

SILVERLAKE AXIS LTD

Second Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 31 December 2014

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year

CONSOLIDATED INCOME STATEMENT

For the half year period and second quarter ended 31 December 2014

	Half year period ended 31 December			Second quarter ended 31 December		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Revenue	240,911,273	226,432,078	6	124,071,971	125,157,724	(1)
Cost of sales	(82,893,822)	(90,200,143)	(8)	(41,641,197)	(47,746,814)	(13)
Gross profit	158,017,451	136,231,935	16	82,430,774	77,410,910	6
Other items of income						
Finance income	1,509,623	1,241,466	22	806,306	593,706	36
Other income	4,074,382	7,647,889	(47)	4,913,732	33,623	>100
Other items of expenses						
Selling and distribution costs	(6,077,429)	(4,686,077)	30	(3,573,929)	(2,581,449)	38
Administrative expenses	(21,665,180)	(18,810,176)	15	(10,221,955)	(9,190,432)	11
Finance costs	(880,997)	(1,703,844)	(48)	(359,169)	(763,699)	(53)
Share of profit of associates	4,071,008	4,022,731	1	2,079,018	3,267,326	(36)
Profit before tax	139,048,858	123,943,924	12	76,074,777	68,769,985	11
Income tax expense	(7,719,645)	(12,217,242)	(37)	(4,449,041)	(8,201,870)	(46)
Profit for the period	131,329,213	111,726,682	18	71,625,736	60,568,115	18
Profit for the period attributable to:						
Owners of the parent	131,324,219	111,708,629	18	71,624,384	60,561,265	18
Non-controlling interests	4,994	18,053	(72)	1,352	6,850	(80)
	131,329,213	111,726,682	18	71,625,736	60,568,115	18
Earnings per share attributable to the owners of the parent:						
- Basic (sen)	5.85	4.98	17	3.19	2.70	18
- Diluted (sen)	5.85	4.98	17	3.19	2.70	18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year period and second quarter ended 31 December 2014

	Half year period ended 31 December			Second quarter ended 31 December		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Profit for the period	131,329,213	111,726,682	18	71,625,736	60,568,115	18
Other comprehensive income:						
Item that can be reclassified subsequently to profit or loss:						
Foreign currency translation gain *	13,900,058	5,116,341	>100	11,130,712	627,957	>100
Item that cannot be reclassified to profit or loss:						
Actuarial loss on defined benefit plans	-	(304,076)	(100)	-	(304,076)	(100)
Other comprehensive income for the period, net of tax	13,900,058	4,812,265	>100	11,130,712	323,881	>100
Total comprehensive income for the period	145,229,271	116,538,947	25	82,756,448	60,891,996	36
Total comprehensive income for the period attributable to:						
Owners of the parent	145,224,277	116,520,894	25	82,755,096	60,885,146	36
Non-controlling interests	4,994	18,053	(72)	1,352	6,850	(80)
	145,229,271	116,538,947	25	82,756,448	60,891,996	36

* Foreign currency translation gain represents the movement in exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's reporting currency.

1(a)(ii) Notes to the statement of comprehensive income:
Profit before tax is arrived at after (charging)/crediting:

	Half year period ended 31 December			Second quarter ended 31 December		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Amortisation of intangible assets	(5,531,514)	(5,828,679)	(5)	(2,752,074)	(3,282,329)	(16)
Depreciation of property, plant and equipment	(991,623)	(708,139)	40	(539,641)	(392,338)	38
Write off of property, plant and equipment	(3,739)	-	N/M	(2,802)	-	N/M
Write off of intangible assets	-	(1,192)	(100)	-	(1,192)	(100)
Bad debts written off	(177)	-	N/M	(177)	-	N/M
Reversal of impairment loss on trade receivables	83,926	-	N/M	83,926	-	N/M
Net foreign currency exchange gain ** / (loss)*:						
- realised	253,793	1,956,873	(87)	369,609	948,709	(61)
- unrealised	2,886,011	5,516,219	(48)	4,013,935	(1,648,150)	>100
Adjustments for over provision of tax in respect of prior years	23,042	30,477	(24)	19,157	2,561	>100
Gain on disposal of property, plant and equipment **	1,365	58,000	(98)	1,365	-	N/M
Gain on sale of available-for-sale financial assets - money market fund **	715,136	-	N/M	365,367	-	N/M
Performance shares issued	(192,135)	(576,405)	(67)	(96,067)	(288,202)	(67)
(Allowance for)/Reversal of unutilised leave	(148,933)	20,561	>100	300,021	463,627	(35)
(Allowance for)/Reversal of defined benefit liabilities	(316,822)	35,376	>100	(158,411)	184,133	>100

* Included in other operating expenses

** Included in other operating income

N/M = Not Meaningful

1(b)(i) Balance sheets (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.
STATEMENT OF FINANCIAL POSITIONS

