576,433	10,755,197	401,470	8,538,812	292,694,236
Net financial assets/ (liabilities)	129,385,708	(26,052,113)	194,928,707	232,090,779	36,591,418	29,484,290	61,793,773	2,705,293	2,158,307	8,795,554	671,881,716
Less: Net financial position denominated in the respective entities' functional currencies	(125,759,354)	49,380,495	(43,200,515)	-	(36,367,879)	(28,418,058)	(61,491,179)	(699,688)	(2,032,542)	(7,499,509)	(256,088,229)
Currency exposure	3,626,354	23,328,382	151,728,192	232,090,779	223,539	1,066,232	302,594	2,005,605	125,765	1,296,045	415,793,487

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Company's currency exposure is as follows:

At 30 June 2024	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Hong Kong Dollar RM	Total RM
Financial assets					
Cash and bank balances	21,510,091	38,842,259	27,996,787	-	88,349,137
Other receivables	10,751	39,392	67,700	-	117,843
Amounts due from subsidiaries	21,196	150,590,994	-	126,726	150,738,916
	21,542,038	189,472,645	28,064,487	126,726	239,205,896
Financial liabilities					
Loans and borrowings	-	115,895,112	-	-	115,895,112
Other payables	846,122	3,197,679	4,754	-	4,048,555
Amounts due to subsidiaries	2,056,820	12,808	-	6,054	2,075,682
	2,902,942	119,105,599	4,754	6,054	122,019,349
Net financial assets	18,639,096	70,367,046	28,059,733	120,672	117,186,547
Less: Net financial position denominated in the functional currency	-	(70,367,046)	-	-	(70,367,046)
Currency exposure	18,639,096	-	28,059,733	120,672	46,819,501
At 30 June 2023					
Financial assets					
Cash and bank balances	4,753,438	44,841,954	70,560,447	-	120,155,839
Dividend receivable	-	41,262,000	-	-	41,262,000
Other receivables	-	61,875	94,936	-	156,811
Loans to subsidiaries	3,490,078	1,375,400	-	-	4,865,478
Amounts due from subsidiaries	-	145,607,986	-	93,954	145,701,940
	8,243,516	233,149,215	70,655,383	93,954	312,142,068
Financial liabilities					
Loans and borrowings	-	152,731,692	-	-	152,731,692
Other payables	703,135	2,857,791	-	-	3,560,926
Amounts due to subsidiaries	2,536,291	12,079	-	-	2,548,370
	3,239,426	155,601,562	-	-	158,840,988
Net financial assets	5,004,090	77,547,653	70,655,383	93,954	153,301,080
Less: Net financial position denominated in the functional currency	-	(77,547,653)	-	-	(77,547,653)
Currency exposure	5,004,090	-	70,655,383	93,954	75,753,427

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial years.

(i) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Fair value measurements using			
Group	Quoted prices in active markets for identical instruments (Level 1) RM	Significant observable inputs other than quoted prices (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
Assets measured at fair value				
2024				
Financial assets:				
Non-current asset				
Financial assets at fair value through other comprehensive income - quoted equity shares	178,337,413	-	-	178,337,413
Current asset				
Financial assets at fair value through profit or loss - money market fund	-	7,844,763	-	7,844,763
Financial assets as at 30 June 2024	178,337,413	7,844,763	-	186,182,176

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments (cont'd)

(i) Assets measured at fair value (cont'd)

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period: (cont'd)

	Fair value measurements using			
Group	Quoted prices in active markets for identical instruments (Level 1) RM	Significant observable inputs other than quoted prices (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
Assets measured at fair value				
2023				
Financial assets:				
Non-current asset				
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	2,800,000
Current assets				
Financial assets at fair value through other comprehensive income - quoted equity shares	236,434,408	-	-	236,434,408
Financial assets at fair value through profit or loss - money market fund	-	27,544,302	-	27,544,302
Derivative asset	-	-	2,586	2,586
	236,434,408	27,544,302	2,586	263,981,296
Financial assets as at 30 June 2023	239,234,408	27,544,302	2,586	266,781,296

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

- **Financial assets at fair value through other comprehensive income - quoted equity shares**

  Quoted equity shares are determined by reference to their published market closing price or the quoted closing bid price at the reporting date.

- **Financial assets at fair value through profit or loss - money market fund**

  Unquoted money market funds are valued based on the published Net Asset Value ("NAV") of the funds.

- **Cash and cash equivalents, other receivables, other payables, amounts due from/to subsidiaries/related parties, and loans to subsidiaries**

  The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

  The fair value of a particular amount due from a subsidiary was estimated by discounting the expected future payouts at intercompany loan interest rate, which approximates market interest rate, at the reporting date.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

36. Financial risk management objectives and policies (cont'd)

(e) Fair values of financial instruments (cont'd)

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments: (cont'd)

- **Trade receivables and trade payables**

  The carrying amounts approximate fair values because these are subject to normal trade credit terms.

- **Loans and borrowings (non-current)**

  The fair values of the lease liabilities are determined by the present value of minimum lease payments, which are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of leases at the reporting date.

  The fair values of the revolving credit approximate their carrying amounts as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at previous reporting date are shown below:

	Valuation technique	Significant unobservable inputs	Range (Weighted average)	Sensitivity of the input to fair value
Group				
Derivative asset - Call option (FPL)	Binomial option pricing model	Expected volatility	**2023:** 30.97% - 32.97% (31.97%)	No material effect expected.
		Risk-free interest rate	**2023:** 2.95% - 4.95% (3.95%)	No material effect expected.

