

SILVERLAKE AXIS LTD

Third Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 31 March 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 nine months period and third quarter ended 31 March 2014

	Nine months period ended 31 March			Third quarter ended 31 March		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Revenue	362,831,734	288,397,762	26	136,027,743	108,704,662	25
Cost of sales	(147,686,144)	(107,781,930)	37	(57,451,312)	(40,273,373)	43
Gross profit	215,145,590	180,615,832	19	78,576,431	68,431,289	15
Other items of income						
Interest income	1,803,952	951,013	90	563,609	396,277	42
Other income	7,467,558	731,970	>100	329,125	251,249	31
Other items of expenses						
Selling and distribution costs	(5,937,729)	(8,570,740)	(31)	(1,250,928)	(2,210,111)	(43)
Administrative expenses	(27,818,192)	(26,148,250)	6	(9,212,266)	(11,751,033)	(22)
Finance costs	(2,354,463)	(327,651)	>100	(650,602)	(206,514)	>100
Share of profit/(loss) of associates	4,494,826	79,859	>100	472,095	(1,438,928)	>100
Profit before tax	192,801,542	147,332,033	31	68,827,464	53,472,229	29
Income tax expense	(18,200,784)	(11,114,430)	64	(5,953,388)	(6,098,580)	(2)
Profit for the period	174,600,758	136,217,603	28	62,874,076	47,373,649	33
Profit for the period attributable to:						
Owners of the parent	174,575,412	136,217,603	28	62,866,783	47,373,649	33
Non-controlling interests	25,346	-	N/M	7,293	-	N/M
	174,600,758	136,217,603	28	62,874,076	47,373,649	33
Earnings per share attributable to the owners of the parent:						
- Basic (sen)	7.78	6.48	20	2.80	2.25	24
- Diluted (sen)	7.78	6.48	20	2.80	2.25	24

N/M = Not Meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months period and third quarter ended 31 March 2014

	Nine months period ended 31 March			Third quarter ended 31 March		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Profit for the period	174,600,758	136,217,603	28	62,874,076	47,373,649	33
Other comprehensive income/(loss):						
Item that can be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss) *	4,852,358	(1,377,651)	>100	(263,983)	2,273,571	>100
Item that cannot be reclassified to profit or loss:						
Actuarial (loss)/gain on defined benefit plans	(303,676)	-	N/M	400	-	N/M
Other comprehensive income/(loss) for the period, net of tax	4,548,682	(1,377,651)	>100	(263,583)	2,273,571	>100
Total comprehensive income for the period	179,149,440	134,839,952	33	62,610,493	49,647,220	26
Total comprehensive income for the period attributable to:						
Owners of the parent	179,124,094	134,839,952	33	62,603,200	49,647,220	26
Non-controlling interests	25,346	-	N/M	7,293	-	N/M
	179,149,440	134,839,952	33	62,610,493	49,647,220	26

* 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			Third quarter ended		
	31 March			31 March		
	2014	2013	Change	2014	2013	Change
	RM	RM	%	RM	RM	%
Bad debts written off	-	(124,869)	(100)	-	(105,570)	(100)
Amortisation of intangible assets	(8,809,531)	(4,987,417)	77	(3,400,237)	(1,666,430)	>100
Depreciation of property, plant and equipment	(1,116,305)	(1,020,963)	9	(449,522)	(340,315)	32
Net foreign currency exchange gain** / (loss)*:						
- realised	1,890,631	1,199,447	58	(7,304)	(478,898)	(98)
- unrealised	4,981,181	(3,288,783)	>100	(532,810)	(2,678,558)	(80)
Adjustments for (under)/over provision of tax in respect of prior years	(91,614)	79,769	>100	(119,530)	24,906	>100
Gain on disposal of property, plant and equipment **	58,000	63,338	(8)	-	71	(100)
Gain on sale of available-for-sale financial assets	64,823	-	N/M	64,823	-	N/M
Write off of property, plant and equipment	-	(8,595)	(100)	-	(1,291)	(100)
Write off of intangible assets	(1,184)	-	N/M	-	-	N/M
Performance shares issued	(672,473)	(1,312,923)	(49)	(96,068)	(1,312,923)	(93)
(Allowance for)/Reversal of unutilised leave	(25,693)	34,127	>100	(45,991)	12,467	>100
Allowance for defined benefit liabilities	(113,394)	(311,322)	(64)	(148,616)	(103,774)	43

