



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

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## **PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CYBER VILLAGE SDN BHD (“CVSB”) (“PROPOSED ACQUISITION”)**

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### **1. INTRODUCTION**

The Board of Directors of Silverlake Axis Ltd (the “**Company**” or “**SAL**”) wishes to announce that on 22 May 2013, the Company had entered into a Sale and Purchase Agreement (“**Agreement**”) with Brightsphere Sdn Bhd (the “**Vendor**”), and Shieh Yee Bing and Sua Shii Huey, as guarantors, in respect of the Proposed Acquisition.

Completion of the Proposed Acquisition is conditional upon the fulfilment of various conditions precedent, including the Company having undertaken financial, legal and business due diligence on CVSB and the Company and the Vendor reaching mutual agreement on any adjustments required by the Company to the consideration for the Proposed Acquisition, as further described below, based on the results of the due diligence exercise.

Upon the completion of the Proposed Acquisition, CVSB shall become a wholly-owned subsidiary of the Company.

Further details of the Proposed Acquisition are set out below.

### **2. INFORMATION ON CVSB**

CVSB was incorporated under the laws of Malaysia on 25 November 1996. CVSB is a proven and innovative e-business solutions pioneer and leader in ASEAN providing internet and mobile financial services, portals, customer loyalty and e-commerce solutions and services for clients in various industries. CVSB has successfully partnered and delivered a portfolio of e-business solutions for customers in the region including large banking, retail, travel and public enterprises. Some of CVSB’s customers include CIMB Bank, Alliance Bank, Affin Bank, Bank Muamalat, Hong Leong Bank and BonusKad Loyalty Sdn Bhd (BonusLink).

The audited profit after tax of CVSB for the financial year ended 31 December 2012 and the net tangible assets value of CVSB as at 31 December 2012 were approximately Ringgit Malaysia (“**RM**”)6.63 million and RM4.96 million, respectively.

### **3. RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is in line with the Company’s strategy to expand its existing portfolio of software solutions and deliver new collaborative digital economy offerings. The Proposed Acquisition will reinforce and enhance the integrated digital economy solutions and services which are offered by the Company to the banking, payment, retail, insurance industries and digital economy businesses. The Proposed Acquisition is timely and strategic as the Company can leverage on CVSB’s e-business solutions expertise and capabilities to expand its base of customers and digital economy transformation partnerships across Asia and beyond.

#### 4. CONSIDERATION

The consideration for the Proposed Acquisition ("**Consideration**") shall be RM42,296,000, being 8 times of CVSB's average audited profit after tax for the financial year ended ("**FYE**") 31 December 2011 and FYE 31 December 2012, after such adjustment(s) as may be required by the Company and agreed to by the Vendor in accordance with the Agreement provided that there is no dividend declared by CVSB from 1 January 2013 up to and including the date on which completion of the Agreement takes place.

The Consideration shall be settled by cash in three (3) tranches as follows:-

- (a) Tranche 1 – On the completion of the Agreement, the Company shall pay the Vendor RM39,296,000.
- (b) Tranche 2 – Within 21 days from 31 December 2014, the Company shall pay to the Vendor a sum of RM1,200,000.
- (c) Tranche 3 – Within 21 days from 31 December 2015, the Company shall pay to the Vendor a sum of RM1,800,000.

The Consideration will be financed using the internal resources of the Company.

#### 5. FINANCIAL EFFECT OF THE ACQUISITION

##### Net Tangible Assets ("**NTA**")

For illustrative purposes, assuming that the Proposed Acquisition had been completed on 30 June 2012, the Proposed Acquisition would have had the following effects on the consolidated NTA of SAL and its group of companies ("**SAL Group**"):

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
NTA (RM million)	226.76	189.42
Number of issued shares (excluding Treasury Shares) as at 30 June 2012	2,098,349,108	2,098,349,108
NTA per share (sen)	10.81	9.03

##### Earnings per Share ("**EPS**")

For illustrative purposes, assuming that the Proposed Acquisition had been completed on 1 July 2011, the Proposed Acquisition would have had the following effects on the EPS of the SAL Group:

	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
Profits attributable to equity holders of SAL (RM million)	162.26	168.88
Weighted average number of ordinary shares of SAL for FY ended 30 June 2012	2,100,532,930	2,100,532,930
EPS (sen)	7.72	8.04

The financial effects described above are for illustrative purposes only and have been computed after making such adjustments as considered appropriate by the Company. No representation is made as to the actual financial position and/or results of the Company immediately after the Proposed Acquisition.

## 6. LISTING MANUAL COMPUTATION

The relative figures of the Proposed Acquisition, computed according to Rule 1006 (a) to (d) of Chapter 10 of the Listing Rules based on the Company's latest audited consolidated financial statements for FY2012, are as follows:

		<b>Relative computation</b>
(a)	The net asset value of the assets to be disposed of, compared with SAL Group's consolidated net asset value as at 30 June 2012	Not Applicable
(b)	Profit before income tax, minority interest and extraordinary items (" <b>Net Profits</b> ") attributable to CVSB for the financial year ended 31 December 2012, compared with SAL Group's consolidated Net Profits for the financial year ended 30 June 2012	4.9% <sup>(i)</sup>
(c)	The aggregate value of the consideration given, compared with SAL's market capitalisation as at the market day preceding the date of the announcement	1.0% <sup>(ii)</sup>
(d)	The number of equity securities issued by SAL as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	No equity securities will be issued as consideration

### Notes:

- (i) Based on CVSB's Net Profits of RM8.82 million for FYE 31 December 2012 and the SAL Group's Net Profits of RM179.84 million for FYE 30 June 2012.
- (ii) Based on purchase consideration of RM42.30 million over SAL's market capitalisation (equivalent to approximately RM4,106.47 million based on the exchange rate of S\$1:RM2.4) based on SAL's issued capital (excluding Treasury Shares) of 2,144,149,108 and weighted average price per share of S\$0.798 transacted on 21 May 2013, the market day immediately preceding the date of the Agreement.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

**8. DOCUMENTS FOR INSPECTION**

A copy of the Agreement will be available for inspection at the office of the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, during normal business hours for a period of 3 months from the date hereof.

By Order of the Board

Kwong Yong Sin  
Managing Director

22 May 2013