

SILVERLAKE AXIS LTD

Second Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 31 December 2013

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 2013

	Half year period ended 31 December			Second quarter ended 31 December		
	2013	2012	Change	2013	2012	Change
	RM	RM	%	RM	RM	%
Revenue	226,432,078	180,637,706	25	125,157,724	100,569,441	24
Cost of sales	(90,200,143)	(68,344,511)	32	(47,746,814)	(39,393,552)	21
Gross Profit	136,231,935	112,293,195	21	77,410,910	61,175,889	27
Other items of income						
Interest income	1,241,466	553,844	>100	593,706	315,593	88
Other income	7,647,889	1,576,076	>100	33,623	408,346	(92)
Other items of expenses						
Selling and distribution costs	(4,686,077)	(6,371,714)	(26)	(2,581,449)	(3,368,344)	(23)
Administrative expenses	(18,810,176)	(15,587,935)	21	(9,190,432)	(8,630,760)	6
Finance costs	(1,703,844)	(121,344)	>100	(763,699)	(58,293)	>100
Share of profit of associates	4,022,731	1,518,787	>100	3,267,326	1,785,819	83
Profit before tax	123,943,924	93,860,909	32	68,769,985	51,628,250	33
Income tax expense	(12,217,242)	(5,016,955)	>100	(8,201,870)	(2,302,767)	>100
Profit for the period	111,726,682	88,843,954	26	60,568,115	49,325,483	23
Profit for the period attributable to:						
Owners of the parent	111,708,629	88,843,954	26	60,561,265	49,325,483	23
Non-controlling interests	18,053	-	N/M	6,850	-	N/M
	111,726,682	88,843,954	26	60,568,115	49,325,483	23
Earnings per share attributable to the owners of the parent:						
- Basic (sen)	4.98	4.23	18	2.70	2.35	15
- Diluted (sen)	4.98	N/A*	N/M	2.70	N/A*	N/M

*N/A denotes not applicable

N/M = Not Meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year period and second quarter ended 31 December 2013

	Half year period ended 31 December			Second quarter ended 31 December		
	2013	2012	Change	2013	2012	Change
	RM	RM	%	RM	RM	%
Profit for the period	111,726,682	88,843,954	26	60,568,115	49,325,483	23
Other comprehensive income/(loss):						
Item that can be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss) *	5,116,341	(3,651,222)	>100	627,957	609,598	3
Item that cannot be reclassified to profit or loss:						
Actuarial loss on defined benefit plans	(304,076)	-	N/M	(304,076)	-	N/M
Other comprehensive income/(loss) for the period, net of tax	4,812,265	(3,651,222)	>100	323,881	609,598	(47)
Total comprehensive income for the period	116,538,947	85,192,732	37	60,891,996	49,935,081	22
Total comprehensive income for the period attributable to:						
Owners of the parent	116,520,894	85,192,732	37	60,885,146	49,935,081	22
Non-controlling interests	18,053	-	N/M	6,850	-	N/M
	116,538,947	85,192,732	37	60,891,996	49,935,081	22