(f) Collateral

Other than part of short-term deposits pledged with banks as disclosed in Note 24, the Group has no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral as at current and previous reporting dates.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

37. Changes in liabilities arising from financing activities

Group	Dividends (Note 33) RM	Loans and borrowings (Note 28) RM	Total liabilities from financing activities RM
At 1 July 2022	-	200,921,758	200,921,758
Dividends declared during the year	57,570,639	-	57,570,639
Dividends paid	(57,570,639)	-	(57,570,639)
Repayment of term loan and revolving credit	-	(36,582,936)	(36,582,936)
Additions of leases during the year (Note 29)	-	5,167,388	5,167,388
Modification of leases during the year (Note 29)	-	3,318,110	3,318,110
Payment of principal portion of lease liabilities	-	(8,265,745)	(8,265,745)
Others	-	14,953,429	14,953,429
At 30 June 2023	-	179,512,004	179,512,004
At 1 July 2023	-	179,512,004	179,512,004
Dividends declared during the year	51,916,753	-	51,916,753
Dividends paid	(51,916,753)	-	(51,916,753)
Repayment of revolving credit	-	(38,546,713)	(38,546,713)
Additions of leases during the year (Note 29)	-	1,679,464	1,679,464
Modification of leases during the year (Note 29)	-	6,064,296	6,064,296
Payment of principal portion of lease liabilities	-	(8,424,651)	(8,424,651)
Others	-	1,853,824	1,853,824
At 30 June 2024	-	142,138,224	142,138,224

The 'Others' line item includes the effect of foreign currency translation on loans and borrowings denominated in foreign currencies. The Group classifies interest paid as cash flows from operating activities.

38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024 and 2023.

The Group monitors capital using the net asset value of the Group, which is total assets less total liabilities of the Group. The net asset value of the Group as at 30 June 2024 is RM1,150,807,480 (2023: RM1,149,995,968).

The Group and its subsidiaries are not subject to any externally imposed capital requirements.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

39. Segment information

For management purposes, the Group is organised into segments as follows:

Operating and non-operating segments

(i) Software licensing – provision of digital economy propositions and enterprise solutions to banks and corporations engaged in banking, insurance, government, retail, payment and logistics industries.

(ii) Software project services (professional services) – provision of software customisation and implementation services to deliver end-to-end core banking, payment, retail, digital identity and security software solutions.

(iii) Maintenance and enhancement services – provision of round-the-clock software maintenance support and software enhancement services.

(iv) Sale of system software and hardware products – sale of system software and hardware products to meet clients' software and hardware needs.

(v) Insurance ecosystem transactions and services – provision of cloud computing Software-as-a-Service collaborative platform for policy origination and insurance claim processing.

(vi) Retail transactions processing – provision of Software-as-a-Service subscription version of retail automation solution.

(vii) Others – comprising investment holding and corporate activities which costs cannot be directly attributable to the operating segments.

Segment managers are responsible for the performance of the respective segments under their charge. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspect as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets which are expected to be used for more than one period.

Current taxes and deferred taxes are not allocated to individual segments as they are managed on a group basis.

39. Segment information (cont'd)

(a) Business information

The following table presents the revenue and results information regarding the Group's business segments for the financial years ended 30 June 2024 and 2023 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2024 and 30 June 2023.

2024	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	50,173,247	111,812,645	542,724,757	13,820,297	59,775,793	5,148,214	-	-		783,454,953
At a point in time	9,378,478	-	-	13,820,297	47,987,647	-	-	-		71,186,422
Over time	40,794,769	111,812,645	542,724,757	-	11,788,146	5,148,214	-	-		712,268,531
Results:										
Finance income	718,740	1,754,592	7,893,916	126,923	1,167,838	83,671	4,917,066	-		16,662,746
Finance costs	(98,581)	(163,051)	(746,390)	(7,680)	(38,417)	(18,391)	(7,368,390)	-		(8,440,900)
Selling and distribution costs	(10,292,851)	(13,240,159)	(37,959,093)	(2,053,998)	(7,436,492)	(821,535)	(1,829,398)	-		(73,633,526)
Depreciation of property, plant and equipment	(320,652)	(638,803)	(1,992,784)	(50,486)	(547,263)	(70,366)	(331,051)	-		(3,951,405)
Depreciation of right-of-use assets	(724,778)	(1,349,585)	(5,808,513)	(59,317)	(607,148)	(78,285)	(593,143)	-		(9,220,769)
Amortisation of intangible assets	(24,821,028)	(4,014)	(1,621,736)	(324)	(723,667)	(512,206)	(1,079,210)	-		(28,762,185)
Share of loss of an associate	-	-	-	-	(1,224,703)	-	-	-		(1,224,703)
Provision for foreseeable losses	-	(644,262)	-	-	-	-	-	-		(644,262)
Other non-cash expenses	(981,385)	(1,630,339)	(6,189,136)	(99,942)	(751,104)	(8,591)	(3,240,627)	-	A	(12,901,124)
Segment profit/(loss) before tax	9,147,703	(13,090,942)	296,377,719	584,944	32,612,780	153,986	(168,177,071)	-		157,609,119
Income tax expense	-	-	-	-	-	-	-	(52,432,758)	B	(52,432,758)
Assets:										
Capital expenditure	43,444,979	854,665	2,447,371	30,075	2,877,091	4,197	1,155,890	-	C	50,814,268
Segment assets	298,624,373	226,225,312	590,014,502	13,371,792	124,607,636	6,244,098	283,832,000	48,112,758	D	1,591,032,471
Segment liabilities	16,620,916	36,381,250	199,903,669	3,929,387	13,210,857	1,094,468	122,238,885	46,845,559	E	440,224,991

