

SILVERLAKE AXIS LTD

Third Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 31 March 2017

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

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

For the nine months period and third quarter ended 31 March 2017

	Nine months period ended 31 March			Third quarter ended 31 March		
	2017	2016	Change	2017	2016	Change
	RM	RM	%	RM	RM	%
Revenue	380,624,042	471,142,915	(19)	124,368,807	156,951,130	(21)
Cost of sales	(161,394,200)	(196,560,645)	(18)	(56,674,277)	(67,924,313)	(17)
Gross profit	219,229,842	274,582,270	(20)	67,694,530	89,026,817	(24)
Other items of income						
Finance income	1,436,925	1,756,690	(18)	557,070	318,187	75
Other income	790,450,570	12,852,805	>100	413,654,145	3,147,806	>100
Other items of expenses						
Selling and distribution costs	(22,746,095)	(19,394,508)	17	(7,446,967)	(7,919,625)	(6)
Administrative expenses	(76,163,263)	(52,869,223)	44	(27,918,173)	(18,853,864)	48
Finance costs	(956,023)	(687,262)	39	(347,228)	(169,279)	>100
Share of (loss)/profit of associates and a joint venture	(2,389,261)	1,926,489	>100	(3,310,938)	353,892	>100
Profit before tax	908,862,695	218,167,261	>100	442,882,439	65,903,934	>100
Income tax expense	(95,573,136)	(21,509,122)	>100	(44,482,523)	(4,444,827)	>100
Profit for the period	813,289,559	196,658,139	>100	398,399,916	61,459,107	>100
Profit for the period attributable to:						
Owners of the parent	813,295,598	196,651,662	>100	398,404,145	61,459,256	>100
Non-controlling interests	(6,039)	6,477	>100	(4,229)	(149)	>100
	813,289,559	196,658,139	>100	398,399,916	61,459,107	>100
Earnings per share attributable to the owners of the parent:						
- Basic (sen)	30.74	7.40	>100	15.06	2.31	>100
- Diluted (sen)	30.72	7.40	>100	15.05	2.31	>100

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months period and third quarter ended 31 March 2017

	Nine months period ended 31 March			Third quarter ended 31 March		
	2017	2016	Change	2017	2016	Change
	RM	RM	%	RM	RM	%
Profit for the period	813,289,559	196,658,139	>100	398,399,916	61,459,107	>100
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss) *	66,277,477	3,423,179	>100	12,525,529	(16,442,068)	>100
Share of other comprehensive loss of a joint venture	(88,255)	-	N/M	(62,636)	-	N/M
	66,189,222	3,423,179	>100	12,462,893	(16,442,068)	>100
Item that will not be reclassified to profit or loss:						
Actuarial gain on defined benefit plans	-	2,436	(100)	-	-	N/M
	-	2,436	(100)	-	-	N/M
Other comprehensive income/(loss) for the period, net of tax	66,189,222	3,425,615	>100	12,462,893	(16,442,068)	>100
Total comprehensive income for the period	879,478,781	200,083,754	>100	410,862,809	45,017,039	>100
Total comprehensive income for the period attributable to:						
Owners of the parent	879,484,820	200,077,277	>100	410,867,038	45,017,188	>100
Non-controlling interests	(6,039)	6,477	>100	(4,229)	(149)	>100
	879,478,781	200,083,754	>100	410,862,809	45,017,039	>100

N/M = Not Meaningful

* 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:

	Nine months period ended 31 March			Third quarter ended 31 March		
	2017	2016	Change	2017	2016	Change
	RM	RM	%	RM	RM	%
Amortisation of intangible assets	(11,048,720)	(13,586,439)	(19)	(3,491,875)	(4,707,945)	(26)
Depreciation of property, plant and equipment	(2,944,035)	(2,293,606)	28	(1,122,188)	(923,449)	22
Write off of property, plant and equipment	(223,430)	(498)	>100	(742)	281	>100
Reversal of impairment loss on trade receivables	-	772,653	(100)	-	-	N/M
Net foreign currency exchange (loss)/gain**:						
- realised	(6,627,900)	554,060	>100	(8,774,834)	(1,422,898)	>100
- unrealised	(2,497,463)	7,156,031	>100	16,061,652	(1,505,340)	>100
Adjustments for over/(under) provision of tax in respect of prior years	82,487	75,424	9	1,413	(822)	>100
Net gain**/(loss)* on disposal of property, plant and equipment	90,011	45,267	99	-	(2,733)	(100)
Gain on redemption of available-for-sale financial assets - money market fund **	294,959	787,229	(63)	68,301	80,341	(15)
Gain on disposal of shares in an associate **	477,688,427	-	N/M	105,612,008	-	N/M
Gain on initial recognition of available-for-sale financial assets - quoted equity shares at fair value **	292,966,694	-	N/M	292,966,694	-	N/M
(Loss)*/Gain** on dilution of interest in an associate arising from issuance of new shares pursuant to employee shares incentive plan	(248,641)	2,907,261	>100	-	2,907,261	(100)
Gain on dilution of interest in an associate arising from issuance of new shares as part consideration for its acquisition of a subsidiary and private placements **	18,798,722	-	N/M	-	-	N/M
Performance shares issued	(10,609,167)	(7,058,887)	50	(1,081,029)	(1,846,229)	(41)
Reversal of/(Allowance for) unutilised leave	100,378	(53,121)	>100	104,428	124,943	(16)
Allowance for defined benefit liabilities	(658,398)	(754,487)	(13)	(219,466)	(342,789)	(36)
Fair value adjustment arising from subsequent measurement of contingent consideration for business combination	-	(13,401)	(100)	-	(13,401)	(100)

