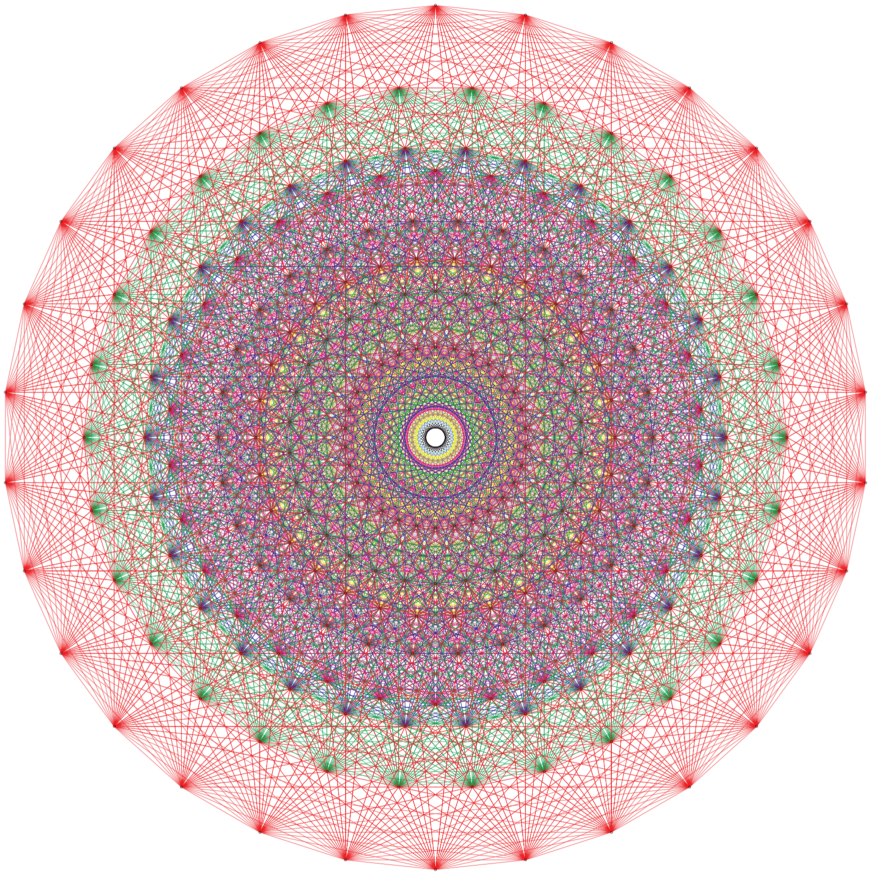
silverlake

SYMMETRY AT WORK



ANNUAL REPORT 2010

SILVERLAKE AXIS LTD

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Eric Wong
Telephone number: +65 63375115
Address: 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623

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corporate information

GOH PENG OOI
Group Executive Chairman

DR. KWONG YONG SIN
Group Managing Director

YBHG. DATUK SULAIMAN BIN DAUD
Non-Executive Director

ONG KIAN MIN
Independent Non-Executive Director

YBHG. TAN SRI DATO' DR. LIN SEE-YAN
Independent Non-Executive Director

LIM KOK MIN
Independent Non-Executive Director

REGISTERED OFFICE

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Tel : 013 1441 295 5950
Fax : 013 1441 292 4720

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Malaysia
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Fax : 603 7983 6555

SHARE REGISTRAR

BERMUDA

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

SINGAPORE

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623
Tel : 65 6536 5355
Fax : 65 6536 1360

