

**SILVERLAKE AXIS LTD**

**First Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 30 September 2015**

**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 immediately preceding financial year**

**CONSOLIDATED INCOME STATEMENT**

**For the first quarter ended 30 September 2015**

	First quarter ended 30 September		
	2015	2014	Change
	RM	RM	%
Revenue	131,044,634	116,292,353	13
Cost of sales	(52,406,552)	(41,266,100)	27
<b>Gross profit</b>	<b>78,638,082</b>	<b>75,026,253</b>	5
<b>Other items of income</b>			
Finance income	902,574	648,819	39
Other income	14,156,929	457,699	>100
<b>Other items of expenses</b>			
Selling and distribution costs	(3,121,779)	(2,505,338)	25
Administrative expenses	(14,324,485)	(12,127,738)	18
Finance costs	(316,534)	(522,030)	(39)
Share of profit of associates and a joint venture	965,481	1,991,991	(52)
<b>Profit before tax</b>	<b>76,900,268</b>	<b>62,969,656</b>	22
Income tax expense	(8,277,487)	(3,266,179)	>100
<b>Profit for the period</b>	<b>68,622,781</b>	<b>59,703,477</b>	15
<b>Profit for the period attributable to:</b>			
Owners of the parent	68,616,948	59,699,835	15
Non-controlling interests	5,833	3,642	60
	<b>68,622,781</b>	<b>59,703,477</b>	15
<b>Earnings per share attributable to the owners of the parent:</b>			
- Basic (sen) *	<b>2.59</b>	<b>2.25</b>	15
- Diluted (sen) *	<b>2.59</b>	<b>2.25</b>	15

\* The basic and diluted earnings per share for the financial period ended 30 September 2014 were restated due to the increase in the number of ordinary shares as a result of bonus shares issued on 8 July 2015, where retrospective adjustment is required in accordance with IAS 33 Earnings Per Share.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the first quarter ended 30 September 2015**

	First quarter ended 30 September		
	2015	2014	Change
	RM	RM	%
<b>Profit for the period</b>	68,622,781	59,703,477	15
<b>Other comprehensive income:</b>			
Item that can be reclassified subsequently to profit or loss:			
Foreign currency translation gain *	24,151,132	2,769,346	>100
Item that cannot be reclassified to profit or loss:			
Actuarial gain on defined benefit plans	2,436	-	N/M
Other comprehensive income for the period, net of tax	24,153,568	2,769,346	>100
<b>Total comprehensive income for the period</b>	<b>92,776,349</b>	<b>62,472,823</b>	49
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the parent	92,770,516	62,469,181	49
Non-controlling interests	5,833	3,642	60
	<b>92,776,349</b>	<b>62,472,823</b>	49

N/M = Not Meaningful

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

**1(a)(ii) Notes to the statement of comprehensive income:**

**Profit before tax is arrived at after (charging)/crediting:**

	First quarter ended 30 September		
	2015	2014	Change
	RM	RM	%
Amortisation of intangible assets	(2,760,423)	(2,767,666)	(0)
Depreciation of property, plant and equipment	(446,840)	(497,091)	(10)
Write off of property, plant and equipment	(133)	(937)	(86)
Net foreign currency exchange (loss) * / gain**:			
- realised	(593,696)	(114,561)	>100
- unrealised	13,507,127	(1,104,517)	>100
Adjustments for over provision of tax in respect of prior years	68,427	3,885	>100
Gain on disposal of property, plant and equipment **	48,000	-	N/M
Gain on redemption of available-for-sale financial assets - money market fund **	455,357	403,585	13
Performance shares issued	(2,606,329)	(96,068)	>100
Allowance for unutilised leave	(561,521)	(448,284)	25
Allowance for defined benefit liabilities	(198,437)	(158,150)	25

\* 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 immediately preceding financial year.**