* Included in other operating expenses

** Included in other operating income

N/M = Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	As at 31-Mar-17		As at 30-Jun-16	
	Group RM	Company RM	Group RM	Company RM
ASSETS				
Non-current assets				
Property, plant and equipment	18,772,796	-	16,321,337	-
Intangible assets	192,905,054	-	195,875,204	-
Investments in subsidiaries	-	1,894,873,593	-	1,894,873,593
Investments in associates	-	482,400	106,380,900	482,400
Interest in a joint venture	34,750,408	36,139,135	31,611,357	33,346,002
Deferred tax assets	6,073,163	-	5,790,275	-
	252,501,421	1,931,495,128	355,979,073	1,928,701,995
Current assets				
Amounts due from customers for contract work-in-progress	12,169,140	-	16,916,828	-
Trade and other receivables	154,538,190	19,392	177,845,034	61
Advance maintenance costs	5,420,768	-	2,729,534	-
Prepayments	5,621,977	141,139	4,221,916	45,810
Dividend receivables	-	20,000,000	-	24,315,200
Amount due from a subsidiary	-	125,347	-	34,902
Amounts due from related parties	12,596,234	-	43,327,704	-
Loan to a subsidiary	-	14,699,988	-	9,424,643
Tax recoverable	3,043,054	-	1,670,392	-
Available-for-sale financial assets - quoted equity shares	382,221,498	-	-	-
Available-for-sale financial assets - money market fund	3,010,258	-	4,729,521	-
Cash and bank balances	772,234,958	46,129,536	225,942,723	38,754,126
	1,350,856,077	81,115,402	477,383,652	72,574,742
Total assets	1,603,357,498	2,012,610,530	833,362,725	2,001,276,737

STATEMENTS OF FINANCIAL POSITION (Cont'd)

	As at 31-Mar-17		As at 30-Jun-16	
	Group RM	Company RM	Group RM	Company RM
EQUITY AND LIABILITIES				
Equity				
Share capital	191,040,654	191,040,654	191,040,654	191,040,654
Share premium	232,217,438	1,668,775,194	229,022,558	1,665,580,314
Treasury shares	(86,627,098)	(86,627,098)	(75,442,423)	(75,442,423)
Foreign currency translation reserve	91,767,653	-	25,578,431	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	9,082,861	9,082,861	5,839,774	5,839,774
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	979,528,361	152,439,855	345,766,416	138,129,289
Equity attributable to owners of the parent	1,297,733,230	1,934,711,466	602,528,771	1,925,147,608
Non-controlling interests	74,157	-	80,196	-
Total equity	1,297,807,387	1,934,711,466	602,608,967	1,925,147,608
Non-current liabilities				
Loans and borrowings	1,433,864	-	1,423,891	-
Deferred tax liabilities	49,598,243	-	18,133,849	-
Provision for defined benefit liabilities	8,909,346	-	7,793,902	-
	59,941,453	-	27,351,642	-
Current liabilities				
Amounts due to customers for contract work-in-progress	11,426,539	-	8,170,674	-
Trade and other payables	58,192,077	1,051,722	49,355,794	3,759,359
Provision for defined benefit liabilities	409,924	-	373,822	-
Advance maintenance fees	61,803,403	-	55,772,126	-
Loans and borrowings	66,553,982	65,683,710	73,049,433	72,239,600
Amounts due to subsidiaries	-	11,078,574	-	17,888
Amounts due to related parties	3,350,873	-	5,926,194	-
Income tax payable	43,871,860	85,058	10,754,073	112,282
	245,608,658	77,899,064	203,402,116	76,129,129
Total liabilities	305,550,111	77,899,064	230,753,758	76,129,129
Net current assets/(liabilities)	1,105,247,419	3,216,338	273,981,536	(3,554,387)
Total equity and liabilities	1,603,357,498	2,012,610,530	833,362,725	2,001,276,737

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31-Mar-17	
Secured Group RM	Unsecured Group RM
870,272	65,683,710