JOINT COMPANY SECRETARIES

Tan Min-Li
Hoong Lai Ling

AUDITORS

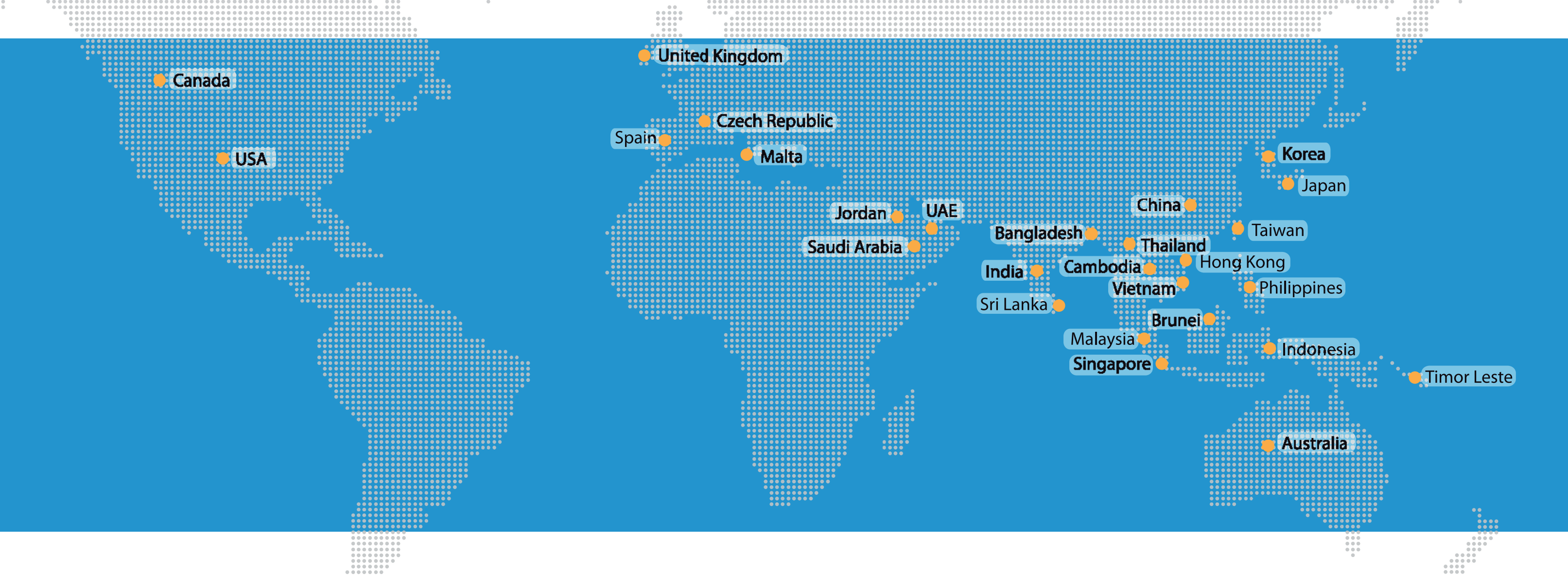
Ernst & Young
Kuala Lumpur, Malaysia
Chartered Accountants
Audit Partner : Kua Choo Kai
Appointed on : 28 October 2009

COMPANY'S SPONSOR

CIMB Bank Berhad
Singapore Branch
50 Raffles Place
#09-01
Singapore Land Tower
Singapore 048623
Tel : 65 6337 5115
Contact Person : Eric Wong

customers across
Asia & beyond

Canada • 1
China • 7
Czech Republic • 1
Hong Kong • 1
Korea • 1
Malaysia • 20
Malta • 1
Philippines • 7
Taiwan • 1
Thailand • 11
Timor Leste • 1
United Kingdom • 1



Australia • 1
Bangladesh • 1
Brunei • 5
Cambodia • 2
India • 1
Indonesia • 11
Japan • 2
Jordan • 1
Saudi Arabia • 2
Singapore • 10
Spain • 1
Sri Lanka • 1
USA • 1
UAE • 2
Vietnam • 9

• *Number of customer(s) operating in each country*

chairman's statement

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended 30 June 2010.

THE YEAR IN REVIEW

We have had an eventful and constructive year in FY2010. Our focus during the year was to complete and integrate several important acquisitions so as to broaden and deepen our suite of business enterprise software solutions and services. Concurrently, we entered into advanced contract negotiations with several prospective customers to meet their business transformation objectives through process and information technology modernisation initiatives. On both fronts, we are pleased to report that we have been successful.

Acquisitions

To consolidate our position in Japan and in preparation for a higher level of marketing activities there, we acquired the remaining 75% of Silverlake Japan Ltd ("SJL"). In September 2009, we entered into a memorandum of understanding to acquire the Silverlake Solutions Group ("SSB Group") and the QR Technology Group ("QR Group"). The acquisition of both group of companies were completed in March 2010. We have successfully integrated the new businesses with our existing business to create an expanded software platform and structured services to support the financial services, retail and logistic industries.

