



**SILVERLAKE AXIS LTD.**  
(Company Registration No. 202133173M)  
(Registered in Singapore)

# **Condensed Consolidated Financial Statements for the six months and full year ended 30 June 2024**

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**A. Condensed Consolidated Income Statement**

	Note	Group					
		6 months ended 30 June			12 months ended 30 June		
		2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
<b>Revenue</b>	4	386,083,101	373,638,311	3	783,454,953	765,915,225	2
Cost of sales		(196,193,634)	(152,020,461)	29	(373,410,664)	(314,903,304)	19
<b>Gross profit</b>		189,889,467	221,617,850	(14)	410,044,289	451,011,921	(9)
<b>Other items of income</b>							
Finance income		8,490,972	7,263,337	17	16,662,746	11,746,754	42
Other income		2,974,964	1,421,645	109	4,832,856	3,383,782	43
<b>Other items of expenses</b>							
Selling and distribution costs		(46,165,045)	(27,263,008)	69	(73,633,526)	(50,258,324)	47
Administrative expenses		(103,121,147)	(96,163,325)	7	(190,631,643)	(177,016,356)	8
Finance costs		(3,958,258)	(4,569,512)	(13)	(8,440,900)	(8,351,752)	1
Share of loss of an associate		(701,067)	(610,989)	15	(1,224,703)	(954,267)	28
<b>Profit before tax</b>	5	47,409,886	101,695,998	(53)	157,609,119	229,561,758	(31)
Income tax expense	6	(31,556,917)	(31,131,830)	1	(52,432,758)	(59,282,715)	(12)
<b>Profit for the period/year</b>		15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
<b>Profit for the period/year attributable to:</b>							
Owners of the parent		14,704,958	70,273,008	(79)	103,349,387	169,591,931	(39)
Non-controlling interests		1,148,011	291,160	294	1,826,974	687,112	166
		15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
<b>Earnings per share attributable to the owners of the parent:</b>							
- Basic (sen)	7	0.59	2.80	(79)	4.11	6.76	(39)
- Diluted (sen)	7	0.59	2.80	(79)	4.11	6.76	(39)

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**B. Condensed Consolidated Statement of Comprehensive Income**

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
<b>Profit for the period/year</b>	15,852,969	70,564,168	(78)	105,176,361	170,279,043	(38)
<b>Other comprehensive income:</b>						
Items that may be reclassified to profit or loss in the subsequent periods:						
- Foreign currency translation gain	4,975,687	36,413,001	(86)	1,577,703	45,829,596	(97)
	4,975,687	36,413,001	(86)	1,577,703	45,829,596	(97)
Items that will not be reclassified to profit or loss in the subsequent periods:						
- Fair value (loss)/gain on financial assets - quoted equity shares	(69,903,050)	42,382,780	(265)	(62,734,868)	16,994,912	(469)
- Deferred tax relating to fair value loss/(gain) on financial assets - quoted equity shares	7,001,858	(4,170,178)	(268)	6,333,872	(1,650,306)	(484)
- Actuarial loss on defined benefit plans	(87,302)	(272,070)	(68)	(87,302)	(272,070)	(68)
- Deferred tax relating to actuarial loss on defined benefit plans	6,113	8,943	(32)	6,113	70,790	(91)
	(62,982,381)	37,949,475	(266)	(56,482,185)	15,143,326	(473)
Other comprehensive (loss)/income for the period/year, net of tax	(58,006,694)	74,362,476	(178)	(54,904,482)	60,972,922	(190)
<b>Total comprehensive (loss)/income for the period/year</b>	(42,153,725)	144,926,644	(129)	50,271,879	231,251,965	(78)
<b>Total comprehensive (loss)/income for the period/year attributable to:</b>						
Owners of the parent	(43,301,736)	144,635,484	(130)	48,444,905	230,564,853	(79)
Non-controlling interests	1,148,011	291,160	294	1,826,974	687,112	166
	(42,153,725)	144,926,644	(129)	50,271,879	231,251,965	(78)

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**C. Condensed Statements of Financial Position**

	Note	Group		Company	
		30 June 2024 RM	30 June 2023 RM	30 June 2024 RM	30 June 2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		11,084,905	11,713,163	21,401	29,648
Right-of-use assets		25,451,525	26,703,864	-	-
Intangible assets	8	426,402,989	409,304,299	-	-
Investments in subsidiaries	9	-	-	2,205,432,727	2,259,360,871
Investment in an associate	10	12,710,643	5,650,767	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	11	178,337,413	2,800,000	-	-
Amount due from a subsidiary		-	-	150,570,098	145,607,986
Deferred tax assets		45,144,335	49,984,324	-	-
		699,131,810	506,156,417	2,356,024,226	2,404,998,505
<b>Current assets</b>					
Inventories		886,005	399,155	-	-
Trade and other receivables	12	172,001,500	185,797,367	117,843	156,811
Contract assets	13	185,351,347	154,441,619	-	-
Prepayments		4,387,153	4,000,523	178,259	42,518
Dividend receivable		-	-	-	41,262,000
Amounts due from subsidiaries		-	-	168,818	93,954
Amounts due from related parties		21,238,508	7,747,946	-	-
Loans to subsidiaries		-	-	-	4,865,478
Tax recoverable		2,968,423	6,433,217	-	-
Financial assets at fair value through other comprehensive income - quoted equity shares	11	-	236,434,408	-	-
Financial assets at fair value through profit or loss - money market fund		7,844,763	27,544,302	-	-
Derivative asset	14	-	2,586	-	-
Cash and bank balances		497,222,962	504,249,343	88,349,137	120,155,839
		891,900,661	1,127,050,466	88,814,057	166,576,600
<b>Total assets</b>		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	16(a)	1,845,200,087	1,845,200,087	1,845,200,087	1,845,200,087
Treasury shares	16(c)	(193,093,213)	(196,600,677)	(193,093,213)	(196,600,677)
Other reserves	17	(57,842,297)	(1,967,926)	291,686,129	265,644,529
Merger deficit	18	(1,943,942,990)	(1,943,942,990)	-	-
Retained profits		1,484,854,267	1,433,502,822	378,540,099	498,095,391
<b>Equity attributable to owners of the parent</b>		1,135,175,854	1,136,191,316	2,322,333,102	2,412,339,330
Non-controlling interests		15,631,626	13,804,652	-	-
<b>Total equity</b>		1,150,807,480	1,149,995,968	2,322,333,102	2,412,339,330

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**C. Condensed Statements of Financial Position (cont'd)**

	Note	Group		Company	
		30 June 2024 RM	30 June 2023 RM	30 June 2024 RM	30 June 2023 RM
<b>EQUITY AND LIABILITIES (cont'd)</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	19	133,914,057	171,950,644	115,895,112	152,731,692
Deferred tax liabilities		23,093,054	44,130,441	-	-
Provision for defined benefit liabilities		13,900,749	13,763,331	-	-
		170,907,860	229,844,416	115,895,112	152,731,692
<b>Current liabilities</b>					
Trade and other payables		99,706,517	112,308,808	4,048,555	3,560,926
Contract liabilities	13	135,518,326	112,978,637	-	-
Loans and borrowings	19	8,224,167	7,561,360	-	-
Provision for defined benefit liabilities		567,388	-	-	-
Amounts due to subsidiaries		-	-	2,075,682	2,548,370
Amounts due to related parties		1,548,228	873,424	-	-
Tax payable		23,752,505	19,644,270	485,832	394,787
		269,317,131	253,366,499	6,610,069	6,504,083
<b>Total liabilities</b>		440,224,991	483,210,915	122,505,181	159,235,775
<b>Net current assets</b>		622,583,530	873,683,967	82,203,988	160,072,517
<b>Total equity and liabilities</b>		1,591,032,471	1,633,206,883	2,444,838,283	2,571,575,105

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**D. Condensed Statements of Changes in Equity**

		Attributable to owners of the parent							
		<----- Non-distributable ----->							
Group	Note	Share capital (Note 16(a)) RM	Treasury shares (Note 16(c)) RM	Other reserves (Note 17) RM	Merger deficit (Note 18) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
<b>2024</b>									
<b>At 1 July 2023</b>									
		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968
Profit for the year		-	-	-	-	103,349,387	103,349,387	1,826,974	105,176,361
Other comprehensive loss for the year		-	-	(54,823,293)	-	(81,189)	(54,904,482)	-	(54,904,482)
<b>Total comprehensive (loss)/income for the year</b>		-	-	(54,823,293)	-	103,268,198	48,444,905	1,826,974	50,271,879
<u>Transactions with owners</u>									
Purchase of treasury shares	16(c)	-	(144,218)	-	-	-	(144,218)	-	(144,218)
Grant of shares under Performance Share Plan	16(d)	-	-	2,600,604	-	-	2,600,604	-	2,600,604
Release of shares under Performance Share Plan	16(c)	-	3,651,682	(3,651,682)	-	-	-	-	-
Dividends on ordinary shares	20	-	-	-	-	(51,916,753)	(51,916,753)	-	(51,916,753)
<b>Total transactions with owners in their capacity as owners</b>		-	3,507,464	(1,051,078)	-	(51,916,753)	(49,460,367)	-	(49,460,367)
<b>At 30 June 2024</b>									
		1,845,200,087	(193,093,213)	(57,842,297)	(1,943,942,990)	1,484,854,267	1,135,175,854	15,631,626	1,150,807,480
<b>2023</b>									
<b>At 1 July 2022</b>									
		1,845,200,087	(197,775,703)	(63,103,242)	(1,943,942,990)	1,321,682,810	962,060,962	13,117,540	975,178,502
Profit for the year		-	-	-	-	169,591,931	169,591,931	687,112	170,279,043
Other comprehensive income/(loss) for the year		-	-	61,174,202	-	(201,280)	60,972,922	-	60,972,922
<b>Total comprehensive income for the year</b>		-	-	61,174,202	-	169,390,651	230,564,853	687,112	231,251,965
<u>Transactions with owners</u>									
Purchase of treasury shares	16(c)	-	(5,377,265)	-	-	-	(5,377,265)	-	(5,377,265)
Grant of shares under Performance Share Plan	16(d)	-	-	6,513,405	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	16(c)	-	6,552,291	(6,552,291)	-	-	-	-	-
Dividends on ordinary shares	20	-	-	-	-	(57,570,639)	(57,570,639)	-	(57,570,639)
<b>Total transactions with owners in their capacity as owners</b>		-	1,175,026	(38,886)	-	(57,570,639)	(56,434,499)	-	(56,434,499)
<b>At 30 June 2023</b>									
		1,845,200,087	(196,600,677)	(1,967,926)	(1,943,942,990)	1,433,502,822	1,136,191,316	13,804,652	1,149,995,968