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

39. Segment information (cont'd)

(a) Business information (cont'd)

The following table presents the revenue and results information regarding the Group's business segments for the financial years ended 30 June 2024 and 2023 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2024 and 30 June 2023. (cont'd)

2023	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	73,913,899	102,014,974	513,111,353	20,630,038	52,260,628	3,984,333	-	-		765,915,225
At a point in time	6,824,667	-	-	20,630,038	42,796,863	-	-	-		70,251,568
Over time	67,089,232	102,014,974	513,111,353	-	9,463,765	3,984,333	-	-		695,663,657
Results:										
Finance income	623,805	1,071,641	4,473,851	198,291	521,756	50,854	4,806,556	-		11,746,754
Finance costs	(82,934)	(119,822)	(564,818)	(17,764)	8,422	(21,423)	(7,553,413)	-		(8,351,752)
Selling and distribution costs	(5,240,331)	(8,493,381)	(26,723,964)	(1,709,844)	(5,122,759)	(577,315)	(2,390,730)	-		(50,258,324)
Depreciation of property, plant and equipment	(253,863)	(539,216)	(1,871,745)	(65,103)	(605,237)	(71,157)	(190,874)	-		(3,597,195)
Depreciation of right-of-use assets	(759,347)	(1,324,421)	(5,348,743)	(150,433)	(489,151)	(74,944)	(402,959)	-		(8,549,998)
Amortisation of intangible assets	(22,607,988)	-	(1,746,454)	-	(1,577,467)	(422,502)	(898,797)	-		(27,253,208)
Share of loss of an associate	-	-	-	-	(954,267)	-	-	-		(954,267)
Reversal of provision for foreseeable losses	-	508,068	-	-	-	-	-	-		508,068
Loss on derivative asset at fair value through profit or loss	-	-	-	-	-	-	(1,176,968)	-		(1,176,968)
Other non-cash (expenses)/income	(190,870)	(1,812,519)	(4,482,091)	(32,646)	849,308	25,050	(7,029,838)	-	A	(12,673,606)
Segment profit/(loss) before tax	36,721,065	20,976,659	300,375,323	169,283	27,184,506	357,154	(156,222,232)	-		229,561,758
Income tax expense	-	-	-	-	-	-	-	(59,282,715)	B	(59,282,715)
Assets:										
Capital expenditure	76,839,832	1,297,361	6,003,917	41,988	2,668,712	4,046	3,721,393	-	C	90,577,249
Segment assets	141,773,001	270,735,242	652,750,039	19,701,386	92,599,003	5,759,975	393,470,696	56,417,541	D	1,633,206,883
Segment liabilities	10,948,884	10,643,946	212,150,078	4,054,494	11,941,210	800,220	168,897,372	63,774,711	E	483,210,915

39. Segment information (cont'd)

(a) Business information (cont'd)

Notes Nature of adjustments to arrive at amounts reported in the consolidated financial statements

A Other non-cash (expenses)/income consist of write off of intangible assets, write off of property, plant and equipment, net gain on disposal of right-of-use assets, net gain/(loss) on disposal of property, plant and equipment, net gain on lease modifications, bad debts written off, net gain on redemption of financial assets - money market fund, (provision for)/reversal of expected credit losses on trade receivables and contract assets, waiver of debts, net unrealised foreign currency exchange loss, allowance for unutilised leave, defined benefits obligation and performance shares issued as presented in the respective notes to the financial statements.

B The income tax expense is managed on a group basis and is not allocated to individual segment, and is herein added to segment results to arrive at total income tax expense reported in consolidated income statement.

C Capital expenditure consists of additions to property, plant and equipment, right-of-use assets, and intangible assets.

D The following tax items are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets to arrive at total assets reported in consolidated statement of financial position:

	2024 RM	2023 RM
Tax recoverable	2,968,423	6,433,217
Deferred tax assets	45,144,335	49,984,324
	48,112,758	56,417,541

E The following tax items are managed on a group basis and are not allocated to individual segment, and are herein added to segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2024 RM	2023 RM
Tax payable	23,752,505	19,644,270
Deferred tax liabilities	23,093,054	44,130,441
	46,845,559	63,774,711

(b) Geographical information

The Group's six main business segments operate in seven main geographical regions:

- Southeast Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; sale of system software and hardware products; insurance ecosystem transactions and services; and retail transactions processing.
- Northeast Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; insurance ecosystem transactions and services; and sale of system software and hardware products.
- South Asia – the operations in this area are principally software licensing; rendering of software project services (professional services); and maintenance and enhancement services.
- Middle East – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and insurance ecosystem transactions and services.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

39. Segment information (cont'd)

(b) Geographical information (cont'd)

The Group's six main business segments operate in seven main geographical regions: (cont'd)

- Americas – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance services; and sale of system software and hardware products.
- Africa – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and sale of system software and hardware products.
- Europe – the operations in this area are principally software licensing; rendering of software project services (professional services); maintenance and enhancement services; and sale of system software and hardware products.