New Contracts

With the resumption of economic growth across Asia early in 2010, we successfully concluded some major contracts. A large South East Asian bank finalised a major SIBS upgrading initiative and over in China, we secured two contracts totaling S$70 million from the HNA Group in February 2010. In Brunei, Bank Islam Brunei Darussalam signed an agreement in June 2010 to embark on a major upgrading of Silverlake Axis Integrated Islamic Banking Solution to completely revamp the bank's IT infrastructure. In August 2010, the CIMB Group announced their RM1,100 million investment in 1Platform, a regional core banking initiative with four leading technology partners, namely Silverlake Axis, Accenture, IDS Scheer and IBM.

FY2010 Results

The positive financial impact of the recently secured contracts has only marginal impact on current year results but will have more significant impact for the new financial year as we fully mobilize to execute the contracts. However, the newly acquired SSB Group and QR Group have been accounted for using the "pooling-of-interest" method and in doing so, the consolidated income statement of the Group is presented as if the current structure of the Group had been in existence since 1 July 2008. The consolidation of the SSB Group has substantially boosted the quantum of profits as well as significantly increased the portion of recurrent earnings in the Group.

In FY2010, group revenue rose 1% to RM175.8 million. The consolidation of Silverlake Japan and marginally higher revenue from maintenance and enhancement services added to the revenue growth. However, the deferment of IT expenditure by banks during the financial crisis resulted in lower SIBS licensing revenue and a decline in the sale of hardware and customised software solutions. With higher operating expenses and the share of loss from an associate, the Group's net profit declined 22% to RM63.5 million.

To reward shareholders, the Directors have recommended a final dividend of 0.6 Singapore cent per share for approval at the forthcoming AGM. If the final dividend is approved, the total tax-exempt dividend paid for FY2010 would amount to 1.7 Singapore cents.

POSITIONED FOR GROWTH

The new financial year FY2011 started well with the core banking contract secured from the CIMB Group. We firmly believe that our expanded suite of services comprising software licensing, maintenance and enhancement services is an attractive value proposition to our customers and we expect to secure new contracts and major software upgrades in the current year.

Over in China, our cloud computing initiative with the HNA Group is a major step forward. We have just embarked on the initial phase of a wider strategic partnership to meet the growing IT needs of the HNA Group as well as to market cloud computing solutions and services to other business communities and conglomerates in China and the rest of Asia.

OUTLOOK

The acquisition of the SSB Group has expanded the recurrent earnings base of the Group through higher profits from maintenance and enhancement services. This recurrent earnings base will continue to grow as new contracts are secured and completed. In addition, work on the new contracts in the current year will lead to increase in revenue from software licensing, sale of hardware and customised software solutions. The Group remains optimistic of its business prospects in FY2011.

ACKNOWLEDGEMENT

As a Group, we have reasons to be proud of our achievements in FY2010. I thank my fellow directors for their wise counsel and guidance during the year. On behalf of the Board, I would also like to thank our management and staff for their dedication and hard work to secure the many achievements in FY2010. In addition, I would like to express my appreciation to all our customers, shareholders, bankers and business associates for their continuing support.

Goh Peng Ooi
Group Executive Chairman
30 September 2010

operations & financial review

OVERVIEW

Silverlake Axis Ltd ("SAL") is a leading provider of core software solutions for the banking, financial services and retail industries across Asia and the Middle East. The Group's Silverlake Axis Integrated Banking Solution ("SIBS") platform powers business transformation through information, operations and technology innovations at over 100 organizations which are the key players in the growing markets they serve.

Business Operations of Enlarged Group

The economies in Asia have recovered from the global financial crisis but the full impact of the recovery has not been felt by the Group in the FY2010. In order to strengthen the future potential of the Group's businesses, we focused on several strategic acquisitions during the year to expand our services and diversify our revenue base.

The Group has successfully integrated the newly acquired businesses of Silverlake Solutions Limited and its subsidiaries ("SSB Group"), QR Technology Sdn. Bhd. and its subsidiaries ("QR Group") and Silverlake Japan Ltd ("SJL") with the operations of the existing business. The enlarged SAL Group now has over 100 customers operating in 27 countries.