**STATEMENTS OF FINANCIAL POSITION**

	As at 30-Sept-15		As at 30-Jun-15	
	Group RM	Company RM	Group RM	Company RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13,707,198	-	12,868,571	764
Intangible assets	160,344,877	-	156,367,645	-
Investments in subsidiaries	-	1,827,788,044	-	1,827,788,044
Investments in associates	102,349,812	1,230,000	102,095,635	1,230,000
Interest in a joint venture	31,926,216	32,647,032	28,359,311	29,791,431
Deferred tax assets	2,035,875	-	2,099,569	-
	<b>310,363,978</b>	<b>1,861,665,076</b>	<b>301,790,731</b>	<b>1,858,810,239</b>
<b>Current assets</b>				
Amounts due from customers for contract work-in-progress	24,271,433	-	24,374,841	-
Trade and other receivables	123,845,104	44,253	85,481,398	246,869
Advance maintenance costs	1,934,278	-	2,415,363	-
Prepayments	2,013,750	159,128	2,043,035	93,608
Amounts due from related parties	4,488,154	-	30,186,863	-
Loan to subsidiaries	-	16,650,812	-	12,014,683
Tax recoverable	1,884,096	-	1,837,700	-
Available-for-sale financial assets - money market fund	3,690,000	-	10,390,000	-
Cash and bank balances	385,774,370	90,293,571	320,514,200	91,043,416
	<b>547,901,185</b>	<b>107,147,764</b>	<b>477,243,400</b>	<b>103,398,576</b>
<b>Total assets</b>	<b>858,265,163</b>	<b>1,968,812,840</b>	<b>779,034,131</b>	<b>1,962,208,815</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	191,040,654	191,040,654	157,483,159	157,483,159
Share premium	225,711,878	1,662,269,634	259,269,373	1,695,827,129
Treasury shares	(31,396,039)	(31,396,039)	(7,926,631)	(7,926,631)
Foreign currency translation reserve	40,640,351	-	16,489,219	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	7,818,987	7,818,987	5,212,658	5,212,658
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	396,714,576	105,703,100	328,095,192	94,323,242
<b>Equity attributable to owners of the parent</b>	<b>711,253,768</b>	<b>1,935,436,336</b>	<b>639,346,331</b>	<b>1,944,919,557</b>
Non-controlling interests	77,210	-	71,377	-
<b>Total equity</b>	<b>711,330,978</b>	<b>1,935,436,336</b>	<b>639,417,708</b>	<b>1,944,919,557</b>

**STATEMENTS OF FINANCIAL POSITION (Cont'd)**

	As at 30-Sept-15		As at 30-Jun-15	
	Group RM	Company RM	Group RM	Company RM
<b>Non-current liabilities</b>				
Loans and borrowings	1,881,897	-	1,626,409	-
Deferred tax liabilities	15,743,530	-	15,475,135	-
Provision for defined benefit liabilities	5,078,169	-	4,467,313	-
	<b>22,703,596</b>	<b>-</b>	<b>21,568,857</b>	<b>-</b>
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress	3,797,400	-	4,902,810	-
Trade and other payables	68,250,798	17,845,889	58,365,641	17,162,718
Provision for defined benefit liabilities	411,137	-	360,953	-
Advance maintenance fees	28,967,925	-	30,749,393	-
Loans and borrowings	833,844	-	784,516	-
Amounts due to subsidiaries	-	15,458,862	-	20,010
Amounts due to related parties	8,745,840	-	11,362,515	-
Income tax payable	13,223,645	71,753	11,521,738	106,530
	<b>124,230,589</b>	<b>33,376,504</b>	<b>118,047,566</b>	<b>17,289,258</b>
<b>Total liabilities</b>	<b>146,934,185</b>	<b>33,376,504</b>	<b>139,616,423</b>	<b>17,289,258</b>
<b>Net current assets</b>	<b>423,670,596</b>	<b>73,771,260</b>	<b>359,195,834</b>	<b>86,109,318</b>
<b>Total equity and liabilities</b>	<b>858,265,163</b>	<b>1,968,812,840</b>	<b>779,034,131</b>	<b>1,962,208,815</b>

Note: The following comparative figures have been reclassified to conform with current year's presentation:

	As previously stated RM	Re- classifications RM	As restated RM
<b>30 September 2014</b>			
<b>Consolidated income statement</b>			
Finance income	702,635	(53,816)	648,819
Other income	403,883	53,816	457,699
<b>Consolidated statement of cash flows</b>			
Gain on redemption of available-for-sale financial assets			
- money market fund	(349,769)	(53,816)	(403,585)
Finance income	(702,635)	53,816	(648,819)
Proceeds from redemption of available-for-sale financial assets			
- money market fund	87,149,769	53,816	87,203,585
Interest received	454,867	(53,816)	401,051
Cash and cash equivalents at end of the financial period	302,365,679	(6,800,000)	295,565,679
Cash and bank balances per Statements of Financial Position	424,356,720	(6,800,000)	417,556,720

