

**SILVERLAKE AXIS LTD**

**Third Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 31 March 2018**

**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 2018

	Nine months period ended 31 March			Third quarter ended 31 March		
	2018	2017	Change	2018	2017	Change
	RM	RM	%	RM	RM	%
Revenue	371,112,260	380,624,042	(2)	126,702,070	124,368,807	2
Cost of sales	(166,847,545)	(161,394,200)	3	(55,202,967)	(56,674,277)	(3)
<b>Gross profit</b>	<b>204,264,715</b>	<b>219,229,842</b>	(7)	<b>71,499,103</b>	<b>67,694,530</b>	6
<b>Other items of income</b>						
Finance income	2,335,723	1,436,925	63	(48,231)	557,070	>100
Other income	4,267,317	790,450,570	(99)	3,831,921	413,654,145	(99)
<b>Other items of expenses</b>						
Selling and distribution costs	(24,728,110)	(22,746,095)	9	(7,707,701)	(7,446,967)	4
Administrative expenses	(79,161,956)	(76,163,263)	4	(34,355,926)	(27,918,173)	23
Finance costs	(1,281,238)	(956,023)	34	(427,356)	(347,228)	23
Share of loss of a joint venture and associates	(2,008,417)	(2,389,261)	(16)	(1,159,696)	(3,310,938)	(65)
<b>Profit before tax</b>	<b>103,688,034</b>	<b>908,862,695</b>	(89)	<b>31,632,114</b>	<b>442,882,439</b>	(93)
Income tax expense	(10,317,970)	(95,573,136)	(89)	(2,662,223)	(44,482,523)	(94)
<b>Profit for the period</b>	<b>93,370,064</b>	<b>813,289,559</b>	(89)	<b>28,969,891</b>	<b>398,399,916</b>	(93)
<b>Profit for the period attributable to:</b>						
Owners of the parent	93,377,425	813,295,598	(89)	28,973,063	398,404,145	(93)
Non-controlling interests	(7,361)	(6,039)	22	(3,172)	(4,229)	(25)
	<b>93,370,064</b>	<b>813,289,559</b>	(89)	<b>28,969,891</b>	<b>398,399,916</b>	(93)
<b>Earnings per share attributable to the owners of the parent:</b>						
- Basic (sen)	<b>3.55</b>	<b>30.74</b>	(88)	<b>1.10</b>	<b>15.06</b>	(93)
- Diluted (sen)	<b>3.55</b>	<b>30.72</b>	(88)	<b>1.10</b>	<b>15.05</b>	(93)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine months period and third quarter ended 31 March 2018

	Nine months period ended 31 March			Third quarter ended 31 March		
	2018	2017	Change	2018	2017	Change
	RM	RM	%	RM	RM	%
<b>Profit for the period</b>	<b>93,370,064</b>	<b>813,289,559</b>	(89)	<b>28,969,891</b>	<b>398,399,916</b>	(93)
<b>Other comprehensive (loss)/income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Fair value gain on available-for-sale financial assets	9,378,821	-	N/M	45,274,360	-	N/M
Deferred tax relating to fair value gain on available-for-sale financial assets	(2,890,207)	-	N/M	(5,760,054)	-	N/M
Foreign currency translation (loss)/gain*	(39,022,951)	66,277,477	>100	(11,642,631)	12,525,529	>100
Share of foreign currency translation gain/(loss) of a joint venture	87,196	(88,255)	>100	112,126	(62,636)	>100
	(32,447,141)	66,189,222	>100	27,983,801	12,462,893	>100
Other comprehensive (loss)/income for the period, net of tax	(32,447,141)	66,189,222	>100	27,983,801	12,462,893	>100
<b>Total comprehensive income for the period</b>	<b>60,922,923</b>	<b>879,478,781</b>	(93)	<b>56,953,692</b>	<b>410,862,809</b>	(86)
<b>Total comprehensive income for the period attributable to:</b>						
Owners of the parent	60,930,284	879,484,820	(93)	56,956,864	410,867,038	(86)
Non-controlling interests	(7,361)	(6,039)	22	(3,172)	(4,229)	(25)
	<b>60,922,923</b>	<b>879,478,781</b>	(93)	<b>56,953,692</b>	<b>410,862,809</b>	(86)

N/M = Not Meaningful

\* Foreign currency translation (loss)/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:**