We have also strengthened the Group's organizational resources to enhance the marketing and delivery of our expanded solutions and services in our established markets in South East Asia and growth markets in North Asia.

Our consolidated and streamlined operations are geared to effectively serve our existing customer base as well as position us to acquire new customers. This is in anticipation of an increase in new customer contracts to be secured in the current financial year as business prospects improve.

REVENUE

Revenue Breakdown by Business Activities (RM million)	FY2010	FY2009 (Restated)	% Change
Sale of software and hardware products	8.7	18.6	-53%
Sale of customised solutions	9.4	14.8	-36%
Maintenance and enhancement services	126.2	124.8	+1%
Credit card processing	17.8	-	Nm
Licensing of SIBS	13.7	15.2	-10%
Total	**175.8**	**173.4**	**1%**

N/M : Not meaningful

In FY2010, the Group recorded revenue of RM 175.8 million, a slight increase from RM173.4 million in FY2009. With the exception of maintenance and enhancement services which experienced relatively stable demand, revenue from the licensing of SIBS, sale of hardware and customised software solutions were lower as banks and financial institutions deferred IT expenditure due to the financial crisis.

PROFITABILITY

Gross profit increased by 4% to RM110.3 million due to an improvement in the gross profit margin from maintenance and enhancement services. Overall gross profit margin grew slightly to 63%.

During the financial year, the Group focused on acquisitions as well as consolidating the Group's businesses to strengthen their future potential. As such selling, administrative and other operating expenses increased by 94% to RM34.7 million. The increase was mainly attributed to the additional expenses incurred for the two acquisitions and first time consolidation of SJL as well as higher marketing expenses to explore opportunities in the region. Together with the share of loss of associates, net profit after tax attributable to shareholders decreased 22% to RM63.5 million.

CASHFLOW

The Group's operations continued to generate healthy cash inflow with positive net cash of RM43.3 million from operating activities in FY2010. Some of the cash was deployed to acquire the remaining 75% equity interest in SJL as well as to purchase a new software to enhance the front-end customer interaction features and expand the capabilities of SIBS. Under financing activities, the net cash outflow was mainly due to the payment of dividends which amounted to RM25.5 million and distribution to Silverlake Private Entities (Silverlake System Sdn Bhd and its related companies) as a result of the acquisition of SSB Group and QR Group.

FINANCIAL POSITION

The Group maintained a healthy balance sheet as of 30 June 2010. Property, plant and equipment increased from RM9.1 million as at 30 June 2009 to RM11.8 million as at 30 June 2010 mainly due to the consolidation of SJL. The additional software development expenditure from SJL and the purchase of a new software boosted intangible assets. With higher billings to HNA Group Co. Ltd and Structured Services Business customers, trade and other receivables grew significantly to RM90.8 million.

The net amount due to customers for contract work-in-progress was mainly attributable to the HNA contracts secured during the financial year. The amounts due from / to customers for contracts work-in-progress represent timing differences between revenue recognition on contracts and billing to customers. Revenue recognition on contract is based on percentage of completion method, while billings to customers are based on contracted payment milestones.

As at 30 June 2010, cash, bank balances and deposits with licensed banks dropped by 49% to RM32.1 million due to net cash outflow from investing and financing activities. Against the Group's total borrowing at RM5.2 million, the Group is in a strong net cash position.

board of directors

SEATED (L- R):
Ong Kian Min, Goh Peng Ooi, YBhg. Datuk Sulaiman Bin Daud

STANDING (L- R):
Lim Kok Min, YBhg. Tan Sri Dato' Dr. Lin See-Yan, Dr. Kwong Yong Sin

GOH PENG OOI
Group Executive Chairman

Mr. Goh Peng Ooi was appointed as the Group Executive Chairman of Silverlake Axis Ltd ("the Company") on 23 May 2006. Prior to that, he was the Non-Executive Chairman of the Company since 2002. He founded Silverlake Group in 1989 and has built it to become an established provider of an advanced, state of the art universal integrated banking solution. Silverlake Group has grown by leaps and bounds and at present, its offices and customers are located in over 13 countries across Asia Pacific.