As at 30-Jun-16	
Secured Group RM	Unsecured Group RM
809,833	72,239,600

Amount repayable after one year

As at 31-Mar-17	
Secured Group RM	Unsecured Group RM
1,433,864	-

As at 30-Jun-16	
Secured Group RM	Unsecured Group RM
1,423,891	-

Details of any collaterals

The secured facilities of the Group comprise hire purchases and leasing which are secured by certain property, plant and equipment of subsidiaries with a total net book value of RM2,378,320 as at 31 March 2017 (RM9,608,781 as at 30 June 2016). The freehold land pledged to secure the term loan and overdraft facilities of a subsidiary had been discharged during 9M FY2017.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months period ended		Third quarter ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	RM	RM	RM	RM
Operating activities:				
Profit before tax	908,862,695	218,167,261	442,882,439	65,903,934
Adjustments for:				
Amortisation of intangible assets	11,048,720	13,586,439	3,491,875	4,707,945
Depreciation of property, plant and equipment	2,944,035	2,293,606	1,122,188	923,449
Write off of property, plant and equipment	223,430	498	742	(281)
Net (gain)/loss on disposal of property, plant and equipment	(90,011)	(45,267)	-	2,733
Gain on redemption of available-for-sale financial assets - money market fund	(294,959)	(787,229)	(68,301)	(80,341)
Unrealised foreign currency exchange loss/(gain)	2,497,463	(7,156,031)	(16,061,652)	1,505,340
Reversal of impairment loss on trade receivables	-	(772,653)	-	-
Gain on disposal of shares in an associate	(477,688,427)	-	(105,612,008)	-
(Reversal of)/Allowance for unutilised leave	(100,378)	53,121	(104,428)	(124,943)
Allowance for defined benefit liabilities	658,398	754,487	219,466	342,789
Performance shares issued	10,609,167	7,058,887	1,081,029	1,846,229
Fair value adjustment arising from subsequent measurement of contingent consideration for business combination	-	13,401	-	13,401
Share of loss/(profit) of associates and a joint venture	2,389,261	(1,926,489)	3,310,938	(353,892)
Loss/(Gain) on dilution of interest in an associate arising from issuance of new shares pursuant to employee shares incentive plan	248,641	(2,907,261)	-	(2,907,261)
Gain on dilution of interest in an associate arising from issuance of new shares as part consideration for its acquisition of a subsidiary and private placements	(18,798,722)	-	-	-
Gain on initial recognition of available-for-sale financial assets - quoted equity shares at fair value	(292,966,694)	-	(292,966,694)	-
Finance costs	956,023	687,262	347,228	169,279
Finance income	(1,436,925)	(1,756,690)	(557,070)	(318,187)
Operating cash flows before changes in working capital	149,061,717	227,263,342	37,085,752	71,630,194
Changes in working capital:				
Trade and other receivables	26,152,979	(106,949,362)	(15,665,434)	(41,691,220)
Amounts due from/to customers for contract work-in-progress	7,090,812	6,523,661	(672,032)	16,630,463
Amounts due from/to related parties	30,376,058	11,858,696	17,674,706	(7,452,859)
Trade and other payables	13,189,955	30,213,105	35,528,394	2,986,086
Cash flows from operations	225,871,521	168,909,442	73,951,386	42,102,664
Net placement of deposit pledged	(3,981,150)	-	(3,084,350)	-
Income tax paid	(36,291,912)	(25,819,360)	(22,843,307)	(7,873,522)
Interest paid	(956,023)	(369,995)	(347,228)	(169,278)
Net cash flows from operating activities	184,642,436	142,720,087	47,676,501	34,059,864
Investing activities:				
Purchases of property, plant and equipment	(4,692,566)	(2,017,491)	(899,086)	(622,766)
Payments for software development expenditure	-	(610,246)	175,479	(610,246)
Payments for other intangible assets	(598,160)	(448,633)	(257,205)	959,729
Acquisition of subsidiaries, net of cash acquired	-	(50,282,874)	-	(16,857,600)
Advances to a joint venture	(84,480)	(235,254)	(16,422)	(58,598)
Proceeds from disposal of property, plant and equipment	134,527	45,548	-	(2,452)
Proceeds from disposal of shares in an associate	536,453,339	-	124,965,511	-
Proceeds from redemption of available-for-sale financial assets - money market fund	49,139,221	85,777,229	16,637,563	6,130,341
Purchases of available-for-sale financial assets - money market fund	(47,125,000)	(80,773,684)	(15,194,502)	(6,519,367)
Interest received	1,417,595	1,994,751	537,993	354,595
(Placement)/Uplift of short-term deposits	(495,277,805)	3,714,373	(495,277,805)	14,780,000
Net cash flows from/(used in) investing activities	39,366,671	(42,836,281)	(369,328,474)	(2,446,364)
Financing activities:				
Dividends paid	(179,533,653)	(205,895,842)	(58,595,060)	(59,426,889)
Purchase of treasury shares	(17,471,812)	(69,616,655)	-	(23,842,754)
Proceeds from revolving credit	21,415,560	113,722,500	-	61,042,500
Repayment of revolving credit	(33,174,790)	(52,680,000)	(5,235,490)	-
Repayment of obligations under finance lease	(613,780)	(664,428)	(208,467)	(211,697)
Net cash flows used in financing activities	(209,378,475)	(215,134,425)	(64,039,017)	(22,438,840)
Net increase/(decrease) in cash and cash equivalents	14,630,632	(115,250,619)	(385,690,990)	9,174,660
Effects of exchange rate changes on cash and cash equivalents	32,400,972	4,625,829	1,172,178	(12,797,113)
Cash and cash equivalents at beginning of the financial period	224,714,029	315,572,913	656,264,445	208,570,576
Cash and cash equivalents at end of the financial period	271,745,633	204,948,123	271,745,633	204,948,123

	Nine months period ended		Third quarter ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	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 Statements of Financial Position	772,234,958	206,175,953	772,234,958	206,175,953
Less: Short-term deposits with licensed banks with maturity more than 3 months	(495,277,805)	-	(495,277,805)	-
Less: Pledged deposits	(5,211,520)	(1,227,830)	(5,211,520)	(1,227,830)
Cash and cash equivalents at end of the financial period	271,745,633	204,948,123	271,745,633	204,948,123

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 nine months period ended 31 March 2017

	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-2016	191,040,654	229,022,558	(75,442,423)	25,578,431	466,828	21,819	5,839,774	(119,765,286)	345,766,416	602,528,771	80,196	602,608,967
Profit for the period	-	-	-	-	-	-	-	-	813,295,598	813,295,598	(6,039)	813,289,559
Other comprehensive income for the period	-	-	-	66,189,222	-	-	-	-	-	66,189,222	-	66,189,222
Purchase of treasury shares	-	-	(15,355,875)	-	-	-	-	-	-	(15,355,875)	-	(15,355,875)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	10,609,167	-	-	10,609,167	-	10,609,167
Release of shares under Performance Share Plan	-	3,194,880	4,171,200	-	-	-	(7,366,080)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(179,533,653)	(179,533,653)	-	(179,533,653)
As at 31-Mar-2017	191,040,654	232,217,438	(86,627,098)	91,767,653	466,828	21,819	9,082,861	(119,765,286)	979,528,361	1,297,733,230	74,157	1,297,807,387

	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-2016	191,040,654	1,665,580,314	(75,442,423)	-	-	-	5,839,774	-	138,129,289	1,925,147,608	-	1,925,147,608
Profit for the period	-	-	-	-	-	-	-	-	193,844,219	193,844,219	-	193,844,219
Purchase of treasury shares	-	-	(15,355,875)	-	-	-	-	-	-	(15,355,875)	-	(15,355,875)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	10,609,167	-	-	10,609,167	-	10,609,167
Release of shares under Performance Share Plan	-	3,194,880	4,171,200	-	-	-	(7,366,080)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(179,533,653)	(179,533,653)	-	(179,533,653)
As at 31-Mar-2017	191,040,654	1,668,775,194	(86,627,098)	-	-	-	9,082,861	-	152,439,855	1,934,711,466	-	1,934,711,466

Consolidated Statement of Changes in Equity for the nine months period ended 31 March 2016