* Included in other operating expenses

** Included in other operating income

N/M = Not Meaningful

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

STATEMENT OF FINANCIAL POSITIONS

	As at 31-Mar-14		As at 30-Jun-13	
	Group RM	Company RM	Group RM	Company RM
ASSETS				
Non-current assets				
Property, plant and equipment	13,255,802	5,040	10,122,128	7,767
Intangible assets	163,237,215	-	126,653,401	-
Investments in subsidiaries	-	1,827,788,044	-	1,785,778,028
Investments in associates	71,167,231	5,974,000	66,672,405	5,974,000
Deferred tax assets	1,881,805	-	1,585,660	-
	249,542,053	1,833,767,084	205,033,594	1,791,759,795
Current assets				
Amounts due from customers for contract work-in-progress	47,359,941	-	39,269,669	-
Trade and other receivables	76,973,096	264,014	101,017,341	50,996
Advance maintenance costs	1,291,613	-	1,182,684	-
Prepayments	1,674,815	140,678	1,029,998	49,595
Amount due from a subsidiary	-	589,705	-	562,131
Amounts due from related parties	31,395,260	-	33,053,352	-
Loan to a subsidiary	-	14,436,317	-	12,010,586
Loan to an associate	735,000	735,000	735,000	735,000
Tax recoverable	1,670,675	-	202,307	-
Cash and bank balances	337,742,252	153,106,645	362,417,267	233,144,632
	498,842,652	169,272,359	538,907,618	246,552,940
Total assets	748,384,705	2,003,039,443	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	252,534,001	1,689,091,757	251,834,093	1,688,391,849
Treasury shares	(768,352)	(768,352)	(933,052)	(933,052)
Foreign currency translation reserve	(3,355,420)	-	(8,207,778)	-
Capital reserve	466,828	-	466,828	-
Performance share plan reserve	384,270	384,270	576,405	576,405
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	316,257,465	125,945,330	306,621,855	128,352,374
Equity attributable to owners of the parent	603,236,665	1,972,136,164	588,076,224	1,973,870,735
Non-controlling interests	54,565	-	29,219	-
Total equity	603,291,230	1,972,136,164	588,105,443	1,973,870,735
Non-current liabilities				
Loans and borrowings	2,790,221	-	14,903,576	13,539,420
Deferred tax liabilities	12,815,413	-	8,894,656	-
Other payables	17,692,942	17,692,942	25,828,291	25,828,291
Provision for defined benefit liabilities	3,013,983	-	2,730,918	-
	36,312,559	17,692,942	52,357,441	39,367,711

STATEMENT OF FINANCIAL POSITIONS (Cont'd)

	As at 31-Mar-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	839,385	-	5,175,669	-
Trade and other payables	59,013,935	13,136,705	41,878,622	11,766,757
Provision for defined benefit liabilities	386,155	-	411,153	-
Advance maintenance fees	32,155,524	-	21,645,104	-
Loans and borrowings	1,438,950	-	10,005,603	9,026,280
Amounts due to subsidiaries	-	68,944	-	4,262,385
Amounts due to related parties	2,035,841	-	16,276,585	-
Income tax payable	12,911,126	4,688	8,085,592	18,867
	108,780,916	13,210,337	103,478,328	25,074,289
Total liabilities	145,093,475	30,903,279	155,835,769	64,442,000
Net current assets	390,061,736	156,062,022	435,429,290	221,478,651
Total equity and liabilities	748,384,705	2,003,039,443	743,941,212	2,038,312,735

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

As at 31-Mar-14	
Secured Group RM	Unsecured Group RM
1,438,950	-

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

Amount repayable after one year

As at 31-Mar-14	
Secured Group RM	Unsecured Group RM
2,790,221	-

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 RM11,442,410 as at 31 March 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