Revenue, trade receivables, contract assets and amounts due from related parties (trade) are based on the country in which the end-customer is located. Other assets and capital expenditure are shown by the geographical region where the assets are located.

	Group	
	2024 RM	2023 RM
Revenue		
Southeast Asia	614,511,115	613,613,838
Northeast Asia	27,481,766	25,749,873
South Asia	31,480,856	39,878,255
Middle East	51,962,518	44,983,701
Americas	5,006,074	4,312,143
Africa	28,590,053	16,466,634
Europe	24,422,571	20,910,781
	783,454,953	765,915,225
Capital expenditure		
Southeast Asia	48,656,059	87,545,535
Northeast Asia	9,935	5,196
South Asia	44,204	25,587
Middle East	27,165	35,150
Africa	-	1,492
Europe	2,076,905	2,964,289
	50,814,268	90,577,249
Segmental assets		
Southeast Asia	1,227,428,130	1,209,124,782
Northeast Asia	188,657,550	252,803,124
South Asia	23,941,992	30,743,621
Middle East	31,623,946	27,528,398
Americas	1,946,406	1,740,147
Africa	13,885,733	14,395,537
Europe	103,548,714	96,871,274
	1,591,032,471	1,633,206,883

39. Segment information (cont'd)

(b) Geographical information (cont'd)

No other individual country contributed more than 10% of consolidated revenue and non-current assets, except for:

	Group	
	2024 RM	2023 RM
Revenue		
Malaysia	309,209,640	264,844,270
Singapore	94,549,071	80,399,906
Indonesia	75,734,018#	118,303,692
Thailand	63,190,053#	77,059,895
Non-current assets **		
Malaysia	288,009,686	251,907,535
Singapore	92,152,331	100,094,232
Latvia	75,692,710	81,625,588

Contribution is less than 10% of consolidated revenue.
** Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

Information about major customers
There was no customer that contributed more than 10% of the total Group's revenue in the current and previous financial years.

40. Significant event during the financial year

Exercised a call option in relation to investment in an associate

On 3 October 2023, Fermion Pte. Ltd. ("FPL") exercised the call option to acquire the remaining 16.37% equity interest in Ancileo Pte. Ltd. ("Ancileo") with a cash consideration of SGD2,362,984 (equivalent of RM8,209,008). Accordingly, FPL's equity interest in Ancileo has increased from 21.68% as at previous reporting date to 38.05% as at current reporting date.

Details of the financial impact are as disclosed in Note 15.

Notes to the Financial Statements (cont'd)
For the financial year ended 30 June 2024

41. Significant events after the financial year end

(a) Acquisition of subsidiaries

On 21 May 2024, Silverlake Global Structured Services Pte. Ltd. ("SGSS"), a wholly-owned subsidiary of the Company, entered into a share purchase agreement with Silverlake Cloud Mezzanine Sdn. Bhd., Silverlake Identity and Security Technology Sdn. Bhd., Silverlake Mathematical iFintech Sdn. Bhd. and Zezz FundQ Pte. Ltd. (collectively, the "Seller Entities") to acquire the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd. ("SCC"), Silverlake MasterSAM Sdn. Bhd. ("SMSB") and Silverlake MasterSAM Pte. Ltd. ("SMPL") (collectively, the "Target Companies") for a total cash consideration of RM23,000,000 (equivalent to approximately SGD6,609,195), of which RM17,000,000 was paid on 1 July 2024 and the remaining deferred consideration of RM6,000,000 (equivalent to approximately SGD1,724,138) will be payable in the financial year ending 30 June 2028 subject to the achievement of pre-determined profit target set for SCC for the three (3) financial years ending 30 June 2025, 30 June 2026 and 30 June 2027. The Seller Entities are related parties of the Group.

The acquisition was completed on 1 July 2024 and the Target Companies became the indirect wholly-owned subsidiaries of the Company.

SCC was incorporated in Malaysia and provides end-to-end managed services covering wide range of services such as setup and onboarding, Software-as-a-Service ("SaaS"), Platform-as-a-Service ("PaaS"), Infrastructure-as-a-Service ("IaaS"), IT Operations ("ITOps"), Development Security Operations ("DevSecOps"), hosting on-premises, multi-cloud, hybrid-cloud solutions, data center, network, security, client support and management services, governance, risk and compliance services, and business process operation services to clients across various industries.

SMSB and SMPL were incorporated in Malaysia and Singapore respectively, and are engaged in the provision of cybersecurity technology. They provide trusted Privileged Access Management solutions to help organisations secure and manage privileged access throughout the entire lifecycle.

(b) Voluntary unconditional offer for all the issued and paid-up ordinary shares in the capital of the Company

On 26 August 2024, United Overseas Bank Limited ("UOB") announced, for and on behalf of E2I Pte. Ltd. ("Offeror"), that the Offeror's intention to make a voluntary unconditional offer ("Offer") for all the issued and paid-up ordinary shares ("Shares") in the capital of the Company other than those already held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers.