Silverlake Group has earned many industry recognitions including the 'IBM Star Stream Award' in 1997, the 'IBM iSeries Director's Award for the Best Global On-Demand Banking Implementation' in 2003, 'IBM's Asia Pacific Excellence Award for Regional System Integrators (SIs) and Independent Software Vendors (ISVs)' in 2005, 'IBM iSeries General Manager's Award' in 2005 and 'IBM Partner World Beacon Awards' in 2005 and 2006. Mr. Goh was bestowed the Technology Entrepreneur Award Malaysia 2005. This Entrepreneur Award Program, organised by Ernst & Young, serves to recognise world-class entrepreneurs and provides a benchmark for entrepreneurial excellence. Prior to Silverlake Group's formation, Mr. Goh had worked with IBM Malaysia. He held several senior positions over his 9 year career at IBM, his last being Marketing Manager for Banking and Finance Industry. Mr. Goh has a keen interest in Science and Mathematics and obtained his Bachelor of Engineering (Major in Electronics) at the University of Tokyo on a Mombusho Scholarship in 1980.

DR. KWONG YONG SIN
Group Managing Director

Dr. Kwong Yong Sin was appointed as the Group Managing Director on 1 November 2005. He was previously a Non-Executive Director of the Company and the Managing Director of Silverlake Corporation from 2003 to 2005 and Connectif Commerce Sdn Bhd from 2001 to 2005. Prior to joining Silverlake Corporation, he was a Partner/Vice President of Ernst & Young Global Consulting and Cap Gemini Ernst & Young for 11 years from 1989 to 2000. He was the Senior Manager and Head of IT Consulting for Coopers & Lybrand (South East Asia) from 1984 to 1989. Prior to that, he was Senior Systems Analyst for Pacific Power (Australia) from 1979 to 1983. He has more than 28 years of experience in Information Technology, Business Transformation and Solution Implementation in Financial Services, Utilities and Technology Industries. He has a Bachelor of Commerce (Honours) from the University of New South Wales (Australia) and PhD in Information Systems. He is a Certified Practicing Accountant Australia.

YBHG. DATUK SULAIMAN BIN DAUD

Non-Executive Director

Datuk Sulaiman bin Daud was appointed a Director in 2003. Datuk began his career with Malaysian Tobacco Company Berhad (now British American Tobacco Company Berhad) where he started his career as a trainee executive in 1968 and progressed to become the Deputy Chief Executive/Executive Director until 1992. He was a Director of the Agricultural Bank of Malaysia for two years and later became Chairman for four terms of eight years. Under his leadership the Bank was transformed into a corporatised entity, today known as AGRO Bank. He has been Chairman of Ranhill Power Berhad, Director of Malaysia Nasional Insurance Berhad and Ho Hup Construction Company Berhad. He currently sits on the Boards of Konsortium Transnasional Berhad, Pharmaniaga Berhad and is also the Chairman of Malaysia Packaging Industry Berhad. He is also a Director of UMS Link Holdings Sdn Bhd and Chairman of UMS Link Agro Based Sdn Bhd as well as Director and Chairman of a number of private companies in Malaysia and abroad in various industries. More recently he was appointed as an Advisory Panel Member of the Commercialisation Panel for the Research and Development initiatives for all Public Universities in Malaysia. He was also the Board member of University Putra Malaysia and the Chairman of the Malaysia Syria Business Council. He has a diploma in Agriculture from the College of Agriculture (now University Putra Malaysia), graduating as the Most Outstanding Student in 1968. He has a Masters in Business Administration from IMC Buckingham and he graduated from Stanford-Insead Advanced Management Programme in Fontainbleau, France. He spends a considerable part of his time now seeking and developing business opportunities in the Middle East/Eastern Europe and in the Asean Region.

ONG KIAN MIN
Independent Non-Executive Director

Mr. Ong Kian Min was appointed a Director in 2003. Mr. Ong is concurrently an Advocate and Solicitor practicing as a consultant with Drew & Napier LLC, a Senior Adviser with Alpha Advisory Pte. Ltd., an independent corporate advisory group providing advice to companies and businesses in the Asia Pacific region and CEO of Kanesaka Sushi Private Limited, a company set up to invest in and operate Japanese sushi restaurants in the region. He was called to the Bar of England and Wales in 1988, and to the Singapore Bar the following year. In the course of his 20 years of legal practice, his main areas of practice have been corporate and commercial law, such as, mergers & acquisitions, capital markets, IPOs, divestments, restructuring and corporate finance. He is also an Independent Director and Chairman of the Audit Committee of a number of public companies listed on the SGX-ST. He was awarded the President's Scholarship and Singapore Police Force Scholarship in 1979, and holds a Bachelor of Laws (Honours) external degree from the University of London and a Bachelor of Science (Honours) degree from the Imperial College of Science & Technology in England. Mr. Ong has also been an elected Member of Parliament since January 1997.

