

SILVERLAKE AXIS LTD

Full Year Financial Statements And Dividend Announcement For The Financial Year Ended 30 June 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 financial year ended 30 June 2014

	Financial year ended		
	30 June		
	2014	2013	Change
	RM	RM	%
Revenue	500,727,515	398,575,255	26
Cost of sales	(194,013,450)	(144,678,825)	34
Gross profit	306,714,065	253,896,430	21
Other items of income			
Interest income	2,863,646	1,618,292	77
Other income	8,366,654	1,884,405	>100
Other items of expenses			
Selling and distribution costs	(7,411,506)	(9,915,117)	(25)
Administrative expenses	(40,561,385)	(35,376,224)	15
Finance costs	(3,288,906)	(1,337,446)	>100
Share of profit of associates	7,449,383	2,204,542	>100
Profit before tax	274,131,951	212,974,882	29
Income tax expense	(25,201,987)	(16,974,626)	48
Profit for the year	248,929,964	196,000,256	27
Profit for the year attributable to:			
Owners of the parent	248,897,571	195,990,820	27
Non-controlling interests	32,393	9,436	>100
	248,929,964	196,000,256	27
Earnings per share attributable to the owners of the parent:			
- Basic (sen)	11.09	9.25	20
- Diluted (sen)	11.09	9.25	20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2014

	Financial year ended		
	30 June		
	2014	2013	Change
	RM	RM	%
Profit for the year	248,929,964	196,000,256	27
Other comprehensive income:			
Item that can be reclassified subsequently to profit or loss:			
Foreign currency translation gain/(loss) *	2,543,925	(386,184)	>100
Item that cannot be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit plans	(353,013)	815,241	>100
Other comprehensive income for the year, net of tax	2,190,912	429,057	>100
Total comprehensive income for the year	251,120,876	196,429,313	28
Total comprehensive income for the year attributable to:			
Owners of the parent	251,088,483	196,419,877	28
Non-controlling interests	32,393	9,436	>100
	251,120,876	196,429,313	28

* 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:

	Financial year ended		
	30 June		
	2014	2013	Change
	RM	RM	%
Bad debts written off	(154,415)	(151,579)	2
Impairment loss on financial assets - trade receivables	(110,721)	(951,300)	(88)
Impairment loss on financial assets - loan to an associate	(735,000)	-	N/M
Amortisation of intangible assets	(11,876,993)	(7,190,501)	65
Depreciation of property, plant and equipment	(1,634,026)	(1,391,911)	17
Reversal of impairment loss on trade receivables	7,167	17,187	(58)
Net foreign currency exchange gain ** :			
- realised	2,196,456	322,821	>100
- unrealised	2,679,838	724,016	>100
Adjustments for (under)/over provision of tax in respect of prior years	(1,322,898)	271,626	>100
Gain on disposal of property, plant and equipment **	1,216,817	139,453	>100
Gain on sale of available-for-sale financial assets - money market fund **	236,318	-	N/M
Write off of property, plant and equipment	-	(13,511)	(100)
Performance shares issued	(768,540)	(1,601,125)	(52)
Allowance for unutilised leave	(382,732)	(382,956)	(0)
Allowance for defined benefit liabilities	(291,183)	(1,520,856)	(81)
Fair value adjustment on contingent consideration for business combination **	1,519,367	-	N/M