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

As at 30-Sept-15	
Secured Group RM	Unsecured Group RM
833,844	-

As at 30-Jun-15	
Secured Group RM	Unsecured Group RM
784,516	-

**Amount repayable after one year**

As at 30-Sept-15	
Secured Group RM	Unsecured Group RM
1,881,897	-

As at 30-Jun-15	
Secured Group RM	Unsecured Group RM
1,626,409	-

**Details of any collateral**

The secured facilities of the Group comprise hire purchases, leasing and term loan which are secured by certain property, plant and equipment of subsidiaries with a total net book value of RM10,231,508 as at 30 September 2015 (RM9,892,031 as at 30 June 2015).

**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**

	First quarter ended	
	30-Sept-15	30-Sept-14
	RM	RM
<b>Operating activities:</b>		
Profit before tax	76,900,268	62,969,656
Adjustments for:		
Amortisation of intangible assets	2,760,423	2,767,666
Depreciation of property, plant and equipment	446,840	497,091
Write off of property, plant and equipment	133	937
Net gain on disposal of property, plant and equipment	(48,000)	-
Gain on redemption of available-for-sale financial assets - money market fund	(455,357)	(403,585)
Unrealised foreign currency exchange (gain)/loss	(13,507,127)	1,104,517
Allowance for unutilised leave	561,521	448,284
Allowance for defined benefit liabilities	198,437	158,150
Performance shares issued	2,606,329	96,068
Share of profit of associates and a joint venture	(965,481)	(1,991,991)
Finance costs	316,534	522,030
Finance income	(902,574)	(648,819)
<b>Operating cash flows before changes in working capital</b>	<b>67,911,946</b>	<b>65,520,004</b>
<b>Changes in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(26,870,444)	23,872,289
Net movement in amounts due from/to customers for contract work-in-progress	(231,275)	6,919,238
Net movement in amounts due from/to related parties	23,832,590	1,675,348
Increase/(Decrease) in trade and other payables	3,096,391	(18,556,675)
<b>Cash flows from operations</b>	<b>67,739,208</b>	<b>79,430,204</b>
Income tax paid	(7,580,177)	(6,244,833)
Interest paid	(18,483)	(31,824)
<b>Net cash flows from operating activities</b>	<b>60,140,548</b>	<b>73,153,547</b>
<b>Investing activities:</b>		
Purchases of property, plant and equipment	(294,409)	(124,485)
Payments for other intangible assets	(397,310)	-
Advances to a joint venture	(146,827)	-
Proceeds from disposal of property, plant and equipment	48,000	-
Proceeds from redemption of available-for-sale financial assets - money market fund	60,695,357	87,203,585
Purchases of available-for-sale financial assets - money market fund	(53,540,000)	(86,800,000)
Interest received	1,106,597	401,051
Uplift/(Placement) of short-term deposits	1,401,650	(19,295)
<b>Net cash flows from investing activities</b>	<b>8,873,058</b>	<b>660,856</b>
<b>Financing activities:</b>		
Purchase of treasury shares	(23,469,408)	-
Repayment of term loan	-	(126,231)
Repayment of finance lease liabilities	(228,842)	(246,060)
<b>Net cash flows used in financing activities</b>	<b>(23,698,250)</b>	<b>(372,291)</b>
<b>Net increase in cash and cash equivalents</b>	<b>45,315,356</b>	<b>73,442,112</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>21,109,273</b>	<b>1,201,261</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>315,572,913</b>	<b>220,922,306</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>381,997,542</b>	<b>295,565,679</b>

  

	First quarter ended	
	30-Sept-15	30-Sept-14
	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	385,774,370	417,556,720
Less: Short-term deposits with licensed banks with maturity more than 3 months	(2,547,188)	(120,766,407)
Less: Pledged deposits	(1,229,640)	(1,224,634)
<b>Cash and cash equivalents at end of the financial period</b>	<b>381,997,542</b>	<b>295,565,679</b>

