



SILVERLAKE AXIS LTD

(Incorporated in Bermuda)

(Company Registration No. 32447)

PRESS RELEASE – FOR IMMEDIATE RELEASE

Silverlake Axis Advances Transformation to Innovation Accelerator with Proposed Acquisition of Silverlake Private Entities

Singapore, 20 October 2017 – Singapore Exchange Mainboard listed Silverlake Axis Ltd (“SAL” or the “Group”), a leading provider of Digital Economy Solutions and Services to major organisations in Banking, Insurance, Payments, Retail and Logistics industries, is proposing to acquire three Silverlake Private Entities (“SPEs”) to strengthen its position as Fintech Innovation Accelerator. The three SPEs, namely Silverlake Digital Economy Sdn Bhd (“SDE”), Silverlake Digitale Sdn Bhd (“SDS”) and Silverlake One Paradigm Sdn Bhd (“SOP”) (collectively, the “Target Entities”), are majority owned by the Group’s Executive Chairman, Mr. Goh Peng Ooi (“Mr Goh”), who controls 70% of the issued share capital of each of the Target Entities, and their respective minority shareholders (collectively, the “Sellers”). The consideration for the proposed acquisition comprises a fixed Base Consideration totaling RM154.9 million and a variable performance-based Earn-out Consideration.

The Consideration

The consideration for the proposed acquisition took into account the operating track record as well as the future potential of the Target Entities, and is directly linked to their respective performances. It comprises a fixed Base Consideration and an Earn-out Consideration which is payable only when the relevant Target Entity achieves an average year-on-year percentage

increase in its adjusted profit after tax of at least 25% over the Earn-out Reference Period from FY2018 to FY2020.

The Base Consideration for SDE, SDS and SOP are approximately RM93.9 million, RM46.6 million and RM14.4 million respectively, representing 11 times, 8 times and 8 times of their respective adjusted profit after tax for FY2016. The Group will allot and issue new SAL shares at the price of S\$0.71 per share to the Sellers as payment for the Base Consideration. The Earn-out Consideration for each Target Entity is based on an agreed multiple of the average adjusted profit after tax of the relevant Target Entity over the Earn-out Reference Period, less the applicable Base Consideration. The Sellers have the option to choose cash (subject to certain conditions) or share payment for the Earn-out Consideration. The aggregate consideration payable by SAL shall not exceed 25% of SAL's market capitalisation as at the date of the share sale and purchase agreement applying the agreed issue price of S\$0.71 per new share.

The Target Entities

SDE owns a proprietary digital platform, the Silverlake Fintech Banking Platform, that offers banking-as-a-service capabilities and provides a one-stop solution for banks seeking to transform from a traditional operating model to a digital operating model and to help them better compete against new Fintech competitors with lower cost-to-income ratios. The platform, which is compatible with SAL's Silverlake Axis Integrated Banking Solutions (SIBS) and other third party core-banking software, addresses the conventional and the Sharia-banking market with a Sharia-compliant fulfilling module and is able to help banks automate and digitize their customer-onboarding and Sharia financing origination processes. Currently, SDE has three banks in the region, namely Bank Islam Brunei Darussalam Berhad (Brunei), Commercial Bank International PSC (UAE) and People's Bank (Sri Lanka) using this platform.

SDS owns "IntelliSuite" - a suite of payments solution-related software modules and components that provides financial institutions and emerging non-bank payments providers with faster and more innovative solutions across the consumer/retail and wholesale/corporate payments spectrum. SDS' end-customers include some well-known banks in Malaysia. As for SOP, its "NowSuite" is a suite of agile rules-based applications and tools that is designed to add value to core systems, including SAL's SIBS, SDS's core payments modules as well as

core systems from other third parties, in both banking and non-banking sector. The NowSuite solutions help organisations manage and enhance their real-time customer engagement processes. Both SDS and SOP work closely with each other in connection with their respective operations and the delivery of their respective solutions and services to their customers. SOP's end-customers include Bank Islam, Bank Muamalat, Hong Leong Bank and KTC Thailand.

All three Target Entities were incorporated in Malaysia. In addition, SDE and SOP were granted Multimedia Super Corridor status by the Malaysian Digital Economy Corporation. Mr. Goh controls 70% of the issued share capital of each of the Target Entities through his wholly-owned, intermediate holding, Silverlake Investment Ltd (SIL). The Group will be acquiring SIL for Mr. Goh's interest in the Target Entities as well as the remaining interest from the various minority sellers of the Target Entities. Upon completion of the proposed acquisition, the Target Entities will become wholly-owned subsidiaries of the Group.

From Core Software Provider to Digital Innovation Accelerator

In 1989, SAL started its Fintech revolution in South East Asia by providing a mathematical core approach to the banking industry. Recognising the inevitable rise of digital economy, the Group embarked on a journey to transform itself from a software provider to an innovation accelerator by making a number of strategic acquisitions over the past 7 years to enhance its digital economy offerings. These investments have performed well and contributed positively to the growth of the Group. The Board is of the view that the proposed acquisition of the Target Entities will provide the Group with a significantly larger financial technology platform with the scope, scale and operating leverage needed to strategically expand in an actively evolving market.

“The past three years have seen a rapid expansion of Fintech innovations and disruptions which are challenging traditional banks to be more agile, collaborative and open. As the banks' core software partner, we have started the journey to transform and provide digital platforms for financial services innovations and collaborations,” commented Dr. Raymond Kwong, CEO and Group Managing Director of SAL. “The digital capabilities of the Target Entities are synergistic with the Group's vision and existing suite of digital economy offerings. Their

addition will strengthen our position as the innovation accelerator in the rapidly changing financial services ecosystem,” Dr. Kwong added.

This press release should be read in conjunction with SAL’s announcement released on 20 October 2017 to the Singapore Exchange.

About Silverlake Axis

Silverlake Axis Ltd (SAL) provides financial services technology to the Banking, Insurance, Payments, Retail and Logistics industries. Founded in 1989, SAL has built an impeccable track record of successful core banking implementations.

Together with our acquired subsidiaries Merimen Group, Cyber Village, QR Retail Automation Group, Symmetric Payments and Integration, Symmetri Group and associate Finzsoft Solutions (listed on NZX), we have transformed and created value for over 300 customers and their ecosystems. Our geographical presence spans across Asia, Middle East, Central Europe, Australia and New Zealand.

Under Axis Systems Holdings Limited, SAL was listed on the SGX-SESDAQ on 12 March 2003. It was renamed Silverlake Axis Ltd in 2006 following the acquisition of SAACIS, the company that owns the Silverlake Integrated Banking Solution (SIBS) and the listing was transferred to the Mainboard of the Singapore Exchange on 22 June 2011. For more information about SAL, please visit www.silverlakeaxis.com.

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