	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-2015	157,483,159	259,269,373	(7,926,631)	16,489,219	466,828	21,819	5,212,658	(119,765,286)	328,095,192	639,346,331	71,377	639,417,708
Profit for the period	-	-	-	-	-	-	-	-	196,651,662	196,651,662	6,477	196,658,139
Other comprehensive income for the period	-	-	-	3,423,179	-	-	-	-	2,436	3,425,615	-	3,425,615
Issuance of bonus shares	33,557,495	(33,557,495)	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(69,616,655)	-	-	-	-	-	-	(69,616,655)	-	(69,616,655)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	7,058,887	-	-	7,058,887	-	7,058,887
Release of shares under Performance Share Plan	-	2,530,800	4,216,800	-	-	-	(6,747,600)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(205,895,842)	(205,895,842)	-	(205,895,842)
As at 31-Mar-2016	191,040,654	228,242,678	(73,326,486)	19,912,398	466,828	21,819	5,523,945	(119,765,286)	318,853,448	570,969,998	77,854	571,047,852

	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-2015	157,483,159	1,695,827,129	(7,926,631)	-	-	-	5,212,658	-	94,323,242	1,944,919,557	-	1,944,919,557
Profit for the period	-	-	-	-	-	-	-	-	248,821,271	248,821,271	-	248,821,271
Issuance of bonus shares	33,557,495	(33,557,495)	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(69,616,655)	-	-	-	-	-	-	(69,616,655)	-	(69,616,655)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	7,058,887	-	-	7,058,887	-	7,058,887
Release of shares under Performance Share Plan	-	2,530,800	4,216,800	-	-	-	(6,747,600)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(205,895,842)	(205,895,842)	-	(205,895,842)
As at 31-Mar-2016	191,040,654	1,664,800,434	(73,326,486)	-	-	-	5,523,945	-	137,248,671	1,925,287,218	-	1,925,287,218

Consolidated Statement of Changes in Equity for the third quarter ended 31 March 2017

	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-Jan-2017	191,040,654	229,022,558	(90,798,298)	79,304,760	466,828	21,819	15,367,912	(119,765,286)	639,719,276	944,380,223	78,386	944,458,609
Profit for the period	-	-	-	-	-	-	-	-	398,404,145	398,404,145	(4,229)	398,399,916
Other comprehensive income for the period	-	-	-	12,462,893	-	-	-	-	-	12,462,893	-	12,462,893
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,081,029	-	-	1,081,029	-	1,081,029
Release of shares under Performance Share Plan	-	3,194,880	4,171,200	-	-	-	(7,366,080)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(58,595,060)	(58,595,060)	-	(58,595,060)
As at 31-Mar-2017	191,040,654	232,217,438	(86,627,098)	91,767,653	466,828	21,819	9,082,861	(119,765,286)	979,528,361	1,297,733,230	74,157	1,297,807,387

	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-Jan-2017	191,040,654	1,665,580,314	(90,798,298)	-	-	-	15,367,912	-	151,038,134	1,932,228,716	-	1,932,228,716
Profit for the period	-	-	-	-	-	-	-	-	59,996,781	59,996,781	-	59,996,781
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,081,029	-	-	1,081,029	-	1,081,029
Release of shares under Performance Share Plan	-	3,194,880	4,171,200	-	-	-	(7,366,080)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(58,595,060)	(58,595,060)	-	(58,595,060)
As at 31-Mar-2017	191,040,654	1,668,775,194	(86,627,098)	-	-	-	9,082,861	-	152,439,855	1,934,711,466	-	1,934,711,466

Consolidated Statement of Changes in Equity for the third quarter ended 31 March 2016

	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-Jan-2016	191,040,654	225,711,878	(53,700,532)	36,354,466	466,828	21,819	10,425,316	(119,765,286)	316,821,081	607,376,224	78,003	607,454,227
Profit for the period	-	-	-	-	-	-	-	-	61,459,256	61,459,256	(149)	61,459,107
Other comprehensive loss for the period	-	-	-	(16,442,068)	-	-	-	-	-	(16,442,068)	-	(16,442,068)
Purchase of treasury shares	-	-	(23,842,754)	-	-	-	-	-	-	(23,842,754)	-	(23,842,754)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,846,229	-	-	1,846,229	-	1,846,229
Release of shares under Performance Share Plan	-	2,530,800	4,216,800	-	-	-	(6,747,600)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(59,426,889)	(59,426,889)	-	(59,426,889)
As at 31-Mar-2016	191,040,654	228,242,678	(73,326,486)	19,912,398	466,828	21,819	5,523,945	(119,765,286)	318,853,448	570,969,998	77,854	571,047,852

	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-Jan-2016	191,040,654	1,662,269,634	(53,700,532)	-	-	-	10,425,316	-	99,114,378	1,909,149,450	-	1,909,149,450
Profit for the period	-	-	-	-	-	-	-	-	97,561,182	97,561,182	-	97,561,182
Purchase of treasury shares	-	-	(23,842,754)	-	-	-	-	-	-	(23,842,754)	-	(23,842,754)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,846,229	-	-	1,846,229	-	1,846,229
Release of shares under Performance Share Plan	-	2,530,800	4,216,800	-	-	-	(6,747,600)	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(59,426,889)	(59,426,889)	-	(59,426,889)
As at 31-Mar-2016	191,040,654	1,664,800,434	(73,326,486)	-	-	-	5,523,945	-	137,248,671	1,925,287,218	-	1,925,287,218

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 capital since the end of the previous financial year.

From 1 July 2016 to 15 July 2016, the Company purchased 9,356,100 shares pursuant to the share purchase mandate approved by shareholders on 26 October 2015. These shares were acquired by way of market acquisition for a total consideration of RM15,355,875 and are held as treasury shares by the Company.

During Q3 FY2017, the Company has reissued 2,400,000 treasury shares to its Managing Director pursuant to Silverlake Axis Ltd Performance Share Plan on 5 January 2017.

The number of treasury shares has increased from 42,899,100 as at 30 June 2016 to 49,855,200 as at 31 March 2017.