**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 first quarter ended 30 September 2015**

	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
<b>Group</b>												
<b>As at 1-Jul-2015</b>	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	-	-	-	-	-	-	-	-	68,616,948	68,616,948	5,833	68,622,781
Other comprehensive income for the period	-	-	-	24,151,132	-	-	-	-	2,436	24,153,568	-	24,153,568
Issuance of bonus shares	33,557,495	(33,557,495)	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(23,469,408)	-	-	-	-	-	-	(23,469,408)	-	(23,469,408)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	2,606,329	-	-	2,606,329	-	2,606,329
<b>As at 30-Sept-2015</b>	191,040,654	225,711,878	(31,396,039)	40,640,351	466,828	21,819	7,818,987	(119,765,286)	396,714,576	711,253,768	77,210	711,330,978

	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
<b>Company</b>												
<b>As at 1-Jul-2015</b>	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	-	-	-	-	-	-	-	-	11,379,858	11,379,858	-	11,379,858
Issuance of bonus shares	33,557,495	(33,557,495)	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(23,469,408)	-	-	-	-	-	-	(23,469,408)	-	(23,469,408)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	2,606,329	-	-	2,606,329	-	2,606,329
<b>As at 30-Sept-2015</b>	191,040,654	1,662,269,634	(31,396,039)	-	-	-	7,818,987	-	105,703,100	1,935,436,336	-	1,935,436,336

**Consolidated Statement of Changes in Equity for the first quarter ended 30 September 2014**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>												
<b>As at 1-Jul-2014</b>	157,483,159	252,437,933	(768,352)	(5,663,853)	466,828	21,819	576,405	(119,765,286)	331,527,685	616,316,338	61,612	616,377,950
Profit for the period	-	-	-	-	-	-	-	-	59,699,835	59,699,835	3,642	59,703,477
Other comprehensive income for the period	-	-	-	2,769,346	-	-	-	-	-	2,769,346	-	2,769,346
Grant of shares under Performance Share Plan	-	-	-	-	-	-	96,068	-	-	96,068	-	96,068
<b>As at 30-Sept-2014</b>	157,483,159	252,437,933	(768,352)	(2,894,507)	466,828	21,819	672,473	(119,765,286)	391,227,520	678,881,587	65,254	678,946,841

	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
<b>Company</b>												
<b>As at 1-Jul-2014</b>	157,483,159	1,688,995,689	(768,352)	-	-	-	576,405	-	124,202,110	1,970,489,011	-	1,970,489,011
Profit for the period	-	-	-	-	-	-	-	-	(2,245,801)	(2,245,801)	-	(2,245,801)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	96,068	-	-	96,068	-	96,068
<b>As at 30-Sept-2014</b>	157,483,159	1,688,995,689	(768,352)	-	-	-	672,473	-	121,956,309	1,968,339,278	-	1,968,339,278

**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.**

On 8 July 2015, the Company issued 448,929,692 bonus shares on the basis of one (1) bonus share for every five (5) existing ordinary shares held by shareholders in the capital of the Company. The bonus shares issued rank pari passu in all respects with the existing ordinary shares and with each other.

Following the issuance of bonus shares, the total number of issued shares excluding treasury shares has increased from 2,244,649,108 to 2,693,578,800 shares with the number of treasury shares remains at 2,894,000.

From 26 August to 30 September 2015, the Company purchased 15,897,600 shares pursuant to the share purchase mandate approved by shareholders on 27 October 2014. These shares were acquired by way of market acquisition for a total consideration of RM23,469,408 and are held as treasury shares by the Company. The number of treasury shares has increased from 2,894,000 as at 30 June 2015 to 18,791,600 as at 30 September 2015.

**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 immediately preceding year.**

	As at 30-Sept-15	As at 30-Jun-15	As at 30-Sept-14
Total number of issued shares	2,247,543,108	2,247,543,108	2,247,543,108
Add: Issuance of bonus shares during the period	448,929,692	-	-
Total number of issued shares at end of the period/year	2,696,472,800	2,247,543,108	2,247,543,108
Less: Treasury shares	(18,791,600)	(2,894,000)	(2,794,000)
Total number of issued shares excluding treasury shares	2,677,681,200	2,244,649,108	2,244,749,108

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

	As at 30-Sept-15	As at 30-Jun-15
Number of treasury shares at beginning of the year	2,894,000	2,794,000
Release of treasury shares pursuant to Performance Share Plan	-	(2,600,000)
Purchase of treasury shares	15,897,600	2,700,000
Number of treasury shares at end of the period/year	18,791,600	2,894,000

**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 2015 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 2015.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IAS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to IAS 1 Disclosure Initiative	1 January 2016
Improvements to IFRSs 2012 - 2014 Cycle	1 January 2016
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018

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

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

Not applicable.