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**D. Condensed Statements of Changes in Equity (cont'd)**

		Attributable to owners of the parent				
		Non-distributable				
Company	Note	Share capital (Note 16(a)) RM	Treasury shares (Note 16(c)) RM	Other reserves (Note 17) RM	Distributable retained profits RM	Total equity RM
<b>2024</b>						
<b>At 1 July 2023</b>		1,845,200,087	(196,600,677)	265,644,529	498,095,391	2,412,339,330
Loss for the year		-	-	-	(67,638,539)	(67,638,539)
Other comprehensive income for the year		-	-	27,092,678	-	27,092,678
<b>Total comprehensive income/(loss) for the year</b>		-	-	27,092,678	(67,638,539)	(40,545,861)
<u>Transactions with owners</u>						
Purchase of treasury shares	16(c)	-	(144,218)	-	-	(144,218)
Grant of shares under Performance Share Plan	16(d)	-	-	2,600,604	-	2,600,604
Release of shares under Performance Share Plan	16(c)	-	3,651,682	(3,651,682)	-	-
Dividends on ordinary shares	20	-	-	-	(51,916,753)	(51,916,753)
<b>Total transactions with owners in their capacity as owners</b>		-	3,507,464	(1,051,078)	(51,916,753)	(49,460,367)
<b>At 30 June 2024</b>		1,845,200,087	(193,093,213)	291,686,129	378,540,099	2,322,333,102
<b>2023</b>						
<b>At 1 July 2022</b>		1,845,200,087	(197,775,703)	67,357,946	549,240,210	2,264,022,540
Profit for the year		-	-	-	6,425,820	6,425,820
Other comprehensive income for the year		-	-	198,325,469	-	198,325,469
<b>Total comprehensive income for the year</b>		-	-	198,325,469	6,425,820	204,751,289
<u>Transactions with owners</u>						
Purchase of treasury shares	16(c)	-	(5,377,265)	-	-	(5,377,265)
Grant of shares under Performance Share Plan	16(d)	-	-	6,513,405	-	6,513,405
Release of shares under Performance Share Plan	16(c)	-	6,552,291	(6,552,291)	-	-
Dividends on ordinary shares	20	-	-	-	(57,570,639)	(57,570,639)
<b>Total transactions with owners in their capacity as owners</b>		-	1,175,026	(38,886)	(57,570,639)	(56,434,499)
<b>At 30 June 2023</b>		1,845,200,087	(196,600,677)	265,644,529	498,095,391	2,412,339,330

**SILVERLAKE AXIS LTD.**

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**E. Condensed Consolidated Statement of Cash Flows**

	Note	Group	
		12 months ended 30 June	
		2024 RM	2023 RM
<b>Operating activities:</b>			
Profit before tax		157,609,119	229,561,758
<b>Adjustments for:</b>			
Amortisation of intangible assets	5	28,762,185	27,253,208
Write off of intangible assets		557,200	-
Depreciation of property, plant and equipment		3,951,405	3,597,195
Depreciation of right-of-use assets		9,220,769	8,549,998
Write off of property, plant and equipment		116,754	28,943
Net (gain)/loss on disposal of property, plant and equipment		(2,364)	38,647
Net gain on disposal of right-of-use assets		(1,526)	(103,490)
Net gain on lease modifications		-	(173,984)
Bad debts written off		277,608	73,007
Expected credit losses on trade receivables		2,490,265	1,948,852
Expected credit losses on contract assets		1,595,365	-
Reversal of expected credit losses on trade receivables		(561,258)	(289,316)
Reversal of expected credit losses on contract assets		-	(150,382)
Provision/(reversal of provision) for foreseeable losses		644,262	(508,068)
Dividend income from financial assets - quoted equity shares		(21,000)	(63,000)
Net gain on redemption of financial assets - money market fund		(188,364)	(861,177)
Net unrealised foreign currency exchange loss		2,459,197	3,231,581
Loss on derivative asset at fair value through profit or loss		-	1,176,968
Performance shares issued		2,556,090	6,595,272
Waiver of debts		(106,355)	(108,112)
Allowance for unutilised leave		2,242,534	1,853,268
Defined benefit obligation		1,465,978	590,497
Share of loss of an associate		1,224,703	954,267
Finance costs		8,440,900	8,351,752
Finance income		(16,662,746)	(11,746,754)
<b>Total adjustments</b>		<b>48,461,602</b>	<b>50,239,172</b>
<b>Operating cash flows before changes in working capital</b>		<b>206,070,721</b>	<b>279,800,930</b>
<b>Changes in working capital:</b>			
Inventories		(468,803)	21,124
Trade and other receivables		9,403,944	(56,439,341)
Contract assets/liabilities		(42,032,825)	(95,887,698)
Amounts due from/to related parties, net		(12,835,949)	9,621,422
Trade and other payables		9,767,508	(9,764,967)
<b>Total changes in working capital</b>		<b>(36,166,125)</b>	<b>(152,449,460)</b>
<b>Cash flows from operations</b>		<b>169,904,596</b>	<b>127,351,470</b>
Net placement of deposits pledged		(3,135,572)	(414,937)
Defined benefits paid		(415,686)	(89,886)
Income tax paid		(50,311,422)	(46,142,514)
Interest paid		(8,544,619)	(8,086,832)
<b>Net cash flows from operating activities</b>		<b>107,497,297</b>	<b>72,617,301</b>



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**E. Condensed Consolidated Statement of Cash Flows (cont'd)**

	Note	Group	
		12 months ended 30 June	
		2024 RM	2023 RM
<b>Investing activities:</b>			
Purchases of property, plant and equipment		(3,465,400)	(5,121,089)
Downpayment for hire purchase assets		(87,400)	(46,401)
Payments for software development expenditure		(44,933,150)	(78,110,516)
Payments for other intangible assets		(648,854)	(2,131,855)
Proceeds from disposal of property, plant and equipment		6,261	152,191
Proceeds from disposal of right-of-use assets		2,234	275,314
Proceeds from redemption of financial assets - money market fund		19,907,903	27,976,424
Investment in an associate		(8,209,008)	-
Purchases of financial assets - money market fund		(20,000)	-
Interest received		15,802,212	11,209,177
Dividend income received from financial assets - quoted equity shares		21,000	63,000
<b>Net cash flows used in investing activities</b>		<b>(21,624,202)</b>	<b>(45,733,755)</b>
<b>Financing activities:</b>			
Dividends paid	20	(51,916,753)	(57,570,639)
Purchase of treasury shares		(144,218)	(5,377,265)
Repayment of revolving credit and term loan		(38,546,713)	(36,582,936)
Payment of principal portion of lease liabilities		(8,424,651)	(8,265,745)
<b>Net cash flows used in financing activities</b>		<b>(99,032,335)</b>	<b>(107,796,585)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(13,159,240)</b>	<b>(80,913,039)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>2,983,823</b>	<b>26,687,864</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>494,709,601</b>	<b>548,934,776</b>
<b>Cash and cash equivalents at end of the year</b>		<b>484,534,184</b>	<b>494,709,601</b>

	Group	
	12 months ended 30 June	
	2024 RM	2023 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	497,222,962	504,249,343
Less: Pledged deposits	(12,688,778)	(9,539,742)
<b>Cash and cash equivalents at end of the year</b>	<b>484,534,184</b>	<b>494,709,601</b>

## **F. Notes to the Condensed Consolidated Financial Statements**

### **1. Corporate information**

Silverlake Axis Ltd. (the Company) was an exempt company with limited liability and incorporated in Bermuda. On 23 September 2021, the Company transferred its domicile from Bermuda to Singapore and it is now registered in Singapore.

The Company regards Zezz FundQ Pte. Ltd. ("Zezz"), an exempt private company incorporated in Singapore, as its holding company.

The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST).

On 14 November 2023, the registered office of the Company was relocated to 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 of the last annual financial statements for the year ended 30 June 2023. There have been no significant changes in the nature of these activities during the financial year.

### **2. Basis of preparation**

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") issued by Accounting Standards Council Singapore ("ASC"). SFRS(I)s are equivalent to International Financial Reporting Standards ("IFRSs").

The condensed financial statements for the full year ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the ASC. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies and methods of computation adopted in the condensed financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 30 June 2023, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Ringgit Malaysia ("RM").

#### **2.1 New and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to SFRS(I) which are effective 1 July 2023 for the Group and the Company:

SFRS(I) 17: Insurance Contracts  
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates  
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies  
Amendments to SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules  
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 - Comparative Information

The adoption of the above amendments to standards did not have any significant effect on the financial performance or position of the Group and of the Company, except for:

#### **Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies**

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**2. Basis of preparation (cont'd)**

**2.2 Standards issued but not yet effective**

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 SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group intends to adopt these standards when they become effective. The directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements.