	Nine months period ended 31 March			Third quarter ended 31 March		
	2018	2017	Change	2018	2017	Change
	RM	RM	%	RM	RM	%
Impairment loss on financial assets - trade receivables	(538,733)	-	N/M	(90,629)	-	N/M
Amortisation of intangible assets	(11,392,696)	(11,048,720)	3	(3,814,895)	(3,491,875)	9
Depreciation of property, plant and equipment	(3,059,714)	(2,944,035)	4	(986,400)	(1,122,188)	(12)
Write off of property, plant and equipment	(6,818)	(223,430)	(97)	(328)	(742)	(56)
Provision for foreseeable losses	1,821,284	-	N/M	2,503,994	-	N/M
Bad debts written off	(206,965)	-	N/M	(206,965)	-	N/M
Reversal of impairment loss on trade receivables**	1,036,214	-	N/M	1,034,826	-	N/M
Waiver of debts by previous owner of a subsidiary**	1,009,112	-	N/M	-	-	N/M
Net foreign currency exchange (loss)/gain**:						
- realised	(538,923)	(6,627,900)	(92)	2,017,207	(8,774,834)	>100
- unrealised	(7,153,889)	(2,497,463)	>100	(9,085,808)	16,061,652	>100
Adjustments for over provision of tax in respect of prior years	47,094	82,487	(43)	47,094	1,413	>100
Net gain on disposal of property, plant and equipment**	159,304	90,011	77	80,187	-	N/M
Gain on redemption of available-for-sale financial assets - money market fund**	403,992	294,959	37	159,256	68,301	>100
Gain on disposal of shares in an associate**	-	477,688,427	(100)	-	105,612,008	(100)
Gain on re-measurement of interest retained in investment to fair value**	-	292,966,694	(100)	-	292,966,694	(100)
Loss on disposal of quoted equity investment*	(2,797,882)	-	N/M	(2,797,882)	-	N/M
Loss on dilution of interest in an associate arising from issuance of new shares pursuant to employee shares incentive plan*	-	(248,641)	(100)	-	-	N/M
Gain on dilution of interest in an associate arising from issuance of new shares to part finance the acquisition of business and for private placements**	-	18,798,722	(100)	-	-	N/M
Dividend income from quoted equity investment	201,962	-	N/M	-	-	N/M
Performance shares issued	(820,211)	(10,609,167)	(92)	1,341,847	(1,081,029)	>100
(Allowance for)/Reversal of unutilised leave	(420,635)	100,378	>100	(246,314)	104,428	>100
Allowance for defined benefit liabilities	(1,016,291)	(658,398)	54	(370,325)	(219,466)	69

\* 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-18		As at 30-Jun-17	
	Group RM	Company RM	Group RM	Company RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17,972,287	4,349	19,085,269	-
Intangible assets	173,054,951	-	191,690,631	-
Investments in subsidiaries	-	1,863,873,593	-	1,863,873,593
Interest in a joint venture	24,223,262	26,145,111	30,175,732	30,176,361
Deferred tax assets	7,146,046	-	5,877,391	-
	<b>222,396,546</b>	<b>1,890,023,053</b>	<b>246,829,023</b>	<b>1,894,049,954</b>
<b>Current assets</b>				
Amounts due from customers for contract work-in-progress	27,058,092	-	20,888,447	-
Trade and other receivables	147,322,878	151,991	144,592,658	29,167
Advance maintenance costs	2,834,853	-	3,559,841	-
Prepayments	4,549,457	130,744	5,065,685	52,606
Dividend receivables	-	-	-	129,290,101
Amounts due from related parties	8,265,454	-	13,693,457	-
Tax recoverable	4,461,305	-	3,371,722	-
Available-for-sale financial assets				
- quoted equity shares	263,404,806	-	280,305,198	-
- money market fund	2,929,984	-	2,312,790	-
Cash and bank balances	288,548,488	108,356,212	720,708,154	78,941,196
	<b>749,375,317</b>	<b>108,638,947</b>	<b>1,194,497,952</b>	<b>208,313,070</b>
<b>Total assets</b>	<b>971,771,863</b>	<b>1,998,662,000</b>	<b>1,441,326,975</b>	<b>2,102,363,024</b>

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

	As at 31-Mar-18		As at 30-Jun-17	
	Group RM	Company RM	Group RM	Company RM
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	191,040,654	191,040,654	191,040,654	191,040,654
Share premium	234,417,308	1,670,975,064	232,217,438	1,668,775,194
Treasury shares	(161,336,448)	(161,336,448)	(86,627,098)	(86,627,098)
Foreign currency translation reserve	23,023,942	-	61,959,697	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	5,605,431	5,605,431	10,163,890	10,163,890
Available-for-sale reserve	(80,708,825)	-	(87,197,439)	-
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	686,271,173	284,022,579	955,660,890	228,794,009
<b>Equity attributable to owners of the parent</b>	<b>779,036,596</b>	<b>1,990,307,280</b>	<b>1,157,941,393</b>	<b>2,012,146,649</b>
Non-controlling interests	77,837	-	85,198	-
<b>Total equity</b>	<b>779,114,433</b>	<b>1,990,307,280</b>	<b>1,158,026,591</b>	<b>2,012,146,649</b>
<b>Non-current liabilities</b>				
Loans and borrowings	1,545,267	-	1,645,395	-
Deferred tax liabilities	34,936,139	-	38,735,562	-
Provision for defined benefit liabilities	7,807,564	-	7,725,490	-
	44,288,970	-	48,106,447	-
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress	6,029,397	-	9,622,418	-
Trade and other payables	59,303,076	2,201,531	66,278,036	1,872,156
Provision for defined benefit liabilities	257,467	-	419,939	-
Advance maintenance fees	68,326,002	-	57,003,287	-
Loans and borrowings	1,009,004	-	89,251,962	88,337,362
Amounts due to subsidiaries	-	6,153,189	-	6,857
Amounts due to related parties	3,885,378	-	4,005,145	-
Tax payable	9,558,136	-	8,613,150	-
	148,368,460	8,354,720	235,193,937	90,216,375
<b>Total liabilities</b>	<b>192,657,430</b>	<b>8,354,720</b>	<b>283,300,384</b>	<b>90,216,375</b>
<b>Net current assets</b>	<b>601,006,857</b>	<b>100,284,227</b>	<b>959,304,015</b>	<b>118,096,695</b>
<b>Total equity and liabilities</b>	<b>971,771,863</b>	<b>1,998,662,000</b>	<b>1,441,326,975</b>	<b>2,102,363,024</b>

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-18	
Secured Group RM	Unsecured Group RM
1,009,004	-

As at 30-Jun-17	
Secured Group RM	Unsecured Group RM
914,600	88,337,362

**Amount repayable after one year**

As at 31-Mar-18	
Secured Group RM	Unsecured Group RM
1,545,267	-

As at 30-Jun-17	
Secured Group RM	Unsecured Group RM
1,645,395	-

**Details of any collaterals**

The secured facilities of the Group comprise hire purchases and leasing which are secured by certain property, plant and equipment and intangible assets of subsidiaries with a total net carrying value of RM2,842,473 and RM122,923 respectively as at 31 March 2018 (RM2,444,999 and RM153,477 respectively as at 30 June 2017). The freehold land pledged to secure the term loan and overdraft facilities of a subsidiary had been discharged in the previous financial year.