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

	Group	
	First quarter ended	
	30-Sept-15	30-Sept-14 (Restated) *
	Sen	Sen
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	2.59	2.25
Based on a fully diluted basis <sup>(2)</sup>	2.59	2.25

\* The weighted average number of ordinary shares used for the per share calculations as at 30 September 2014 has been adjusted to account for the bonus shares issued on 8 July 2015, where retrospective adjustment is required in accordance with IAS 33 Earnings Per Share.

<sup>(1)</sup> 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 30 September 2015 of 2,649,526,761 (30 September 2014: 2,654,641,435) of USD0.02 each.

<sup>(2)</sup> Based on weighted average number of ordinary shares on issue, after adjusting for dilution shares under Silverlake Axis Ltd Performance Share Plan.

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

	As at 30-Sept-15		As at 30-Jun-15 (Restated)	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share <sup>(1)</sup>	26.56	72.28	23.74	72.21

<sup>(1)</sup> Based on the issued share capital excluding treasury shares as at the end of the current financial period and the immediately preceding financial year. The number of ordinary shares used for the per share calculations as at 30 June 2015 has been adjusted to account for the bonus shares issued on 8 July 2015, where retrospective adjustment is required in accordance with IAS 33 Earnings Per Share.

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

#### **(a) INCOME STATEMENT REVIEW – First quarter ended 30 September 2015 ("Q1 FY2016") vs First quarter ended 30 September 2014 ("Q1 FY2015")**

##### **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 deliver operational excellence and enable business transformations at over 150 organisations across Asia, including 40% of the largest banks in South East Asia.

From FY2010 to FY2015, the Group has successfully undertaken several acquisitions to broaden the suite of business enterprise software solutions and services offerings which in turn contributed to the steady growth over the past 5 years. The Group continues to benefit from these acquisitions. 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 by Asian financial institutions and corporations to improve their competitive edge, the Group continues to achieve steady growth.

In Q1 FY2016, the Group's revenue increased by 13% and net profit attributable to shareholders increased by 15% over the previous corresponding period.

##### **Revenue**

##### **By Business Activities**

	1-7-15 to 30-9-15 Group	1-7-14 to 30-9-14 Group	Change
	RM	RM	%
<b>Revenue</b>			
Software licensing	22,154,703	38,038,051	(42)
Software project services	26,320,950	12,620,835	>100
Maintenance and enhancement services	69,491,869	56,447,343	23
Sale of software and hardware products	3,536,577	777,652	>100
Credit and cards processing	3,885,423	3,680,747	6
Insurance processing	5,655,112	4,727,725	20
	131,044,634	116,292,353	13

For Q1 FY2016, group revenue of RM131.0 million was 13% higher compared with Q1 FY2015. The increase in the Group's revenue was due to higher contribution from all revenue segments with the exception of software licensing, as well as the effect of the appreciation of Singapore Dollar ("SGD") and US Dollar ("USD") against Ringgit Malaysia ("RM"). The appreciation of SGD and USD against RM has contributed approximately 7% increase in revenue compared with Q1 FY2015.

Software project services revenue recorded strong growth with higher progressive revenue recognition from new and on-going project implementation contracts during the quarter. Higher revenue was recorded from the sale of software and hardware products as there was one major sale of hardware product in Q1 FY2016 compared with some small sales of hardware products delivered in Q1 FY2015.

Revenue from maintenance and enhancement increased 23% to RM69.5 million in Q1 FY2016 with more maintenance and enhancement contracts secured in Singapore and Malaysia. Following the expansion of business activities into Thailand and Vietnam which increased the recurrent revenue base of insurance processing, revenue contribution of RM5.7 million from insurance processing in Q1 FY2016 was 20% higher compared with Q1 FY2015.