**2.3 Use of estimates and judgements**

The preparation of the Group's condensed consolidated financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. These judgements, estimates and assumptions made were the same as those that applied to the audited consolidated financial statements as at 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

**(a) Measurement of progress towards complete satisfaction of software project services (professional services)**

The Group uses the input method in measuring progress towards complete satisfaction of software project services (professional services) in accounting for its contract revenue for rendering of these services where it is probable that contract costs are recoverable. The progress towards complete satisfaction of software project services (professional services) is determined by the proportion that the contract costs incurred to date bear to the estimated total costs for the contract.

Significant judgement is required in determining the progress towards complete satisfaction of software project services (professional services), the extent of the contract costs incurred and the estimated total contract costs, as well as the recoverability of the contract costs. In making the estimation, the Group evaluates based on its past experience of similar types of contracts.

**(b) Capitalisation and economic useful lives of software development expenditure**

The Group capitalised costs relating to the development and enhancement of its new and existing software respectively, upon meeting the criteria for capitalisation as disclosed in Note 2.4(n)(i) of the last annual financial statements for the year ended 30 June 2023. Amortisation of the software begins when development is complete and the software is available for use over the period of expected future benefit (to the maximum of 10 years). The Group reviews the economic useful lives of the software at least once a year. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

## **F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

### **2. Basis of preparation (cont'd)**

#### **2.3 Use of estimates and judgements (cont'd)**

##### **(c) Impairment of goodwill**

The recoverable amounts of the cash-generating units ("CGUs") have been determined based on value in use calculations using projected cash flows from financial budgets approved by management covering a five-year period and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The Group tests goodwill for impairment by assessing the value in use of the underlying CGU. No further impairment loss on goodwill has been recognised in the current and previous financial years.

##### **(d) Impairment of investments in subsidiaries**

The Company assesses, at each reporting date, whether there is an indication that the investments in subsidiaries may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of the Company's investments in subsidiaries as at 30 June 2024 is disclosed in Note 9.

##### **(e) Provision for expected credit losses ("ECLs") of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. If forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated with the changes in the forward-looking estimates.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs require estimation. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amounts of the Group's trade receivables and contract assets as at 30 June 2024 are disclosed in Note 12 and Note 13 respectively.

##### **(f) Income tax and deferred tax**

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the written-down allowance of intellectual property rights, capital and other tax allowances, and deductibility of certain expenses during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimation of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unutilised tax losses and other tax benefits to the extent that it is probable that taxable profit will be available against which the losses and tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****4. Revenue**

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
<b>Sale of goods or rendering of services</b>						
Software licensing	23,696,085	17,917,670	32	50,173,247	73,913,899	(32)
Software project services (professional services)	47,911,311	61,074,173	(22)	111,812,645	102,014,974	10
Maintenance and enhancement services	274,854,688	263,323,622	4	542,724,757	513,111,353	6
Sale of system software and hardware products	5,672,804	3,348,616	69	13,820,297	20,630,038	(33)
Insurance ecosystem transactions and services	31,198,820	25,920,864	20	59,775,793	52,260,628	14
Retail transactions processing	2,749,393	2,053,366	34	5,148,214	3,984,333	29
<b>Total revenue from contracts with customers</b>	<b>386,083,101</b>	<b>373,638,311</b>	<b>3</b>	<b>783,454,953</b>	<b>765,915,225</b>	<b>2</b>

A breakdown of revenue is presented as follows:

	Group		
	Financial year ended		
	2024 RM	2023 RM	Change %
Revenue reported for the first half of the financial year	397,371,852	392,276,914	1
Operating profit after tax before deducting non-controlling interests reported for the first half of the financial year	89,323,392	99,714,875	(10)
Revenue reported for the second half of the financial year	386,083,101	373,638,311	3
Operating profit after tax before deducting non-controlling interests reported for the second half of the financial year	15,852,969	70,564,168	(78)

**5. Profit before tax**

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

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Amortisation of intangible assets	(14,259,149)	(13,880,630)	3	(28,762,185)	(27,253,208)	6
Write off of intangible assets	(557,200)	-	N/M	(557,200)	-	N/M
Depreciation of property, plant and equipment	(1,976,511)	(1,818,791)	9	(3,951,405)	(3,597,195)	10
Depreciation of right-of-use assets	(4,669,419)	(4,394,469)	6	(9,220,769)	(8,549,998)	8
Write off of property, plant and equipment	(99,520)	(28,943)	244	(116,754)	(28,943)	303
Net gain**/(loss)* on disposal of property, plant and equipment	854	597	43	2,364	(38,647)	(106)
Net gain on disposal of right-of-use assets	1,526	103,490	(99)	1,526	103,490	(99)
Net gain on lease modifications	-	66,828	(100)	-	173,984	(100)
Bad debts written off*	(262,044)	(69,557)	277	(277,608)	(73,007)	280
Expected credit losses on trade receivables*	(2,490,265)	(1,948,852)	28	(2,490,265)	(1,948,852)	28
Expected credit losses on contract assets*	(1,595,365)	-	N/M	(1,595,365)	-	N/M
Reversal of expected credit losses on trade receivables**	547,628	141,588	287	561,258	289,316	94
Reversal of expected credit losses on contract assets**	-	150,382	(100)	-	150,382	(100)
(Provision)/reversal of provision for foreseeable losses	(771,910)	44,553	(1833)	(644,262)	508,068	(227)

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****5. Profit before tax (cont'd)**

Profit before tax is arrived at after (charging)/crediting: (cont'd)

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Dividend income from financial assets						
- quoted equity shares**	-	21,000	(100)	21,000	63,000	(67)
Net gain on redemption of financial assets						
- money market fund	135,182	408,147	(67)	188,364	861,177	(78)
Net foreign currency exchange gain**/loss*:						
- Realised	2,854,886	2,213,781	29	1,518,853	(1,179,717)	(229)
- Unrealised	(1,079,062)	(2,814,303)	(62)	(2,459,197)	(3,231,581)	(24)
Loss on derivative asset at fair value through profit or loss*	-	(1,176,968)	(100)	-	(1,176,968)	(100)
Performance shares issued	-	-	N/M	(2,556,090)	(6,595,272)	(61)
Waiver of debts**	72,450	108,112	(33)	106,355	108,112	(2)
Allowance for unutilised leave	(2,178,074)	(4,785,999)	(54)	(2,242,534)	(1,853,268)	21
Adjustments for under provision of tax in respect of prior years	(256,482)	(1,021,419)	(75)	(257,112)	(478,604)	(46)

\* Included in other operating expenses

\*\* Included in other operating income

N/M = Not Meaningful

**6. Income tax expense**

	Group					
	6 months ended 30 June			12 months ended 30 June		
	2024 RM	2023 RM	Change %	2024 RM	2023 RM	Change %
Current income tax	32,725,227	28,558,372	15	57,704,098	51,242,597	13
Deferred tax	(6,138,691)	2,573,458	(339)	(10,241,721)	8,040,118	(227)
Foreign and withholding tax	4,970,381	-	N/M	4,970,381	-	N/M
<b>Total income tax expense</b>	<b>31,556,917</b>	<b>31,131,830</b>	<b>1</b>	<b>52,432,758</b>	<b>59,282,715</b>	<b>(12)</b>

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**7. Earnings per share**

	<b>Group</b>			
	<b>6 months ended 30 June</b>		<b>12 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit net of tax attributable to owners of the parent (RM)	14,704,958	70,273,008	103,349,387	169,591,931
Weighted average number of ordinary shares for basic earnings per share computation *	2,512,804,236	2,510,047,364	2,512,804,236	2,510,047,364
Basic earnings per share (RM sen)	0.59	2.80	4.11	6.76
Weighted average number of ordinary shares for diluted earnings per share computation	2,512,804,236	2,510,047,364	2,512,804,236	2,510,047,364
Diluted earnings per share (RM sen)	0.59	2.80	4.11	6.76

\* The weighted average number of shares has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial year.

**8. Intangible assets**

	<b>Group</b>	
	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
	<b>RM</b>	<b>RM</b>
Software development expenditure	250,722,864	226,886,173
Purchased software	3,569,424	4,515,491
Proprietary software	14,305,111	18,170,624
Customer relationship	5,643,159	7,989,123
Goodwill	152,162,431	151,742,888
<b>Net carrying amount</b>	<b>426,402,989</b>	<b>409,304,299</b>

**9. Investments in subsidiaries**

	<b>Company</b>	
	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
	<b>RM</b>	<b>RM</b>
<b>Shares at cost, unquoted</b>		
At beginning of the year	2,585,511,074	2,411,130,014
Disposal of subsidiaries	-	(108,337,291)
Contribution to subsidiaries arising from:		
- Internal restructuring	-	71,036,370
- Performance Share Plan granted to key management personnel	-	651,340
Currency translation differences	29,603,905	211,030,641
At end of the year	<b>2,615,114,979</b>	<b>2,585,511,074</b>
<b>Accumulated impairment losses</b>		
At beginning of the year	326,150,203	299,591,513
Impairment loss for the year	79,790,832	-
Currency translation differences	3,741,217	26,558,690
At end of the year	<b>409,682,252</b>	<b>326,150,203</b>
<b>Net carrying amount</b>	<b>2,205,432,727</b>	<b>2,259,360,871</b>

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****9. Investments in subsidiaries (cont'd)****Contribution to subsidiaries in financial year ended 30 June 2023****(i) Internal restructuring**

As part of the internal restructuring, the Company has transferred its investments in Merimen Ventures Sdn. Bhd. ("MVSB") and Cyber Village Sdn. Bhd. ("CVSB") to Fermion Pte. Ltd. ("FPL") in the previous financial year at a consideration mutually agreed by both parties ("Disposal"). FPL is an investment holding company incorporated to support the Group's business expansion for Fermion Insurtech ecosystem.

As a result of the Group's internal restructuring, the Company recognised a resultant loss on Disposal of RM38,157,427 in the income statement and contributed RM71,036,370 in assets to FPL for the financial year ended 30 June 2023.