	As at 31-Dec-14		As at 30-Jun-14	
	Group RM	Company RM	Group RM	Company RM
ASSETS				
Non-current assets				
Property, plant and equipment	12,660,365	2,474	13,101,765	4,185
Intangible assets	159,161,773	-	161,510,047	-
Investments in subsidiaries	-	1,827,788,044	-	1,827,788,044
Investments in associates and joint venture	78,192,935	1,230,139	74,121,788	1,230,000
Deferred tax assets	1,292,436	-	1,652,150	-
	251,307,509	1,829,020,657	250,385,750	1,829,022,229
Current assets				
Amounts due from customers for contract work-in-progress	20,253,236	-	22,224,485	-
Trade and other receivables	64,366,430	80,706	102,616,154	64,588
Advance maintenance costs	2,060,536	-	1,171,516	-
Prepayments	1,744,540	153,764	1,336,466	78,979
Dividend receivable	-	-	-	4,150,798
Amounts due from related parties	35,559,482	-	38,611,873	-
Loan to subsidiaries	-	13,917,088	-	14,436,317
Tax recoverable	2,051,314	-	591,349	-
Cash and bank balances	337,495,353	130,859,001	349,804,185	153,072,247
	463,530,891	145,010,559	516,356,028	171,802,929
Total assets	714,838,400	1,974,031,216	766,741,778	2,000,825,158
EQUITY AND LIABILITIES				
Equity				
Share capital	157,483,159	157,483,159	157,483,159	157,483,159
Share premium	252,437,933	1,688,995,689	252,437,933	1,688,995,689
Treasury shares	(768,352)	(768,352)	(768,352)	(768,352)
Foreign currency translation reserve	8,236,205	-	(5,663,853)	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	768,540	768,540	576,405	576,405
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	310,848,714	108,227,013	331,527,685	124,202,110
Equity attributable to owners of the parent	609,729,560	1,954,706,049	616,316,338	1,970,489,011
Non-controlling interests	66,606	-	61,612	-
Total equity	609,796,166	1,954,706,049	616,377,950	1,970,489,011
Non-current liabilities				
Loans and borrowings	2,159,537	-	2,560,515	-
Deferred tax liabilities	11,801,826	-	12,352,540	-
Other payables	1,800,000	1,800,000	17,272,430	17,272,430
Provision for defined benefit liabilities	3,638,049	-	3,167,894	-
	19,399,412	1,800,000	35,353,379	17,272,430

STATEMENT OF FINANCIAL POSITIONS (Cont'd)

	As at 31-Dec-14		As at 30-Jun-14	
	Group RM	Company RM	Group RM	Company RM
Current liabilities				
Amounts due to customers for contract work-in-progress	7,671,440	-	7,084,909	-
Trade and other payables	49,656,619	17,434,797	63,116,777	12,949,789
Provision for defined benefit liabilities	375,676	-	337,478	-
Advance maintenance fees	14,588,570	-	27,833,012	-
Loans and borrowings	1,001,070	-	1,293,379	-
Amounts due to subsidiaries	-	76,451	-	109,165
Amounts due to related parties	1,267,385	-	2,119,573	-
Income tax payable	11,082,062	13,919	13,225,321	4,763
	85,642,822	17,525,167	115,010,449	13,063,717
Total liabilities	105,042,234	19,325,167	150,363,828	30,336,147
Net current assets	377,888,069	127,485,392	401,345,579	158,739,212
Total equity and liabilities	714,838,400	1,974,031,216	766,741,778	2,000,825,158

1(b)(ii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less, or on demand

As at 31-Dec-14	
Secured Group RM	Unsecured Group RM
1,001,070	-

As at 30-Jun-14	
Secured Group RM	Unsecured Group RM
1,293,379	-

Amount repayable after one year

As at 31-Dec-14	
Secured Group RM	Unsecured Group RM
2,159,537	-

As at 30-Jun-14	
Secured Group RM	Unsecured Group RM
2,560,515	-

Details of any collateral

The secured facilities of the Group comprise hire purchases, leasing and term loan which are secured by certain property, plant and equipment of subsidiaries with a total net book value of RM10,885,810 as at 31 December 2014 (RM11,251,055 as at 30 June 2014).