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

	As at 31-Mar-17	As at 30-Jun-16	As at 31-Mar-16
Total number of issued shares	2,696,472,800	2,247,543,108	2,247,543,108
Add: Issuance of bonus shares during the period/year	-	448,929,692	448,929,692
Total number of issued shares at end of the period/year	2,696,472,800	2,696,472,800	2,696,472,800
Less: Treasury shares	(49,855,200)	(42,899,100)	(41,510,700)
Total number of issued shares excluding treasury shares	2,646,617,600	2,653,573,700	2,654,962,100

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-Mar-17	As at 30-Jun-16
Number of treasury shares at beginning of the year	42,899,100	2,894,000
Release of treasury shares pursuant to Performance Share Plan	(2,400,000)	(2,400,000)
Purchase of treasury shares	9,356,100	42,405,100
Number of treasury shares at end of the period/year	49,855,200	42,899,100

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 the financial year ended 30 June 2016 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 2016 except that the Group has adopted the following new IFRS which became effective for the period beginning on or after 1 July 2016.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
 Amendments to IAS 27 Equity Method in Separate Financial Statements
 Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
 Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
 Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
 Amendments to IAS 1 Disclosure Initiative
 Annual Improvements to IFRSs 2012 - 2014 Cycle
 IFRS 14 Regulatory Deferral Accounts

The adoption of the above standards affects the presentation and disclosure in the financial statements only and does not have any 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 7 Disclosure Initiative	1 January 2017
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to IFRSs 2014 - 2016 Cycle	
- Amendments to IFRS 12 Disclosure of Interests in Other Entities	1 January 2017
- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards	1 January 2018
- Amendments to IAS 28 Investment in Associates and Joint Ventures	1 January 2018
Amendments to IFRS 2 Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to IAS 40 Transfers of Investment Property	1 January 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

The Group has not adopted the following standards and interpretations that have been issued but not yet effective: (cont'd)

Description	Effective for annual periods beginning on or after
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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	
	Nine months period ended		Third quarter ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	Sen	Sen	Sen	Sen
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	30.74	7.40	15.06	2.31
Based on a fully diluted basis ⁽²⁾	30.72	7.40	15.05	2.31

⁽¹⁾ 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 March 2017 of 2,645,297,245 (31 March 2016 of 2,658,411,501) of USD0.02 each.

⁽²⁾ 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-Mar-17		As at 30-Jun-16	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share ⁽¹⁾	49.03	73.10	22.71	72.55

⁽¹⁾ 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 – Third quarter ended 31 March 2017 ("Q3 FY2017") vs Third quarter ended 31 March 2016 ("Q3 FY2016")

Overview

Silverlake Axis Ltd (SAL) provides financial services technology to the Banking, Insurance, Payment, Retail and Logistics industries. Founded in 1989, SAL has built an impeccable track record of successful core banking implementations. The Group's Software and Services Solutions deliver operational excellence and enable business transformations at over 300 organisations across Asia, Middle East, Central Europe, Australia and New Zealand.

From FY2011 to FY2016, the Group has successfully undertaken 5 acquisitions to broaden the suite of business enterprise software solutions and services offerings and strengthen its market position in new markets in New Zealand, Australia, South Asia and Europe. With expanded capabilities, the Group is well positioned to empower its customers to compete effectively in the digital economy ecosystem. Buoyed by continual investments in Information Technology ("IT") by Asian financial institutions and corporations to improve their competitive edge, the Group continues to achieve steady growth in market share.

In Q3 FY2017, Group revenue decreased by 21% compared with the previous corresponding period but with gains from Other Income, net profit attributable to shareholders increased to RM398.4 million.

Revenue

By Business Activities

	1-1-17 to 31-3-17	1-1-16 to 31-3-16	Change
	Group RM	Group RM	%
Revenue			
Software licensing	1,802,968	33,731,911	(95)
Software project services	3,785,062	25,035,899	(85)
Maintenance and enhancement services	106,554,332	85,206,344	25
Sale of software and hardware products	189,204	1,095,050	(83)
Credit and cards processing	4,847,848	5,691,163	(15)
Insurance processing	7,189,393	6,190,763	16
	124,368,807	156,951,130	(21)

For Q3 FY2017, Group revenue of RM124.4 million was 21% lower compared with Q3 FY2016. The decrease in Group revenue was due to lower contributions from project related revenue segments such as software licensing, software project services and sale of software and hardware products whereas maintenance and enhancement services and insurance processing, the recurrent revenue segments, making up approximately 91% of Group revenue for the quarter, continued to grow.

Revenue from software licensing was lower compared with Q3 FY2016 due to reduced capital expenditure on projects by customers and lower value of software licensing contracts delivered in Q3 FY2017 compared with the significantly higher value of software licensing contracts implemented in China, Malaysia, Indonesia and Brunei in Q3 FY2016.

Software project services revenue was lower compared with the previous corresponding period due to the deferment and slowdown of customers' capital expenditures on projects and the completion of significantly higher value contracts secured in China, Indonesia, Malaysia and Brunei in FY2016. This was partially offset by progressive revenue recognition in Q3 FY2017 from ongoing implementation contracts and smaller new contracts secured from existing customers. Lower sale of software and hardware products was registered in Q3 FY2017 compared with Q3 FY2016 as there were only a few small sales of hardware products delivered in Q3 FY2017 compared with two major sales of hardware products in Q3 FY2016.

Revenue from maintenance and enhancement services recorded a 25% growth to RM106.6 million in Q3 FY2017 with more maintenance and enhancement contracts secured from the customers in Malaysia, Singapore and Ghana following the completion of their software implementation contracts as well as European and Middle Eastern customers from Silverlake Symmetri (Singapore) Pte. Ltd. ("Symmetri Group"). Since the second half of the previous financial year, customers have been deferring their capital expenditures on IT projects and instead have been shifting their spendings to enhance their IT systems. This shift in spending has contributed to the segment's growth.

With new customers secured in Philippines, Malaysia, Singapore and Vietnam as well as the appreciation of Indonesia Rupiah ("IDR") and Singapore Dollar ("SGD") against Ringgit Malaysia ("RM"), the recurrent revenue base of insurance processing was 16% higher in Q3 FY2017 compared with Q3 FY2016. Revenue contribution from credit and cards processing of RM4.8 million in Q3 FY2017 was 15% lower compared with the previous corresponding period due to lesser enhancement contracts from a major customer.