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-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM	RM	RM	RM
<b>Operating activities:</b>				
Profit before tax	103,688,034	908,862,695	31,632,114	442,882,439
Adjustments for:				
Amortisation of intangible assets	11,392,696	11,048,720	3,814,895	3,491,875
Provision for foreseeable losses	(1,821,284)	-	(2,503,994)	-
Depreciation of property, plant and equipment	3,059,714	2,944,035	986,400	1,122,188
Write off of property, plant and equipment	6,818	223,430	328	742
Net gain on disposal of property, plant and equipment	(159,304)	(90,011)	(80,187)	-
Gain on redemption of available-for-sale financial assets - money market fund	(403,992)	(294,959)	(159,256)	(68,301)
Unrealised foreign currency exchange loss/(gain)	7,153,889	2,497,463	9,085,808	(16,061,652)
Impairment loss on financial assets - trade receivables	538,733	-	90,629	-
Reversal of impairment loss on trade receivables	(1,036,214)	-	(1,034,826)	-
Waiver of debts by previous owner of a subsidiary	(1,009,112)	-	-	-
Bad debts written off	206,965	-	206,965	-
Gain on disposal of shares in an associate	-	(477,688,427)	-	(105,612,008)
Loss on disposal of quoted equity investment	2,797,882	-	2,797,882	-
Allowance for/(Reversal of) unutilised leave	420,635	(100,378)	246,314	(104,428)
Allowance for defined benefit liabilities	1,016,291	658,398	370,325	219,466
Performance shares issued	820,211	10,609,167	(1,341,847)	1,081,029
Share of loss of a joint venture and associates	2,008,417	2,389,261	1,159,696	3,310,938
Loss on dilution of interest in an associate arising from issuance of new shares pursuant to employee shares incentive plan	-	248,641	-	-
Gain on dilution of interest in an associate arising from issuance of new shares to part finance the acquisition of business and for private placements	-	(18,798,722)	-	-
Gain on re-measurement of interest retained in investment to fair value	-	(292,966,694)	-	(292,966,694)
Finance costs	1,281,238	956,023	427,356	347,228
Finance income	(2,335,723)	(1,436,925)	48,231	(557,070)
Dividend income from quoted equity investment	(201,962)	-	-	-
<b>Operating cash flows before changes in working capital</b>	<b>127,423,932</b>	<b>149,061,717</b>	<b>45,746,833</b>	<b>37,085,752</b>
<b>Changes in working capital:</b>				
Trade and other receivables	(11,293,964)	26,152,979	(20,916,772)	(15,665,434)
Amounts due from/to customers for contract work-in-progress	(8,079,290)	7,090,812	(5,088,674)	(672,032)
Amounts due from/to related parties	4,741,756	30,376,058	(8,119,139)	17,674,706
Trade and other payables	9,828,181	13,189,955	37,506,809	35,528,394
<b>Cash flows from operations</b>	<b>122,620,615</b>	<b>225,871,521</b>	<b>49,129,057</b>	<b>73,951,386</b>
Net uplift/(placement) of deposit pledged	300,650	(3,981,150)	135,100	(3,084,350)
Defined benefits paid	(185,432)	-	-	-
Income tax paid	(12,861,506)	(19,138,343)	(4,192,324)	(5,689,738)
Interest paid	(1,281,238)	(956,023)	(427,356)	(347,228)
<b>Net cash flows from operating activities</b>	<b>108,593,089</b>	<b>201,796,005</b>	<b>44,644,477</b>	<b>64,830,070</b>
<b>Investing activities:</b>				
Purchases of property, plant and equipment	(1,659,645)	(4,692,566)	(1,130,342)	(899,086)
Payments for software development expenditure	(261,745)	-	(237,973)	175,479
Payments for other intangible assets	(5,332)	(598,160)	-	(257,205)
Advances to a joint venture	(60,808)	(84,480)	(12,956)	(16,422)
Proceeds from disposal of property, plant and equipment	161,330	134,527	80,189	-
Proceeds from disposal of shares in an associate	-	536,453,339	-	124,965,511
Proceeds from disposal of quoted equity investment	14,969,548	-	14,969,548	-
Capital gain tax paid relating to the disposal of shares	(1,500,916)	(17,153,569)	(1,500,916)	(17,153,569)
Proceeds from redemption of available-for-sale financial assets - money market fund	60,243,992	49,139,221	25,599,256	16,637,563
Dividend income from quoted equity investment	201,962	-	-	-
Purchases of available-for-sale financial assets - money market fund	(60,457,193)	(47,125,000)	(25,128,827)	(15,194,502)
Interest received	2,280,687	1,417,595	611,007	537,993
Net uplift/(placement) of short-term deposits	286,932,051	(495,277,805)	98,070,914	(495,277,805)
<b>Net cash flows from/(used in) investing activities</b>	<b>300,843,931</b>	<b>22,213,102</b>	<b>111,319,900</b>	<b>(386,482,043)</b>
<b>Financing activities:</b>				
Dividends paid	(362,767,142)	(179,533,653)	(84,816,272)	(58,595,060)
Purchase of treasury shares	(77,888,150)	(17,471,812)	(22,115,781)	-
Proceeds from revolving credit	107,417,220	21,415,560	14,519,040	-
Repayment of obligations under finance lease	(704,255)	(613,780)	(238,259)	(208,467)
Repayment of revolving credit	(195,754,582)	(33,174,790)	(148,021,172)	(5,235,490)
<b>Net cash flows used in financing activities</b>	<b>(529,696,909)</b>	<b>(209,378,475)</b>	<b>(240,672,444)</b>	<b>(64,039,017)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(120,259,889)</b>	<b>14,630,632</b>	<b>(84,708,067)</b>	<b>(385,690,990)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(15,404,815)</b>	<b>32,400,972</b>	<b>(7,454,225)</b>	<b>1,172,178</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>420,279,291</b>	<b>224,714,029</b>	<b>376,776,879</b>	<b>656,264,445</b>
<b>Cash and cash equivalents at end of the period</b>	<b>284,614,587</b>	<b>271,745,633</b>	<b>284,614,587</b>	<b>271,745,633</b>
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	288,548,488	772,234,958	288,548,488	772,234,958
Less: Short-term deposits with licensed banks with maturity more than 3 months	-	(495,277,805)	-	(495,277,805)
Less: Pledged deposits	(3,933,901)	(5,211,520)	(3,933,901)	(5,211,520)
Cash and cash equivalents at end of the period	284,614,587	271,745,633	284,614,587	271,745,633