1(c) Cash flow statements (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Half year period ended		Second quarter ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	RM	RM	RM	RM
Operating activities:				
Profit before tax	139,048,858	123,943,924	76,074,777	68,769,985
Adjustments for:				
Amortisation of intangible assets	5,531,514	5,828,679	2,752,074	3,282,329
Write off of intangible assets	-	1,192	-	1,192
Depreciation of property, plant and equipment	991,623	708,139	539,641	392,338
Write off of property, plant and equipment	3,739	-	2,802	-
Net gain on disposal of property, plant and equipment	(1,365)	(58,000)	(1,365)	-
Gain on sale of available-for-sale financial assets - money market fund	(715,136)	-	(365,367)	-
Unrealised foreign currency exchange (gain)/loss	(2,886,011)	(5,516,219)	(4,013,935)	1,648,150
Reversal of impairment loss on trade receivables	(83,926)	-	(83,926)	-
Bad debts written off	177	-	177	-
Allowance for/(Reversal of) unutilised leave	148,933	(20,561)	(300,021)	(463,627)
Allowance for/(Reversal of) defined benefit liabilities	316,822	(35,376)	158,411	(184,133)
Performance shares issued	192,135	576,405	96,067	288,202
Share of profit of associates	(4,071,008)	(4,022,731)	(2,079,018)	(3,267,326)
Finance costs	880,997	1,703,844	359,169	763,699
Finance income	(1,509,623)	(1,241,466)	(806,306)	(593,706)
Operating cash flows before changes in working capital:	137,847,729	121,867,830	72,333,180	70,637,103
Changes in working capital:				
Decrease in trade and other receivables	41,552,789	30,482,925	17,680,501	29,058,544
Net movement in amounts due from/to customers for contract work-in-progress	2,020,595	(17,809,170)	(4,898,643)	(289,573)
Net movement in amounts due from/to related parties	4,270,069	(8,845,538)	2,594,721	(25,595,044)
(Decrease)/Increase in trade and other payables	(31,966,116)	15,259,485	(13,409,441)	(1,905,722)
Cash flows from operations	153,725,066	140,955,532	74,300,318	71,905,308
Income tax paid	(11,968,456)	(11,160,885)	(5,723,623)	(6,488,296)
Interest paid	(62,036)	(399,882)	(30,415)	(188,428)
Net cash flows from operating activities	141,694,574	129,394,765	68,546,280	65,228,584
Investing activities:				
Purchases of property, plant and equipment	(491,317)	(461,660)	(366,832)	(172,306)
Payments for software development expenditure	-	(2,009,992)	-	(621,093)
Payments for other intangible assets	-	(296,776)	-	(183,256)
Acquisition of subsidiaries, net of cash acquired	(12,026,240)	(45,545,453)	(12,026,240)	(11,200,000)
Proceeds from disposal of property, plant and equipment	1,365	58,000	1,365	-
Proceeds from sale of available-for-sale financial assets - money market fund	144,815,136	-	57,665,367	-
Purchase of available-for-sale financial assets - money market fund	(144,100,000)	-	(57,300,000)	-
Interest received	1,485,315	1,246,153	1,029,766	722,364
Uplift/(Placement) of short-term deposits	42,987,798	(77,998,954)	43,007,093	(77,877,653)
Net cash flows from/(used in) investing activities	32,672,057	(125,008,682)	32,010,519	(89,331,944)
Financing activities:				
Dividends paid	(152,003,190)	(111,048,353)	(152,003,190)	(111,048,353)
Repayment of term loan and revolving credit	(254,662)	(8,261,066)	(128,431)	(5,886,670)
Repayment of finance lease liabilities	(499,185)	(259,964)	(253,125)	(131,797)
Net cash flows used in financing activities	(152,757,037)	(119,569,383)	(152,384,746)	(117,066,820)
Net increase/(decrease) in cash and cash equivalents	21,609,594	(115,183,300)	(51,827,947)	(141,170,180)
Effects of exchange rate changes on cash and cash equivalents	5,362,575	4,788,929	4,156,743	(1,510,263)
Cash and cash equivalents at beginning of the financial period	227,722,306	305,947,195	302,365,679	338,233,267
Cash and cash equivalents at end of the financial period	254,694,475	195,552,824	254,694,475	195,552,824

	Half year period ended		Second quarter ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	RM	RM	RM	RM
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:				
Cash and bank balances per Statement of Financial Positions	337,495,353	331,692,695	337,495,353	331,692,695
Less: Short-term deposits with licensed banks with maturity more than 3 months	(81,575,486)	(134,914,954)	(81,575,486)	(134,914,954)
Less: Pledged deposits	(1,225,392)	(1,224,917)	(1,225,392)	(1,224,917)
Cash and cash equivalents at end of the financial period	254,694,475	195,552,824	254,694,475	195,552,824

1(d)(i) Statements (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the half year period ended 31 December 2014

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group												
As at 1-Jul-2014	157,483,159	252,437,933	(768,352)	(5,663,853)	466,828	21,819	576,405	(119,765,286)	331,527,685	616,316,338	61,612	616,377,950
Profit for the period	-	-	-	-	-	-	-	-	131,324,219	131,324,219	4,994	131,329,213
Other comprehensive income for the period	-	-	-	13,900,058	-	-	-	-	-	13,900,058	-	13,900,058
Grant of shares under Performance Share Plan	-	-	-	-	-	-	192,135	-	-	192,135	-	192,135
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(152,003,190)	(152,003,190)	-	(152,003,190)
As at 31-Dec-2014	157,483,159	252,437,933	(768,352)	8,236,205	466,828	21,819	768,540	(119,765,286)	310,848,714	609,729,560	66,606	609,796,166