The internal restructuring which involved the transfer of subsidiaries within the Group did not have any impact to the financial performance and position of the Group.

**(ii) Performance Share Plan**

In the previous financial year, the Company contributed RM651,340 to a subsidiary as a result of the shares granted and released to a key management personnel pursuant to the Silverlake Axis Ltd. Performance Share Plan (Note 16(d)(ii)).

**Impairment testing of investments in subsidiaries**

During the financial year, management performed an impairment test on investments in subsidiaries with indications of impairment. The carrying value of the Company's investments in subsidiaries has been tested for impairment by discounting the total estimated future cash flows of the subsidiaries' business using long-term growth rate ranging from 2% to 3% (FY2023: 2% to 3%) and discount rate ranging from 11% to 15% (FY2023: 11% to 16%), varying in accordance to country and industry, taking into consideration the nature and basis for valuation adjustments and calculations. Based on the assessment, an impairment loss of RM79,790,832 (FY2023: Nil) was recognised during the financial year to write down the carrying amount of an investment in subsidiary to its recoverable amount in the Company's statement of financial position.

**10. Investment in an associate**

	<b>Group</b>	
	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<b>Shares at cost, unquoted</b>		
At beginning of the year	5,650,767	6,118,674
Addition by way of:		
- Cash	8,209,008	-
- Transfer from derivative asset upon exercised call option	2,612	-
Share of loss for the year	(1,224,703)	(954,267)
Currency translation differences	72,959	486,360
At end of the year	<u>12,710,643</u>	<u>5,650,767</u>

On 21 January 2022, a subsidiary of the Company, Fermion Pte. Ltd. ("FPL"), entered into a share subscription and purchase agreement ("Share Subscription Agreement") with Ancileo Pte. Ltd. ("Ancileo") and original founder in relation to the subscription and acquisition of shares in the issued and paid-up capital of Ancileo, representing 38.05% equity interest in Ancileo.

Ancileo is a private company limited by shares incorporated and principally operating in Singapore, which principally engaged in the provision of software technology for the insurance ecosystem, including technology solutions to enable digital partnerships between insurers and their distribution partners.

On 30 June 2022, the parties entered into a Supplemental Agreement where FPL:

- executed and completed the first tranche acquisition of 21.68% equity interest in Ancileo for a cash consideration of SGD1,937,209 (equivalent of RM6,118,674) ("First Tranche Acquisition"); and
- was granted by the vendors a right to a call option to acquire the remaining 16.37% equity interest in Ancileo for a cash consideration of SGD2,362,984 upon satisfaction of the conditions stipulated in the Supplemental Agreement (i.e. Second Tranche Acquisition).

Following the completion of the First Tranche Acquisition on 30 June 2022, Ancileo became an associate of the Group.



**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**10. Investment in an associate (cont'd)**

The Group's investment in an associate is accounted for using the equity method in the consolidated financial statements.

On 3 October 2023, FPL exercised the call option to acquire the remaining 16.37% equity interest in Ancileo with a cash consideration of SGD2,362,984 (equivalent of RM8,209,008). Consequently, the derivative asset which represent the fair value of the call option recognised as at 30 June 2023 (Note 14) has been derecognised with an adjustment to the cost of investment in an associate in the current financial year.

**11. Financial assets at fair value through other comprehensive income - quoted equity shares**

	<b>Group</b>	
	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<b>Shares at fair value, quoted</b>		
At beginning of the year	239,234,408	207,895,863
Subsequent fair value (loss)/gain through other comprehensive income	(62,734,868)	16,994,912
Currency translation differences	1,837,873	14,343,633
At end of the year	<u>178,337,413</u>	<u>239,234,408</u>
<i>Presented as:</i>		
Current	-	236,434,408
Non-current	178,337,413	2,800,000
	<u>178,337,413</u>	<u>239,234,408</u>

At the reporting date, these represent investment in equity interest in Global InfoTech Co. Ltd. and an investment held by a subsidiary in DynaFront Holdings Berhad which have been measured at fair value. The fair values are derived based on Level 1 valuation input under the fair value hierarchy.

**12. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<b>Trade receivables</b>				
Third parties	171,547,175	182,909,280	-	-
Less: Expected credit losses	(10,918,232)	(9,145,593)	-	-
<b>Net trade receivables</b>	<u>160,628,943</u>	<u>173,763,687</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>				
Sundry receivables	7,340,201	8,158,435	117,843	156,811
Deposits	4,032,356	3,875,245	-	-
	<u>11,372,557</u>	<u>12,033,680</u>	<u>117,843</u>	<u>156,811</u>
<b>Total trade and other receivables</b>	<u>172,001,500</u>	<u>185,797,367</u>	<u>117,843</u>	<u>156,811</u>

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****13. Contract assets/(liabilities)**

	<b>Group</b>	
	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
<b>Contract assets</b>		
Amounts due from customers for contract work-in-progress	159,890,690	126,661,624
Advance maintenance costs	13,072,399	11,828,180
Prepaid license and hardware costs	14,400,862	16,368,588
	<b>187,363,951</b>	<b>154,858,392</b>
Less: Expected credit losses	(2,012,604)	(416,773)
<b>Net contract assets</b>	<b>185,351,347</b>	<b>154,441,619</b>
<b>Contract liabilities</b>		
Amounts due to customers for contract work-in-progress	(24,967,938)	(16,179,439)
Advance maintenance fees	(99,050,041)	(87,134,562)
Deferred revenue	(11,500,347)	(9,664,636)
	<b>(135,518,326)</b>	<b>(112,978,637)</b>

Contract assets include amounts due from customers for contract work-in-progress, which are initially recognised for revenue earned from project implementation services and enhancement services as the timing of billing may not coincide with service rendered. Upon acceptance of work progress by the customer and issuance of billing to customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets also include advance maintenance costs where billings are received or payments are made in advance for which the maintenance costs will be recognised over the contractual period, as well as prepaid costs where the costs will be recognised when the goods are received from the suppliers or upon sale of licenses or expiry.

Contract liabilities include amounts due to customers for contract work-in-progress where billings have been issued to or amounts collected from customers for work yet to be performed, maintenance fees billed in advance for which revenue will be recognised over the contractual period, as well as deferred revenue where transaction price is allocated to unexpired free man-days and options for the customers to acquire additional goods or services at discounts.

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**14. Derivative asset**

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
Financial asset at fair value	-	2,586

This represents the fair value of call option in connection with the Second Tranche Acquisition of Ancileo Pte. Ltd. as disclosed in Note 10, accounted for as a derivative asset in accordance with SFRS(I) 9 Financial Instruments.

During the financial year, the call option has been exercised by Fermion Pte. Ltd. and the derivative asset was derecognised with an adjustment to the cost of investment in an associate in the current financial year.

**15. Net asset value**

	Group		Company	
	As at 30 June 2024 sen	As at 30 June 2023 sen	As at 30 June 2024 sen	As at 30 June 2023 sen
Net asset value per ordinary share *	45.14	45.23	92.35	96.04

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

**16. Share capital, treasury shares and performance share plan**

**(a) Ordinary share capital issued and fully paid**

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024 RM	As at 30 June 2023 RM
At beginning and end of the year	2,696,472,800	2,696,472,800	1,845,200,087	1,845,200,087

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

**(b) Total number of issued shares excluding treasury shares**

	Group and Company	
	As at 30 June 2024	As at 30 June 2023
Total number of issued shares	2,696,472,800	2,696,472,800
Less: Treasury shares	(181,715,441)	(184,631,179)
Total number of issued shares excluding treasury shares	2,514,757,359	2,511,841,621

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**16. Share capital, treasury shares and performance share plan (cont'd)**

**(c) Treasury shares**

	<b>Group and Company</b>	
	<b>Number of treasury shares</b>	<b>RM</b>
At 1 July 2022	186,132,479	197,775,703
Purchase of treasury shares	4,498,700	5,377,265
Release of treasury shares pursuant to Performance Share Plan	(6,000,000)	(6,552,291)
At 30 June 2023	184,631,179	196,600,677
At 1 July 2023	184,631,179	196,600,677
Purchase of treasury shares	150,000	144,218
Release of treasury shares pursuant to Performance Share Plan	(3,065,738)	(3,651,682)
At 30 June 2024	181,715,441	193,093,213

Treasury shares relate to ordinary shares of the Company that are held by the Company.

**Purchase of treasury shares**

During the financial year, the Company purchased 150,000 (FY2023: 4,498,700) shares pursuant to the share purchase mandate approved by shareholders on 26 October 2023 (FY2023: 27 October 2022). These shares were acquired by way of market acquisition for a total consideration of RM144,218 (FY2023: RM5,377,265).

The percentage of treasury shares over total ordinary shares net of treasury shares amounts to 7.2% (FY2023: 7.4%).

**(d) Performance share plan ("PSP")**

	<b>Group and Company</b>	
	<b>As at 30 June 2024 RM</b>	<b>As at 30 June 2023 RM</b>
At beginning of the year	-	-
Grant of PSP	2,600,604	6,513,405
Release of PSP	(2,600,604)	(6,513,405)
At end of the year	-	-

**(i) PSP shares granted to Group Chief Executive Officer**

On 26 February 2024, 3,065,738 (FY2023: 5,400,000) PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.240 (FY2023: SGD0.335) per share at grant date, amounted to RM2,600,604 (FY2023: RM5,862,065) to the Group Chief Executive Officer (FY2023: Group Managing Director), Andrew Tan Teik Wei, in recognition of his service and contribution to the Group for the financial year ended 30 June 2023 (FY2023: 30 June 2022).

**(ii) PSP shares granted to key management personnel**

On 28 February 2023, 600,000 PSP shares were awarded and released from the Company's existing treasury shares at the market price of SGD0.335 per share at grant date, amounted to RM651,340 to a key management personnel, in recognition of her service and contribution to the Group for the financial year ended 30 June 2022.