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 2018**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jul-2017</b>	191,040,654	232,217,438	(86,627,098)	61,959,697	466,828	21,819	10,163,890	(87,197,439)	(119,765,286)	955,660,890	1,157,941,393	85,198	1,158,026,591
Profit for the period	-	-	-	-	-	-	-	-	-	93,377,425	93,377,425	(7,361)	93,370,064
Other comprehensive loss for the period	-	-	-	(38,935,755)	-	-	-	6,488,614	-	-	(32,447,141)	-	(32,447,141)
Purchase of treasury shares	-	-	(77,888,150)	-	-	-	-	-	-	-	(77,888,150)	-	(77,888,150)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	820,211	-	-	-	820,211	-	820,211
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(362,767,142)	(362,767,142)	-	(362,767,142)
<b>As at 31-Mar-2018</b>	191,040,654	234,417,308	(161,336,448)	23,023,942	466,828	21,819	5,605,431	(80,708,825)	(119,765,286)	686,271,173	779,036,596	77,837	779,114,433

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jul-2017</b>	191,040,654	1,668,775,194	(86,627,098)	-	-	-	10,163,890	-	-	228,794,009	2,012,146,649	-	2,012,146,649
Profit for the period	-	-	-	-	-	-	-	-	-	417,995,712	417,995,712	-	417,995,712
Purchase of treasury shares	-	-	(77,888,150)	-	-	-	-	-	-	-	(77,888,150)	-	(77,888,150)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	820,211	-	-	-	820,211	-	820,211
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(362,767,142)	(362,767,142)	-	(362,767,142)
<b>As at 31-Mar-2018</b>	191,040,654	1,670,975,064	(161,336,448)	-	-	-	5,605,431	-	-	284,022,579	1,990,307,280	-	1,990,307,280

**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	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jul-2016</b>	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)
<b>As at 31-Mar-2017</b>	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	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jul-2016</b>	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)
<b>As at 31-Mar-2017</b>	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 2018**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jan-2018</b>	191,040,654	232,217,438	(142,399,467)	34,554,447	466,828	21,819	12,325,948	(120,223,131)	(119,765,286)	742,114,382	830,353,632	81,009	830,434,641
Profit for the period	-	-	-	-	-	-	-	-	-	28,973,063	28,973,063	(3,172)	28,969,891
Other comprehensive income for the period	-	-	-	(11,530,505)	-	-	-	39,514,306	-	-	27,983,801	-	27,983,801
Purchase of treasury shares	-	-	(22,115,781)	-	-	-	-	-	-	-	(22,115,781)	-	(22,115,781)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	(1,341,847)	-	-	-	(1,341,847)	-	(1,341,847)
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(84,816,272)	(84,816,272)	-	(84,816,272)
<b>As at 31-Mar-2018</b>	191,040,654	234,417,308	(161,336,448)	23,023,942	466,828	21,819	5,605,431	(80,708,825)	(119,765,286)	686,271,173	779,036,596	77,837	779,114,433

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jan-2018</b>	191,040,654	1,668,775,194	(142,399,467)	-	-	-	12,325,948	-	-	172,592,280	1,902,334,609	-	1,902,334,609
Profit for the period	-	-	-	-	-	-	-	-	-	196,246,571	196,246,571	-	196,246,571
Purchase of treasury shares	-	-	(22,115,781)	-	-	-	-	-	-	-	(22,115,781)	-	(22,115,781)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	(1,341,847)	-	-	-	(1,341,847)	-	(1,341,847)
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(84,816,272)	(84,816,272)	-	(84,816,272)
<b>As at 31-Mar-2018</b>	191,040,654	1,670,975,064	(161,336,448)	-	-	-	5,605,431	-	-	284,022,579	1,990,307,280	-	1,990,307,280

**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	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jan-2017</b>	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)
<b>As at 31-Mar-2017</b>	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	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jan-2017</b>	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)
<b>As at 31-Mar-2017</b>	191,040,654	1,668,775,194	(86,627,098)	-	-	-	9,082,861	-	-	152,439,855	1,934,711,466	-	1,934,711,466

**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 13 November 2017 to 24 January 2018, the Company purchased 43,319,400 shares pursuant to the share purchase mandate approved by shareholders on 26 October 2017. These shares were acquired by way of market acquisition for a total consideration of RM77,888,150 and are held as treasury shares by the Company.