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company												
As at 1-Jul-2014	157,483,159	1,688,995,689	(768,352)	-	-	-	576,405	-	124,202,110	1,970,489,011	-	1,970,489,011
Profit for the period	-	-	-	-	-	-	-	-	136,028,093	136,028,093	-	136,028,093
Grant of shares under Performance Share Plan	-	-	-	-	-	-	192,135	-	-	192,135	-	192,135
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(152,003,190)	(152,003,190)	-	(152,003,190)
As at 31-Dec-2014	157,483,159	1,688,995,689	(768,352)	-	-	-	768,540	-	108,227,013	1,954,706,049	-	1,954,706,049

Consolidated Statement of Changes in Equity for the half year period ended 31 December 2013

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group												
As at 1-Jul-2013	157,483,159	251,834,093	(933,052)	(8,207,778)	466,828	-	576,405	(119,765,286)	306,621,855	588,076,224	29,219	588,105,443
Profit for the period	-	-	-	-	-	-	-	-	111,708,629	111,708,629	18,053	111,726,682
Other comprehensive income for the period	-	-	-	5,116,341	-	-	-	-	(304,076)	4,812,265	-	4,812,265
Grant of shares under Performance Share Plan	-	-	-	-	-	-	576,405	-	-	576,405	-	576,405
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(111,048,353)	(111,048,353)	-	(111,048,353)
As at 31-Dec-2013	157,483,159	251,834,093	(933,052)	(3,091,437)	466,828	-	1,152,810	(119,765,286)	306,978,055	594,125,170	47,272	594,172,442

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company												
As at 1-Jul-2013	157,483,159	1,688,391,849	(933,052)	-	-	-	576,405	-	128,352,374	1,973,870,735	-	1,973,870,735
Profit for the period	-	-	-	-	-	-	-	-	109,984,916	109,984,916	-	109,984,916
Grant of shares under Performance Share Plan	-	-	-	-	-	-	576,405	-	-	576,405	-	576,405
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(111,048,353)	(111,048,353)	-	(111,048,353)
As at 31-Dec-2013	157,483,159	1,688,391,849	(933,052)	-	-	-	1,152,810	-	127,288,937	1,973,383,703	-	1,973,383,703

Consolidated Statement of Changes in Equity for the second quarter ended 31 December 2014

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group												
As at 1-Oct-2014	157,483,159	252,437,933	(768,352)	(2,894,507)	466,828	21,819	672,473	(119,765,286)	391,227,520	678,881,587	65,254	678,946,841
Profit for the period	-	-	-	-	-	-	-	-	71,624,384	71,624,384	1,352	71,625,736
Other comprehensive income for the period	-	-	-	11,130,712	-	-	-	-	-	11,130,712	-	11,130,712
Grant of shares under Performance Share Plan	-	-	-	-	-	-	96,067	-	-	96,067	-	96,067
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(152,003,190)	(152,003,190)	-	(152,003,190)
As at 31-Dec-2014	157,483,159	252,437,933	(768,352)	8,236,205	466,828	21,819	768,540	(119,765,286)	310,848,714	609,729,560	66,606	609,796,166

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company												
As at 1-Oct-2014	157,483,159	1,688,995,689	(768,352)	-	-	-	672,473	-	121,956,309	1,968,339,278	-	1,968,339,278
Profit for the period	-	-	-	-	-	-	-	-	138,273,894	138,273,894	-	138,273,894
Grant of shares under Performance Share Plan	-	-	-	-	-	-	96,067	-	-	96,067	-	96,067
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(152,003,190)	(152,003,190)	-	(152,003,190)
As at 31-Dec-2014	157,483,159	1,688,995,689	(768,352)	-	-	-	768,540	-	108,227,013	1,954,706,049	-	1,954,706,049

Consolidated Statement of Changes in Equity for the second quarter ended 31 December 2013

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group												
As at 1-Oct-2013	157,483,159	251,834,093	(933,052)	(3,719,394)	466,828	-	864,608	(119,765,286)	357,769,219	644,000,175	40,422	644,040,597
Profit for the period	-	-	-	-	-	-	-	-	60,561,265	60,561,265	6,850	60,568,115
Other comprehensive income for the period	-	-	-	627,957	-	-	-	-	(304,076)	323,881	-	323,881
Grant of shares under Performance Share Plan	-	-	-	-	-	-	288,202	-	-	288,202	-	288,202
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(111,048,353)	(111,048,353)	-	(111,048,353)
As at 31-Dec-2013	157,483,159	251,834,093	(933,052)	(3,091,437)	466,828	-	1,152,810	(119,765,286)	306,978,055	594,125,170	47,272	594,172,442

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company												
As at 1-Oct-2013	157,483,159	1,688,391,849	(933,052)	-	-	-	864,608	-	132,001,727	1,977,808,291	-	1,977,808,291
Profit for the period	-	-	-	-	-	-	-	-	106,335,563	106,335,563	-	106,335,563
Grant of shares under Performance Share Plan	-	-	-	-	-	-	288,202	-	-	288,202	-	288,202
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(111,048,353)	(111,048,353)	-	(111,048,353)
As at 31-Dec-2013	157,483,159	1,688,391,849	(933,052)	-	-	-	1,152,810	-	127,288,937	1,973,383,703	-	1,973,383,703

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's issued and paid-up share since the end of the previous financial period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediate preceding year.