The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

During the financial year, the deficit on reissuance of treasury shares of RM1,051,078 (FY2023: RM38,886) was recognised in the loss on reissuance of treasury shares reserve.

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****17. Other reserves**

	Group		Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM	As at 30 June 2024 RM	As at 30 June 2023 RM
Foreign currency translation reserve	95,958,773	94,381,070	293,204,862	266,112,184
Capital reserve	466,828	466,828	-	-
Statutory reserve	141,159	141,159	-	-
Fair value reserve of financial assets at FVOCI	(152,890,324)	(96,489,328)	-	-
Loss on reissuance of treasury shares	(1,518,733)	(467,655)	(1,518,733)	(467,655)
	(57,842,297)	(1,967,926)	291,686,129	265,644,529

These reserves are not available for dividend distribution to shareholders.

**18. Merger deficit**

	Group	
	As at 30 June 2024 RM	As at 30 June 2023 RM
At beginning and end of the year	1,943,942,990	1,943,942,990

The merger deficit represents the excess of nominal value of the shares issued by the Company over the book value of the assets and liabilities of the acquired subsidiaries, accounted for using the pooling of interest method.

The above reserve is not available for dividend distribution to shareholders.

**19. Loans and borrowings**

	Group		Company	
	As at 30 June 2024 RM	As at 30 June 2023 RM	As at 30 June 2024 RM	As at 30 June 2023 RM
<b>Amount repayable in one year or less, or on demand</b>				
- Secured	390,985	267,361	-	-
- Unsecured	7,833,182	7,293,999	-	-
	8,224,167	7,561,360	-	-
<b>Amount repayable after one year</b>				
- Secured	685,282	798,563	-	-
- Unsecured	133,228,775	171,152,081	115,895,112	152,731,692
	133,914,057	171,950,644	115,895,112	152,731,692

**(a) Secured**Details of any collaterals

The secured facilities of the Group comprise finance leases.

The finance leases are secured by certain right-of-use assets of the Group with a total net carrying amount of RM1,322,646 as at 30 June 2024 (RM1,634,832 as at 30 June 2023).

**(b) Unsecured**

The unsecured facilities of the Group comprise lease liabilities and revolving credit facilities (committed and uncommitted).

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**20. Dividends**

	<b>Group and Company</b>			
	<b>As at 30 June 2024</b>		<b>As at 30 June 2023</b>	
	<b>Dividend per share SGD/RM</b>	<b>Amount of dividend RM</b>	<b>Dividend per share SGD/RM</b>	<b>Amount of dividend RM</b>
<b>Declared and paid/payable during the financial year:</b>				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2023/2022:				
- Final dividend paid per share, tax exempt (1-tier)	0.0060 / 0.0210	<u>51,916,753</u>	0.0070 / 0.0230	<u>57,570,639</u>
<b>Proposed but not recognised as a liability as at 30 June:</b>				
Final dividend on ordinary shares, subject to shareholders' approval at the Annual General Meeting	0.0036 / 0.0130	<u>31,486,774</u>	0.0060 / 0.0210	<u>51,821,804</u>

**21. Significant related party transactions**

The Group has the following significant related party transactions between the Group and the related parties, who are not members of the Group, which took place on terms agreed between the parties during the financial year:

	<b>Group</b>	
	<b>12 months ended 30 June</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Sale of goods and rendering of services to related parties:		
- Software licensing	9,034,906	597,780
- Software project services (professional services)	17,436,762	12,774,179
- Maintenance and enhancement services	72,270,905	58,838,318
- Sale of system software and hardware products	4,114,372	12,008,586
Service fees paid to related parties	6,240,815	4,740,698
Administrative expenses paid to related parties	643,662	767,307
Data centre and infrastructure support expenses paid to related parties	4,302,452	3,057,488
Other costs reimbursed from related parties	30,517	26,239
Rental paid to related parties	232,677	153,664
Rental paid by related parties	226,533	214,775
Interest income from a related party	-	168
Purchase of property, plant and equipment from related parties	-	152,152
Purchase of intangible assets from a related party	-	31,000

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**22. Fair values of financial instruments**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial years.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	<b>Group</b>			<b>Total RM</b>
	<b>Fair value measurements using Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	
<b>Assets and liabilities measured at fair value</b>				
<b>As at 30 June 2024</b>				
<b>Financial assets:</b>				
<u>Non-current asset</u>				
Financial assets at fair value through other comprehensive income - quoted equity shares	178,337,413	-	-	178,337,413
<u>Current asset</u>				
Financial assets at fair value through profit or loss - money market fund	-	7,844,763	-	7,844,763
<b>Financial assets as at 30 June 2024</b>	<b>178,337,413</b>	<b>7,844,763</b>	<b>-</b>	<b>186,182,176</b>
<b>As at 30 June 2023</b>				
<b>Financial assets:</b>				
<u>Non-current asset</u>				
Financial assets at fair value through other comprehensive income - quoted equity shares	2,800,000	-	-	2,800,000
<u>Current assets</u>				
Financial assets at fair value through other comprehensive income - quoted equity shares	236,434,408	-	-	236,434,408
Financial assets at fair value through profit or loss - money market fund	-	27,544,302	-	27,544,302
Derivative asset	-	-	2,586	2,586
<b>Financial assets as at 30 June 2023</b>	<b>236,434,408</b>	<b>27,544,302</b>	<b>2,586</b>	<b>263,981,296</b>
	<b>239,234,408</b>	<b>27,544,302</b>	<b>2,586</b>	<b>266,781,296</b>

There is no financial asset of the Company and no financial liability of the Group and of the Company measured at fair value at the current and previous reporting dates.

**F. Notes to the Condensed Consolidated Financial Statements (cont'd)**

**23. Segment information**

For management purposes, the Group is organised into segments as follows:

Operating and non-operating segments

- (i) Software licensing – provision of digital economy propositions and enterprise solutions to banks and corporations engaged in banking, insurance, government, retail, payment and logistics industries.
- (ii) Software project services (professional services) – provision of software customisation and implementation services to deliver end-to-end core banking, payment, retail, digital identity and security software solutions.
- (iii) Maintenance and enhancement services – provision of round-the-clock software maintenance support and software enhancement services.
- (iv) Sale of system software and hardware products – sale of system software and hardware products to meet clients' software and hardware needs.
- (v) Insurance ecosystem transactions and services – provision of cloud computing Software-as-a-Service collaborative platform for policy origination and insurance claim processing.
- (vi) Retail transactions processing – provision of Software-as-a-Service subscription version of retail automation solution.
- (vii) Others – comprising investment holding and corporate activities which costs cannot be directly attributable to the operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspect as explained in Note (b) below, is measured differently from operating profit or loss in the condensed consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets which are expected to be used for more than one period.

Current taxes and deferred taxes are not allocated to individual segments as they are managed on a group basis.

**(a) By geographical segments**

	<b>Group</b>		
	<b>12 months ended 30 June</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
	<b>RM</b>	<b>RM</b>	<b>%</b>
<b>Revenue</b>			
Southeast Asia	614,511,115	613,613,838	0
Northeast Asia	27,481,766	25,749,873	7
South Asia	31,480,856	39,878,255	(21)
Middle East	51,962,518	44,983,701	16
Americas	5,006,074	4,312,143	16
Africa	28,590,053	16,466,634	74
Europe	24,422,571	20,910,781	17
<b>Total</b>	<b>783,454,953</b>	<b>765,915,225</b>	<b>2</b>



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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****23. Segment information (cont'd)****(b) By business segments**

Group	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Per consolidated financial statements RM
<b>FY2024</b>									
<b>Revenue:</b>									
External customers	50,173,247	111,812,645	542,724,757	13,820,297	59,775,793	5,148,214	-	-	783,454,953
At a point in time	9,378,478	-	-	13,820,297	47,987,647	-	-	-	71,186,422
Over time	40,794,769	111,812,645	542,724,757	-	11,788,146	5,148,214	-	-	712,268,531
<b>Results:</b>									
Finance income	718,740	1,754,592	7,893,916	126,923	1,167,838	83,671	4,917,066	-	16,662,746
Finance costs	(98,581)	(163,051)	(746,390)	(7,680)	(38,417)	(18,391)	(7,368,390)	-	(8,440,900)
Selling and distribution costs	(10,292,851)	(13,240,159)	(37,959,093)	(2,053,998)	(7,436,492)	(821,535)	(1,829,398)	-	(73,633,526)
Depreciation of property, plant and equipment	(320,652)	(638,803)	(1,992,784)	(50,486)	(547,263)	(70,366)	(331,051)	-	(3,951,405)
Depreciation of right-of-use assets	(724,778)	(1,349,585)	(5,808,513)	(59,317)	(607,148)	(78,285)	(593,143)	-	(9,220,769)
Amortisation of intangible assets	(24,821,028)	(4,014)	(1,621,736)	(324)	(723,667)	(512,206)	(1,079,210)	-	(28,762,185)
Share of loss of an associate	-	-	-	-	(1,224,703)	-	-	-	(1,224,703)
Provision for foreseeable losses	-	(644,262)	-	-	-	-	-	-	(644,262)
Other non-cash expenses	(980,357)	(1,624,793)	(6,175,483)	(99,345)	(750,928)	(8,591)	(3,240,627)	-	(12,880,124)
Segment profit/(loss)	9,147,703	(13,090,942)	296,377,719	584,944	32,612,780	153,986	(168,177,071)	-	157,609,119
<b>As at 30 June 2024</b>									
<b>Assets:</b>									
Capital expenditure	43,443,154	854,665	2,447,372	30,075	2,401,950	4,197	986,878	-	50,168,291
Segment assets	298,624,373	226,225,312	590,014,502	13,371,792	124,607,636	6,244,098	283,832,000	48,112,758 <sup>(1)</sup>	1,591,032,471
<b>Segment liabilities</b>	<b>16,620,916</b>	<b>36,381,250</b>	<b>199,903,669</b>	<b>3,929,387</b>	<b>13,210,857</b>	<b>1,094,468</b>	<b>122,238,885</b>	<b>46,845,559 <sup>(1)</sup></b>	<b>440,224,991</b>

<sup>(1)</sup> Tax items such as tax recoverable/payable and deferred tax assets/liabilities are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets/liabilities to arrive at total assets/liabilities reported in consolidated statement of financial position.