During Q3 FY2018, the Company has reissued 1,800,000 treasury shares to its Managing Director pursuant to Silverlake Axis Ltd. Performance Share Plan on 26 January 2018.

The number of treasury shares has increased from 49,855,200 as at 30 June 2017 to 91,374,600 as at 31 March 2018.

**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-18	As at 30-Jun-17	As at 31-Mar-17
Total number of issued shares	2,696,472,800	2,696,472,800	2,696,472,800
Less: Treasury shares	(91,374,600)	(49,855,200)	(49,855,200)
Total number of issued shares excluding treasury shares	2,605,098,200	2,646,617,600	2,646,617,600

**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-18	As at 30-Jun-17
Number of treasury shares at beginning of the year	49,855,200	42,899,100
Release of treasury shares pursuant to Performance Share Plan	(1,800,000)	(2,400,000)
Purchase of treasury shares	43,319,400	9,356,100
Number of treasury shares at end of the period/year	91,374,600	49,855,200

**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 2017 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 2017 except that the Group has adopted the following new IFRS which became effective for the period beginning on or after 1 July 2017.

Amendments to IAS 7 Disclosure Initiative  
 Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses  
 Annual Improvements to IFRSs 2014 - 2016 Cycle: Amendments to IFRS 12 Disclosure of Interests in Other Entities

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
Annual Improvements to IFRSs 2014 - 2016 Cycle	
- 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
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRS 16 Leases	1 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	1 January 2019

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
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19 Plan Amendments, Curtailment or Settlement	1 January 2019
Annual Improvements to IFRSs 2015 - 2017 Cycle	
- Amendments to IFRS 3 Business Combinations	1 January 2019
- Amendments to IFRS 11 Joint Arrangements	1 January 2019
- Amendments to IAS 12 Income Taxes	1 January 2019
- Amendments to IAS 23 Borrowing Costs	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
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-18	31-Mar-17	31-Mar-18	31-Mar-17
	Sen	Sen	Sen	Sen
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	3.55	30.74	1.10	15.06
Based on a fully diluted basis <sup>(2)</sup>	3.55	30.72	1.10	15.05

<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 31 March 2018 of 2,629,645,485 (31 March 2017 of 2,645,297,245) 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 31-Mar-18		As at 30-Jun-17	
	Group	Company	Group	Company
	Sen	Sen	Sen	Sen
Net asset value per ordinary share <sup>(1)</sup>	29.90	76.40	43.75	76.03

<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.

**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 2018 ("Q3 FY2018") vs Third quarter ended 31 March 2017 ("Q3 FY2017")**

**Overview**

Silverlake Axis Ltd (SAL) provides financial services technology to the Banking, Insurance, Payments, 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, Australia, Central Europe, Middle East and New Zealand.

From FY2011 to FY2018, the Group has successfully undertaken 6 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 FY2018, Group revenue increased by 2% compared with the previous corresponding period and recorded a net profit attributable to shareholders of RM29.0 million, or 93% lower than Q3 FY2017. Excluding the effect of disposal of GIT shares in Q3 FY2018 and Q3 FY2017, the gain on re-measurement of retained interest in GIT to fair value in Q3 FY2017 as well as the unrealised and realised foreign currency exchange difference recorded in Q3 FY2018 and Q3 FY2017, the adjusted net profit attributable to shareholders of RM38.7 million in Q3 FY2018 would have been 17% higher compared with the adjusted RM33.1 million recorded in Q3 FY2017.



**Revenue**  
**By Business Activities**

	1-1-18 to 31-3-18 Group	1-1-17 to 31-3-17 Group	Change
<b>Revenue</b>	RM	RM	%
Software licensing	9,816,781	1,802,968	>100
Software project services	9,445,692	3,785,062	>100
Maintenance and enhancement services	89,723,939	106,554,332	(16)
Sale of software and hardware products	4,330,929	189,204	>100
Credit and cards processing	5,744,862	4,847,848	19
Insurance processing	7,639,867	7,189,393	6
	126,702,070	124,368,807	2

For Q3 FY2018, Group revenue of RM126.7 million was 2% higher compared with Q3 FY2017. The increase in Group revenue was mainly due to higher contributions from project related revenue segments such as software licensing, software project services and sale of software and hardware products.

Software licensing revenue of RM9.8 million in Q3 FY2018 was significantly higher than the RM1.8 million achieved in Q3 FY2017 mainly due to the initial delivery of new contracts in Thailand and Cambodia as well as delivery to a leading ASEAN bank's international branches in Q3 FY2018. Revenue from software project services increased from RM3.8 million in Q3 FY2017 to RM9.4 million in Q3 FY2018 due to higher progressive revenue recognised in Q3 FY2018 from new implementation contracts secured in Thailand, Cambodia and Malaysia in late FY2017 and ongoing implementation contracts in Malaysia.

The increase in another project related revenue segment, sale of software and hardware products was due to a major sale of software and hardware products in Malaysia in Q3 FY2018 compared with a few small sales of hardware products delivered in Q3 FY2017.