* Foreign currency translation gain/(loss) 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		
	2013	2012	Change	2013	2012	Change
	RM	RM	%	RM	RM	%
Bad debts written off	-	(21,109)	(100)	-	(21,109)	(100)
Amortisation of intangible assets	(5,828,679)	(3,350,146)	74	(3,282,329)	(1,464,250)	>100
Depreciation of property, plant and equipment	(708,139)	(690,267)	3	(392,338)	(344,320)	14
Net foreign currency exchange gain** / (loss)*:						
- realised	1,956,873	1,673,322	17	948,709	509,887	86
- unrealised	5,516,219	(613,308)	>100	(1,648,150)	(1,808,335)	(9)
Adjustments for overprovision of tax in respect of prior years	30,477	54,863	(44)	2,561	54,863	(95)
Gain on disposal of property, plant and equipment **	58,000	63,267	(8)	-	1,267	(100)
Write off of property, plant and equipment	-	(7,304)	(100)	-	(5,680)	(100)
Write off of intangible assets	(1,192)	-	N/M	(1,192)	-	N/M
Performance shares issued	(576,405)	-	N/M	(288,202)	-	N/M
Reversal of unutilised leave	20,561	46,949	(56)	463,627	294,644	57
Reversal of/(Allowance for) defined benefit liabilities	35,376	(224,440)	>100	184,133	(212,213)	>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-13		As at 30-Jun-13	
	Group RM	Company RM	Group RM	Company RM
ASSETS				
Non-current assets				
Property, plant and equipment	10,500,209	5,896	10,122,128	7,767
Intangible assets	166,486,291	-	126,653,401	-
Investments in subsidiaries	-	1,827,788,044	-	1,785,778,028
Investments in associates	70,695,136	5,974,000	66,672,405	5,974,000
Deferred tax assets	1,236,547	-	1,585,660	-
	248,918,183	1,833,767,940	205,033,594	1,791,759,795
Current assets				
Amounts due from customers for contract work-in-progress	53,255,990	-	39,269,669	-
Trade and other receivables	73,891,151	44,105	101,017,341	50,996
Advance maintenance costs	1,194,372	-	1,182,684	-
Prepayments	1,652,323	131,025	1,029,998	49,595
Amount due from a subsidiary	-	608,261	-	562,131
Amounts due from related parties	31,386,434	-	33,053,352	-
Loan to a subsidiary	-	13,293,097	-	12,010,586
Loan to an associate	735,000	735,000	735,000	735,000
Tax recoverable	908,407	-	202,307	-
Cash and bank balances	331,692,695	170,533,734	362,417,267	233,144,632
	494,716,372	185,345,222	538,907,618	246,552,940
Total assets	743,634,555	2,019,113,162	743,941,212	2,038,312,735
EQUITY AND LIABILITIES				
Equity				
Share capital	157,483,159	157,483,159	157,483,159	157,483,159
Share premium	251,834,093	1,688,391,849	251,834,093	1,688,391,849
Treasury shares	(933,052)	(933,052)	(933,052)	(933,052)
Foreign currency translation reserve	(3,091,437)	-	(8,207,778)	-
Capital reserve	466,828	-	466,828	-
Performance share plan reserve	1,152,810	1,152,810	576,405	576,405
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	306,978,055	127,288,937	306,621,855	128,352,374
Equity attributable to owners of the parent	594,125,170	1,973,383,703	588,076,224	1,973,870,735
Non-controlling interests	47,272	-	29,219	-
Total equity	594,172,442	1,973,383,703	588,105,443	1,973,870,735
Non-current liabilities				
Loans and borrowings	1,073,026	-	14,903,576	13,539,420
Deferred tax liabilities	13,188,994	-	8,894,656	-
Other payables	17,398,468	17,398,468	25,828,291	25,828,291
Provision for defined benefit liabilities	2,768,883	-	2,730,918	-
	34,429,371	17,398,468	52,357,441	39,367,711

STATEMENT OF FINANCIAL POSITIONS (Cont'd)

	As at 31-Dec-13		As at 30-Jun-13	
	Group RM	Company RM	Group RM	Company RM
Current liabilities				
Amounts due to customers for contract work-in-progress	1,197,178	-	5,175,669	-
Trade and other payables	57,829,893	13,210,929	41,878,622	11,766,757
Provision for defined benefit liabilities	371,725	-	411,153	-
Advance maintenance fees	23,184,141	-	21,645,104	-
Loans and borrowings	16,087,873	15,052,740	10,005,603	9,026,280
Amounts due to subsidiaries	-	62,768	-	4,262,385
Amounts due to related parties	5,415,140	-	16,276,585	-
Income tax payable	10,946,792	4,554	8,085,592	18,867
	115,032,742	28,330,991	103,478,328	25,074,289
Total liabilities	149,462,113	45,729,459	155,835,769	64,442,000
Net current assets	379,683,630	157,014,231	435,429,290	221,478,651
Total equity and liabilities	743,634,555	2,019,113,162	743,941,212	2,038,312,735

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-13	
Secured Group RM	Unsecured Group RM
1,035,133	15,052,740

As at 30-Jun-13	
Secured Group RM	Unsecured Group RM
979,323	9,026,280

Amount repayable after one year

As at 31-Dec-13	
Secured Group RM	Unsecured Group RM
1,073,026	-

As at 30-Jun-13	
Secured Group RM	Unsecured Group RM
1,364,156	13,539,420

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 RM8,940,164 as at 31 December 2013 (RM8,884,693 as at 30 June 2013).