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**F. Notes to the Condensed Consolidated Financial Statements (cont'd)****23. Segment information (cont'd)****(b) By business segments (cont'd)**

Group	Software licensing RM	Software project services (professional services) RM	Maintenance and enhancement services RM	Sale of system software and hardware products RM	Insurance ecosystem transactions and services RM	Retail transactions processing RM	Others RM	Adjustments and eliminations RM	Per consolidated financial statements RM
<b>FY2023</b>									
<b>Revenue:</b>									
External customers	73,913,899	102,014,974	513,111,353	20,630,038	52,260,628	3,984,333	-	-	765,915,225
At a point in time	6,824,667	-	-	20,630,038	42,796,863	-	-	-	70,251,568
Over time	67,089,232	102,014,974	513,111,353	-	9,463,765	3,984,333	-	-	695,663,657
<b>Results:</b>									
Finance income	623,805	1,071,641	4,473,851	198,291	521,756	50,854	4,806,556	-	11,746,754
Finance costs	(82,934)	(119,822)	(564,818)	(17,764)	8,422	(21,423)	(7,553,413)	-	(8,351,752)
Selling and distribution costs	(5,240,331)	(8,493,381)	(26,723,964)	(1,709,844)	(5,122,759)	(577,315)	(2,390,730)	-	(50,258,324)
Depreciation of property, plant and equipment	(253,863)	(539,216)	(1,871,745)	(65,103)	(605,237)	(71,157)	(190,874)	-	(3,597,195)
Depreciation of right-of-use assets	(759,347)	(1,324,421)	(5,348,743)	(150,433)	(489,151)	(74,944)	(402,959)	-	(8,549,998)
Amortisation of intangible assets	(22,607,988)	-	(1,746,454)	-	(1,577,467)	(422,502)	(898,797)	-	(27,253,208)
Share of loss of an associate	-	-	-	-	(954,267)	-	-	-	(954,267)
Reversal of provision for foreseeable losses	-	508,068	-	-	-	-	-	-	508,068
Loss on derivative asset at fair value through profit or loss	-	-	-	-	-	-	(1,176,968)	-	(1,176,968)
Other non-cash (expenses)/income	(190,870)	(1,812,519)	(4,482,091)	(32,646)	849,308	25,050	(6,966,838)	-	(12,610,606)
Segment profit/(loss)	36,721,065	20,976,659	300,375,323	169,283	27,184,506	357,154	(156,222,232)	-	229,561,758
<b>As at 30 June 2023</b>									
<b>Assets:</b>									
Capital expenditure	76,839,832	1,297,361	6,003,917	41,988	2,668,712	4,046	3,721,393	-	90,577,249
Segment assets	141,773,001	270,735,242	652,750,039	19,701,386	92,599,003	5,759,975	393,470,696	56,417,541 <sup>(1)</sup>	1,633,206,883
<b>Segment liabilities</b>	10,948,884	10,643,946	212,150,078	4,054,494	11,941,210	800,220	168,897,372	63,774,711 <sup>(1)</sup>	483,210,915

<sup>(1)</sup> Tax items such as tax recoverable/payable and deferred tax assets/liabilities are managed on a group basis and are not allocated to individual segment, and are herein added to segment assets/liabilities to arrive at total assets/liabilities reported in consolidated statement of financial position.

**G. Other Information required by Listing Rule Appendix 7.2**

**1. 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.

**2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3. Review of the performance of the group**

**(a) INCOME STATEMENT REVIEW – Financial year ended 30 June 2024 ("FY2024") vs 30 June 2023 ("FY2023")**

**Overview**

Silverlake Axis Ltd. ("SAL") is a leading enterprise technology, software, and services company with focus in the financial services industry and serving 40% of the top 20 largest banks in Southeast Asia. Across the globe, we serve more than **400** unique clients in **70** countries across Asia, Europe, the Indian subcontinent, Middle East, Africa, and the Americas. Founded in 1989, SAL is recognised for its consistent delivery track record and client retention. SAL has many use cases and success stories in the delivery of innovative and transformative solutions to its enterprise clients and their ecosystems.

Over the years, the Group has undertaken several strategic acquisitions to enlarge its suite of business enterprise software solutions and service offerings. The strategic intent is to strengthen its market position in existing and new markets. With expanded capabilities, the Group is well positioned to empower its clients with leading edge solution technologies to compete effectively in the digital age.

In FY2024, Group revenue grew 2% to RM783.5 million, compared to RM765.9 million recorded in FY2023. The Group achieved Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM191.3 million and Profit After Tax ("PAT") of RM105.2 million in FY2024, a decrease of 28% and 38% respectively as compared to previous year.

**Revenue**

**By Business Activities**

	Group		
	Financial year ended 30 June		Change %
	2024 RM	2023 RM	
Software licensing	50,173,247	73,913,899	(32)
Software project services (professional services)	111,812,645	102,014,974	10
Maintenance and enhancement services	542,724,757	513,111,353	6
Sale of system software and hardware products	13,820,297	20,630,038	(33)
Insurance ecosystem transactions and services	59,775,793	52,260,628	14
Retail transactions processing	5,148,214	3,984,333	29
<b>Total</b>	<b>783,454,953</b>	<b>765,915,225</b>	<b>2</b>
Delivered through:			
• Cloud computing	107,474,305	96,798,222	11
• Software-as-a-Service ("SaaS")	75,332,906	52,248,942	44

**Total recurring revenue** (maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing) achieved 7% growth from RM569.4 million to RM607.6 million in FY2024. Recurring revenue contributed 78% of total Group revenue and has consistently been a key revenue contributor for the Group.

- Maintenance revenue recorded double-digit growth of 10% from RM257.3 million to RM282.1 million and enhancement services revenue increased 2% from RM255.8 million to RM260.6 million.

These two revenue streams consistently grew at a steady rate as new maintenance contracts and support will commence when current projects are completed and successfully handed over to the clients. Furthermore, the revision of maintenance rates for existing clients upon maintenance renewal and favourable foreign currencies movement had also contributed to the increase in maintenance revenue. Our clients have also continued to engage us to further enhance, modernise and provide up-to-date features required in the platforms they acquired from us for execution of their strategies in making new capabilities available for their customers. These capabilities can be in the areas of new channels, to augment customer experience and to address any new regulatory and emerging governance, risk and compliance requirements.

- Insurance ecosystem transactions and services revenue increased 14% from RM52.3 million to RM59.8 million in FY2024. This segment comprises revenue from the processing of motor and non-motor claims ("eClaims"), the processing of insurance policies ("ePolicy"), TrueSight suite of productivity & analytics solutions, and integration and maintenance services (where

## **G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

required). These solutions contributed approximately 71%, 11%, 9% and 9% respectively to the total Insurtech revenue in FY2024. A key statistic is the growing non-motor claims contribution to total insurance ecosystem revenue; from 20% 4 years ago to current 35%. As we expand our insurance ecosystem offerings, we are seeing greater customer adoption of our non-motor claims products.

TrueSight continues its upward trajectory by onboarding more new clients to this product. In addition, higher volume of claims and policy processing particularly in countries such as Malaysia, Singapore, Indonesia and Hong Kong, integration revenue as a result of higher demand from clients in Southeast Asia also contributed to the double-digit growth.

- Retail transactions processing revenue of RM5.1 million was 29% higher as compared to FY2023. The growth in this revenue segment for the past three (3) years has been strong since the launch of our cloud-based retail solution – AgoraCloud in FY2021. It was first adopted by clients from the retail sector in FY2021 and subsequently extended to clients engaged in the pharmaceutical industry. Over the years, there are increased usage and subscriptions to new modules of AgoraCloud from our existing base of six (6) clients particularly pharmacy chains in Malaysia and this has contributed higher revenue year-on-year. AgoraCloud is also offered as an on-premise product and recently we signed up with one of the largest retail conglomerates in Cambodia and overall, our AgoraCloud pipeline remains strong.

In terms of **total non-recurring revenue** (software licensing, software project services (professional services) and sale of system software and hardware products), this revenue segment contributed RM175.8 million in FY2024, 11% lower compared to RM196.6 million achieved in prior year.

- Software licensing revenue declined 32% to RM50.2 million. Prior year FY2023, we recorded one significant license from a client in Indonesia which was not repeated in this financial year.
- Software project services (professional services) revenue increased 10% to RM111.8 million as a result of strong revenue flow from services contracts closed in current and previous financial years - namely new MÖBIUS, SIBS and Symmetri core banking installations in Malaysia, Thailand, Indonesia and the Middle East; and digital identity and security software project implementation in the Middle East and Africa. Despite the positive contributions from key core banking implementation projects, we experienced some delays in delivery projects. These projects involve new products launched recently which require more time to complete and also additional learning curve as we enter new markets. As a result, the remaining contract revenue will be recognised progressively in the subsequent periods as work progress towards the new timeline.
- Sale of system software and hardware products reduced 33% from RM20.6 million to RM13.8 million in FY2024. Hardware sale is seasonal in nature and dependent on clients' data growth and upgrade requirements.

The Group adopts the revenue recognition standard in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") which mandates recognition of project revenue on a percentage of completion method whereby revenue is recognised based on the progression of actual project completion. Based on this, revenue from recently closed deals and projects will be recognised in future periods as work progresses.