** 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 30-Jun-14		As at 30-Jun-13	
	Group RM	Company RM	Group RM	Company RM
ASSETS				
Non-current assets				
Property, plant and equipment	13,101,765	4,185	10,122,128	7,767
Intangible assets	161,510,047	-	126,653,401	-
Investments in subsidiaries	-	1,827,788,044	-	1,785,778,028
Investments in associates	74,121,788	1,230,000	66,672,405	5,974,000
Deferred tax assets	1,652,150	-	1,585,660	-
	250,385,750	1,829,022,229	205,033,594	1,791,759,795
Current assets				
Amounts due from customers for contract work-in-progress	22,224,485	-	39,269,669	-
Trade and other receivables	102,616,154	64,588	101,017,341	50,996
Advance maintenance costs	1,171,516	-	1,182,684	-
Prepayments	1,336,466	78,979	1,029,998	49,595
Dividend receivable	-	4,150,798	-	-
Amount due from a subsidiary	-	-	-	562,131
Amounts due from related parties	38,611,873	-	33,053,352	-
Loan to subsidiaries	-	14,436,317	-	12,010,586
Loan to an associate	-	-	735,000	735,000
Tax recoverable	591,349	-	202,307	-
Cash and bank balances	349,804,185	153,072,247	362,417,267	233,144,632
	516,356,028	171,802,929	538,907,618	246,552,940
Total assets	766,741,778	2,000,825,158	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	252,437,933	1,688,995,689	251,834,093	1,688,391,849
Treasury shares	(768,352)	(768,352)	(933,052)	(933,052)
Foreign currency translation reserve	(5,663,853)	-	(8,207,778)	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	-	-
Performance share plan reserve	576,405	576,405	576,405	576,405
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	331,527,685	124,202,110	306,621,855	128,352,374
Equity attributable to owners of the parent	616,316,338	1,970,489,011	588,076,224	1,973,870,735
Non-controlling interests	61,612	-	29,219	-
Total equity	616,377,950	1,970,489,011	588,105,443	1,973,870,735
Non-current liabilities				
Loans and borrowings	2,560,515	-	14,903,576	13,539,420
Deferred tax liabilities	12,352,540	-	8,894,656	-
Other payables	17,272,430	17,272,430	25,828,291	25,828,291
Provision for defined benefit liabilities	3,167,894	-	2,730,918	-
	35,353,379	17,272,430	52,357,441	39,367,711

STATEMENT OF FINANCIAL POSITIONS (Cont'd)

	As at 30-Jun-14		As at 30-Jun-13	
	Group RM	Company RM	Group RM	Company RM
Current liabilities				
Amounts due to customers for contract work-in-progress	7,084,909	-	5,175,669	-
Trade and other payables	63,116,777	12,949,789	41,878,622	11,766,757
Provision for defined benefit liabilities	337,478	-	411,153	-
Advance maintenance fees	27,833,012	-	21,645,104	-
Loans and borrowings	1,293,379	-	10,005,603	9,026,280
Amounts due to subsidiaries	-	109,165	-	4,262,385
Amounts due to related parties	2,119,573	-	16,276,585	-
Income tax payable	13,225,321	4,763	8,085,592	18,867
	115,010,449	13,063,717	103,478,328	25,074,289
Total liabilities	150,363,828	30,336,147	155,835,769	64,442,000
Net current assets	401,345,579	158,739,212	435,429,290	221,478,651
Total equity and liabilities	766,741,778	2,000,825,158	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 30-Jun-14	
Secured Group RM	Unsecured Group RM
1,293,379	-

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

Amount repayable after one year

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

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 RM11,251,055 as at 30 June 2014 (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