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-13	31-Dec-12	31-Dec-13	31-Dec-12
	RM	RM	RM	RM
Operating activities:				
Profit before tax	123,943,924	93,860,909	68,769,985	51,628,250
Adjustments for:				
Amortisation of intangible assets	5,828,679	3,350,146	3,282,329	1,464,250
Write off of intangible assets	1,192	-	1,192	-
Depreciation of property, plant and equipment	708,139	690,267	392,338	344,320
Write off of property, plant and equipment	-	7,304	-	5,680
Net gain on disposal of property, plant and equipment	(58,000)	(63,267)	-	(1,267)
Unrealised foreign currency exchange (gain)/loss	(5,516,219)	613,308	1,648,150	1,808,335
Bad debts written off	-	21,109	-	21,109
Reversal of unutilised leave	(20,561)	(46,949)	(463,627)	(294,644)
(Reversal of)/Allowance for defined benefit liabilities	(35,376)	224,440	(184,133)	212,213
Share of profit of associates	(4,022,731)	(1,518,787)	(3,267,326)	(1,785,819)
Performance shares issued	576,405	-	288,202	-
Interest expense	1,703,844	121,344	763,699	58,293
Interest income	(1,241,466)	(553,844)	(593,706)	(315,593)
Operating cash flows before changes in working capital:	121,867,830	96,705,980	70,637,103	53,145,127
Changes in working capital:				
Decrease/(Increase) in trade and other receivables	30,482,925	4,979,835	29,058,544	(23,230,016)
Net movement in amounts due from/to customers for contract work-in-progress	(17,809,170)	(1,781,126)	(289,573)	7,623,274
Net movement in amounts due from/to related parties	(8,845,538)	2,928,321	(25,595,044)	172,985
Increase/(Decrease) in trade and other payables	15,259,485	2,671,113	(1,905,722)	2,065,482
Cash flows from operations	140,955,532	105,504,123	71,905,308	39,776,852
Net uplift of deposit pledged	-	30,316	-	94
Income tax paid	(11,160,885)	(9,050,720)	(6,488,296)	(5,424,744)
Interest paid	(399,882)	(87,661)	(188,428)	(41,447)
Net cash flows from operating activities	129,394,765	96,396,058	65,228,584	34,310,755
Investing activities:				
Purchases of property, plant and equipment	(714,660)	(236,977)	(172,306)	(55,429)
Payments for software development expenditure	(2,009,992)	(352,597)	(621,093)	(352,597)
Payments for other intangible assets	(296,776)	(392,640)	(183,256)	(383,930)
Acquisition of subsidiaries, net of cash acquired	(45,545,453)	-	(11,200,000)	-
Proceeds from disposal of property, plant and equipment	58,000	63,800	-	1,800
Interest received	1,246,153	553,844	722,364	315,593
Placement of short-term deposits	(77,998,954)	(4,575,723)	(77,877,653)	(3,580,387)
Net cash flows used in investing activities	(125,261,682)	(4,940,293)	(89,331,944)	(4,054,950)
Financing activities:				
Dividends paid	(111,048,353)	(69,043,030)	(111,048,353)	(69,043,030)
Proceeds from borrowings	-	12,627,500	-	12,627,500
Repayment of term loan and revolving credit	(8,261,066)	(221,868)	(5,886,670)	(111,893)
Drawdown on finance lease liabilities	253,000	-	-	-
Repayment of finance lease liabilities	(259,964)	(274,715)	(131,797)	(134,532)
Net cash flows used in financing activities	(119,316,383)	(56,912,113)	(117,066,820)	(56,661,955)
Net (decrease)/increase in cash and cash equivalents	(115,183,300)	34,543,652	(141,170,180)	(26,406,150)
Effects of exchange rate changes on cash and cash equivalents	4,788,928	(2,236,384)	(1,510,263)	(396,049)
Cash and cash equivalents at beginning of the financial period	305,947,196	92,374,594	338,233,267	151,484,061
Cash and cash equivalents at end of the financial period	195,552,824	124,681,862	195,552,824	124,681,862

	Half year period ended		Second quarter ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
	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	331,692,695	134,498,737	331,692,695	134,498,737
Less: Short-term deposits with licensed banks with maturity more than 3 months	(134,914,954)	(8,587,723)	(134,914,954)	(8,587,723)
Less: Pledged deposits	(1,224,917)	(1,229,152)	(1,224,917)	(1,229,152)
Cash and cash equivalents at end of the financial period	195,552,824	124,681,862	195,552,824	124,681,862