An offer document containing the terms and conditions of the Offer was dispatched by UOB on behalf of the Offeror on 9 September 2024. The closing date of the Offer is 7 October 2024 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

In the event that the Offeror receives valid acceptances and acquires not less than 90% of the Shares, the Offeror's intention is to exercise its right to compulsorily acquire all the Offer Shares not acquired and not to preserve the listing status of the Company.

If the shares of the Company cease to be listed on Singapore Exchange Securities Trading Limited (SGX-ST), the 5-year medium term committed and uncommitted revolving credit facility of the Company (as disclosed in Note 28) will be cancelled and the outstanding amounts of SGD33,600,000 (equivalent to RM115,895,112) will be due for repayment immediately as per the terms of the facility agreement. The repayment of revolving credit facility will be funded internally with dividends to be declared by subsidiaries to the Company. Upon full repayment of the revolving credit facility, the Group would still be in net current assets position and with sufficient working capital.

Saved as disclosed above, this Offer does not have any significant effect on the financial performance or position of the Group and the Company.

42. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 26 September 2024.

Statistics of Shareholdings

AS AT 16 SEPTEMBER 2024

No. of shares issued	:	2,696,472,800 shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of treasury shares held	:	181,715,441
Percentage of treasury shares against total number of issued ordinary shares (excluding treasury shares)	:	7.23%
Subsidiary holdings	:	No shares issued in the share capital of the Company was held by the Company's subsidiaries.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	44	1.50	1,765	0.00
100 - 1,000	186	6.34	103,028	0.00
1,001 - 10,000	1,102	37.53	6,677,852	0.27
10,001 - 1,000,000	1,560	53.13	97,028,183	3.86
1,000,001 AND ABOVE	44	1.50	2,410,946,531	95.87
TOTAL	**2,936**	**100.00**	**2,514,757,359**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	ZEZZ FUNDQ PTE LTD	1,862,760,568	74.07
2	CITIBANK NOMINEES SINGAPORE PTE LTD	185,493,623	7.38
3	DBSN SERVICES PTE. LTD.	49,463,425	1.97
4	DBS NOMINEES (PRIVATE) LIMITED	48,764,667	1.94
5	SEE CHUANG THUAN OR LOI PEK KEAW	32,000,000	1.27
6	MAYBANK SECURITIES PTE. LTD.	19,933,840	0.79
7	KWONG YONG SIN	18,972,000	0.75
8	TAN TEIK WEI	17,065,738	0.68
9	OCBC SECURITIES PRIVATE LIMITED	16,346,242	0.65
10	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	15,524,968	0.62
11	PHILLIP SECURITIES PTE LTD	14,475,500	0.58
12	RAFFLES NOMINEES (PTE.) LIMITED	14,135,152	0.56
13	HSBC (SINGAPORE) NOMINEES PTE LTD	10,605,981	0.42
14	LIM EP BAN	9,048,713	0.36
15	WONG HORN LIM	8,764,713	0.35
16	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	8,173,713	0.33
17	ASDEW ACQUISITIONS PTE LTD	8,119,100	0.32
18	UOB KAY HIAN PRIVATE LIMITED	6,864,654	0.27
19	TAN BIEN CHUAN	6,600,000	0.26
20	IFAST FINANCIAL PTE. LTD.	6,386,900	0.25
TOTAL		**2,359,499,497**	**93.82**

Statistics of Shareholdings (cont'd)

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company as at 16 September 2024 are as follows:

	No. of Ordinary Shares of USD0.02 each			
	Direct Interest	**%**	**Deemed Interest**	**%**
Zezz FundQ Pte. Ltd.	1,862,760,568	74.07%	-	-
Goh Peng Ooi	-	-	1,862,760,568	74.07%

Note:

Zezz FundQ Pte. Ltd. is wholly-owned by Mr. Goh Peng Ooi. As such, Mr. Goh Peng Ooi is deemed to have an interest in the 1,862,760,568 shares held by Zezz FundQ Pte. Ltd.

FREE FLOAT

As at 16 September 2024 , approximately 25.04% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of SILVERLAKE AXIS LTD. (the "Company") will be convened and held at Atrium Ballroom, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on Friday, 25 October 2024 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Directors' Statement and Auditor's Report thereon. **Ordinary Resolution 1**

2. To declare a final tax exempt 1-tier dividend of Singapore 0.36 cents per ordinary share for the financial year ended 30 June 2024 as recommended by the Directors. **Ordinary Resolution 2**

3. To approve the payment of Directors' Fees of S$850,000 (2023: S$1,100,000) for the financial year ending 30 June 2025, to be paid quarterly in arrears. **Ordinary Resolution 3**

4. To re-elect Mr. Goh Peng Ooi, a director retiring pursuant to Regulation 108(1) of the Company's Constitution. **Ordinary Resolution 4**

   [See Explanatory Note (i)(a)]

5. To re-elect Mr. Ong Kian Min, a director retiring pursuant to Regulation 108(1) of the Company's Constitution. **Ordinary Resolution 5**

   [See Explanatory Note (i)(b)]

6. To record the retirement of Datuk Yvonne Chia (Non-Independent Non-Executive Director with effect from 1 June 2024) as director pursuant to Regulation 108(1) of the Company's Constitution at the conclusion of the AGM.