	Financial year ended	
	30-Jun-14	30-Jun-13
	RM	RM
Operating activities:		
Profit before tax	274,131,951	212,974,882
Adjustments for:		
Amortisation of intangible assets	11,876,993	7,190,501
Depreciation of property, plant and equipment	1,634,026	1,391,911
Write off of property, plant and equipment	-	13,511
Net gain on disposal of property, plant and equipment	(1,216,817)	(139,453)
Gain on sale of available-for-sale financial assets - money market fund	(236,318)	-
Unrealised foreign currency exchange gain	(2,679,838)	(724,016)
Impairment loss on financial assets - trade receivables	110,721	951,300
Reversal of impairment loss on trade receivables	(7,167)	(17,187)
Bad debts written off	154,415	151,579
Impairment loss on financial assets - loan to an associate	735,000	-
Allowance for unutilised leave	382,732	382,956
Allowance for defined benefit liabilities	291,183	1,520,856
Performance shares issued	768,540	1,601,125
Fair value adjustment on contingent consideration for business combination	(1,519,367)	-
Share of profit of associates	(7,449,383)	(2,204,542)
Interest expense	3,288,906	1,337,446
Interest income	(2,863,646)	(1,618,292)
Operating cash flows before changes in working capital:	277,401,931	222,812,577
Changes in working capital:		
Decrease in trade and other receivables	1,674,721	19,600,412
Net movement in amounts due from/to customers for contract work-in-progress	19,082,532	(35,700,394)
Net movement in amounts due from/to related parties	(19,546,970)	(18,520,437)
Increase in trade and other payables	24,930,477	13,924,653
Cash flows from operations	303,542,691	202,116,811
Net uplift of deposit pledged	-	35,461
Income tax paid	(22,606,981)	(17,676,307)
Interest paid	(578,428)	(439,116)
Net cash flows from operating activities	280,357,282	184,036,849
Investing activities:		
Purchases of property, plant and equipment	(1,861,999)	(489,827)
Payments for software development expenditure	(2,016,861)	(2,533,775)
Payments for other intangible assets	(2,030,496)	(355,140)
Acquisition of subsidiaries, net of cash acquired	(45,545,453)	(33,050,830)
Proceeds from disposal of property, plant and equipment	1,422,983	168,049
Proceeds from sale of available-for-sale financial assets - money market fund	40,876,318	-
Purchase of available-for-sale financial assets - money market fund	(40,640,000)	-
Interest received	2,477,357	1,497,024
Placement of short-term deposits	(64,491,197)	(51,234,000)
Net cash flows used in investing activities	(111,809,348)	(85,998,499)
Financing activities:		
Proceeds from issuance of ordinary shares	-	180,258,066
Proceeds from reissuance of treasury shares	-	61,020,049
Dividends paid	(223,616,909)	(148,814,027)
Proceeds from revolving credit	-	27,292,800
Repayment of term loan and revolving credit	(23,049,734)	(4,997,976)
Repayment of finance lease liabilities	(631,040)	(607,132)
Net cash flows (used in)/from financing activities	(247,297,683)	114,151,780
Net (decrease)/increase in cash and cash equivalents	(78,749,749)	212,190,130
Effects of exchange rate changes on cash and cash equivalents	524,860	1,382,471
Cash and cash equivalents at beginning of the financial year	305,947,195	92,374,594
Cash and cash equivalents at end of the financial year	227,722,306	305,947,195

	Financial year ended	
	30-Jun-14	30-Jun-13
	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	349,804,185	362,417,267
Less: Short-term deposits with licensed banks with maturity more than 3 months	(120,857,197)	(55,246,000)
Less: Pledged deposits	(1,224,682)	(1,224,072)
Cash and cash equivalents at end of the financial year	227,722,306	305,947,195

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 financial year ended 30 June 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-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 year	-	-	-	-	-	-	-	-	248,897,571	248,897,571	32,393	248,929,964
Other comprehensive income for the year	-	-	-	2,543,925	-	-	-	-	(353,013)	2,190,912	-	2,190,912
Transfer to statutory reserve fund	-	-	-	-	-	21,819	-	-	(21,819)	-	-	-
Distribution of shares under Performance Share Plan	-	603,840	164,700	-	-	-	-	-	-	768,540	-	768,540
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(223,616,909)	(223,616,909)	-	(223,616,909)
As at 30-Jun-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

	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 year	-	-	-	-	-	-	-	-	219,466,645	219,466,645	-	219,466,645
Distribution of shares under Performance Share Plan	-	603,840	164,700	-	-	-	-	-	-	768,540	-	768,540
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(223,616,909)	(223,616,909)	-	(223,616,909)
As at 30-Jun-2014	157,483,159	1,688,995,689	(768,352)	-	-	-	576,405	-	124,202,110	1,970,489,011	-	1,970,489,011

Consolidated Statement of Changes in Equity for the financial year ended 30 June 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-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 year	-	-	-	-	-	-	-	-	195,990,820	195,990,820	9,436	196,000,256
Other comprehensive income for the year	-	-	-	(386,184)	-	-	-	-	815,241	429,057	-	429,057
Issuance of ordinary shares	6,212,000	174,046,066	-	-	-	-	-	-	-	180,258,066	-	180,258,066
Reissuance of treasury shares	-	48,667,549	12,352,500	-	-	-	-	-	-	61,020,049	-	61,020,049
Distribution of shares under Performance Share Plan	-	805,120	219,600	-	-	-	576,405	-	-	1,601,125	-	1,601,125
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(148,814,027)	(148,814,027)	-	(148,814,027)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	19,783	19,783
As at 30-Jun-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