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 2013

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital 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
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
Distribution 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	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
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
Distribution 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 half year period ended 31 December 2012

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital 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
Group											
As at 1-Jul-2012	151,271,159	28,315,358	(13,505,152)	(7,821,594)	466,828	-	(119,765,286)	258,629,821	297,591,134	-	297,591,134
Profit for the period	-	-	-	-	-	-	-	88,843,954	88,843,954	-	88,843,954
Other comprehensive loss for the period	-	-	-	(3,651,222)	-	-	-	-	(3,651,222)	-	(3,651,222)
Dividends on ordinary shares	-	-	-	-	-	-	-	(69,043,030)	(69,043,030)	-	(69,043,030)
As at 31-Dec-2012	151,271,159	28,315,358	(13,505,152)	(11,472,816)	466,828	-	(119,765,286)	278,430,745	313,740,836	-	313,740,836

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital 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
Company											
As at 1-Jul-2012	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	118,995,990	1,721,635,111	-	1,721,635,111
Profit for the period	-	-	-	-	-	-	-	71,657,198	71,657,198	-	71,657,198
Dividends on ordinary shares	-	-	-	-	-	-	-	(69,043,030)	(69,043,030)	-	(69,043,030)
As at 31-Dec-2012	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	121,610,158	1,724,249,279	-	1,724,249,279

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	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
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
Distribution 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	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
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
Distribution 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

Consolidated Statement of Changes in Equity for the second quarter ended 31 December 2012

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital 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
Group											
As at 1-Oct-2012	151,271,159	28,315,358	(13,505,152)	(12,082,414)	466,828	-	(119,765,286)	298,148,292	332,848,785	-	332,848,785
Profit for the period	-	-	-	-	-	-	-	49,325,483	49,325,483	-	49,325,483
Other comprehensive income for the period	-	-	-	609,598	-	-	-	-	609,598	-	609,598
Dividends on ordinary shares	-	-	-	-	-	-	-	(69,043,030)	(69,043,030)	-	(69,043,030)
As at 31-Dec-2012	151,271,159	28,315,358	(13,505,152)	(11,472,816)	466,828	-	(119,765,286)	278,430,745	313,740,836	-	313,740,836

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital 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
Company											
As at 1-Oct-2012	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	117,621,435	1,720,260,556	-	1,720,260,556
Profit for the period	-	-	-	-	-	-	-	73,031,753	73,031,753	-	73,031,753
Dividends on ordinary shares	-	-	-	-	-	-	-	(69,043,030)	(69,043,030)	-	(69,043,030)
As at 31-Dec-2012	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	121,610,158	1,724,249,279	-	1,724,249,279

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-13	As at 30-Jun-13	As at 31-Dec-12
Total number of issued shares at beginning of the year	2,247,543,108	2,147,543,108	2,147,543,108
Add: Shares issued during the period/year	-	100,000,000	-
Total number of issued shares at end of the period/year	2,247,543,108	2,247,543,108	2,147,543,108
Less: Treasury shares	(3,394,000)	(3,394,000)	(49,194,000)
Total number of issued shares excluding treasury shares	2,244,149,108	2,244,149,108	2,098,349,108

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-13	As at 30-Jun-13
Number of treasury shares at beginning of the year	3,394,000	49,194,000
Reissuance of treasury shares	-	(45,000,000)
Distribution of treasury shares pursuant to Performance Share Plan	-	(800,000)
Number of treasury shares at end of the period/year	3,394,000	3,394,000

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 2013 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 2013 except that the Group has adopted the following new IFRS and interpretations which became effective for the period beginning on or after 1 July 2013.

IAS 19 Employee Benefits (Revised)
IAS 27 Separate Financial Statements (as revised in 2011)
IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Involvement with Other Entities
IFRS 13 Fair Value Measurement
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
Amendments to IFRS 1 Government Loans
Amendments to IAS 16 Property, Plant and Equipment
Amendments to IAS 32 Financial Instruments: Presentation
Amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities

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
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21 Levies	1 January 2014
Amendments to IFRS10, IFRS 12 and IAS 27 Investment Entities	1 January 2014
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
Amendments to IFRS 7 and IFRS 9 Mandatory Effective Date and Transition Disclosures	1 January 2015

The adoption of the above standards will have no material impact on the financial performance or position of the Group.