YBHG. TAN SRI DATO' DR. LIN SEE-YAN
Independent Non-Executive Director

Tan Sri Dato' Dr. Lin See-Yan was appointed a Director in 2003. Tan Sri is currently an independent strategic and financial consultant. Prior to 1998, he was Chairman and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (Central Bank of Malaysia). Tan Sri is currently a member of: the Prime Minister's Economic Council Working Group; Pro-Chancellor of Universiti Sains Malaysia and Governor of the Asian Institute of Management in Manila as well as Trustee, Monash University Sunway Campus Malaysia. Tan Sri sits on the Boards of a number of publicly listed and private companies in Malaysia, Singapore, Indonesia and Hong Kong, and is also Chairman Emeritus of Harvard University's Graduate School Alumni Association Council in Cambridge (USA) and Regional Director for Asia, Harvard Alumni Association. He is President of the Harvard Club of Malaysia, and Professor of Economics (Adjunct) at Universiti Utara Malaysia and Professor (Adjunct) of Business & International Finance at Universiti Malaysia Sabah. Tan Sri is a British chartered scientist & chartered statistician. He holds 3 post-graduate degrees from Harvard University (including a Ph.D in Economics) where he was a Mason Fellow and Ford Scholar. Tan Sri is an Eisenhower Fellow and Fellow of the IMF Institute in Washington D.C., the Royal Statistical Society in London, the Institute of Bankers Malaysia, the Malaysia Insurance Institute, the Malaysian Institute of Management, and the Malaysia Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies in Malaysia.

LIM KOK MIN
Independent Non-Executive Director

Mr. Lim Kok Min was appointed a Director in 2006. He is currently the Executive Deputy Chairman of LMA International NV and Deputy Chairman of NTUC Fairprice Co-operative. He is the Vice-Chairman of the Singapore Institute of Management and immediate past Chairman of Building & Construction Authority. Mr Lim is the Chairman of Gas Supply Pte Ltd effective July 2010. He was the former Chairman of Senoko Power Limited, Group Managing Director of Pan-United Corporation Limited, MPH Ltd and Chief Executive Officer of Cold Storage Holdings Ltd. He now sits on the Boards and audit committees of several listed and private companies and is the Audit Committee Chairman of Boustead Singapore Ltd. He is the Chairman of the Singapore Institute of Directors, a member of the Securities Industry Council, Corporate Governance Council and the Companies Act Review Steering Committee, Senate Member of the Marketing Institute of Singapore, and a former director/Council Member of both the Singapore International Chamber of Commerce and the Singapore Confederation of Industries. An Economics Honours graduate from the University of Malaya, Mr Lim has more than 45 years of extensive senior management experience in the Asia-Pacific region.

management team

FRONT ROW (L- R):
Thang Boon Cheng, Goh Peng Ooi, Dr. Raymond Kwong, Lau Siow Ling

BACK ROW (L- R):
Hidetoshi Neda, See Chuang Thuan, Wong Yok Koon, Hoong Lai Ling, Yau Siew Moi, Yap Mooi Yen

GOH PENG OOI
Group Executive Chairman

WONG YOK KOON
Senior EVP, SIBS Core and Integration Product Development & Solutions

Ms Wong is responsible for the integration development of Silverlake Axis Integrated Banking Solution (SIBS). Prior to joining the group in 2006, she was a Senior Executive Vice President with Silverlake System Sdn Bhd with responsibilities in the design and development of new solutions. Ms Wong has over 18 years of experience in the banking software industry.

YAU SIEW MOI
Senior EVP, SIBS Core Product Development & Solutions

Ms Yau joined the Group in 2006 and is responsible for the product development of SIBS. She was previously the Executive Vice President with Silverlake System Sdn Bhd. During her 19 years in the banking software industry, Ms Yau has developed universal lending products which have been successfully implemented in banks across Asia Pacific and the Middle East.