	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-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 year	-	-	-	-	-	-	-	-	158,170,411	158,170,411	-	158,170,411
Issuance of ordinary shares	6,212,000	174,046,066	-	-	-	-	-	-	-	180,258,066	-	180,258,066
Reissuance of treasury shares	-	48,667,549	12,352,500	-	-	-	-	-	-	61,020,049	-	61,020,049
Distribution of shares under Performance Share Plan	-	805,120	219,600	-	-	-	576,405	-	-	1,601,125	-	1,601,125
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(148,814,027)	(148,814,027)	-	(148,814,027)
As at 30-Jun-2013	157,483,159	1,688,391,849	(933,052)	-	-	-	576,405	-	128,352,374	1,973,870,735	-	1,973,870,735

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 year.

During the financial year, the Company has reissued 600,000 treasury shares to its Non-Executive Directors pursuant to Silverlake Axis Ltd Performance Share Plan on 3 January 2014.

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 30-Jun-14	As at 30-Jun-13
Total number of issued shares at beginning of the year	2,247,543,108	2,147,543,108
Add: Shares issued during the year	-	100,000,000
Total number of issued shares at end of the year	2,247,543,108	2,247,543,108
Less: Treasury shares	(2,794,000)	(3,394,000)
Total number of issued shares excluding treasury shares	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 30-Jun-14	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	(600,000)	(800,000)
Number of treasury shares at end of the year	2,794,000	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
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities	1 January 2014
Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21 Levies	1 January 2014
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to IFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014
IFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
IFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
IFRS 9 Financial Instruments: Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39	To be announced

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	
	Financial year ended	
	30-Jun-14	30-Jun-13
	Sen	Sen
Based on the weighted average number of ordinary shares on issue *	11.09	9.25
Based on a fully diluted basis #	11.09	9.25

* 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 year ended 30 June 2014 of 2,244,441,710 (30 June 2013: 2,118,371,574) 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 30-Jun-14		As at 30-Jun-13	
	Group	Company	Group	Company
	Sen	Sen	Sen	Sen
Net asset value per ordinary share *	27.46	87.78	26.20	87.96

* Based on the issued share capital excluding treasury shares as at the end of the current financial year 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) INCOME STATEMENT REVIEW – Full year ended 30 June 2014 ("FY2014") vs Full year ended 30 June 2013 ("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.

For FY2014, the Group's revenue and profit attributable to shareholders increased 26% and 27% respectively compared with the previous corresponding financial year.

Revenue

By Business Activities

	1-7-13 to 30-6-14 Group	1-7-12 to 30-6-13 Group	Change
	RM	RM	%
Revenue			
Software licensing	147,685,409	119,602,102	23
Software project services	71,778,927	77,436,493	(7)
Maintenance and enhancement services	210,330,551	173,565,199	21
Sale of software and hardware products	32,358,689	6,634,862	>100
Credit and cards processing	19,535,360	16,644,388	17
Insurance processing	19,038,579	4,692,211	>100
	500,727,515	398,575,255	26

For FY2014, the Group's revenue of RM500.7 million was 26% higher compared with FY2013. The increase in the Group's revenue was due to growth in all revenue streams with the exception of software project services.

Maintenance and enhancement revenue recorded strong growth with new maintenance and enhancement contracts secured in Malaysia, Singapore, Indonesia and Thailand following the completion of software implementation contracts and the consolidation of CVSB's revenue after the acquisition. The Group also benefited from the delivery of several major software licensing contracts. In addition, five large sale of hardware products to customers in FY2014 have boosted revenue from sale of software and hardware products significantly. A new source of revenue from insurance processing contributed by Merimen Group during FY2014 also contributed to the overall increase in revenue.

However, revenue from software project services was marginally lower compared with the previous corresponding financial year due to lower progressive revenue recognition on ongoing project implementation contracts during FY2014.

Profitability

The Group achieved a 21% increase in gross profit to RM306.7 million in FY2014, compared with RM253.9 million in FY2013. However, the Group's gross profit margin of 61% in FY2014 was marginally lower compared with 64% in FY2013 mainly due to lower margins from certain projects.