Profitability

The Group recorded a gross profit of RM67.7 million in Q3 FY2017. The Group's gross profit margin of 54% in Q3 FY2017 was lower compared with 57% in Q3 FY2016 mainly due to the change in revenue mix.

Other Income was significantly higher compared with Q3 FY2016 mainly due to the recognition of an accounting gain of RM293.0 million on initial recognition of retained interest in Global InfoTech Co. Ltd. ("GIT") as financial asset at fair value in accordance with IFRS 9 (or IAS 39) upon the Group's cessation of significant influence over GIT and discontinued equity accounting method on 29 March 2017. Fair value of GIT is determined by market price published on ChiNext of the Shenzhen Stock Exchange ("ChiNext"). The recognition of gain of RM105.6 million on disposal of 12.4 million shares in GIT in Q3 FY2017 following the expiry of the Moratorium Period for GIT shares after their listing on ChiNext has also contributed to the increase in Other Income.

Higher unrealised foreign currency exchange gains recorded in Q3 FY2017 mainly due to the translation of bank balances and the depreciation of RM against Japanese Yen ("JPY") advances to a subsidiary.

Compared with Q3 FY2016, administrative expenses increased from RM18.9 million to RM27.9 million in Q3 FY2017 due to higher realised foreign currency exchange loss at RM8.8 million arising from the translation of bank balances, loans and receivables denominated in foreign currencies and increase in staff related costs.

The Group's share of loss of associates and a joint venture was RM3.3 million in Q3 FY2017 compared with share of profit of associates and a joint venture of RM0.4 million in Q3 FY2016 due to lower share of profit attributable to the reduced shareholding in GIT from 20.01% as at 31 March 2016 to 9.18% as at 31 March 2017 in addition to lower profit contribution from GIT and lower contribution from a joint venture, Silverlake HGH Limited ("SHGH") in Q3 FY2017.

With an accounting gain on the initial recognition of retained interest in an associate as a financial asset at fair value and the gain on disposal of shares in that associate offset by lower gross profit, the Group recorded a profit before tax of RM442.9 million in Q3 FY2017.

Income tax expense increased from RM4.4 million in Q3 FY2016 to RM44.5 million in Q3 FY2017 mainly due to the provision of deferred tax on capital gains associated with the remaining quoted equity shares of GIT available-for-sale in the subsequent quarters and accruals of withholding tax on GIT shares disposed in Q3 FY2017, partially offset by the reversal of deferred tax provided on the unremitted earnings of GIT. Excluding the gain and tax expense associated with the disposal of GIT shares and reversal of deferred tax on unremitted earnings of GIT, the effective tax rate increased from 7% in Q3 FY2016 to 9% in Q3 FY2017 due to higher taxable income contributed by certain subsidiaries in Q3 FY2017.

With the accounting gain of RM293.0 million on initial recognition of retained interest in GIT as a financial asset at fair value and RM105.6 million gain on disposal of GIT shares, the Group reported a profit after tax attributable to shareholders of RM398.4 million in Q3 FY2017.

(a)(ii) INCOME STATEMENT REVIEW – Nine months period ended 31 March 2017 ("9M FY2017") vs Nine months period ended 31 March 2016 ("9M FY2016")

Overview

In 9M FY2017, Group revenue decreased by 19% compared with the previous corresponding financial period but net profit attributable to shareholders rose to RM813.3 million.

Revenue

By Business Activities

	1-7-16 to 31-3-17 Group	1-7-15 to 31-3-16 Group	Change
	RM	RM	%
Revenue			
Software licensing	21,574,179	86,175,624	(75)
Software project services	20,978,899	88,610,809	(76)
Maintenance and enhancement services	300,342,168	248,518,740	21
Sale of software and hardware products	2,050,644	14,023,498	(85)
Credit and cards processing	14,188,640	15,614,365	(9)
Insurance processing	21,489,512	18,199,879	18
	380,624,042	471,142,915	(19)

For 9M FY2017, Group revenue of RM380.6 million was 19% lower compared with 9M FY2016. The decrease in Group revenue was due to lower contributions from project related revenue segments whereas revenue growth continued for maintenance and enhancement services and insurance processing.

Software project services revenue decreased significantly to RM21.0 million compared with 9M FY2016 due to the deferment and slowdown of customers' capital expenditures and the completion of higher value contracts secured and implemented in China, Indonesia and Brunei during 9M FY2016. This was partially offset by progressive revenue recognition from ongoing implementation contracts, smaller new contracts secured from existing and new customers as well as the consolidation of Symmetri Group's projects on hand for three quarters in 9M FY2017 compared with two quarters in 9M FY2016 following its acquisition on 1 October 2015.

Revenue from software licensing was lower compared with 9M FY2016 due to significantly lower value software licensing contracts delivered in 9M FY2017, partly attributable to reduced capital expenditure spending by customers in 9M FY2017. Higher value software licensing contracts were implemented in China, Malaysia, Indonesia and Brunei in 9M FY2016. Further revenue recognition is expected to take place in the subsequent quarters with the progressive delivery of new and ongoing software licensing contracts secured from customers.

Lower revenue was recorded from sale of software and hardware products as there were smaller sales of hardware products in 9M FY2017 compared with two major hardware upgrades by customers in Malaysia and one large sale of hardware product related to a software implementation services contract in Brunei in 9M FY2016.

Revenue from maintenance and enhancement services increased 21% to RM300.3 million in 9M FY2017 with more maintenance and enhancement contracts secured from customers in Malaysia, Singapore and Ghana after the completion of software implementation contracts as well as the consolidation of Symmetri Group's three quarters of maintenance and enhancement revenue in 9M FY2017 compared to two quarters in 9M FY2016.

Following the expansion of business activities into Thailand and Vietnam as well as winning new customers in Malaysia, Philippines, Singapore and Indonesia coupled with the appreciation of IDR and SGD against RM, the recurrent revenue base of insurance processing was 18% higher in 9M FY2017 compared with 9M FY2016. Lesser enhancement contracts from a major customer led to lower credit and cards processing revenue in 9M FY2017.