Software licensing revenue was lower compared with the previous corresponding period due to lower value of software licensing contracts delivered in Q1 FY2016. Further revenue recognition is expected to take place in the subsequent quarters with the progressive delivery of new and on-going software licensing contracts secured from customers in Brunei, Indonesia and Singapore.

### **Profitability**

The Group's gross profit of RM78.6 million was 5% higher compared with RM75.0 million in Q1 FY2015. The Group's gross profit margin of 60% in Q1 FY2016 was lower compared with 65% in Q1 FY2015 mainly due to the change in revenue mix, with a lower proportion of revenue recorded from higher margin software licensing in Q1 FY2016, partially offset with higher gross profit margin from software project services in Q1 FY2016 compared with the previous corresponding period.

Interest income of RM0.9 million was 39% higher compared with Q1 FY2015 due to higher short-term deposit rates offered for more cash available for placement with financial institutions in Q1 FY2016. Other income increased significantly from RM0.5 million to RM14.2 million in Q1 FY2016 as unrealised foreign currency exchange gains recorded in Q1 FY2016 were higher at RM13.5 million due to the appreciation of SGD and USD bank balances and receivables against RM, and also the appreciation of New Zealand Dollar advances to a joint venture against RM.

The selling and distribution expenses increased from RM2.5 million in Q1 FY2015 to RM3.1 million in Q1 FY2016 as higher expenses were incurred for marketing and research activities in Q1 FY2016.

Compared with Q1 FY2015, administrative expenses increased by 18% from RM12.1 million to RM14.3 million in Q1 FY2016 due to a charge on shares awards granted to the Managing Director pursuant to the Silverlake Axis Ltd Performance Share Plan ("PSP"), partially offset by a decrease in staff related costs in Q1 FY2016.

Finance costs decreased from RM0.5 million to RM0.3 million in Q1 FY2016. Higher finance costs were incurred in Q1 FY2015 compared with Q1 FY2016 due to quarterly fair value adjustment on the remaining purchase consideration for the acquisition of Merimen Group and Cyber Village Sdn. Bhd. as required by IFRS.

The Group's share of profit of associates and a joint venture was RM1.0 million in Q1 FY2016 compared with RM2.0 million in Q1 FY2015 due to lower contribution from GIT, partially offset with share of profit of a joint venture in Q1 FY2016.

With higher revenue from most revenue segments as well as the effect of appreciation of SGD and USD against RM and higher unrealised foreign currency exchange gain, the Group recorded a profit before tax of RM76.9 million in Q1 FY2016 compared with RM63.0 million achieved in the previous corresponding period.

Income tax expense increased from RM3.3 million in Q1 FY2015 to RM8.3 million in Q1 FY2016 mainly due to higher withholding tax on some overseas revenue and higher taxable income contributed by subsidiaries. The effective tax rate increased from 5% in Q1 FY2015 to 11% in Q1 FY2016.

Overall, the Group reported a profit after tax attributable to shareholders of RM68.6 million, 15% higher than the RM59.7 million achieved in the previous corresponding period, with an improvement in net profit margin to 52%.

## **(b) STATEMENT OF FINANCIAL POSITIONS REVIEW**

### **Intangible assets**

The increase in intangible assets from RM156.4 million as at 30 June 2015 to RM160.3 million as at 30 September 2015 was mainly due to a new software acquired during the quarter and higher intangibles recorded attributable to the appreciation of SGD and USD against RM, partially offset with the amortisation of intangible assets for Q1 FY2016.

### **Trade and other receivables**

Trade and other receivables increased from RM85.5 million as at 30 June 2015 to RM123.8 million as at 30 September 2015 mainly due to higher revenue billings during the quarter.

### **Amounts due from/(to) related parties**

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

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

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

The net amount due from customers for contract work-in-progress as at 30 September 2015 was RM20.5 million compared with RM19.5 million as at 30 June 2015 and this was mainly due to the timing of billings and revenue recognition for the contracts on hand.



### **Trade and other payables**

Trade and other payables increased from RM58.4 million as at 30 June 2015 to RM68.3 million as at 30 September 2015 mainly due to higher accrual of sub-contractor fees.

### **Available-for-sale financial assets - money market fund**

Available-for-sale financial assets at fair value through other comprehensive income represent investment in money market fund with financial institutions. The decrease in available-for-sale financial assets from RM10.4 million as at 30 June 2015 to RM3.7 million as at 30 September 2015 was mainly due to the redemption of available-for-sale financial assets for working capital purposes.