RM107.5 million or 14% of total Group revenue was delivered via cloud computing, 11% higher than RM96.8 million recorded in prior year. The revenue from this segment increased as more and more of our clients are looking at cloud-based solution options to improve business and operational efficiency.

Revenue from SaaS grew 44% to RM75.3 million and now constitutes 10% of our total Group revenue in FY2024. Insurance ecosystem transactions and services, MÖBIUS SaaS contracts and retail transactions processing were the main contributors to the increase in SaaS revenue.

### **Profitability**

The Group recorded a gross profit of RM410.0 million in FY2024, 9% lower than prior year with an aggregate gross profit margin of 52%, lower than the 59% achieved in FY2023. This was due to a change in revenue mix. The proportion of revenue from higher margin business segment such as software licensing, was lower in FY2024 as compared to the same period last year (i.e. software licensing revenue over total Group revenue was 6% in FY2024 versus 10% in FY2023). There were additional resources in place to support the implementation of new projects and the project with extended timeline in current year.

Finance income increased 42% from RM11.7 million to RM16.7 million in FY2024 as a result of higher interest earned from deposits placed with financial institutions.

Other income was 43% higher this year, an increase from RM3.4 million to RM4.8 million in FY2024 as the Group recorded foreign currency exchange gain on the cash reserves due to the fluctuation of foreign currencies in FY2024.

The Group incurred 16% higher operating expenses for the year.

- 47% of the increase was associated with annual salary increment, the new headcounts added into the organisation in the past twelve (12) months to support business development and business expansion for the future as well as improve sales and market coverage.
- 28% of the increase was associated with development efforts and investments to further expand and enhance our product offerings including MÖBIUS etc.

## **G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

- 10% of the increase was related to IT expenses particularly in software subscription and support, laptop leasing for new headcounts as well as incurred license and implementation cost of a customer collaboration and service management system during the year.
- The remaining cost increase was related to other operating expenses such as professional and consultancy fees for acquisition of companies, business travels, conference held by SAL to foster relationships and information sharing with clients, business partners and industry expert, and expected credit losses on contract assets and long outstanding receivables which are subject to local country lengthy remittance process.

Overall, the Group's expense over revenue ratio of 35% is below the industry benchmark of 40%. It is one of the key metrics used for cost monitoring to ensure the spending are within planned parameters to deliver the existing and future contracts. We continue to monitor the expenses throughout the implementation of transformation and restructuring plan to remain competitive and to improve operational efficiency.

In aggregate, the Group achieved Profit Before Tax ("PBT") of RM157.6 million and EBITDA of RM191.3 million in FY2024.

Income tax expense decreased 12% from RM59.3 million to RM52.4 million in FY2024 mainly due to the decrease in chargeable income derived from lower profits from operations. However, effective tax rate has increased 7% from 26% to 33% in FY2024 as a result of lesser incentives and bilateral tax relief claimable in FY2024 as compared to previous year. In addition, deferred tax assets were not being recognised on unutilised tax losses for certain subsidiaries, as it is not probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised in the near future, has also led to higher effective tax rate.

As a consequence of these factors, the Group reported a Profit After Tax ("PAT") of RM105.2 million in FY2024 and achieved net profit margin of 13%.

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

#### **Intangible assets**

Intangible assets of the Group increased from RM409.3 million as at 30 June 2023 to RM426.4 million as at 30 June 2024 mainly due to the capitalisation of software development expenditure incurred for the development of core and digital banking, fintech and other solutions. The increase was partially offset by the amortisation of intangible assets for FY2024.

#### **Investment in an associate**

Following the completion of First Tranche Acquisition of 21.68% equity interest in Ancileo Pte. Ltd. ("Ancileo") on 30 June 2022, Ancileo became an associate of the Group. The call option to acquire the remaining 16.37% equity interest in Ancileo ("Second Tranche Acquisition") has been accounted for as a derivative asset in the consolidated statement of financial position in accordance with SFRS(I) 9 Financial Instruments.

The investment in an associate is accounted for using the equity method in the consolidated financial statements. The share of associate's losses for FY2024 of RM1.2 million has been recognised in the consolidated income statement for the financial year ended 30 June 2024.

On 3 October 2023, Fermion Pte. Ltd. has exercised the call option and paid a cash consideration of SGD2,362,984 (equivalent of RM8,209,008) for the Second Tranche Acquisition. Consequently, the derivative asset of RM2,586 as at 30 June 2023 has been derecognised in the current financial year with an adjustment to the cost of investment in an associate. As a result, the investment in an associate increased from RM5.7 million as at 30 June 2023 to RM12.7 million as at 30 June 2024.

#### **Total current and non-current financial assets at fair value through other comprehensive income - quoted equity shares**

Financial assets at fair value through other comprehensive income comprise of the Group's equity interest in Global InfoTech Co. Ltd. ("GIT") and DynaFront Holdings Berhad ("DynaFront"). These financial assets have been remeasured at fair value derived based on Level 1 valuation input under the fair value hierarchy.

The decrease in investment in quoted equity shares from RM239.2 million as at 30 June 2023 to RM178.3 million as at 30 June 2024 was due to the fair value adjustment of the GIT and DynaFront shares held at each reporting date in accordance with SFRS(I) 9 Financial Instruments. The RM62.7 million unrealised fair value loss from remeasurement of shares were recognised in other comprehensive income for the financial year ended 30 June 2024.

The carrying amount of the Group's investment in GIT was reclassified from current asset to non-current asset in the current financial year given the potential future growth in China market and the disposal of the Group's GIT shareholding is not expected to be realised within the next twelve months from the reporting year.

#### **Deferred tax**

The Group recorded net deferred tax assets of RM22.1 million as at 30 June 2024 as compared to RM5.9 million as at 30 June 2023 mainly due to reversal of deferred tax liabilities in relation to the fair value loss on financial assets at fair value through other comprehensive income as well as the undistributed profit of foreign subsidiaries upon dividend declaration to holding company during the year.

**G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

**Trade and other receivables**

Trade and other receivables decreased from RM185.8 million as at 30 June 2023 to RM172.0 million as at 30 June 2024 mainly due to timing differences for billings to clients and improved collection from clients.

**Contract assets/(liabilities)**

The Group recorded net contract assets of RM49.8 million as at 30 June 2024 as compared to RM41.5 million as at 30 June 2023. The components of contract assets and contract liabilities are presented as follows:

	Group		
	As at 30 June 2024 RM	As at 30 June 2023 RM	Change %
<b>Contract assets</b>			
Amounts due from customers for contract work-in-progress (Note (i))	159,890,690	126,661,624	26
Advance maintenance costs (Note (ii))	13,072,399	11,828,180	11
Prepaid license and hardware costs (Note (iii))	14,400,862	16,368,588	(12)
Less: Expected credit losses	(2,012,604)	(416,773)	383
<b>Total contract assets recognised under current assets</b>	<b>185,351,347</b>	<b>154,441,619</b>	20
<b>Contract liabilities</b>			
Amounts due to customers for contract work-in-progress (Note (i))	(24,967,938)	(16,179,439)	54
Advance maintenance fees (Note (ii))	(99,050,041)	(87,134,562)	14
Deferred revenue (Note (iv))	(11,500,347)	(9,664,636)	19
<b>Total contract liabilities recognised under current liabilities</b>	<b>(135,518,326)</b>	<b>(112,978,637)</b>	20
<b>Net contract assets</b>	<b>49,833,021</b>	<b>41,462,982</b>	20

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

The Group recorded a net amount due from customers for contract work-in-progress of RM134.9 million as at 30 June 2024 as compared with RM110.5 million as at 30 June 2023, mainly due to the timing of billings and revenue recognition for current contracts.

- (ii) Advance maintenance costs/fees represent maintenance fees billed in advance, for which costs/revenue will be recognised over the contractual period, typically twelve months. The net increase in advance maintenance fees from RM75.3 million as at 30 June 2023 to RM86.0 million as at 30 June 2024 was mainly due to the additional maintenance billings raised for new contracts secured during the year.
- (iii) Prepaid license and hardware costs decreased from RM16.4 million as at 30 June 2023 to RM14.4 million as at 30 June 2024 mainly due to the charged out of prepaid fees paid for an exclusive reseller right secured upon expiry.
- (iv) Deferred revenue increased from RM9.7 million as at 30 June 2023 to RM11.5 million as at 30 June 2024 mainly due to bulk man-days contracted by clients whereby the deferred revenue will be recognised as revenue in accordance with SFRS(I) 15 Revenue from Contracts with Customers when the man-days are either utilised, exercised, expired or lapsed over the contractual period.

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

The amounts due from/(to) related parties are transactions between the Group and Interested Persons ("Silverlake Private Entities") under the approved General Mandate for Interested Person Transactions. These amounts vary from quarter to quarter mainly due to the timing of billings and payments received.

**Current income tax**

Current income tax assets and liabilities represent the amount expected to be recovered from or paid to the taxation authorities. The net tax payable of the Group was RM20.8 million as at 30 June 2024 as compared to RM13.2 million as at 30 June 2023 mainly due to higher profitability and taxable income from certain subsidiaries and lower tax credits available for use in current year.

**Financial assets at fair value through profit or loss - money market fund**

Financial assets at fair value through profit or loss of the Group represent investment in money market fund with financial institutions. Fair value of this investment is determined by reference to the net asset value of the fund.

The decrease in investment in money market fund from RM27.5 million as at 30 June 2023 to RM7.8 million as at 30 June 2024 was due to the reallocation of funds to fixed deposit placement during FY2024.

**G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

**Cash and bank balances**

The Group's cash and bank balances amounted to RM497.2 million as at 30 June 2024, 1% lower as compared to RM504.2 million as at 30 June 2023 mainly due to:

- (i) cash inflow from operating activities during FY2024 of RM107.5 million;
- (ii) cash inflow from investing activities of RM19.9 million from proceeds from the redemption of money market fund; offset by
- (iii) cash outflow from financing activities of RM51.9 million and RM38.5 million for payment of dividend to shareholders and partial repayment of revolving credit facility respectively; and
- (iv) cash outflow from investing activities of RM44.9 million for software development expenditure.