Profitability

The Group recorded a gross profit of RM219.2 million in 9M FY2017 and achieved a gross profit margin of 58% in both 9M FY2017 and 9M FY2016.

Other Income was significantly higher in 9M FY2017 compared with 9M FY2016 mainly due to the recognition of gain of RM477.7 million on disposal of 34.9 million shares in GIT in 9M FY2017 following the expiry of the Moratorium Period for GIT shares after their listing on ChiNext. The increase in Other Income was also driven by the recognition of an accounting gain of RM293.0 million on initial recognition of retained interest in GIT as financial asset at fair value in accordance with IFRS 9 (or IAS 39) upon the Group's cessation of significant influence over GIT and discontinued equity accounting method on 29 March 2017. Fair value of GIT is determined by market price published on ChiNext. The recognition of an accounting gain of RM18.8 million on dilution of interest in GIT, following the issuance of new shares as part consideration for its acquisition of 100% equity interest in Shanghai RuiMin Internet Technology Co. Ltd. ("RuiMin") and for private placements has also contributed to the increase in Other Income.

The Group recorded unrealised foreign currency exchange loss in 9M FY2017 compared with unrealised foreign currency exchange gain in 9M FY2016 mainly due to the appreciation of SGD and United States Dollar ("USD") on loan from financial institution against RM in 9M FY2017 compared to 9M FY2016.

The selling and distribution expenses increased from RM19.4 million in 9M FY2016 to RM22.7 million in 9M FY2017 due to higher expenses incurred for marketing and research activities in 9M FY2017 and additional expenses from the consolidation of Symmetri Group's three quarters results in 9M FY2017 compared to two quarters in 9M FY2016.

Compared with 9M FY2016, administrative expenses increased by 44% from RM52.9 million to RM76.2 million in 9M FY2017 due to realised and unrealised foreign currency exchange loss of RM9.1 million arising from translation of loans, bank balances and receivables denominated in foreign currencies, additional expenses from the consolidation of Symmetri Group's results for three quarters, higher charge on share awards granted pursuant to PSP in 9M FY2017 and an accounting loss on dilution of interest in GIT following the issuance of new shares pursuant to its employee shares incentive plan in November 2016. This was partially offset by the non-recurring professional fees incurred for special independent review on interested person transactions and acquisitions in 9M FY2016.

The Group's share of loss of associates and a joint venture was RM2.4 million in 9M FY2017 compared with share of profit of associates and a joint venture of RM1.9 million in 9M FY2016. The contribution and share of profit of GIT were lower in 9M FY2017 due to the reduced shareholding in GIT from 20.01% as at 31 March 2016 to 9.18% as at 31 March 2017. The decrease in profit sharing was partially offset by higher profit contribution from SHGH in 9M FY2017.

With gain on disposal of shares in an associate and an accounting gain from initial recognition of retained interest in GIT as financial asset at fair value, offset by an increase in selling and administrative expenses, the Group recorded a profit before tax of RM908.9 million in 9M FY2017.

Income tax expense increased from RM21.5 million in 9M FY2016 to RM95.6 million in 9M FY2017 and the effective tax rate increased from 10% in 9M FY2016 to 11% in 9M FY2017. The increase in tax expense was mainly due to the provision of deferred tax on capital gains associated with the remaining quoted equity shares of GIT available-for-sale in the subsequent quarters and the accruals of withholding tax on GIT shares disposed in 9M FY2017. Excluding the gain and tax expense associated with disposal of GIT shares, the effective tax rate decreased from 10% in 9M FY2016 to 8% in 9M FY2017 due to lower withholding tax on some overseas revenue and lower taxable income contributed by certain subsidiaries in 9M FY2017 compared with 9M FY2016.

With the gain of RM477.7 million and RM293.0 million on disposal of 34.9 million shares in GIT and initial recognition of retained interest in GIT as financial asset at fair value respectively, the Group reported a profit after tax attributable to shareholders of RM813.3 million in 9M FY2017.

(b) STATEMENTS OF FINANCIAL POSITION REVIEW

Intangible assets

The decrease in intangible assets from RM195.9 million as at 30 June 2016 to RM192.9 million as at 31 March 2017 was mainly due to the amortisation of intangible assets for 9M FY2017, partially offset with higher foreign currency translation gain on intangibles attributable to the appreciation of USD and SGD against RM.

Investments in associates

The investments in associates as at 30 June 2016 was RM106.4 million and the Group ceased to have significant influence over GIT as at 31 March 2017 and discontinued the use of the equity accounting method. The decrease in investments in associates was mainly due to the following changes in the Group's shareholding in GIT during 9M FY2017:

(i) In 9M FY2017, the Company disposed 34.9 million GIT shares in several block trades on ChiNext following the expiry of the Moratorium Period for the Company's shares in GIT on 1 June 2016. The gain on disposal of RM477.7 million was recognised under Other Income in the consolidated income statement;

(ii) On 25 November 2016, GIT issued 2,784,000 new shares to 48 eligible employees at RMB7.66 per share under GIT's restricted employee shares incentive plan. Consequently, the Company's interest in GIT was diluted from 14.08% to 13.99%. The accounting loss on dilution of interest of RM0.2 million was recognised under Administrative Expenses in the consolidated income statement;

(iii) On 19 December 2016, GIT issued 14,745,442 new shares at RMB15.91 per share as part consideration for its acquisition of 100% equity interest in RuiMin and 3,639,215 new shares at RMB15.91 per share for private placements. The Company's interest in GIT was diluted from 12.43% to 11.92%. The accounting gain on dilution of RM18.8 million was recognised under Other Income in the consolidated income statement; and

(iv) On 29 March 2017, the Group discontinued the use of the equity accounting method upon retirement of SAL's Managing Director, Dr. Raymond Kwong as GIT director. The Company's retained interest in GIT of 9.18% comprising 41.6 million shares was recognised as an investment in equity instrument in accordance with IFRS 9 (or IAS 39), at fair value on initial recognition as a financial asset. The difference between the fair value of the retained interest and the carrying value of the investment at the date the equity method was discontinued of RM293.0 million was recognised under Other Income in the consolidated income statement.

