



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

COMPANY RELEASE

Dear Customers and Business Partners,

As you may be aware, Silverlake Axis Ltd's ("**Company**", together with its subsidiaries, "**Group**") share price experienced a significant fluctuation on 21 August 2015, leading to a query from the Singapore Exchange as to the reasons for this fluctuation and to the Company requesting a halt on the trading of its shares on 21 August 2015. The purpose of the halt was to allow the Company time to investigate the matter and prepare its response.

The Company believes this fluctuation was linked to a report entitled "*The Unbelievable Financial Alchemy of Silverlake Axis*" ("**Report**"), which was disseminated online, on or about 20 August 2015, and which was subsequently also picked up by and reported on in various local newspapers.

The thrust of the Report concerns past related party transactions entered into between the Group and private companies ("**Silverlake Private Entities**"), controlled by the Company's controlling shareholder, Mr Goh Peng Ooi ("**GPO**"), in particular, the Group's acquisition of Silverlake Adaptive Applications & Continuous Improvement Services Ltd ("**SAACIS**"), going as far back as 2006, as well as its acquisition of the structured services business ("**SSB**") and the QR Group, going as far back as 2010, and goes on to allude to some alleged impropriety or wrongdoing on the part of the Company and/or GPO in connection with these transactions.

As announced by the Company, on the Singapore Exchange today, the Board of Directors of the Company ("**Board**") firstly notes that the author(s) of the Report have chosen to conceal their identity, whilst having no qualms in openly revealing their real motivation in issuing the Report, i.e. by expressly admitting that they "**may have short positions in Silverlake Axis Ltd and stand to realize gains in the event that the price of the stock decreases**".

At its core, the Report purports to suggest that the Group's whole business model is a sham and merely being buoyed up by fictitious or contrived related party transactions. Having reviewed the adverse allegations in the Report, the Board, including its Independent Directors, are unanimously of the view that these adverse allegations are completely baseless and without merit.

The Board wishes to assure the Customers and Business Partners of the Company that the Company has, since its listing in 2003, always operated its business in a transparent manner and in full compliance with all applicable statutory and listing requirements.

In particular, careful attention has been given throughout the years to ensuring that all related party transactions entered into between the Company and the Silverlake Private Entities are either subject to specific prior Shareholders' approval or are undertaken strictly in line with the parameters of the previously approved Shareholders' mandates for recurring interested person transactions. For related party acquisitions, they are supported in each case by a report from an independent financial adviser and further subject to the approval of the minority Shareholders of the Company, i.e. all as prescribed by the Singapore Exchange Listing Rules.

The Board would also like to reiterate that, since its listing, the Company's financial statements and accounting policies have strictly followed and adhered to the Singapore Financial Reporting Standards up to and including the year ended 30 June 2011 and subsequently to the International

Financial Reporting Standards and have been subject to annual audits by reputable independent auditors, whose reports have been issued without any qualification.

As highlighted in the Company's announcement today, the Board is confident that the results of the Company's performance over the years speak for themselves as to the baselessness of the adverse allegations in the Report.

What is patently evident from these results is that the related party transactions involving the acquisition of SAACIS, SSB and the QR Group, together with the Group's other acquisitions, have all served to synergistically broaden and deepen the Group's available suite of software and services and have led to significant improvements in the Group's overall financial performance and cash flow.

Having considered the matter, including the author(s)' declared motivation in issuing the Report, the Board has decided not to dignify the Report by preparing its own point-by-point rebuttal. Notwithstanding, to provide additional comfort to Shareholders of the Company, the Company will be engaging Deloitte Singapore, as an independent third party, to undertake an independent review of the allegations concerning the related party transactions entered into between the Company and the Silverlake Private Entities and the associated profit margins as referred to in the Report and to provide its findings and conclusions as to their veracity, which the Company will publish in due course.

Concurrently, the Company is seeking legal advice and wishes to highlight that it views this matter most seriously and will be strenuously investigating the source of the Report and taking all such action as may be necessary to fully protect and defend its interests. The Company will provide further updates on this, when appropriate.

In the meantime, the Company wishes to assure all of its Customers and Business Partners that its business operations and customer engagements are proceeding as per normal, with no impact to the Group's customer service delivery, and that it will continue to focus its efforts on growing its business and increasing value for its Shareholders. The Company will provide an update on further developments in the matter as applicable.

Thank you.

Kwong Yong Sin
Group Managing Director
25 August 2015