SEE CHUANG THUAN
Managing Director of QR Technology - Retail and Logistics Management

Mr See Chuang Thuan graduated from University Malaya in 1978 with a bachelor of science, majoring in mathematics, whereupon he joined IBM Malaysia as a sales representative. He went on to work at IBM for 16 years. In 1992, Mr See became the general manager of QR Systems and in 2002, he took over the helm of QR Group, as its managing director.

HIDETOSHI NEDA
Managing Director of Silverlake Japan Limited

Mr Neda joined the Group in 2009. He is responsible for market development for Japanese card issuer/ acquirer and bank in third party processing and license sales. In addition to a role of country manager, he is also responsible for R&D of Process Re-engineering & Quality Control for the Silverlake Group. During his over 20 years experience in the credit card and retail banking industry, he was leading Japan credit card market by developing new types of credit card, payment products, service and business in MasterCard, Citibank, N.A., Shinsei Bank, Tokyo Star Bank, and SBI Group which has been successfully implemented.

DR. KWONG YONG SIN
Group Managing Director

THANG BOON CHENG
Senior EVP, SIBS Channel Product Development & Solutions

Mr Thang is responsible for the overall roadmap of SIBS and leads the delivery channels development. He joined Silverlake Group in 2005 and brings over 26 years of Banking Technology experience. He started his career in Maybank and among others, has held key positions as an Associate Director in KPMG Consulting.

HOONG LAI LING
Senior EVP, Administration and Finance

Ms Hoong joined the Group in 2002 and is responsible for overseeing the Group's financial, accounting and administrative functions. She is a qualified accountant from the Malaysian Institute of Certified Public Accountants. She was previously an accountant with Silverlake System Sdn Bhd and trained in PricewaterhouseCoopers Malaysia.

YAP MOOI YEN, AUDREY
Senior EVP, Structured Services Customer Services Fulfillment

Ms Audrey Yap has more than 34 years of working experience in IT and financial industries. Ms. Yap's career began with Public Bank Berhad in 1977. Prior to joining the SSB Group, she was the senior vice president for Silverlake System Sdn Bhd. As a project director she has successfully implemented many projects relating to SIBS both locally and abroad.

LAU SIOW LING
Senior EVP, Structured Services Management and Operations

Ms. Lau Siow Ling holds a degree in Computer Science from the University of Lousiana. She has 24 years of working experience in the IT industry, particularly in the areas of sales and marketing. She joined IBM Malaysia in 1985 and gained in-depth knowledge relating to the installation of IBM iSeries and SIBS. In 2001, Ms Lau joined Silverlake as vice-president.

corporate governance statement

The Board of Directors of Silverlake Axis Ltd (the "Board") recognises the importance of corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its Management and financial reporting and is committed to maintaining a high standard of corporate governance within the Group in line with the Code of Corporate Governance (the "Code ") issued by the Committee on Corporate Governance.

The main corporate governance practices that were in place during the financial year ended 30 June 2010 are set out below:

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board holds meetings on a regular basis throughout the year to review the Group's performance and approve the Group's key strategic plans, as well as major investments and disposals, declarations of dividends, appointment of new Directors and funding decisions. The Board is also responsible for the overall corporate governance of the Group.

The Board conducts regular scheduled meetings and 4 meetings were held in the last financial year. When circumstances require, ad-hoc meetings are arranged. Board meetings are mostly conducted in Singapore and attendance by Directors was regular. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, are as follows:-

Attendance at Meetings

	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Goh Peng Ooi	4	3	-	-	-	-	1	1
Kwong Yong Sin	4	4	-	-	-	-	-	-
YBhg Datuk Sulaiman Bin Daud	4	4	-	-	-	-	1	1
Ong Kian Min	4	4	4	4	3	3	1	1
YBhg Tan Sri Dato' Dr Lin See-Yan	4	3	4	3	3	3	1	-
Lim Kok Min	4	4	4	4	3	3	1	1

All directors are updated regularly on the changes in company policies, board process, corporate governance and best practices in compliance with the relevant legislation and regulations including the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises of six members, two Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. Key information regarding the Directors can be found under the Board of Directors' profile section of this annual report. The independence of each Independent Director is reviewed by the Nominating Committee ("NC") annually and upon notification by an Independent Director of a change in circumstances based on the criteria for independence as defined in the Code.