	As at 31-Dec-14	As at 30-Jun-14	As at 31-Dec-13
Total number of issued shares	2,247,543,108	2,247,543,108	2,247,543,108
Less: Treasury shares	(2,794,000)	(2,794,000)	(3,394,000)
Total number of issued shares excluding treasury shares	2,244,749,108	2,244,749,108	2,244,149,108

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	As at 31-Dec-14	As at 30-Jun-14
Number of treasury shares at beginning of the year	2,794,000	3,394,000
Release of treasury shares pursuant to Performance Share Plan	-	(600,000)
Number of treasury shares at end of the period/year	2,794,000	2,794,000

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group's audited annual financial statements for financial year ended 30 June 2014 were prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 30 June 2014 except that the Group has adopted the following new IFRS and interpretations which became effective for the period beginning on or after 1 July 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities
 Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
 Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
 Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
 IFRIC 21 Levies
 Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
 Annual Improvements to IFRSs 2010 - 2012 Cycle
 Annual Improvements to IFRSs 2011 - 2013 Cycle

The adoption of the above standards affects the presentation and disclosure only and will have no material impact on the financial performance or position of the Group.

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 IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 27 Reinstating the Equity Method as an Accounting Option for Investments in Subsidiaries, Joint Ventures and Associates in an Entity's Separate Financial Statements	1 January 2016
Amendments to IAS 16 and IAS 38 Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 Bringing Bearer Plants into the Scope of IAS 16	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017
IFRS 9 Financial Instruments	1 January 2018

The Group is currently assessing the impact of the adoption of the above standards and interpretations on the Group's financial position and performance.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	Half year period ended		Second quarter ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Based on the weighted average number of ordinary shares on issue *	Sen 5.85	Sen 4.98	Sen 3.19	Sen 2.70
Based on a fully diluted basis #	5.85	4.98	3.19	2.70

* The weighted average number of ordinary shares on issue has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial period ended 31 December 2014 of 2,244,749,108 (31 December 2013: 2,244,149,108) of USD0.02 each.

Based on weighted average number of ordinary shares on issue, after adjusting for dilution shares under Silverlake Axis Ltd Performance Share Plan.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 31-Dec-14		As at 30-Jun-14	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share *	27.16	87.08	27.46	87.78

* Based on the issued share capital excluding treasury shares as at the end of the current financial period and the immediately preceding financial year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
 (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

(a)(i) INCOME STATEMENT REVIEW – Second quarter ended 31 December 2014 ("Q2 FY2015") vs Second quarter ended 31 December 2013 ("Q2 FY2014")

Overview

Silverlake Axis Ltd (SAL) is a leading provider of digital economy solutions and services to the banking, insurance, payment, retail and logistics industries. The Group's Silverlake Axis Software and Services Solutions are delivering operational excellence and enabling business transformations at over 100 organisations across Asia including 40% of the largest banks in South East Asia.

From FY2010 to FY2014, the Group has successfully undertaken several acquisitions to broaden the suite of business enterprise software solutions and services offerings which in turn contributed to the steady growth over the past 4 years. The Group continues to benefit from these acquisitions. The Group is in a dynamic growth phase of empowering its customers to compete effectively in the digital economy ecosystem. Buoyed by continual investments in Information Technology by Asian financial institutions and corporations to improve their competitive edge, the Group continues to achieve steady growth.

In Q2 FY2015, the Group recorded a marginal decrease of 1% in revenue while net profit attributable to shareholders rose by 18% compared with the previous corresponding period.

Revenue

By Business Activities

	1-10-14 to 31-12-14	1-10-13 to 31-12-13	Change
	Group RM	Group RM	%
Revenue			
Software licensing	33,295,028	36,495,180	(9)
Software project services	14,544,539	20,001,389	(27)
Maintenance and enhancement services	66,913,381	55,936,016	20
Sale of software and hardware products	834,628	3,716,101	(78)
Credit and cards processing	3,547,836	4,002,340	(11)
Insurance processing	4,936,559	5,006,698	(1)
	124,071,971	125,157,724	(1)

For Q2 FY2015, group revenue of RM124.1 million was 1% lower compared with Q2 FY2014. The decrease in the Group's revenue was due to a decrease in contribution from some revenue streams with the exception of maintenance and enhancement services.