Interest income almost doubled due to higher amount of cash available for placement with financial institutions in FY2014 compared with FY2013. Other income increased significantly from RM1.9 million in FY2013 to RM8.4 million in FY2014. Higher realised and unrealised foreign currency exchange gains was recorded in FY2014 due to the appreciation of Singapore Dollar and US Dollar's bank balances and receivables against Malaysian Ringgit; other contributors were the gain on disposal of office premise and RM1.5 million fair value adjustment on contingent consideration for acquisition of Merimen on lower revised average net profit.

The selling and distribution expenses decreased from RM9.9 million in FY2013 to RM7.4 million in FY2014 as lower expenses were incurred for marketing activities in FY2014.

Compared with FY2013, the administrative expenses increased by 15% from RM35.4 million to RM40.6 million in FY2014. FY2014 expenses included additional expenses from the consolidation of CVSB and Merimen Group. This was partially offset by lower performance share awards charge in FY2014.

Finance costs increased from a low base in FY2013 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 RM7.4 million in FY2014 compared with RM2.2 million in FY2013 due to higher contribution from Global InfoTech Co. Ltd.

As a result of the increase in gross profit in part due to the full year contribution from the Merimen Group and maiden contribution from CVSB, higher contribution from other income and higher share of profit of associates, the Group recorded a profit before tax of RM274.1 million, 29% higher than RM213.0 million achieved in the previous corresponding financial year.

Income tax expense increased from RM17.0 million in FY2013 to RM25.2 million in FY2014 largely due to the higher profitability and provision for potential tax liability for prior years by a subsidiary, pending appeal by the subsidiary. The effective tax rate increased marginally from 8% in FY2013 to 9% in FY2014.

Overall, the Group reported a profit after tax of RM248.9 million, 27% higher than the RM196.0 million achieved in the previous corresponding financial year, with an improvement in net profit margin to 50%.

(b) STATEMENT OF FINANCIAL POSITIONS REVIEW

Intangible assets

The increase in intangible assets from RM126.7 million as at 30 June 2013 to RM161.5 million as at 30 June 2014 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 FY2014.

Trade and other receivables

Trade and other receivables marginally increased from RM101.0 million as at 30 June 2013 to RM102.6 million as at 30 June 2014 mainly due to higher revenue billing during Q4 FY2014.

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 30 June 2014 was RM15.1 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 RM80.4 million as at 30 June 2014. The increase in current and non-current trade and other payables as at 30 June 2014 was mainly due to higher accrual of sub-contractor fees.

Total current and non-current loans and borrowings

Loans and borrowings decreased from RM24.9 million as at 30 June 2013 to RM3.9 million as at 30 June 2014 mainly due to the repayment of revolving credit of SGD9.0 million during FY2014.

Cash and bank balances

Overall the Group's cash and bank balances remained strong. During the financial year, the Group generated net cash from operating activities of RM280.4 million, offset by:

- (i) 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;
- (ii) the cash outflow from financing activities of RM223.6 million for payment of dividends to shareholders; and
- (iii) the cash outflow from financing activities of RM23.0 million for repayment of term loan and revolving credit.

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.

Despite world economic uncertainties and the global geo-political situation, the focus of the Group's business remains anchored in Asia where the outlook continues to be cautiously favourable.

Acquisitions in recent years have broadened the mission critical enterprise software and service offerings of the Group and these acquisitions will continue to contribute towards FY2015 profitability. With an expanded suite of software and services, the Group is well positioned to support its customers in a broad range of industries as they innovate to improve their competitiveness in the digital economy.

The focus on execution of software implementation projects from existing and new customers will remain a top priority in FY2015. Every successfully completed project will result in additional recurring maintenance revenue as well as a potential stream of future projects. The Group will continue to pursue business opportunities in South and North East Asia in the current financial year.