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-13	31-Dec-12	31-Dec-13	31-Dec-12
Based on the weighted average number of ordinary shares on issue *	Sen 4.98	Sen 4.23	Sen 2.70	Sen 2.35
Based on a fully diluted basis #	4.98	N/A	2.70	N/A

* 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 2013 of 2,244,149,108 (31 December 2012: 2,098,349,108) 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-13		As at 30-Jun-13	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share *	26.47	87.93	26.20	87.96

* 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 2013 (“Q2 FY2014”) vs Second quarter ended 31 December 2012 (“Q2 FY2013”)

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.

Since FY2010, the Group successfully executed several acquisitions and broadened the suite of business enterprise software solutions and services offerings which in turn contributed to the steady growth over the past 3 years. On 3 July 2013, the Group completed the acquisition of Cyber Village Sdn. Bhd. ("CVSB"), 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. The Group continues to benefit from these acquisitions.

In Q2 FY2014, the Group's revenue increased significantly by 24% and profit attributable to shareholders increased by 23% compared with the previous corresponding financial period.

Revenue

By Business Activities

	1-10-13 to 31-12-13	1-10-12 to 31-12-12	Change
	Group RM	Group RM	%
<u>Revenue</u>			
Software licensing	36,495,180	26,985,369	35
Software project services	20,001,389	22,830,195	(12)
Maintenance and enhancement services	55,936,016	45,012,482	24
Sale of software and hardware products	3,716,101	859,621	>100
Credit and cards processing	4,002,340	4,881,774	(18)
Insurance processing	5,006,698	-	N/M
	125,157,724	100,569,441	24

In Q2 FY2014, the Group's revenue of RM125.2 million was 24% higher compared with Q2 FY2013. The increase in the Group's revenue was mainly due to higher contribution from software licensing, maintenance and enhancement services, new source of revenue from insurance processing and sale of software and hardware products. This was partially offset by a marginal decrease in revenue contribution from software project services and credit and cards processing.

Software licensing revenue increased in Q2 FY2014 contributed by a major ISIS software licensing contract secured and delivered during the quarter. Maintenance and enhancement services revenue recorded strong growth in Q2 FY2014 mainly due to the new project enhancement contracts secured in Singapore and Indonesia during the quarter. Insurance processing revenue was contributed by the Merimen Group following the completion of the acquisition in Q4 FY2013. Sale of software and hardware products increased compared with Q2 FY2013 due to two large sale of hardware products during the quarter.

Revenue from software project services decreased marginally compared with the previous corresponding period as a major project was progressing towards completion stage.

Profitability

In line with the revenue growth, the Group achieved a 27% increase in gross profit to RM77.4 million in Q2 FY2014, compared with RM61.2 million in Q2 FY2013. The Group's gross profit margin of 62% in Q2 FY2014 was marginally higher compared with 61% in Q2 FY2013 due to the change in revenue mix, with a higher proportion of revenue recorded from higher margin activities such as software licensing compared with the previous corresponding financial period.

The selling and distribution expenses decreased from RM3.4 million in Q2 FY2013 to RM2.6 million in Q2 FY2014 as lower expenses were incurred for marketing activities in Q2 FY2014.

Compared with Q2 FY2013, the administrative expenses increased by 6% from RM8.6 million to RM9.2 million in Q2 FY2014 mainly due to additional expenses from the consolidation of CVSB and Merimen Group. This was partially mitigated by lower net realised and unrealised foreign currency exchange loss and allowance for defined benefit liabilities.

Finance costs increased from a low base in Q2 FY2014 mainly attributable to the interest incurred on a revolving credit facility and the 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 rose in Q2 FY2014 due to higher contribution from GIT InfoTech Co. Ltd.

Income tax expense increased from RM2.3 million in Q2 FY2013 to RM8.2 million in Q2 FY2014 largely due to higher profitability and the effective tax rate increased from 4% in Q2 FY2013 to 12% in Q2 FY2014. The low effective tax rate in Q2 FY2013 was mainly due to higher tax-exempt income earned during that quarter.

As a result of the increase in revenue and higher share of profit of associates, the Group reported a profit after tax of RM60.6 million, 23% higher than the RM49.3 million achieved in the previous corresponding financial period.

(a)(ii) INCOME STATEMENT REVIEW – Half year period ended 31 December 2013 ("1H FY2014") vs Half year period ended 31 December 2012 ("1H FY2013")

Overview

In 1H FY2014, the Group's revenue increased significantly by 25% and profit attributable to shareholders increased by 26% compared with the previous corresponding financial period.