Revenue from software project services was lower compared with the previous corresponding period due to lower progressive revenue recognition on ongoing project implementation contracts during the quarter. Higher software licensing revenue in Q2 FY2014 was mainly contributed by a major ISIS software license delivered whereas in Q2 FY2015, the value of software licensing contract delivered was marginally lower. Sale of software and hardware products decreased compared with Q2 FY2014 as there was no major sale of hardware products in Q2 FY2015.

Maintenance and enhancement revenue recorded a 20% growth with more maintenance and enhancement contracts secured, especially in Malaysia following the completion of software implementation contracts and new GST related enhancement contracts.

Profitability

The Group achieved a 6% increase in gross profit to RM82.4 million in Q2 FY2015, compared with RM77.4 million in Q2 FY2014. The Group's gross profit margin of 66% in Q2 FY2015 was higher compared with 62% in Q2 FY2014 mainly due to the change in revenue mix, with a higher proportion of revenue recorded from higher margin maintenance and enhancement services and also higher gross profit margin from maintenance and enhancement services compared with the previous corresponding period.

Other income increased more than doubled as the net realised and unrealised foreign currency exchange gains recorded in Q2 FY2015 were much higher at RM4.4 million and were brought about by the appreciation of Singapore Dollar and US Dollar's bank balances and receivables against Ringgit Malaysia. Gain on sale of available-for-sale financial assets (money market fund) of RM0.4 million in Q2 FY2015 also contributed to the increase in other income.

The selling and distribution expenses increased from RM2.6 million in Q2 FY2014 to RM3.6 million in Q2 FY2015 as higher expenses were incurred for marketing and research activities in Q2 FY2015.

Compared with Q2 FY2014, the administrative expenses increased by 11% from RM9.2 million to RM10.2 million in Q2 FY2015 due to higher professional fees for a new acquisition and an increase in staff related costs.

Finance costs decreased from RM0.8 million to RM0.4 million in Q2 FY2015. Higher finance costs were incurred in Q2 FY2014 on revolving credit interest and higher quarterly fair value adjustment on the remaining purchase consideration for the acquisition of Merimen Group and CVSB as required by IFRS.

The Group's share of profit of associates was RM2.1 million in Q2 FY2015 compared with RM3.3 million in Q2 FY2014 due to lower contribution from Global InfoTech Co. Ltd.

With the increase in gross profit and higher other income, the Group recorded a profit before tax of RM76.1 million, 11% higher than RM68.8 million achieved in the previous corresponding period.

Although profitability was higher, income tax expense decreased from RM8.2 million in Q2 FY2014 to RM4.4 million in Q2 FY2015. The effective tax rate decreased from 12% in Q2 FY2014 to 6% in Q2 FY2015 due to higher tax-exempt income earned during the quarter. Higher effective tax rate in Q2 FY2014 was also resulted from higher withholding tax on some overseas revenue.

Overall, the Group reported a profit after tax of RM71.6 million, 18% higher than the RM60.6 million achieved in the previous corresponding period and with an improvement in net profit margin from 48% to 58%.

(a)(ii) INCOME STATEMENT REVIEW – Half year period ended 31 December 2014 ("1H FY2015") vs Half year period ended 31 December 2013 ("1H FY2014")

Overview

In 1H FY2015, the Group's revenue increased by 6% and net profit attributable to shareholders increased by 18% compared with the previous corresponding financial period.

Revenue

By Business Activities

	1-7-14 to 31-12-14 Group	1-7-13 to 31-12-13 Group	Change
	RM	RM	%
<u>Revenue</u>			
Software licensing	71,885,996	57,114,922	26
Software project services	27,169,417	42,242,393	(36)
Maintenance and enhancement services	123,440,320	102,021,120	21
Sale of software and hardware products	1,612,280	7,307,089	(78)
Credit and cards processing	7,135,103	7,893,341	(10)
Insurance processing	9,668,157	9,853,213	(2)
	240,911,273	226,432,078	6

For 1H FY2015, group revenue of RM240.9 million was 6% higher compared with 1H FY2014. The increase in the Group's revenue was due to higher contribution from maintenance and enhancement services and software licensing. This was partially offset by a decrease in revenue contribution from software project services and sale of software and hardware products.

Maintenance and enhancement revenue recorded strong growth with more maintenance and enhancement contracts secured in Malaysia and Thailand following the completion of software implementation contracts. Enhancement services were delivered to customers investing in software enhancements to improve the effectiveness of their systems and proactively to meet regulatory compliance requirements such as Malaysian GST compliance. The Group also benefited from the delivery of higher value software licensing contracts during the 1H FY2015.

However, revenue from software project services was lower compared with the previous corresponding financial period due to lower progressive revenue recognition on ongoing project implementation contracts during 1H FY2015. Preliminary work has just started on the new software implementation service contracts recently secured, with revenue recognition to follow in the subsequent quarters. Sale of software and hardware products decreased compared with 1H FY2014 as there was no major sale of hardware products in 1H FY2015.