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	Third Interim	Final and Special
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.8 per ordinary share	Singapore cents 0.9 per ordinary share	Singapore cents 1.0 per ordinary share	Singapore cents 1.2 and Singapore cents 0.6 per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier	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 Cash	Second Interim Cash	Third Interim Cash	Final Cash
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.5 per ordinary share	Singapore cents 0.7 per ordinary share	Singapore cents 0.8 per ordinary share	Singapore cents 1.1 per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier

Total dividends declared for FY2014 amounted to Singapore 4.50 cents, an increase of 45% over the Singapore 3.10 cents declared for FY2013.

(c) Date payable

The Directors have proposed a tax exempt (one-tier) final dividend of Singapore cents 1.2 and special dividend of Singapore cents 0.6 per ordinary share. The final and special dividends, if approved by the shareholder at the forthcoming Annual General Meeting of the Company, will be payable on 27 November 2014.

(d) Books closure date

Notice is hereby given that the Transfer Book and Register of Member of the Company will be closed on 12 November 2014 for the purpose of determining shareholders' entitlements to the proposed final and special dividends. 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 11 November 2014 will be registered before entitlements to the dividends 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 11 November 2014 will be entitled to the proposed final and special dividends.

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.

By Business Activities

	1-7-13 to 30-6-14 Group	1-7-12 to 30-6-13 Group
	RM	RM
Revenue		
Software licensing	147,685,409	119,602,102
Software project services	71,778,927	77,436,493
Maintenance and enhancement services	210,330,551	173,565,199
Sale of software and hardware products	32,358,689	6,634,862
Credit and cards processing	19,535,360	16,644,388
Insurance processing	19,038,579	4,692,211
	500,727,515	398,575,255

By Geographical Segments

	1-7-13 to 30-6-14 Group	1-7-12 to 30-6-13 Group
	RM	RM
Revenue		
South East Asia	434,526,581	352,308,108
North East Asia	28,882,899	27,933,050
South Asia	17,015,303	6,122,260
Middle East	3,324,211	3,325,076
Africa	15,242,485	7,379,768
Europe	1,736,036	1,506,993
	500,727,515	398,575,255

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.

Please refer to paragraph 8 above.

15. A breakdown of sales

	Financial year ended 30 June		
	2014	2013	Change
	Group RM	Group RM	%
Sales reported for the first half of the financial year	226,432,078	180,637,706	25
Operating profit after tax before deducting non-controlling interests reported for the first half of the financial year	111,726,682	88,843,954	26
Sales reported for the second half of the financial year	274,295,437	217,937,549	26
Operating profit after tax before deducting non-controlling interests reported for the second half of the financial year	137,203,282	107,156,302	28

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

	Latest Full Year	Previous Full Year
	RM	RM
Ordinary		
First interim dividend paid by the Company	46,310,261	26,580,837
Second interim dividend paid by the Company	53,587,773	37,153,890
Third interim dividend paid by the Company	58,980,783	42,617,107
Final and special dividends*	103,874,418	64,738,092
Total :	262,753,235	171,089,926

* This is proposed final and special dividends in relation to financial year ended 30 June 2014, which is subject to approval by shareholders at the forthcoming Annual General Meeting. The dividends payable are computed based on the exchange rate of SGD equivalent to RM2.5708 as at 30 June 2014. The total amount to be paid to shareholders in relation to the proposed final and special dividends will amount to S\$40,405,484.

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 year ended 30 June 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)
	1-7-13 to 30-6-14 RM	1-7-13 to 30-6-14 RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- New IPT Mandate ⁽¹⁾		
Revenue from Silverlake Entities	-	115,438,189
Service fees to Silverlake Entities	-	(50,995,236)
- Ancillary Transactions ⁽²⁾		
Revenue from Silverlake Entities	-	5,047,768

(1) The New IPT Mandate was approved by shareholders on 24 Oct 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.

18. Ageing for amounts owing from related parties

The ageing for amounts owing from the Silverlake Entities as at 30 June 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
Transactions conducted under the New Mandates: - Silverlake Entities ⁽¹⁾	38,502,838	38,502,838	-	-	-	-
<u>Non-trade Transactions</u> Silverlake Entities	109,035	109,035	-	-	-	-
Grand Total	38,611,873	38,611,873	-	-	-	-

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

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of Listing Manual of the Singapore Exchange Securities Trading Limited, Silverlake Axis Ltd ("the Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

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, 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

26 August 2014