	Nine months period ended		Third quarter ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	RM	RM	RM	RM
Operating activities:				
Profit before tax	192,801,542	147,332,033	68,827,464	53,472,229
Adjustments for:				
Amortisation of intangible assets	8,809,531	4,987,417	3,400,237	1,666,430
Write off of intangible assets	1,184	-	-	-
Depreciation of property, plant and equipment	1,116,305	1,020,963	449,522	340,315
Write off of property, plant and equipment	-	8,595	-	1,291
Net gain on disposal of property, plant and equipment	(58,000)	(63,338)	-	(71)
Gain on sale of available-for-sale financial assets	(64,823)	-	(64,823)	-
Unrealised foreign currency exchange (gain)/loss	(4,981,181)	3,288,783	532,810	2,678,558
Bad debts written off	-	124,869	-	105,570
Allowance for/(Reversal of) unutilised leave	25,693	(34,127)	45,991	(12,467)
Allowance for defined benefit liabilities	113,394	311,322	148,616	103,774
Share of (profit)/loss of associates	(4,494,826)	(79,859)	(472,095)	1,438,928
Performance shares issued	672,473	1,312,923	96,068	1,312,923
Interest expense	2,354,463	327,651	650,602	206,514
Interest income	(1,803,952)	(951,013)	(563,609)	(396,277)
Operating cash flows before changes in working capital:	194,491,803	157,586,219	73,050,783	60,917,717
Changes in working capital:				
Decrease/(Increase) in trade and other receivables	27,202,078	11,954,721	(3,144,730)	7,005,766
Net movement in amounts due from/to customers for contract work-in-progress	(12,274,982)	(35,575,199)	5,534,188	(33,794,073)
Net movement in amounts due from/to related parties	(11,843,205)	1,463,712	(2,997,667)	(1,464,609)
Increase in trade and other payables	25,309,761	13,965,485	10,050,276	11,294,372
Cash flows from operations	222,885,455	149,394,938	82,492,850	43,959,173
Net uplift of deposit pledged	-	30,316	-	-
Income tax paid	(16,961,713)	(14,218,540)	(5,800,828)	(5,167,820)
Interest paid	(541,904)	(277,076)	(142,005)	(189,622)
Net cash flows from operating activities	205,381,838	134,929,638	76,550,017	38,601,731
Investing activities:				
Purchases of property, plant and equipment	(1,171,352)	(313,736)	(709,692)	(76,759)
Payments for software development expenditure	(2,016,861)	(1,590,255)	(6,869)	(1,237,658)
Payments for other intangible assets	(160,657)	(361,758)	-	-
Acquisition of subsidiaries, net of cash acquired	(45,545,453)	-	-	-
Proceeds from disposal of property, plant and equipment	58,000	63,975	-	175
Proceeds from sale of available-for-sale financial assets	16,454,823	-	16,454,823	-
Purchase of available-for-sale financial assets	(16,390,000)	-	(16,390,000)	-
Interest received	1,599,881	951,013	354,851	396,277
(Placement)/Withdrawal of short-term deposits	(77,919,978)	(1,372,589)	78,976	3,203,134
Net cash flows (used in)/generated from investing activities	(125,091,597)	(2,623,350)	(217,911)	2,285,169
Financing activities:				
Proceeds from sale of treasury shares	-	61,020,049	-	61,020,049
Dividends paid	(164,636,126)	(106,196,920)	(53,587,773)	(37,153,890)
Proceeds from borrowings	-	27,292,800	-	14,665,300
Repayment of term loan and revolving credit	(22,925,572)	(2,609,037)	(14,664,506)	(2,387,169)
Repayment of finance lease liabilities	(381,816)	(407,290)	(121,852)	(132,575)
Net cash flows (used in)/generated from financing activities	(187,943,514)	(20,900,398)	(68,374,131)	36,011,715
Net (decrease)/increase in cash and cash equivalents	(107,653,273)	111,405,890	7,957,975	76,898,615
Effects of exchange rate changes on cash and cash equivalents	3,462,478	(1,782,274)	(1,754,399)	417,733
Cash and cash equivalents at beginning of the financial period	305,947,195	92,374,594	195,552,824	124,681,862
Cash and cash equivalents at end of the financial period	201,756,400	201,998,210	201,756,400	201,998,210