Profitability

The Group achieved a 16% increase in gross profit to RM158.0 million in 1H FY2015, compared with RM136.2 million in 1H FY2014. The Group's gross profit margin of 66% in 1H FY2015 was higher compared with 60% in 1H FY2014 mainly due to the change in revenue mix, with a higher proportion of revenue recorded from higher margin activities such as software licensing and maintenance and enhancement services compared with the previous corresponding financial period.

Other income decreased significantly from RM7.6 million in 1H FY2014 to RM4.1 million in 1H FY2015. The net realised and unrealised foreign currency exchange gains recorded in 1H FY2014 were RM4.3 million higher compared with 1H FY2015. The foreign currency exchange gains were mainly contributed by the appreciation of Singapore Dollar and US Dollar's bank balances and receivables against Ringgit Malaysia.

The selling and distribution expenses increased from RM4.7 million in 1H FY2014 to RM6.1 million in 1H FY2015 as higher expenses were incurred for marketing and research activities in 1H FY2015.

Compared with 1H FY2014, the administrative expenses increased by 15% from RM18.8 million to RM21.7 million in 1H FY2015 mainly due to increase in staff related costs and higher professional fees for a new acquisition.

Finance costs decreased from RM1.7 million to RM0.9 million in 1H FY2015. Higher finance costs were incurred in 1H FY2014 on revolving credit interest and higher quarterly fair value adjustment on the remaining purchase consideration for the acquisition of Merimen Group and CVSB as required by IFRS.

With the increase in gross profit, the Group recorded a profit before tax of RM139.0 million, 12% higher than RM123.9 million achieved in the previous corresponding financial period.

Although profitability was higher, income tax expense decreased from RM12.2 million in 1H FY2014 to RM7.7 million in 1H FY2015. The effective tax rate decreased from 10% in 1H FY2014 to 6% in 1H FY2015 due to higher tax-exempt income earned during the half year period.

Overall, the Group reported a profit after tax of RM131.3 million, 18% higher than the RM111.7 million achieved in the previous corresponding financial period and with an improvement in net profit margin from 49% to 55%.

(b) STATEMENT OF FINANCIAL POSITIONS REVIEW

Intangible assets

The decrease in intangible assets from RM161.5 million as at 30 June 2014 to RM159.2 million as at 31 December 2014 was mainly attributable to the amortisation of intangible assets for 1H FY2015.

Investments in associates and joint venture

On 18 December 2014, SAL incorporated a 51% owned company in New Zealand, Silverlake HGH Limited ("SHGH"), for the purpose of undertaking a full takeover for all shares of a New Zealand listed software company, Finzsoft Solutions Limited ("Finzsoft"). The proposed takeover of Finzsoft is in line with the Group's strategy to expand its existing portfolio of software solutions and deliver new collaborative digital economy offerings throughout the Asia Pacific region.

SHGH has issued the takeover notice to Finzsoft on 28 January 2015 and expected to dispatch the offer document to Finzsoft's shareholders within 14 to 30 days therefrom.

Trade and other receivables

Trade and other receivables decreased from RM102.6 million as at 30 June 2014 to RM64.4 million as at 31 December 2014 mainly due to improved timing of collection from customers.

Amounts due from/(to) related parties

The amounts due from/(to) related parties relate to transactions between the Group and Interested Persons ("Silverlake Entities") under the approved General Mandate for Interested Persons Transactions and the Ancillary Transactions Mandate (collectively "Mandates"). These amounts fluctuate from quarter to quarter mainly due to the timing of billings and payments received.

Amounts due from/(to) customers for contract work-in-progress

The amounts due from/(to) customers for contract work-in-progress represent timing differences between revenue recognition on contract and billing to customers. Revenue recognition on contract is based on percentage of completion method, while billings to customers are in accordance with contracted payment milestones.

The net amount due from customers for contract work-in-progress as at 31 December 2014 was RM12.6 million compared with RM15.1 million as at 30 June 2014 and this was mainly due to the timing of billings and revenue recognition for the contracts on hand.

Total current and non-current trade and other payables

Trade and other payables decreased from RM80.4 million as at 30 June 2014 to RM51.5 million as at 31 December 2014. The decrease in current and non-current trade and other payables as at 31 December 2014 was mainly due to the third tranche payment made for the acquisition of the 80% equity interest in Merimen Group in 1H FY2015 and lower accrual of sub-contractor fees.

Advance maintenance fees

Advance maintenance fees represent maintenance fees billed in advance, for which revenue will be recognised over the contractual period, typically twelve months. The decrease in the advance maintenance fees from RM27.8 million as at 30 June 2014 to RM14.6 million as at 31 December 2014 was due to lower maintenance fee billings in Q2 FY2015 in preparation for the introduction of Malaysian Goods and Services Tax effective 1 April 2015.