   [See Explanatory Note (i)(c)]

7. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

8. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments):

9. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES** **Ordinary Resolution 7**

   "THAT pursuant to the Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and,

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while such authority was in force, provided that:

(1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

    (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, measures, guidelines, practice notes, and other materials issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), in particular the SGX-ST Listing Manual and the Company's Constitution for the time being; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (ii)]

10. **RENEWAL OF SHARE PURCHASE MANDATE** **Ordinary Resolution 8**

"THAT:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    (1) on-market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

    (2) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

    and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being, be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

    (1) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

    (2) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(d) In this Resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the total number of issued Shares of the Company as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, clearance fees, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(1) in the case of a Market Purchase, 105% of the Average Closing Price; and

(2) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which Shares were 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 making the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-market day period and on the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company makes or announces its intention to make (as the case may be) an offer for the purchase or acquisition of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**market day**" means a day on which the SGX-ST is open for trading in securities; and

(e) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iii)]

11. **RENEWAL OF INTERESTED PERSONS TRANSACTIONS GENERAL MANDATE** **Ordinary Resolution 9**

"THAT:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the categories of interested persons transactions set out in the Company's Circular to Shareholders dated 10 October 2024 ("**Circular**") with interested persons set out in the Circular, provided that such interested persons transactions are carried out on normal commercial terms and in accordance with the review procedures for the interested persons transactions as set out in the Circular ("**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting, or when the next annual general meeting is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such actions as it deems proper in respect of the methods and procedures for the IPT General Mandate and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things including executing all such documents as may be required as they or he may consider expedient or necessary or in the interest of the Company to give effect to the IPT General Mandate and/or this Resolution."

[See Explanatory Note (iv)]

Notice of Annual General Meeting (cont'd)

12. **AUTHORITY TO OFFER AND GRANT AWARDS AND ALLOT AND ISSUE SHARES UNDER THE SILVERLAKE AXIS LTD. PERFORMANCE SHARE PLAN** — **Ordinary Resolution 10**

"THAT, pursuant to Section 161 of the Act, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards ("**Awards**") in accordance with the provisions of the Silverlake Axis Ltd. Performance Share Plan (the "**PSP**") and to allot and issue or transfer from time to time such number of fully paid-up new Shares as may be required to be allotted and delivered pursuant to the vesting of the Awards granted by the Company under the PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be issued pursuant to the PSP shall not exceed ten per centum (10%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (v)]

BY ORDER OF THE BOARD

Tong Shan
Company Secretary
Singapore

Date: 10 October 2024

Explanatory Notes:

(i) (a) Mr. Goh Peng Ooi, if re-elected under **Resolution 4** above, will remain as the Group Executive Chairman. Detailed information on Mr. Goh Peng Ooi can be found on page 7 of the Annual Report.

(b) Mr. Ong Kian Min, if re-elected under **Resolution 5** above, will be redesignated to Non-Independent Non-Executive Director after the conclusion of the Annual General Meeting and will relinquish his role as Lead Independent Non-Executive Director and Chairman of Nominating and Remuneration Committee. He will remain as a member of Nominating and Remuneration Committee and a member of Audit and Risk Committee. Detailed information on Mr. Ong Kian Min can be found on page 9 of the Annual Report.

(c) Datuk Yvonne Chia (Non-Independent Non-Executive Director with effect from 1 June 2024), who retires under Regulation 108(1) of the Company's Constitution, although eligible, has expressed her intention to retire at the AGM and will not be seeking re-election. Datuk Yvonne Chia will retire from the Board of Directors at the conclusion of the AGM and will concurrently cease to be a member of Nominating and Remuneration Committee and a member of the Strategic Investment Committee.

(ii) **Resolution 7** above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares and make or grant Instruments convertible into Shares and to issue shares pursuant to such Instruments, up to a maximum of fifty per centum (50%) of the issued share capital of the Company (of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty per centum (20%) of the issued share capital of the Company) for such purposes as they consider would be in the interests of the Company.

(iii) In relation to **Resolution 8**, please refer to the Company's Circular to Shareholders dated 10 October 2024 for more details on the renewal of Share Purchase Mandate.

(iv) In relation to **Resolution 9**, please refer to the Company's Circular to Shareholders dated 10 October 2024 for more details on the renewal of the IPT General Mandate.

(v) **Resolution 10** proposed above is to authorise the Directors to grant share awards and to issue shares under the PSP approved by the shareholders of the Company at the Special General Meeting of the Company held on 27 October 2020.

Record Date and Payment Date for Final Dividend

Subject to the approval of members at the forthcoming AGM, the Register of Members and the Transfer Books of the Company will be closed from 5.00 p.m. on Thursday, 7 November 2024 for the purpose of preparing dividend warrants for the final dividend ("**Dividend**").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on Thursday, 7 November 2024 (the "**Record Date**") will be registered to determine members' entitlements to the Dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Record Date will be entitled to the Dividend.

The Dividend, if approved by the members at the AGM, will be paid on Friday, 15 November 2024.

Important Notes:

Format of Meeting

1. The AGM will be held in a wholly physical format, at the venue, date and time stated above. **There will be no option for members to participate virtually.**

2. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent by post to members. These documents will also be published on the Company's corporate website at URL https://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2024 and SGXNet at the URL https://www.sgx.com/securities/company-announcements.

3. Members, including CPF and SRS investors, are able to ask questions and vote at the AGM in person, or by appointing proxy(ies) and representative(s) to do so on their behalf.

Appointment of Proxy(ies)

4. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

5. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Act.