	Nine months period ended		Third quarter ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	RM	RM	RM	RM
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:				
Cash and bank balances per Statement of Financial Positions	337,742,252	208,611,777	337,742,252	208,611,777
Less: Short-term deposits with licensed banks with maturity more than 3 months	(134,760,978)	(5,384,589)	(134,760,978)	(5,384,589)
Less: Pledged deposits	(1,224,874)	(1,228,978)	(1,224,874)	(1,228,978)
Cash and cash equivalents at end of the financial period	201,756,400	201,998,210	201,756,400	201,998,210

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 2014

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group											
As at 1-Jul-2013	157,483,159	251,834,093	(933,052)	(8,207,778)	466,828	576,405	(119,765,286)	306,621,855	588,076,224	29,219	588,105,443
Profit for the period	-	-	-	-	-	-	-	174,575,412	174,575,412	25,346	174,600,758
Other comprehensive income for the period	-	-	-	4,852,358	-	-	-	(303,676)	4,548,682	-	4,548,682
Distribution of shares under Performance Share Plan	-	699,908	164,700	-	-	(192,135)	-	-	672,473	-	672,473
Dividends on ordinary shares	-	-	-	-	-	-	-	(164,636,126)	(164,636,126)	-	(164,636,126)
As at 31-Mar-2014	157,483,159	252,534,001	(768,352)	(3,355,420)	466,828	384,270	(119,765,286)	316,257,465	603,236,665	54,565	603,291,230

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company											
As at 1-Jul-2013	157,483,159	1,688,391,849	(933,052)	-	-	576,405	-	128,352,374	1,973,870,735	-	1,973,870,735
Profit for the period	-	-	-	-	-	-	-	162,229,082	162,229,082	-	162,229,082
Distribution of shares under Performance Share Plan	-	699,908	164,700	-	-	(192,135)	-	-	672,473	-	672,473
Dividends on ordinary shares	-	-	-	-	-	-	-	(164,636,126)	(164,636,126)	-	(164,636,126)
As at 31-Mar-2014	157,483,159	1,689,091,757	(768,352)	-	-	384,270	-	125,945,330	1,972,136,164	-	1,972,136,164

Consolidated Statement of Changes in Equity for the nine months period ended 31 March 2013

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group											
As at 1-Jul-2012	151,271,159	28,315,358	(13,505,152)	(7,821,594)	466,828	-	(119,765,286)	258,629,821	297,591,134	-	297,591,134
Profit for the period	-	-	-	-	-	-	-	136,217,603	136,217,603	-	136,217,603
Other comprehensive loss for the period	-	-	-	(1,377,651)	-	-	-	-	(1,377,651)	-	(1,377,651)
Sale 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	-	-	288,203	-	-	1,312,923	-	1,312,923
Dividends on ordinary shares	-	-	-	-	-	-	-	(106,196,920)	(106,196,920)	-	(106,196,920)
As at 31-Mar-2013	151,271,159	77,788,027	(933,052)	(9,199,245)	466,828	288,203	(119,765,286)	288,650,504	388,567,138	-	388,567,138

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company											
As at 1-Jul-2012	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	118,995,990	1,721,635,111	-	1,721,635,111
Profit for the period	-	-	-	-	-	-	-	112,742,141	112,742,141	-	112,742,141
Sale 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	-	-	288,203	-	-	1,312,923	-	1,312,923
Dividends on ordinary shares	-	-	-	-	-	-	-	(106,196,920)	(106,196,920)	-	(106,196,920)
As at 31-Mar-2013	151,271,159	1,514,345,783	(933,052)	-	-	288,203	-	125,541,211	1,790,513,304	-	1,790,513,304

Consolidated Statement of Changes in Equity for the third quarter ended 31 March 2014

