

# SILVERLAKE AXIS LIMITED

(Incorporated in Bermuda)  
(Company Registration No. 32447)

## ACQUISITION OF THE REMAINING 75% STAKE OF SBI CARD PROCESSING CO. LTD. FROM SBI HOLDINGS, INC.

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### 1. INTRODUCTION

The Board of Directors of Silverlake Axis Limited (“**SAL**”) wishes to announce that on 6 October 2009 the Company entered into a definitive agreement (“**Agreement**”) with SBI Holdings, Inc. (“**SBIH**” or “**Seller**”), to acquire the remaining 75% issued share capital of SBI Card Processing Co., Ltd. (“**SBICP**”) along with the shareholder’s loan (“**Shareholder’s Loan**”) made by SBIH to SBICP (together, the “**Proposed Acquisition**”).

SAL owns 25% equity interest in SBICP prior to the Proposed Acquisition. Upon the completion of the Proposed Acquisition, SBICP shall become a wholly-owned subsidiary of SAL.

### 2. CONSIDERATION

The purchase consideration for the Proposed Acquisition is the Net Assets Value (“**NAV**”) of SBICP aggregated with the Shareholder’s Loan as at 30 September 2009, subject to adjustments to be agreed between SAL and SBIH arising from the due diligence to be conducted by SAL in relation to SBICP’s accounts and business.

Based on the estimated purchase consideration of JPY 482,173,363 (equivalent to approximately S\$7,593,281 based on the exchange rate of S\$1:JPY63.5 as at 5 October 2009), the estimated purchase consideration represents approximately 2.75% of SAL’s market capitalisation as at 5 October 2009.

The purchase consideration will be financed from SAL’s internal resources.

### 3. INFORMATION ON SBICP

SBICP is a company incorporated in Japan. In 2006, SAL acquired a 25% equity interest in the company as part of a joint venture with SBIH to provide outsourcing services and to distribute Silverlake Axis Integrated Banking Solution (“**SIBS**”) software and services to companies in Japan and Japanese companies overseas.

Since the commencement of the joint venture, SBICP has successfully installed the SIBS software to provide cards processing services to SBI Card Co. Ltd (“**SBI Cards**”), which has steadily grown its cards base from zero to 63,000 cards today. It is one of the very few non-Japanese developed cards system to be successfully implemented in Japan and contains many product features not available in other competing systems. SBI Cards will continue to be a customer of SBICP after the Proposed Transaction.

SBICP recently signed up a large Japanese consumer finance company to use SIBS software for its expansion outside Japan. It has also been engaged in discussions with and submitted proposals to provide outsourcing services or resell SIBS to a number of Japanese companies as well as non-Japanese companies with an interest in the Japanese market.

Based on the latest audited accounts of SBICP as at 30 June 2009, its NAV amounted to a deficit of approximately JPY1,027,294,000 and its net tangible assets amounted to a deficit of approximately JPY1,486,072,000. It recorded a loss of approximately JPY575,458,000 for the financial period ended 30 June 2009. These deficit and losses have been funded by the Shareholder's Loan which will be transferred to SAL as part of the Proposed Acquisition.

SBICP has been incurring losses because the company is progressing through the market entry and early business developmental stages. It is expected to require incremental funding for a period of time before generating profits and positive cash flows as the current businesses grow and new customers are acquired.

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

The Proposed Acquisition will enhance SAL group's ability to expand its business in the Japanese market and servicing Japanese companies overseas.

This acquisition will also synergize well with the proposed acquisition of QR Technology Sdn Bhd, or its wholly-owned subsidiary QR Retail Automation (Asia) Sdn Bhd, ("**QR**") announced on 4 September 2009. Amongst QR's customers is a major Japanese retail group for which QR is currently implementing its retail system in the majority of its non-Japan operations.

This acquisition is strategic from the perspective of the market potential for SAL in Japan and the overall value enhancement of SAL's software solutions and services as SAL expands its base of high quality customers from South East Asia to large scale economies in North Asia.

#### **5. DOCUMENT FOR INSPECTION**

A copy of the Agreement is available for inspection by shareholders of SAL during normal business hours at the office of SAL's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, for a period of 3 months from the date of this announcement.

By Order of the Board

Kwong Yong Sin  
Managing Director

6 October 2009

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*This announcement has been prepared by SAL and its contents have been reviewed by the SAL's Sponsor, CIMB Bank Berhad, Singapore Branch, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). SAL's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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