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

The Group's loans and borrowings decreased from RM179.5 million as at 30 June 2023 to RM142.1 million as at 30 June 2024 following the partial repayment of revolving credit facility in FY2024.

**Trade and other payables**

Trade and other payables of the Group amounted to RM99.7 million as at 30 June 2024 as compared to RM112.3 million as at 30 June 2023 mainly due to performance incentives accruals in FY2023 and subsequently paid out in FY2024.

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

Not applicable.

**5. 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.**

The information technology ("IT") spend in the banking and financial services software industry in Southeast Asia and Asia is at best cautious as these institutions navigate economic uncertainties while positioning itself for future growth. By embracing digital transformation, regulatory alignment, and sustainability, the sector is building a resilient foundation to thrive in a rapidly evolving financial landscape.

As a leading software and technology firm, Silverlake remains deeply committed to understanding our customers and anticipating their evolving needs. By continuously analysing market trends and customer behaviour, we develop and implement targeted strategies to capture emerging opportunities and drive growth. Our approach centers on reinforcing our core business, ensuring that we deliver exceptional value through innovative solutions and services. We are focusing on providing our customer and the market with the most relevant technology solutions that firmly meet their needs. We are of the opinion that these can be achieved by working closely with our key customers in their technology transformation planning initiatives.

Looking ahead, Silverlake plans to deepen our focus on strategic partnerships that foster mutual growth and success. By strengthening collaboration with our clients, we aim to align our goals more closely, ensuring that we continue to meet their evolving needs while delivering strong business outcomes. Our commitment to growing together remains a key priority as we navigate an increasingly dynamic market.

Operational excellence will remain a key priority. The business is committed to improving workforce efficiency and fostering collaboration across the Silverlake Group. By cultivating a culture of continuous improvement and innovation, Silverlake seeks to enhance productivity and performance. Investment in talent development will also continue, acknowledging the importance of skilled professionals in maintaining competitive strength.

FY2024 is a year filled with many project delivery engagements for a wide variety of clients in the territories we operate in. Presently, we have over 60 active projects that are running concurrently within our business and the reason which accounts for the double-digit growth of revenue in this segment.

The majority of projects are executed on time and on budget but there are some where we faced delays for a number of reasons and these projects in some cases impacted to our financials in FY2024. As an example, projects that involve new products that we launch recently require more time to project completion for a variety of reasons. Also, products that we launched into new markets also needed additional learning curve to cater to local country requirements.

In FY2025, a key focus and emphasis is that we will put processes in place to improve project delivery commitments.

Going forward, Silverlake will concentrate on advancing Artificial Intelligence ("AI") technology as a strategic area of growth. This ongoing investment is designed to keep the business aligned with industry trends and well-prepared for future challenges. By integrating AI capabilities, the business aims to unlock new opportunities and remain well-positioned in a rapidly changing market.

**G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

**6. 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	Final
Dividend Type	Cash
Dividend Rate	Singapore 0.36 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	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	Final
Dividend Type	Cash
Dividend Rate	Singapore 0.60 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

Total dividends declared for FY2024 amounted to Singapore 0.36 cents compared with Singapore 0.60 cents declared for FY2023.

**(c) Date payable**

The Directors have proposed a tax exempt (one tier) final dividend of Singapore 0.36 cents per ordinary share. The final dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 15 November 2024.

**(d) Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 7 November 2024 for the purpose of determining shareholders' entitlements to the proposed final dividend. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte.Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 7 November 2024 will be registered to determine members' entitlements to the proposed final dividend.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 7 November 2024 will be entitled to the proposed final dividend.

**7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Please refer to Section G.3 above.

**9. A breakdown of the total annual dividend for the issuer's latest full year and its previous full year.**

	Latest Full Year	Previous Full Year
	RM	RM
<b>Ordinary</b> Final dividend	31,486,774	51,916,753
<b>Total</b>	<b>31,486,774</b>	<b>51,916,753</b>

This proposed final dividend in relation to financial year ended 30 June 2024 is subject to approval by shareholders at the forthcoming Annual General Meeting. The dividend payable is computed based on the exchange rate of SGD equivalent to RM3.4780 as at 30 June 2024. The total amount to be paid to shareholders in relation to the proposed final dividend amounting to SGD9,053,126.



**G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

**10. Recurrent Interested Person Transactions of a Revenue or Trading Nature**

The aggregate value of recurrent Interested Person Transactions (“IPT”) of revenue or trading nature conducted during the financial year ended 30 June 2024 by the Group in accordance with the shareholders’ mandates were as follow:

Name of interested person	Nature of relationship	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) 1-7-23 to 30-6-24	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) 1-7-23 to 30-6-24
		<b>RM</b>	<b>RM</b>
Silverlake Private Entities (“SPE”) <sup>(1)</sup>	Associates of Mr. Goh Peng Ooi		
<b><u>IPT Mandate</u></b> <sup>(2)</sup>			
<b>Contract value from SPE:</b>			
• Silverlake Cloud Computing Sdn. Bhd. <sup>(3)</sup>		-	6,265,560
• Silverlake Innovation Partners Sdn. Bhd.		-	46,567,100
• Silverlake Capital Market Solution Sdn. Bhd.		-	17,572,850
• Silverlake Processing Services Sdn. Bhd.		-	10,143,300
• Silver Peak Technology Integration Services (Beijing) Co., Ltd.		-	7,493,850
		-	<b>88,042,660</b>
<b>Service contract fees to SPE:</b>			
• Silverlake Cloud Computing Sdn. Bhd. <sup>(3)</sup>	-	(1,984,980)	
• Silverlake Mobility Ecosystem Sdn. Bhd.	-	(1,125,508)	
	-	<b>(3,110,488)</b>	
<b><u>Non-Mandate Transactions</u></b> <sup>(4)</sup>			
<b>Contract value from SPE:</b>			
• Silverlake Processing Services Sdn. Bhd.	737,530	-	
	<b>737,530</b>	-	
<b>Service contract fees to SPE:</b>			
• Silverlake Cloud Computing Sdn. Bhd. <sup>(3)</sup>	(1,665,600)	-	
• Sure-Reach Records Management Sdn. Bhd.	(611,819)	-	
	<b>(2,277,419)</b>	-	

<sup>(1)</sup> The interested persons are associates of Mr. Goh Peng Ooi (i.e., companies in which he and his immediate family together, directly or indirectly, have an interest of 30% or more), who is the Group Executive Chairman and controlling shareholder of the Company.

<sup>(2)</sup> The IPT Mandate was approved by shareholders on 24 October 2008 for transactions pursuant to Master License Agreement and Master Services Agreement, and the renewal with the amendments of IPT Mandate was approved by shareholders on 26 October 2023. The IPT Mandate is subject to annual renewal.

<sup>(3)</sup> As per the SGX announcement by the Company dated 21 May 2024, Silverlake Global Structured Services Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a share purchase agreement for the proposed acquisition (“**Proposed Acquisition**”) of the entire issued and paid-up share capital of Silverlake Cloud Computing Sdn. Bhd., Silverlake MasterSAM Sdn. Bhd. and Silverlake MasterSAM Pte. Ltd. (collectively, the “**Target Companies**”). On 1 July 2024, the Company released a further announcement to announce that the acquisition has been completed. Please refer to the aforementioned announcements for details. The Target Companies are associates of Mr. Goh Peng Ooi prior to completion of the Proposed Acquisition and the aggregate value of the IPT contained in the table above includes the IPT entered into between the Group with the Target Companies during the financial year ended 30 June 2024 (“FY2024”).

<sup>(4)</sup> The Non-Mandate Transactions were derived from the out-of-pocket expenses reimbursement from Silverlake Processing Services Sdn. Bhd. (associate of Mr. Goh Peng Ooi) by Silverlake Digitale Sdn. Bhd. (Group entity), provision of marketing support services by Silverlake Cloud Computing Sdn. Bhd. (associate of Mr. Goh Peng Ooi during FY2024) to Silverlake Sistem Sdn. Bhd. (Group entity) and provision of maintenance services by Sure-Reach Records Management Sdn. Bhd. (associate of Mr. Goh Peng Ooi) to Silverlake Structured Services Ltd. (Group entity).

**G. Other Information required by Listing Rule Appendix 7.2 (cont'd)**

**11. Ageing for amounts owing from related parties**

The ageing for amounts owing from related parties as at 30 June 2024 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
<b><u>Transactions conducted under the IPT Mandate</u></b> Silverlake Private Entities <sup>(1)</sup>	21,068,663	12,201,486	8,521,428	345,749	-	-
<b><u>Non-Mandate Transactions</u></b> Silverlake Private Entities	27,885	-	27,885	-	-	-
<b><u>Non-Trade Transactions</u></b> Silverlake Private Entities	141,960	141,960	-	-	-	-
<b>Grand Total</b>	<b>21,238,508</b>	<b>12,343,446</b>	<b>8,549,313</b>	<b>345,749</b>	-	-

(Note 2)

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

<sup>(2)</sup> As at 23 August 2024, the amounts due from Silverlake Private Entities between 61-90 days have fully collected.

**12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)**

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Shiou Ling	37	Daughter of Mr. Goh Peng Ooi	Deputy Executive Chairman w.e.f. 27 October 2023, and Group Chief Executive Officer w.e.f. 1 July 2024	Deputy Chief Executive Officer w.e.f. 1 May 2022, thereafter Deputy Executive Chairman w.e.f. 27 October 2023, and Group Executive Officer w.e.f. 1 July 2024

**13. 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**

Goh Shiou Ling  
Group Chief Executive Officer

23 August 2024