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group											
As at 1-Jan-2014	157,483,159	251,834,093	(933,052)	(3,091,437)	466,828	1,152,810	(119,765,286)	306,978,055	594,125,170	47,272	594,172,442
Profit for the period	-	-	-	-	-	-	-	62,866,783	62,866,783	7,293	62,874,076
Other comprehensive loss for the period	-	-	-	(263,983)	-	-	-	400	(263,583)	-	(263,583)
Distribution of shares under Performance Share Plan	-	699,908	164,700	-	-	(768,540)	-	-	96,068	-	96,068
Dividends on ordinary shares	-	-	-	-	-	-	-	(53,587,773)	(53,587,773)	-	(53,587,773)
As at 31-Mar-2014	157,483,159	252,534,001	(768,352)	(3,355,420)	466,828	384,270	(119,765,286)	316,257,465	603,236,665	54,565	603,291,230

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company											
As at 1-Jan-2014	157,483,159	1,688,391,849	(933,052)	-	-	1,152,810	-	127,288,937	1,973,383,703	-	1,973,383,703
Profit for the period	-	-	-	-	-	-	-	52,244,166	52,244,166	-	52,244,166
Distribution of shares under Performance Share Plan	-	699,908	164,700	-	-	(768,540)	-	-	96,068	-	96,068
Dividends on ordinary shares	-	-	-	-	-	-	-	(53,587,773)	(53,587,773)	-	(53,587,773)
As at 31-Mar-2014	157,483,159	1,689,091,757	(768,352)	-	-	384,270	-	125,945,330	1,972,136,164	-	1,972,136,164

Consolidated Statement of Changes in Equity for the third quarter ended 31 March 2013

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group											
As at 1-Jan-2013	151,271,159	28,315,358	(13,505,152)	(11,472,816)	466,828	-	(119,765,286)	278,430,745	313,740,836	-	313,740,836
Profit for the period	-	-	-	-	-	-	-	47,373,649	47,373,649	-	47,373,649
Other comprehensive income for the period	-	-	-	2,273,571	-	-	-	-	2,273,571	-	2,273,571
Sale 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	-	-	288,203	-	-	1,312,923	-	1,312,923
Dividends on ordinary shares	-	-	-	-	-	-	-	(37,153,890)	(37,153,890)	-	(37,153,890)
As at 31-Mar-2013	151,271,159	77,788,027	(933,052)	(9,199,245)	466,828	288,203	(119,765,286)	288,650,504	388,567,138	-	388,567,138

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company											
As at 1-Jan-2013	151,271,159	1,464,873,114	(13,505,152)	-	-	-	-	121,610,158	1,724,249,279	-	1,724,249,279
Profit for the period	-	-	-	-	-	-	-	41,084,943	41,084,943	-	41,084,943
Sale 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	-	-	288,203	-	-	1,312,923	-	1,312,923
Dividends on ordinary shares	-	-	-	-	-	-	-	(37,153,890)	(37,153,890)	-	(37,153,890)
As at 31-Mar-2013	151,271,159	1,514,345,783	(933,052)	-	-	288,203	-	125,541,211	1,790,513,304	-	1,790,513,304

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

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

During Q3 FY2014, 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 31-Mar-14	As at 30-Jun-13	As at 31-Mar-13
Total number of issued shares at beginning of the year	2,247,543,108	2,147,543,108	2,147,543,108
Add: Shares issued during the period/year	-	100,000,000	-
Total number of issued shares at end of the period/year	2,247,543,108	2,247,543,108	2,147,543,108
Less: Treasury shares	(2,794,000)	(3,394,000)	(3,394,000)
Total number of issued shares excluding treasury shares	2,244,749,108	2,244,149,108	2,144,149,108

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

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

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

Not applicable.

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

	Group		Group	
	Nine months period ended		Third quarter ended	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	Sen	Sen	Sen	Sen
Based on the weighted average number of ordinary shares on issue *	7.78	6.48	2.80	2.25
Based on a fully diluted basis #	7.78	6.48	2.80	2.25

* 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 period ended 31 March 2014 of 2,244,339,619 (31 March 2013: 2,102,054,587) of USD0.02 each.