6. A proxy may but need not be a member of the Company. A member may appoint the Chairman of the AGM as his/her proxy.

7. Members are advised to give specific instructions as to voting or abstentions from voting on the resolutions set out in the Proxy Form. The Proxy Form attached to the Notice of AGM can be downloaded from the Company's corporate website at URL https://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2024 and SGXNet at the URL https://www.sgx.com/securities/company-announcements.

8. Members must submit the completed and signed Proxy Form by **2.00 p.m.** on **Tuesday, 22 October 2024** (being not less than seventy-two (72) hours before the time fixed for the AGM) either :

   (i) **by email** to srs.proxy@boardroomlimited.com; or

   (ii) **by post** to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

9. The deposit of an instrument of proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy(ies) is deemed to be revoked by the member concerned at the point when the member attends the AGM.

Notice of Annual General Meeting (cont'd)

10. Investors, including CPF/SRS investors, who hold shares through their relevant intermediaries (as defined in Section 181 of the Act), which would include in the case of CPF/SRS investors, their respective CPF Agent Banks/SRS Operators, may:

    (a) vote at the AGM if they are appointed as proxies by their relevant intermediaries (including CPF Agent Banks or SRS Operators) and should contact them if they have any queries regarding their appointment as proxies; or

    (b) appoint the Chairman of the AGM as proxy to vote on their behalf;

    in which case, they should approach their relevant intermediaries to submit their voting instructions by **2.00 p.m.** on **Wednesday, 16 October 2024**, being at least seven (7) working days before the AGM.

11. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Submission of Questions

12. Members, including CPF and SRS investors, may submit substantial and relevant questions relating to the business of the AGM in advance and in any case, not later than **2.00 p.m.** on **Thursday, 17 October 2024** through any of the following means:

    (a) if submit by email, to be received by the Company at email FY2024AGM@silverlakeaxis.com; or

    (b) if submit by post, to be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

13. When submitting questions by post or via email, members should also provide the following details: (i) the member's full name; (ii) the member's address; and (iii) the manner in which the member holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

14. The Company will address all substantial and relevant questions received from shareholders by publishing its responses to such questions on the SGXNet and the Company's website at least forty-eight (48) hours prior to the deadline for submission of the Proxy Forms.

    Should there be subsequent clarification sought or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions either within a reasonable timeframe before the AGM, or at the AGM itself.

    Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Access to Documents

15. The Annual Report 2024, Circular to Shareholders dated 10 October 2024, Notice of AGM and the Proxy Form for the AGM can be accessed from the Company's website at the URL https://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2024 and SGXNet at the URL https://www.sgx.com/securities/company-announcements.

16. Members may submit their request for printed copies of the Annual Report 2024 and Circular to Shareholders dated 10 October 2024 to Boardroom Corporate & Advisory Services Pte Ltd no later than **Wednesday, 16 October 2024**, either by:

    (i) completing the Request Form sent by post together with printed copies of this Notice and the accompanying Proxy Form; or

    (ii) via https://bit.ly/SAL-Request2024

Scan To Request for Annual Report & Circular to Shareholders

Personal data privacy:

By submitting an instrument appointing proxy and/or representative to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the members has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the members will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional information on Directors seeking for re-election (as at 16 September 2024):

[Note : The direct/deemed interests of Goh Peng Ooi, Zezz FundQ Pte. Ltd. and Ong Kian Min have since changed after 16 September 2024. Please refer to the notification forms in respect of interests in securities of Goh Peng Ooi, Zezz FundQ Pte. Ltd. and Ong Kian Min released by the Company on 19 September 2024, 19 September 2024, 30 September 2024 and 3 October 2024 respectively, which may be accessed at https://www.sgx.com/securities/company-announcements?value=SILVERLAKE%20AXIS%20LTD.&type=company]

Name of Director	Goh Peng Ooi	Ong Kian Min
Date of appointment	23 August 2002	9 January 2003
Date of last re-election (if applicable)	26 October 2023	27 October 2021
Age	70	64
Country of principal residence	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to the Corporate Governance section in the Company's Annual Report 2024	
Whether appointment is executive, and if so, the area of responsibility	Executive. Provide top-level leadership and leads in setting the values and standards of the Company, instilling good corporate governance practices and playing a pivotal role in fostering effectiveness of the Board apart from overseeing the Group's business, focusing on strategic matters.	Non-Executive
Job title	• Group Executive Chairman	• Lead Independent Non-Executive Director • Independent Non-Executive Deputy Chairman • Chairman of Nominating and Remuneration Committee • Member of Audit and Risk Committee
Professional qualifications	Please refer to the Board of Directors' section in the Company's Annual Report 2024	
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors' section in the Company's Annual Report 2024	
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 1,862,760,568 shares in the Company	Direct interest: 200,000 shares in the Company Deemed interest: 1,600,000 shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Zezz FundQ Pte Ltd, a substantial shareholder of the Company, is wholly-owned by Mr. Goh. He is also the father of Ms. Goh Shiou Ling, the Group Chief Executive Officer and Deputy Executive Chairman of the Company.	No
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules has been submitted to the listed issuer	Yes	Yes
Items (a) to (k) of Appendix 7.4.1 of the Mainboard Rules	All items have been declared as "No".	All items have been declared as "No".