Revenue from maintenance and enhancement services of RM89.7 million in Q3 FY2018 was 16% lower compared with RM106.6 million in Q3 FY2017 mainly due to fewer large enhancement projects delivered in Philippines, Sri Lanka and Malaysia in Q3 FY2018. A number of new and expanded enhancement projects will be undertaken in subsequent quarters.

Credit and cards processing revenue recorded a 19% growth to RM5.7 million in Q3 FY2018 mainly due to higher processing revenue from the new tier-pricing fee arrangement signed with an existing customer in Q3 FY2018.

With new customers secured in Malaysia, Philippines and Indonesia as well as the business expansion into Thailand, Vietnam and Hong Kong since FY2017, the recurrent revenue base of insurance processing has improved by 6% in Q3 FY2018 compared with Q3 FY2017.

**Profitability**

The Group recorded a gross profit of RM71.5 million in Q3 FY2018 compared with RM67.7 million in Q3 FY2017. The Group's gross profit margin of 56% in Q3 FY2018 was higher compared with 54% in Q3 FY2017 mainly due to the change in revenue mix with higher proportion of revenue recorded from higher margin software licensing and higher margin achieved from software project services and credit and cards processing segment in Q3 FY2018 compared with the previous corresponding period.

Lower finance income was recorded in Q3 FY2018 due to lesser deposits placement with financial institutions in FY2018 compared with FY2017 and reversal of interest over accrued on deposits placed, in prior period, in Q3 FY2018.

Other Income was significantly lower in Q3 FY2018 compared with Q3 FY2017 mainly due to the pre-tax accounting gain of RM293.0 million in Q3 FY2017 from re-measurement of retained interest in GIT as available-for-sale financial assets at fair value upon the cessation of Group's significant influence over GIT and discontinued equity accounting method on 29 March 2017. The pre-tax gain of RM105.6 million from the disposal of 12.4 million GIT shares had also contributed to overall higher Other Income in Q3 FY2017.

Lower unrealised and realised foreign currency exchange gains were recorded in Q3 FY2018 mainly due to translation of lower bank balances denominated in foreign currencies in Q3 FY2018 compared with Q3 FY2017.

The administrative expenses increased by 23% from RM27.9 million to RM34.4 million in Q3 FY2018 mainly due to pre-tax loss on disposal of 2.0 million quoted shares in GIT and higher professional fees incurred for the acquisition of three Silverlake Private Entities ("SPEs") and other potential investments in Q3 FY2018.

The Group's share of loss of a joint venture and associates was RM1.2 million in Q3 FY2018 compared with RM3.3 million in Q3 FY2017. A joint venture, Silverlake HGH Limited ("SHGH"), recorded higher losses in Q3 FY2018 compared with Q3 FY2017. No contribution was accounted for GIT in Q3 FY2018 following the cessation of GIT as the Group's associate effective 29 March 2017.

With lower Other Income and an increase in administrative expenses, the Group recorded a profit before tax of RM31.6 million in Q3 FY2018 compared with RM442.9 million in Q3 FY2017.

Income tax expense decreased from RM44.5 million in Q3 FY2017 to RM2.7 million in Q3 FY2018 with the corresponding decrease in effective tax rate from 10% in Q3 FY2017 to 8% in Q3 FY2018. Higher income tax expense in Q3 FY2017 was due to the provision of deferred tax on capital gains associated with the remaining 41.6 million GIT shares available-for-sale in the subsequent quarters and the accruals of withholding tax on disposal of GIT shares. Excluding the effect of disposal and re-measurement of GIT shares as well as the reversal of deferred tax on unremitted earnings of GIT in Q3 FY2017, the effective tax rate decreased from 9% in Q3 FY2017 to 8% in Q3 FY2018 mainly due to lower taxable income contributed by certain subsidiaries in Q3 FY2018 compared with Q3 FY2017.

The Group reported a profit after tax attributable to shareholders of RM29.0 million in Q3 FY2018 compared with RM398.4 million in Q3 FY2017. Excluding the effect of disposal of GIT shares in Q3 FY2018 and Q3 FY2017, the gain on re-measurement of retained interest in GIT to fair value in Q3 FY2017 as well as the unrealised and realised foreign currency exchange difference recorded in Q3 FY2018 and Q3 FY2017, the adjusted net profit attributable to shareholders of RM38.7 million in Q3 FY2018 would have been 17% higher compared with the adjusted RM33.1 million recorded in Q3 FY2017.

**(a)(ii) INCOME STATEMENT REVIEW – Nine months period ended 31 March 2018 ("9M FY2018") vs Nine months period ended 31 March 2017 ("9M FY2017")**

**Overview**

In 9M FY2018, Group revenue decreased by 2% compared with the previous corresponding period and the Group achieved a net profit attributable to shareholders of RM93.4 million.

**Revenue**

**By Business Activities**

	1-7-17 to 31-3-18 Group	1-7-16 to 31-3-17 Group	Change
<b>Revenue</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
Software licensing	20,970,046	21,574,179	(3)
Software project services	25,170,530	20,978,899	20
Maintenance and enhancement services	281,990,221	300,342,168	(6)
Sale of software and hardware products	5,611,824	2,050,644	>100
Credit and cards processing	14,769,670	14,188,640	4
Insurance processing	22,599,969	21,489,512	5
	371,112,260	380,624,042	(2)

For 9M FY2018, Group revenue of RM371.1 million was 2% lower compared with 9M FY2017. The decrease in Group revenue was due to lower contributions from maintenance and enhancement services, partially offset with higher contributions from recurring insurance processing activities and all project related revenue segments with the exception of software licensing.