Revenue

By Business Activities

	1-7-13 to 31-12-13 Group	1-7-12 to 31-12-12 Group	Change
	RM	RM	%
<u>Revenue</u>			
Software licensing	57,114,922	47,290,406	21
Software project services	42,242,393	29,487,566	43
Maintenance and enhancement services	102,021,120	91,750,085	11
Sale of software and hardware products	7,307,089	3,245,074	>100
Credit and cards processing	7,893,341	8,864,575	(11)
Insurance processing	9,853,213	-	N/M
	226,432,078	180,637,706	25

In 1H FY2014, the Group's revenue of RM226.4 million was 25% higher compared with 1H FY2013. The increase in the Group's revenue was mainly due to higher revenue contribution from all business activities except credit and cards processing.

Revenue from software project services increased substantially from RM29.5 million in 1H FY2013 to RM42.2 million in 1H FY2014. This reflects the progressive recognition of the software implementation service contracts secured in FY2013 and the consolidation of CVSB's software project services. Maintenance and enhancement services revenue recorded an 11% growth in 1H FY2014 contributed mainly by the new project enhancement contracts secured in Singapore and Indonesia. Insurance processing revenue was contributed by the Merimen Group following the completion of the acquisition in Q4 FY2013. The increase in software licensing revenue was largely due to a major ISIS software licensing contract secured and delivered during 1H FY2014. Sale of software and hardware products increased compared with 1H FY2013 mainly due to three large sale of hardware products during the financial period.

Profitability

In line with the revenue growth, the Group achieved a 21% increase in gross profit to RM136.2 million in 1H FY2014, compared with RM112.3 million in 1H FY2013. However, the Group's gross profit margin of 60% in 1H FY2014 was marginally lower compared with 62% in 1H FY2013 due to the change in revenue mix, with a lower proportion of revenue recorded from higher margin activities such as software licensing and maintenance and enhancement services compared with the previous corresponding financial period. Software licensing activities also experienced a slightly lower profit margin after factoring in the amortisation of intangible assets arising from the recent acquisitions.

Interest income more than doubled due to higher amount of cash available for placement with financial institutions in 1H FY2014 compared with 1H FY2013. Other income increased from RM1.6 million in 1H FY2013 to RM7.6 million in 1H FY2014 as the net realised and unrealised foreign currency exchange gains recorded in 1H FY2014 were higher at RM7.5 million compared with RM1.1 million recorded in 1H FY2013. Higher realised and unrealised foreign currency exchange gains in 1H FY2014 were mainly attributable to the appreciation of Singapore Dollar and US Dollar's bank balances and receivables against Ringgit Malaysia.

The selling and distribution expenses decreased from RM6.4 million in 1H FY2013 to RM4.7 million in 1H FY2014 as lower expenses were incurred for marketing activities in 1H FY2014.

Compared with 1H FY2013, the administrative expenses increased by 21% from RM15.6 million to RM18.8 million in 1H FY2014. The increase was largely due to additional expenses from the consolidation of CVSB and Merimen Group and partially offset by the decrease in staff related costs for foreign subsidiaries.

Finance costs increased from a low base in 1H FY2014 mainly due to the interest incurred on a revolving credit facility and the 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 RM4.0 million in 1H FY2014 compared with RM1.5 million in 1H FY2013. The increase was mainly due to higher contribution by GIT InfoTech Co. Ltd.

As a result of the increase in gross profit and higher contribution from other income, the Group recorded a profit before tax of RM123.9 million, 32% higher than RM93.9 million achieved in the previous corresponding financial period.

Income tax expense increased from RM5.0 million in 1H FY2013 to RM12.2 million in 1H FY2014 largely due to higher profitability and the effective tax rate increased from 5% in 1H FY2013 to 10% in 1H FY2014. This increase was mainly due to higher taxable income contributed by subsidiaries.

Due to the increase in revenue and higher contribution from other income, the Group reported a profit after tax of RM111.7 million, 26% higher than the RM88.8 million achieved in the previous corresponding financial period.

(b) STATEMENT OF FINANCIAL POSITIONS REVIEW

Intangible assets

The increase in intangible assets from RM126.7 million as at 30 June 2013 to RM166.5 million as at 31 December 2013 was mainly attributable to the fair values of the identifiable assets and goodwill arising from the acquisition of CVSB which was completed on 3 July 2013, offset by the amortisation of intangible assets for 1H FY2014.