### **Cash and bank balances**

Cash and bank balances increased from RM320.5 million as at 30 June 2015 to RM385.8 million as at 30 September 2015 mainly due to the net cash inflow from operating activities of RM60.1 million and the cash inflow from investing activities of RM6.7 million from the redemption of available-for-sale financial assets.

### **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.**

Continuing economic expansion in North East and South East Asia, albeit slower, will provide banks and financial institutions with ample opportunities for growth as they invest in digital and mobile technologies to enhance revenue, manage costs and provide easy banking access for their customers. With our expanding suite of mission critical enterprise software solutions and service offerings, the Silverlake Group continues to be the IT partner of choice for many banks as they seek to grow market share through the digital transformation.

The recent acquisition of SunGard Ambit ("SAS") has further expanded Silverlake's suite of software and services as well as deepen and broaden our customer relationships and geographical presence. SAS delivers a complementary retail banking software portfolio that is well positioned for mid-tier customers by offering a broader variety of tiered deployment options from an open digital technology platform and a pricing perspective. The Group will continue to invest selectively in new software solutions and services to further strengthen our market position to support our customers.

### **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
Dividend Type	Cash
Dividend Rate	Singapore cents 0.6 per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

Q1 FY2016 interim dividend of Singapore cents 0.6 per ordinary share is based on a larger share base, taken into account the bonus shares of 448,929,692, compared to Q1 FY2015.

#### **(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
Dividend Type	Cash
Dividend Rate	Singapore cents 0.8 per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

#### **(c) Date payable**

The Directors have proposed a tax exempt (one-tier) interim dividend of Singapore cents 0.6 per ordinary share. The interim dividend will be payable on 3 December 2015.

#### **(d) Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 23 November 2015 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m., on 20 November 2015 will be registered before entitlements to the dividend are determined.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 20 November 2015 will be entitled to the proposed interim dividend.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

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

Not applicable.

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

The aggregate value of recurrent Interested Person Transactions ("IPT") of revenue or trading nature conducted during the financial period ended 30 September 2015 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)
	1-7-15 to 30-9-15	1-7-15 to 30-9-15
	RM	RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- <b>New IPT Mandate</b> <sup>(1)</sup>		
Revenue from Silverlake Entities	-	8,516,560
Service fees to Silverlake Entities	-	(14,863,341)
- <b>Ancillary Transactions</b> <sup>(2)</sup>		
Revenue from Silverlake Entities	-	1,029,704
- <b>Non-Mandate Transactions</b> <sup>(3)</sup>		
Revenue from Silverlake Entities	2,076,167	-

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

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

<sup>(3)</sup> 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 30 September 2015 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 New Mandates:-</u>						
Silverlake Entities <sup>(1)</sup>	4,110,882	3,931,126	179,756	-	-	-
<u>Non-Mandate Transactions</u>						
Silverlake Entities	323,300	-	323,300	-	-	-
<u>Non-Trade Transactions</u>						
Silverlake Entities	53,972	53,972	-	-	-	-
<b>Grand Total</b> <sup>(2)</sup>	<b>4,488,154</b>	<b>3,985,098</b>	<b>503,056</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

<sup>(2)</sup> As at 12 November 2015, the amounts owing from Silverlake Entities for more than 30 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 30 September 2015 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.

**21. Use of Proceeds from the Placement of 100,000,000 shares**

On 11 June 2013, the Company allotted and issued 100,000,000 ordinary shares at an issue price of SGD0.75 per share. The total net proceeds of RM180.3 million have been partly utilised as follows:

- (i) RM40.5 million has been utilised towards the first and second payment for the acquisition of Cyber Village Sdn. Bhd.;
- (ii) RM23.2 million has been utilised towards the second and third tranches payment for the acquisition of 80% equity interest in Merimen Group;
- (iii) RM31.6 million has been disbursed and utilised for the takeover offer of Finzsoft; and
- (iv) RM52.7 million has been disbursed and utilised for the acquisition of SunGard Ambit (Singapore) Pte. Ltd.

The use of the net proceeds is in accordance with that previously disclosed in the Company's announcement dated 29 May 2013. The remaining proceeds from the placement of RM32.3 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

12 November 2015