Revenue from maintenance and enhancement services decreased by 6% to RM282.0 million compared with RM300.3 million in 9M FY2017 mainly due to fewer large enhancement projects delivered in Malaysia, Philippines and Sri Lanka in 9M FY2018 as well as lower progressive revenue recognised from a few ongoing enhancement contracts delivered in Philippines, Sri Lanka and Ghana. A number of new and expanded enhancement projects will be undertaken in subsequent quarters.

The software project services segment of project related revenue has improved in 9M FY2018 with higher progressive revenue recognised from new and on-going implementation contracts secured in Thailand, Malaysia and Cambodia in 9M FY2018. Lower progressive software project services revenue recognised in 9M FY2017 was mainly due to the completion of a few ongoing implementation contracts in Vietnam, Malaysia and Indonesia.

Revenue from software licensing of RM21.0 million in 9M FY2018 was marginally lower than the RM21.6 million achieved in 9M FY2017 due to a higher value software licensing contract implemented in Malaysia in 9M FY2017, in addition to the progressive delivery of new and ongoing software licensing contracts in FY2017 and FY2018. Higher revenue contribution from the sale of software and hardware products in 9M FY2018 was due to the delivery of a major software and hardware sale in 9M FY2018 compared with only a few small sales delivered in 9M FY2017. Further revenue recognition from project related revenue segments are expected to take place in the subsequent quarters with the progressive delivery of ongoing and new software licensing and implementation contracts secured from new and existing customers in late FY2017 and FY2018.

Following the expansion of business activities into Thailand, Vietnam and Hong Kong as well as winning new customers in Malaysia, Philippines and Indonesia since FY2017, the recurrent revenue base of insurance processing was 5% higher in 9M FY2018 compared with 9M FY2017.

**Profitability**

The Group recorded a reduced gross profit of RM204.3 million in 9M FY2018 compared with RM219.2 million in 9M FY2017. The Group's gross profit margin of 55% in 9M FY2018 was lower compared with 58% in 9M FY2017 mainly due to lower margin achieved from the software project services segment.

Finance income increased to RM2.3 million in 9M FY2018 from RM1.4 million in 9M FY2017 due to higher deposits placement with financial institutions.

Other Income was markedly lower in 9M FY2018 compared with 9M FY2017 as 9M FY2017 recorded the pre-tax gain of RM477.7 million from disposal of 34.9 million shares in GIT and the pre-tax accounting gain of RM293.0 million from re-measurement of retained interest in GIT as available-for-sale financial assets at fair value upon the cessation of Group's significant influence over GIT and discontinued equity accounting method on 29 March 2017. The recognition of an accounting gain of RM18.8 million on dilution of interest in GIT in 9M FY2017, following GIT's issuance of new shares as part consideration for its acquisition has also contributed to higher Other Income in 9M FY2017.

Selling and distribution expenses were 9% higher at RM24.7 million in 9M FY2018 compared with RM22.7 million in 9M FY2017, reflecting increased marketing and research activities in 9M FY2018.

Compared with 9M FY2017, administrative expenses increased by 4% from RM76.2 million to RM79.2 million in 9M FY2018 due to higher professional fees incurred for the acquisition of SPEs and other potential investments as well as the recognition of a pre-tax loss on disposal of 2.0 million GIT shares in 9M FY2018. This was partially offset by lower charge on share awards granted pursuant to Silverlake Axis Ltd. Performance Share Plan in 9M FY2018.

The Group's share of loss of a joint venture and associates was RM2.0 million in 9M FY2018 compared with RM2.4 million in 9M FY2017. SHGH incurred some losses in 9M FY2018 compared with a profit contribution in 9M FY2017. No contribution was accounted for GIT in 9M FY2018 following the cessation of GIT as the Group's associate effective 29 March 2017.

With lower gross profit and Other Income as well as an increase in selling, distribution and administrative expenses, the Group recorded a profit before tax of RM103.7 million in 9M FY2018 compared with RM908.9 million in 9M FY2017.

Income tax expense decreased from RM95.6 million in 9M FY2017 to RM10.3 million in 9M FY2018 and the effective tax rate of 10% in 9M FY2018 was 1% lower than the 11% in 9M FY2017. Higher tax expense in 9M FY2017 was mainly due to the provision of deferred tax on capital gains associated with the remaining 41.6 million GIT shares available-for-sale in the subsequent quarters and the accruals of withholding tax on disposal of GIT shares. Excluding the effect of disposal and re-measurement of GIT shares as well as the reversal of deferred tax on unremitted earnings of GIT in Q3 FY2017, the effective tax rate remained unchanged at 10% in 9M FY2018 and 9M FY2017.

The Group reported a profit after tax attributable to shareholders of RM93.4 million in 9M FY2018 compared with RM813.3 million in 9M FY2017. Excluding the effect of disposal of shares in GIT in 9M FY2018 and 9M FY2017, gain on re-measurement of retained interest in GIT to fair value in 9M FY2017, net gain on dilution of interest in GIT arising from the issuance of new shares in 9M FY2017 as well as the unrealised and realised foreign currency exchange difference recorded in 9M FY2018 and 9M FY2017, the adjusted net profit attributable to shareholders of RM103.7 million in 9M FY2018 would have been 11% lower than the adjusted RM116.9 million achieved in 9M FY2017. The adjusted net profit margin of 28% achieved in 9M FY2018 was marginally lower than the 31% recorded in 9M FY2017.