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

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

	As at 31-Mar-14		As at 30-Jun-13	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share *	26.87	87.86	26.20	87.96

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

(a)(i) INCOME STATEMENT REVIEW – Third quarter ended 31 March 2014 (“Q3 FY2014”) vs Third quarter ended 31 March 2013 (“Q3 FY2013”)

Overview

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

Since FY2010, the Group successfully executed several acquisitions and broadened the suite of business enterprise software solutions and services offerings which in turn contributed to the steady growth over the past 3 years. On 3 July 2013, the Group completed the acquisition of Cyber Village Sdn. Bhd. ("CVSB"), a proven and innovative e-business solutions pioneer and leader in ASEAN providing internet and mobile financial services, portals, customer loyalty and e-commerce solutions and services for clients in various industries. The Group continues to benefit from these acquisitions.

In Q3 FY2014, the Group's revenue increased by a significant 25% and profit attributable to shareholders increased by 33% compared with the previous corresponding period.

Revenue

By Business Activities

	1-1-14 to 31-3-14	1-1-13 to 31-3-13	Change
	Group RM	Group RM	
			%
Revenue			
Software licensing	39,476,409	36,231,794	9
Software project services	11,268,312	28,700,253	(61)
Maintenance and enhancement services	53,425,705	36,556,336	46
Sale of software and hardware products	23,369,967	2,641,208	>100
Credit and cards processing	4,100,972	4,575,071	(10)
Insurance processing	4,386,378	-	N/M
	136,027,743	108,704,662	25

In Q3 FY2014, the Group's revenue of RM136.0 million was 25% higher compared with Q3 FY2013. The increase in the Group's revenue was due to higher contribution from software licensing, maintenance and enhancement services, sale of software and hardware products and a new source of revenue from insurance processing. This was partially offset by a decrease in revenue contribution from software project services.

The Group benefited from two large sale of hardware products to customers during the quarter and this has boosted revenue from sale of software and hardware products significantly. Maintenance and enhancement services revenue recorded strong growth in Q3 FY2014 mainly due to the project enhancement contracts secured in Singapore and Thailand in FY2014. Insurance processing revenue was contributed by the Merimen Group following the completion of the acquisition in Q4 FY2013.

Revenue from software project services were lower compared with the previous corresponding period due to fewer project implementation contracts in progress during the quarter.

Profitability

The Group achieved a 15% increase in gross profit to RM78.6 million in Q3 FY2014, compared with RM68.4 million in Q3 FY2013. The decrease in gross profit margin to 58% from 63% was due to the higher proportion of revenue recorded from lower margin sale of software and hardware products and the decrease in profit margin from software project services.

The selling and distribution expenses decreased from RM2.2 million in Q3 FY2013 to RM1.3 million in Q3 FY2014 as lower expenses were incurred for marketing activities in Q3 FY2014.

Administrative expenses in Q3 FY2014 decreased from RM11.8 million to RM9.2 million despite the additional expenses from the consolidation of CVSB and Merimen Group. This was due to a charge of RM1.3 million on share awards granted pursuant to the Silverlake Axis Ltd Performance Share Plan ("PSP") and higher net realised and unrealised foreign currency exchange loss of RM2.6 million in Q3 FY2013.

Finance costs increased from a low base in Q3 FY2013 and was mainly attributable to the quarterly fair value adjustment on the remaining purchase consideration for the acquisition of Merimen Group and CVSB as required by IFRS.

The Group's share of profit of associates rose in Q3 FY2014 due to higher contribution from GIT InfoTech Co. Ltd.

Although profitability was higher, income tax expense decreased slightly from RM6.1 million in Q3 FY2013 to RM6.0 million in Q3 FY2014. The effective tax rate decreased from 11% in Q3 FY2013 to 9% in Q3 FY2014. The lower effective tax rate in Q3 FY2014 was mainly due to higher tax-exempt income earned during that quarter.

As a result of the increase in revenue, lower administrative expenses and higher share of profit of associates, the Group reported a profit after tax of RM62.9 million, 33% higher than the RM47.4 million achieved in the previous corresponding period.