Trade and other receivables

Trade and other receivables decreased from RM177.8 million as at 30 June 2016 to RM154.5 million as at 31 March 2017 as a result of 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 Person 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 March 2017 was RM0.7 million compared with RM8.7 million as at 30 June 2016 and this was mainly due to the timing of billings and revenue recognition for the contracts on hand.

Available-for-sale financial assets - quoted equity shares

Available-for-sale financial assets at fair value through other comprehensive income represent investment in quoted equity shares of GIT. The Company's retained interest in GIT of 9.18% comprising 41.6 million shares, upon ceased to have significant influence over GIT, has been recognised at fair value on initial recognition as a financial asset and will be remeasured subsequently at fair value with any unrealised gain or loss to be recognised in Other Comprehensive Income. Fair value of this quoted equity shares is determined by reference to published price quotations in an active market.

Deferred tax liabilities

Deferred tax liabilities increased from RM18.1 million as at 30 June 2016 to RM49.6 million as at 31 March 2017 mainly due to the provision of deferred tax on capital gains associated with the quoted equity shares of GIT available-for-sale in the subsequent quarters.

Trade and other payables

Trade and other payables increased from RM49.4 million as at 30 June 2016 to RM58.2 million as at 31 March 2017 mainly due to the accruals of value-added tax on disposal of shares in an associate in 9M FY2017, partially offset with lower accruals of sub-contractor fees and payment made for purchase of treasury shares accrued in FY2016.

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 increase in the advance maintenance fees from RM55.8 million as at 30 June 2016 to RM61.8 million as at 31 March 2017 were due to higher maintenance fee billings in Q3 FY2017 as most maintenance contractual period commence from January to December.

Income tax payable

Income tax payable represents the amount expected to be paid to the taxation authorities. The increase in income tax payable from RM10.8 million as at 30 June 2016 to RM43.9 million as at 31 March 2017 was mainly due to the accruals of withholding tax associated with the disposal of shares in an associate in 9M FY2017.

Cash and bank balances

Cash and bank balances increased from RM225.9 million as at 30 June 2016 to RM772.2 million as at 31 March 2017 mainly due to the cash inflow from investing activities of RM536.5 million from disposal of shares in an associate and net cash inflow from operating activities of RM184.6 million, partially offset with cash outflow from financing activities of RM179.5 million for payment of dividends to shareholders and RM17.5 million for purchase of treasury shares. The repatriation of proceeds from the sale of GIT shares is subject to regulatory approval.

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.

For the rest of FY2017, project related revenues are likely to gradually improve as customers are starting to prioritise IT capital expenditures for digital banking and deferred core system upgrades. Customers are continuing to spend on ongoing compliance and IT systems enhancement activities, and this will benefit maintenance and enhancement services. Core IT systems replacement contracts secured earlier in the financial year have started work and the revenue recognition are expected in Q4 FY2017 and FY2018. Notwithstanding the recent slowdown in projects awarded, the Group continues to respond to requests for proposals and is engaging existing and potential customers for core IT replacements and digital banking upgrades.

Despite the challenging business conditions, the Group is constantly reviewing opportunities for acquisitions to expand its portfolio of Fintech and Insuretech software products and services to address a larger base of customers. The continual monetisation of the investment in Global InfoTech Co. Ltd. will provide strong support to fund any new investments.

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 Cash	Second Interim Cash	Third Interim Cash
Dividend Type	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.50 per ordinary share	Singapore cents 0.70 per ordinary share	Singapore cents 0.70 per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02
Tax Rate	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
Dividend Type	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.60 per ordinary share	Singapore cents 0.75 per ordinary share	Singapore cents 0.65 per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	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 0.70 per ordinary share. The interim dividend will be payable on 6 June 2017.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 25 May 2017 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 24 May 2017 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 24 May 2017 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 March 2017 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)
	1-7-16 to 31-3-17	1-7-16 to 31-3-17
	RM	RM
Companies associated to Mr. Goh Peng Ooi ("Silverlake Entities")		
- Old IPT Mandate ⁽¹⁾		
Revenue from Silverlake Entities	-	1,176,202
- New IPT Mandate ⁽²⁾		
Revenue from Silverlake Entities	-	50,461,402
Service fees to Silverlake Entities	-	(28,490,936)
- Non-Mandate Transactions ⁽³⁾		
Revenue from Silverlake Entities	607,678	-

⁽¹⁾ The Old IPT Mandate was approved by the shareholders on 31 October 2007 for transactions pursuant to Master License Reseller Agreement ("MLRA"), Master Services Agreement ("MSA") and Master Reseller Agreement ("MRA").

⁽²⁾ The New IPT Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement ("MLA") and Master Services Agreement ("MSA"). The IPT Mandate is subject to annual renewal.

⁽³⁾ The Non-Mandate revenue was mainly revenue from sale of hardware and provision of enhancement services between Silverlake Holdings Sdn. Bhd. and Silverlake Entities.

18. Ageing for amounts owing from related parties

The ageing for amounts owing from related parties as at 31 March 2017 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-60 days RM	61-90 days RM	91-180 days RM	> 180 days RM
<u>Transactions conducted under the Old IPT Mandate: -</u>						
Silverlake Entities ⁽¹⁾	21,571	-	21,571	-	-	-
	21,571	-	21,571	-	-	-
<u>Transactions conducted under the New IPT Mandate: -</u>						
Silverlake Entities ⁽¹⁾	12,165,078	11,488,261	676,817	-	-	-
<u>Non-Mandate Transactions</u>						
Silverlake Entities	23,618	23,618	-	-	-	-
<u>Non-Trade Transactions</u>						
Silverlake Entities	385,967	112,077	273,890	-	-	-
	12,574,663	11,623,956	950,707	-	-	-
Grand Total	12,596,234	11,623,956	972,278	-	-	-

(Note 2)

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

⁽²⁾ As at 15 May 2017, the amounts due from Silverlake Entities between 31 - 60 days have been fully collected.

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 March 2017 to be false or misleading in any material aspect.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

KWONG YONG SIN
Group Managing Director

15 May 2017