## **(b) STATEMENTS OF FINANCIAL POSITION REVIEW**

### **Intangible assets**

The decrease in intangible assets from RM191.7 million as at 30 June 2017 to RM173.1 million as at 31 March 2018 was mainly due to the amortisation of intangible assets in 9M FY2018 and lower foreign currency translation on intangibles attributable to the depreciation of United States Dollar and Singapore Dollar against Ringgit Malaysia in Q3 FY2018 compared with Q4 FY2017.

### **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 2018 was RM21.0 million compared with RM11.3 million as at 30 June 2017 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**

This available-for-sale financial assets represents the retained equity interest in GIT. The 41.6 million shares were valued at RM280.3 million as at 30 June 2017. During Q3 FY2018, 2.0 million shares were disposed and the loss on disposal of RM2.8 million was recognised under Administrative Expenses in the consolidated income statement. The remaining 39.6 million shares were re-measured at RM263.4 million as at 31 March 2018, with RM9.4 million unrealised fair value gain recognised in Other Comprehensive Income.

### **Trade and other payables**

Trade and other payables decreased from RM66.3 million as at 30 June 2017 to RM59.3 million as at 31 March 2018 mainly due to the offset of an amount overpaid by a customer in FY2017 against billings in FY2018, waiver of debts by previous owner of a subsidiary and full settlement of an intangible purchased in FY2017.

### **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 RM57.0 million as at 30 June 2017 to RM68.3 million as at 31 March 2018 were due to higher maintenance fee billings in Q3 FY2018 as most maintenance contractual period commence from January to December.

### **Total current and non-current loans and borrowings**

Loans and borrowings decreased from RM90.9 million as at 30 June 2017 to RM2.6 million as at 31 March 2018 mainly due to full repayment of revolving credit during 9M FY2018.

### **Cash and bank balances**

Cash and bank balances decreased from RM720.7 million as at 30 June 2017 to RM288.5 million as at 31 March 2018 mainly due to cash outflow from financing activities of RM362.8 million for payment of dividends to shareholders, RM88.3 million for repayment of revolving credit and RM77.9 million for share buyback, partially offset by net cash inflow from operating activities of RM108.6 million. The Group is in the process of repatriating the sale proceeds from the disposal of GIT shares in Q3 FY2018 from China.

## **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.**

Enquiries and requests for proposals from existing and potential customers for core IT replacements and digital banking upgrades have resulted in the Group securing two substantial core banking IT projects in April 2018. The Group continues to actively engage new enquiries and in responding to these requests for proposals, the Group is working towards securing additional software projects in 2018. Based on the current order book for projects and their scheduled execution programme, the Group is expected to record an improvement in project related software licensing and software project services revenue from the second half of FY2018.

With the completion of acquisition of the three Silverlake Private Entities in April 2018, the Group has expanded its financial technology platform with the scope, scale and operating leverage necessary to effectively compete in an evolving market. In addition, the Group is constantly evaluating suitable companies for acquisition to further expand its portfolio of Fintech and Insuretech software products and services to address the growing demand for transformational digital banking and insurance offerings from its customers and strengthen its position as an innovation accelerator in the changing financial ecosystem.

**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 and Special	Second Interim and Special	Third Interim
Dividend Type	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.3 and Singapore cents 0.5 per ordinary share	Singapore cents 0.3 and Singapore cents 0.8 per ordinary share	Singapore cents 0.3 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 and Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	Singapore cents 0.5 per ordinary share	Singapore cents 0.7 per ordinary share	Singapore cents 0.7 and Singapore cents 1.3 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 0.3 per ordinary share. The interim dividend will be payable on 6 June 2018.

**(d) Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 24 May 2018 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 23 May 2018 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 23 May 2018 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 2018 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 period 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)
	1-7-17 to 31-3-18 RM	1-7-17 to 31-3-18 RM
Companies associated to Mr. Goh Peng Ooi ("Silverlake Entities")		
<b>- New IPT Mandate</b> <sup>(1)</sup>		
Revenue from Silverlake Entities	-	22,170,101
Service fees to Silverlake Entities	-	(29,540,642)
<b>- Non-Mandate Transactions</b> <sup>(2)</sup>		
Revenue from Silverlake Entities	439,686	-
Service fees to Silverlake Entities	(8,721)	-

<sup>(1)</sup> 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 New IPT Mandate is subject to annual renewal.

<sup>(2)</sup> The Non-Mandate revenue was mainly from provision of maintenance services between Silverlake Holdings Sdn. Bhd. and Silverlake Entities. The Non-Mandate service fee was mainly from procurement of credit and cards processing services between Silverlake Japan Ltd and Silverlake Entities.

## 18. Ageing for amounts owing from related parties

The ageing for amounts owing from related parties as at 31 March 2018 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 IPT Mandate:</u> -						
Silverlake Entities <sup>(1)</sup>	8,033,611	3,363,126	4,452,000	218,485	-	-
<u>Non-Mandate Transactions</u>						
Silverlake Entities	100,258	-	23,618	76,640	-	-
<u>Non-Trade Transactions</u>						
Silverlake Entities	131,585	101,848	29,737	-	-	-
<b>Grand Total</b>	<b>8,265,454</b>	<b>3,464,974</b>	<b>4,505,355</b>	<b>295,125</b>	-	-

(Note 2)

(Note 2)

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

<sup>(2)</sup> As at 14 May 2018, the amounts due from Silverlake Entities between 31-90 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 2018 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

14 May 2018