(a)(ii) INCOME STATEMENT REVIEW – Nine months period ended 31 March 2014 ("9M FY2014") vs Nine months period ended 31 March 2013 ("9M FY2013")

Overview

For 9M FY2014, the Group's revenue and profit attributable to shareholders increased 26% and 28% respectively compared with the previous corresponding financial period.

Revenue

By Business Activities

	1-7-13 to 31-3-14 Group	1-7-12 to 31-3-13 Group	Change
	RM	RM	%
<u>Revenue</u>			
Software licensing	96,847,506	83,472,446	16
Software project services	53,574,527	58,228,251	(8)
Maintenance and enhancement services	155,535,915	127,750,728	22
Sale of software and hardware products	30,677,056	5,886,282	>100
Credit and cards processing	11,946,619	13,060,055	(9)
Insurance processing	14,250,111	-	N/M
	362,831,734	288,397,762	26

For 9M FY2014, the Group's revenue of RM362.8 million was 26% higher compared with 9M FY2013. The increase in the Group's revenue was due to higher contribution from software licensing, maintenance and enhancement services, sale of software and hardware products and a new source of revenue from insurance processing. This was partially offset by a decrease in revenue contribution from software project services and credit and cards processing.

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. In addition, five large sale of hardware products to customers in 9M FY2014 have boosted revenue from sale of software and hardware products significantly. The Group also benefited from the delivery of two major software licensing and a new source of revenue from insurance processing was contributed by Merimen Group during 9M FY2014.

However, revenue from software project services was marginally lower compared with the previous corresponding financial period due to fewer project implementation contracts in progress during 9M FY2014. Revenue from credit and card processing experienced a slight decrease due to the weakening of Japanese Yen against Malaysian Ringgit.

Profitability

The Group achieved a 19% increase in gross profit to RM215.1 million in 9M FY2014, compared with RM180.6 million in 9M FY2013. However, the Group's gross profit margin of 59% in 9M FY2014 was lower compared with 63% in 9M FY2013 mainly due to a change in revenue mix, with a lower proportion of revenue recorded from higher margin activities such as software licensing and maintenance and enhancement services compared with the previous corresponding financial period. The decrease in profit margin from software licensing and software project services also contributed to lower gross profit margin.

Interest income almost doubled due to higher amount of cash available for placement with financial institutions in 9M FY2014 compared with 9M FY2013. Other income increased from RM0.7 million in 9M FY2013 to RM7.5 million in 9M FY2014 as the net realised and unrealised foreign currency exchange gains recorded in 9M FY2014 were higher. Higher realised and unrealised foreign currency exchange gains in 9M FY2014 were mainly attributable to the appreciation of Singapore Dollar and US Dollar's bank balances and receivables against Malaysian Ringgit.

The selling and distribution expenses decreased from RM8.6 million in 9M FY2013 to RM5.9 million in 9M FY2014 as lower expenses were incurred for marketing activities in 9M FY2014.

Compared with 9M FY2013, the administrative expenses increased by 6% from RM26.1 million to RM27.8 million in 9M FY2014. The increase was due to additional expenses from the consolidation of CVSB and Merimen Group and partially offset by the absence of net realised and unrealised foreign currency exchange losses, lower charge of RM0.6 million on share awards granted pursuant to the Silverlake Axis Ltd Performance Share Plan ("PSP") and the decrease in staff related costs for foreign subsidiaries.

Finance costs increased from a low base in 9M 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 RM4.5 million in 9M FY2014 compared with RM0.1 million in 9M FY2013. The increase was mainly due to higher contribution from GIT InfoTech Co. Ltd.

As a result of the increase in gross profit, higher contribution from other income and higher share of profit of associates, the Group recorded a profit before tax of RM192.8 million, 31% higher than RM147.3 million achieved in the previous corresponding financial period.

Income tax expense increased from RM11.1 million in 9M FY2013 to RM18.2 million in 9M FY2014 largely due to the higher profitability. The effective tax rate increased marginally from 8% in 9M FY2013 to 9% in 9M FY2014.

Overall, the Group reported a profit after tax of RM174.6 million, 28% higher than the RM136.2 million achieved in the previous corresponding financial period, with an improvement in net profit margin to 48%.