Trade and other receivables

Trade and other receivables decreased from RM101.0 million as at 30 June 2013 to RM73.9 million as at 31 December 2013 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 2013 was RM52.1 million compared with RM34.1 million as at 30 June 2013 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 increased from RM67.7 million as at 30 June 2013 to RM75.2 million as at 31 December 2013. The increase in current and non-current trade and other payables as at 31 December 2013 was mainly due to:

- (i) higher accrual of sub-contractor fees of RM10.7 million;
- (ii) consolidation of CVSB's payables of RM2.5 million; and
- (iii) the remaining deferred cash consideration of RM3.0 million payable in FY2015 and FY2016 for the acquisition of CVSB, which was partially offset by the second tranche payment for the acquisition of 80% equity interest in Merimen Group of RM11.2 million on 19 November 2013.

Total current and non-current loans and borrowings

Loans and borrowings decreased from RM24.9 million as at 30 June 2013 to RM17.2 million as at 31 December 2013 mainly due to the repayment of revolving credit of SGD3.0 million during 1H FY2014.

Cash and bank balances

Cash and bank balances decreased from RM362.4 million as at 30 June 2013 to RM331.7 million as at 31 December 2013 mainly due to the cash outflow from investing activities of RM45.5 million for the first payment for the acquisition of CVSB and the second tranche payment for the acquisition of 80% equity interest in Merimen Group and the cash outflow from financing activities of RM111.0 million for payment of dividend to shareholders, which was partially offset by the net cash inflow from operating activities of RM129.4 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.

In 2014, the Asian financial sector is expected to remain resilient. Nevertheless, the Group continues to have ample business opportunities to pursue new software projects and to add to the present order book of software implementation service contracts.

The Group is selectively looking to enhance its suite of business enterprise software solutions and services through suitable acquisitions. This broadening range of mission critical business and technology capabilities will enable the Group to provide customers operating in multi-industries with solutions to excel in a digital economy.

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 0.9 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 0.5 per ordinary share	Singapore cents 0.7 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 0.9 per ordinary share. The interim dividend will be payable on 14 March 2014.

(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 2014 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 2014 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 2014 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 of revenue or trading nature conducted during the financial period ended 31 December 2013 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)
	1-7-13 to 31-12-13	1-7-13 to 31-12-13
	RM	RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- New Mandates ⁽¹⁾		
Revenue from Silverlake Entities	-	40,921,923
Service fees to Silverlake Entities	-	(24,739,111)
- Ancillary Transactions ⁽²⁾		
Revenue from Silverlake Entities	-	2,944,541

(1) New Mandates refers to the Master License Agreement ("MLA") and Master Services Agreement ("MSA") Shareholders' Mandates for Interested Person Transactions approved by the shareholders on 24 October 2008.

(2) The Ancillary Transactions were approved by the shareholders at the Company's Special General Meeting on 28 January 2010. Under the Restructuring Arrangement, pending the novation and/or assignment of SSB Contracts to the Silverlake Solutions Limited and its subsidiaries ("SSB Group"), Silverlake Entities and Silverlake Innovation Partners Sdn. Bhd. and its subsidiaries ("SIP Group") are required to hold all monies and benefits arising under the applicable SSB Contracts as bare trustee for the SSB Group and to remit such monies and benefits to the SSB Group in accordance with the terms of the Restructuring Arrangements.

18. Ageing for amounts owing from related parties

The ageing for amounts owing from the Silverlake Entities as at 31 December 2013 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⁾	31,335,082	31,335,082	-	-	-	-
<u>Non-trade Transactions</u> Silverlake Entities	51,352	51,352	-	-	-	-
Grand Total	31,386,434	31,386,434	-	-	-	-

(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 2013 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 million ordinary shares at an issue price of SGD0.75 per share. Out of the total net proceeds of RM180.3 million, RM39.3 million and RM11.2 million have been disbursed and utilised towards the first payment for the acquisition of Cyber Village Sdn. Bhd. on 3 July 2013 and the second tranche payment for the acquisition of 80% equity interest in Merimen Group on 19 November 2013.

The use of the net proceeds is in accordance with that previously disclosed in the Company's announcement dated 29 May 2013, 3 July 2013 and 19 November 2013. The remaining proceeds from the placement of RM129.8 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 2014