Proxy Form
2024 ANNUAL GENERAL MEETING

SILVERLAKE AXIS LTD.
(Company Registration No. 202133173M)
(Registered in Singapore)

IMPORTANT:
1. The 2024 Annual General Meeting of Silverlake Axis Ltd. (the "**Company**") ("**AGM**" or the "**Meeting**") will be held in a wholly physical format on Friday, 25 October 2024 at Atrium Ballroom, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 at 2.00 p.m. **There will be no option for members to participate virtually.**
2. This Proxy Form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore, including CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Investors (including CPF and SRS investors) who wish to vote should instead approach their relevant intermediaries (including CPF Agent Banks or SRS Operators) as soon as possible to submit their voting instructions **by 2.00 p.m. on Wednesday, 16 October 2024**, being at least seven (7) working days before the AGM.
4. By submitting an instrument appointing proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) by members.**

This Proxy Form has been made available on the corporate website of the Company and SGXNet and may be accessed at the URLs https://www.silverlakeaxis.com/investor-relation/shareholders-meetingsFY2024 and https://www.sgx.com/securities/company-announcements.

I/We, ____(Name) ________________________________(NRIC/Passport/Co. Registration No.) of

____(address)

being a Member/Members of SILVERLAKE AXIS LTD. hereby appoint:-

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her*, the Chairman of the 2024 AGM as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the 2024 AGM of the Company to be held on Friday, 25 October 2024 at Atrium Ballroom, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 at 2.00 p.m. and at any adjournment thereof.

Voting will be conducted by poll. If you wish for your proxy(ies) to exercise all your votes "For" or "Against" the relevant resolution, please tick "√ " within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish for your proxy(ies) to abstain from voting on a resolution, please indicate with a "√ " in the "Abstain" box or indicate the number of shares that your proxy(ies) is directed to abstain from voting.

If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her* discretion, and on any matter arising at the Meeting.

No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
Ordinary Business				
1.	**Ordinary Resolution 1** To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Directors' Statement and Auditor's Report thereon.			
2.	**Ordinary Resolution 2** To declare a final tax exempt 1-tier dividend of Singapore 0.36 cents per ordinary share for the financial year ended 30 June 2024 as recommended by the Directors.			
3.	**Ordinary Resolution 3** To approve the payment of Directors' Fees of S$850,000 (2023: S$1,100,000) for the financial year ending 30 June 2025, to be paid quarterly in arrears.			
4.	**Ordinary Resolution 4** To re-elect Mr. Goh Peng Ooi, a director retiring pursuant to Regulation 108(1) of the Company's Constitution.			
5.	**Ordinary Resolution 5** To re-elect Mr. Ong Kian Min, a director retiring pursuant to Regulation 108(1) of the Company's Constitution.			
6.	**Ordinary Resolution 6** To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			

Proxy Form
2024 ANNUAL GENERAL MEETING

SILVERLAKE AXIS LTD.
(Company Registration No. 202133173M)
(Registered in Singapore)

No.	Resolutions relating to:	For	Against	Abstain
Special Business				
7.	**Ordinary Resolution 7** To authorise Directors to allot and issue shares			
8.	**Ordinary Resolution 8** To approve the proposed renewal of Share Purchase Mandate			
9.	**Ordinary Resolution 9** To approve the proposed renewal of Interested Persons Transactions General Mandate			
10.	**Ordinary Resolution 10** To authorise Directors to offer and grant Awards and allot and issue shares under Silverlake Axis Ltd. Performance Share Plan			

* delete accordingly

Dated this__________________day of________________________2024

Total No. of shares held in	
CDP Register	
Register of Members	

Signature(s) of Member(s) / Common Seal of Corporate Shareholder

Contact No. / Email Address of Member

IMPORTANT: PLEASE READ NOTES CAREFULLY BEFORE COMPLETING THIS PROXY FORM
Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing proxy shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. A proxy may but need not be a member of the Company. A member may appoint the Chairman of the AGM as his/her proxy.

4. The instrument appointing proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing proxy is signed and authorised on behalf of the appointor by an attorney, the letter of power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. Members must submit the completed and signed Proxy Form by **2.00 p.m.** on **Tuesday**, **22 October 2024** (being not less than seventy-two (72) hours before the time fixed for the AGM) either :
   (i) **by email** to srs.proxy@boardroomlimited.com; or
   (ii) **by post** to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

6. The deposit of an instrument of proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy(ies) is deemed to be revoked by the member concerned at the point when the member attends the AGM.

7. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing proxy).

   In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY
By submitting an instrument appointing proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of 2024 AGM dated 10 October 2024.

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PAPERS USED

In line with Silverlake Axis' continuing efforts to promote environmental sustainability, the papers used in this Annual Report are made from chlorine-free recycled and virgin pulps.
Cover – Antarctic Snow Cambric, 280gsm
Review pages – Munken Kristall, 150gsm
Financial pages – Green Forest, 100 gsm

Soft copies of this Annual Report may be downloaded from www.silverlakeaxis.com in document format (PDF) so as to reduce consumption of resources from printing and distributing hard copies.

Reduce, Reuse and Recycle

You can do your part for the environment by recycling this Annual Report after reading.

Silverlake Axis Ltd. (202133173M)
6 Raffles Quay, #18-00, Singapore 048580
Email: investor.relations@silverlakeaxis.com