(b) STATEMENT OF FINANCIAL POSITIONS REVIEW

Intangible assets

The increase in intangible assets from RM126.7 million as at 30 June 2013 to RM163.2 million as at 31 March 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 9M FY2014.

Trade and other receivables

Trade and other receivables decreased from RM101.0 million as at 30 June 2013 to RM77.0 million as at 31 March 2014 mainly due to improved timing of collection from customers.

Amounts due from/(to) related parties

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

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

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

The net amount due from customers for contract work-in-progress as at 31 March 2014 was RM46.5 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 RM76.7 million as at 31 March 2014. The increase in current and non-current trade and other payables as at 31 March 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 RM4.2 million as at 31 March 2014 mainly due to the repayment of revolving credit of SGD9.0 million during 9M FY2014.

Cash and bank balances

Cash and bank balances decreased from RM362.4 million as at 30 June 2013 to RM337.7 million as at 31 March 2014 mainly due to:

- (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 RM164.6 million for payment of dividends to shareholders;
 - (iii) the cash outflow from financing activities of RM22.9 million for repayment of term loan and revolving credit; and
- partially offset by the net cash inflow from operating activities of RM205.4 million.

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

Not applicable.

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

Sufficient IT related business opportunities exist in the Asian financial sector and the Group is actively pursuing a number of new software projects for completion in 2014. Any new software implementation service contracts secured will add to the growing pool of maintenance contracts which generates recurring income for the Group.

Recent acquisitions have contributed to the growth in profitability in FY2014. These acquisitions have enabled the Group to deliver a broadening range of mission critical technologies and services to support initiatives undertaken by customers in multi-industries to excel in a digital economy. The Group will continue to evaluate suitable acquisition opportunities in this area to further enhance its capabilities.

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
Dividend Type	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
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	Second Interim	Third Interim
Dividend Type	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
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 1.0 per ordinary share. The interim dividend will be payable on 9 June 2014.

(d) Books closure date

Notice is hereby given that the Transfer Book and Register of Member of the Company will be closed on 23 May 2014 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m., on 22 May 2014 will be registered before entitlements to the dividend are determined.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 22 May 2014 will be entitled to the proposed interim dividend.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

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

Not applicable.

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

The aggregate value of recurrent interested person transactions of revenue or trading nature conducted during the financial period ended 31 March 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 31-3-14	1-7-13 to 31-3-14
	RM	RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- New Mandates ⁽¹⁾		
Revenue from Silverlake Entities	-	74,136,652
Service fees to Silverlake Entities	-	(35,693,196)
- Ancillary Transactions ⁽²⁾		
Revenue from Silverlake Entities	-	3,987,532

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

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

18. Ageing for amounts owing from related parties

The ageing for amounts owing from the Silverlake Entities as at 31 March 2014 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-90 days RM	91-180 days RM	181-360 days RM	> 360 days RM
<u>Transactions conducted under the New Mandates:</u> -						
Silverlake Entities ⁽¹⁾	31,387,669	31,387,669	-	-	-	-
<u>Non-trade Transactions</u>						
Silverlake Entities	7,591	7,591	-	-	-	-
Grand Total	31,395,260	31,395,260	-	-	-	-

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

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

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

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

On 11 June 2013, the Company allotted and issued 100,000,000 million ordinary shares at an issue price of SGD0.75 per share. Out of the total net proceeds of RM180.3 million, RM39.3 million and RM11.2 million have been disbursed and utilised towards the first payment for the acquisition of Cyber Village Sdn. Bhd. on 3 July 2013 and the second tranche payment for the acquisition of 80% equity interest in Merimen Group on 19 November 2013.

The use of the net proceeds is in accordance with that previously disclosed in the Company's announcement dated 29 May 2013, 3 July 2013 and 19 November 2013. The remaining proceeds from the placement of RM129.8 million is currently being placed as fixed deposits with financial institutions. The Company will continue to make periodic announcements on the utilisation of the proceeds as and when the proceeds are materially disbursed.

BY ORDER OF THE BOARD

KWONG YONG SIN
Group Managing Director

6 May 2014