Cash and bank balances

Cash and bank balances decreased from RM349.8 million as at 30 June 2014 to RM337.5 million as at 31 December 2014 mainly due to the cash outflow from investing activities of RM12.0 million for the third tranche payment for the acquisition of the 80% equity interest in Merimen Group and the cash outflow from financing activities of RM152.0 million for payment of dividend to shareholders, which was partially offset by the net cash inflow from operating activities of RM141.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The business outlook in Asia is expected to remain uncertain in 2015 but the Group will remain focused on business opportunities in this region. Mergers and acquisitions and investments in digital banking initiatives amongst banks in Asia are expected to continue and the Group should benefit from this trend. The Group will explore the business opportunities in Australia and New Zealand upon the completion of the proposed takeover of Finssoft.

The Group will continue to add to its expanding suite of mission critical enterprise software solutions and service offerings to support its customers in multi-industries to innovate and compete effectively in a digital economy. We will continue to strive for the timely and successful execution of software implementation projects from existing and new customers. Successfully completed projects will result in the retention of customers, and these customers will bring repeat businesses to sustain our recurrent revenue.

11. If a decision regarding dividend has been made:

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First Interim	Second Interim
Dividend Type	Cash	Cash
Dividend Rate	Singapore cents 0.8 per ordinary share	Singapore cents 1.1 per ordinary share
Par Value of Shares	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First Interim	Second Interim
Dividend Type	Cash	Cash
Dividend Rate	Singapore cents 0.8 per ordinary share	Singapore cents 0.9 per ordinary share
Par Value of Shares	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier

(c) Date payable

The Directors have proposed a tax exempt (one-tier) interim dividend of Singapore cents 1.1 per ordinary share. The interim dividend will be payable on 13 March 2015.

(d) Books closure date

Notice is hereby given that the Transfer Book and Register of Member of the Company will be closed on 27 February 2015 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m., on 26 February 2015 will be registered before entitlements to the dividend are determined.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 26 February 2015 will be entitled to the proposed interim dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 15. A breakdown of sales**

Not applicable.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 17. Recurrent Interested Person Transactions of A Revenue or Trading Nature**

The aggregate value of recurrent Interested Person Transactions ("IPT") of revenue or trading nature conducted during the financial period ended 31 December 2014 by the Group in accordance with the shareholders' mandates were as follow:

Name of interested person	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)
	1-7-14 to 31-12-14	1-7-14 to 31-12-14
	RM	RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- New IPT Mandate ⁽¹⁾		
Revenue from Silverlake Entities	-	73,938,637
Service fees to Silverlake Entities	-	(19,485,299)
- Ancillary Transactions ⁽²⁾		
Revenue from Silverlake Entities	-	2,182,972
- Non-Mandate ⁽³⁾		
Revenue from Silverlake Entities	682,855	-

(1) The New IPT Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement and Master Services Agreement. The New IPT Mandate is subject to annual renewal.

(2) Ancillary Transactions were approved by shareholders at Special General Meeting on 28 January 2010 for transactions pursuant to Restructuring Agreements where Silverlake Entities shall be bare trustees for the Group, pending novation and/or assignment of applicable contracts to the Group.

(3) The Non-Mandate revenue was revenue from the sale of software and hardware products between Cyber Village Sdn. Bhd. and Silverlake Entities.

- 18. Ageing for amounts owing from related parties**

The ageing for amounts owing from related parties as at 31 December 2014 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-90 days RM	91-180 days RM	181-360 days RM	> 360 days RM
<u>Transactions conducted under the New Mandates: -</u>						
Silverlake Entities ⁽¹⁾	35,158,781	35,158,781	-	-	-	-
<u>Non-Mandate</u>						
Silverlake Entities	377,099	377,099	-	-	-	-
<u>Non-trade Transactions</u>						
Silverlake Entities	17,602	17,602	-	-	-	-
ePetrol Silverswitch Sdn Bhd	6,000	-	6,000	-	-	-
Grand Total	35,559,482	35,553,482	6,000	-	-	-

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

- 19. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the unaudited financial statements for the financial period ended 31 December 2014 to be false or misleading in any material aspect.

20. Use of Proceeds from the Placement of 100,000,000 shares

On 11 June 2013, the Company allotted and issued 100,000,000 ordinary shares at an issue price of SGD0.75 per share. Out of the total net proceeds of RM180.3 million, RM40.5 million and RM23.2 million have been disbursed and utilised towards the first and second payment for the acquisition of Cyber Village Sdn. Bhd. on 3 July 2013 and 20 January 2015, and the second and third tranches payment for the acquisition of 80% equity interest in Merimen Group on 19 November 2013 and 14 November 2014 respectively.

The use of the net proceeds is in accordance with that previously disclosed in the Company's announcement dated 29 May 2013. The remaining proceeds from the placement of RM116.6 million is currently being placed as fixed deposits with financial institutions. The Company will continue to make periodic announcements on the utilisation of the proceeds as and when the proceeds are materially disbursed.

BY ORDER OF THE BOARD

KWONG YONG SIN
Group Managing Director

11 February 2015