The current Board, with Independent Directors making up half of the Board, complies with the Code's requirement that at least one-third of the Board should be made up of Independent Directors. Certain functions have been delegated to various Board Committees, in particular, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), all of which are chaired by an Independent Director.

The NC is of the view that the Board has a strong independent element ensuring objectivity in the exercise of judgment on corporate affairs independently from the Management. The NC is also of the view that no individual or small group of individuals dominates the Board's decision making process.

The Board is of the view that taking into account the nature and scope of the Company's operations, the current board size of six Directors is appropriate.

The Board considers that its Directors represent a mix of industry knowledge, business network and extensive business and Management experience. This balance is important in ensuring that the strategies proposed by the executive Management are fully discussed and examined, taking into account the long term interests of the Group.

Principle 3: Role of Chairman and Managing Director

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr Goh Peng Ooi is the Company's Executive Chairman and Dr Kwong Yong Sin is the Managing Director, responsible for the day-to-day management of the Company. The Board believes that a division of responsibility between the Chairman and the Managing Director is necessary for the Company. The Chairman assumes responsibility for the management of the Board and the Managing Director is the most senior executive in the Company and bears executive responsibility over the business decision set by the Board and operational decisions of the Group. In respect of the Board meetings, the Chairman ensures that Board meetings are held regularly. The agenda is set by the Managing Director and approved by the Chairman. The Chairman and the Managing Director review most Board papers before they are presented to the Board and ensure that the Board members are provided with complete, accurate and timely information. Mr Goh and Dr Kwong are not related.

The Board is of the view that having separated the role of the Chairman of the Board and the Managing Director, as well as having the AC, NC and RC chaired by an Independent Director, there is sufficient balance of power and authority on the Board. The Board is also of the view that it is not necessary to appoint a Lead Independent Director as half of the Board members are Independent Directors, which ensures objectivity in Board deliberations and decisions.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment of new directors to the Board.

The Company believes that Board renewal must be an ongoing process, to ensure good governance and to maintain relevance to the business and the changing needs of the Company. The Company's Bye-Laws require one-third of Directors (excluding the Managing Director) to retire and be subjected to re-election by the shareholders at every Annual General Meeting ("AGM"). In other words, no Director shall stay in office for more than 3 years without being re-elected by the shareholders except for the Managing Director who is not required to submit himself for retirement and re-election.

The NC has recommended that the Directors retiring by rotation under the Bye-laws at the forthcoming AGM be nominated for re-election and the Board has accepted the recommendation.

The NC currently comprises Mr Ong Kian Min, Mr Goh Peng Ooi, YBhg Datuk Sulaiman bin Daud, YBhg Tan Sri Dato' Dr Lin See-Yan and Mr Lim Kok Min, with Mr Ong Kian Min as the Chairman. Mr Ong Kian Min, Tan Sri Dato' Dr Lin See-Yan and Mr Lim Kok Min are Independent Directors.

The responsibilities of the NC are to (i) review the nomination for appointments and re-appointments of members of the Board and the various Board committees for the purpose of proposing such nomination to the Board for approval having regard to the individual's experience, contributions and performance, (ii) determine annually whether or not a Director is independent, and (iii) assess on whether or not a Director is able to and has been adequately carrying out his duties as a director.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board.

Principle 5: Board Performance

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC will use its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made.

A formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board will be undertaken by the NC annually based on the performance criteria approved by the Board. The assessment is based on criteria such as relationship with the Company, experience in being a Director and various competencies and knowledge and wealth of experience. The Board's performance will also be reviewed informally by the NC, with inputs from the other Board members and the Managing Director.

Principle 6: Access to Information

In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

In order to ensure that the Board is able to fulfill its responsibilities, the Management is required to provide complete and adequate information to the Board in a timely manner on affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Company and the Group.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Should Directors, whether as a group or individually, need independent professional advice, a professional advisor will be appointed upon direction by the Board and approved by the Managing Director, to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends all board and board committees' meetings and is responsible for the compliance of the board procedures. It is the Company Secretary's responsibility to ensure that the Company complies with all rules and regulations that are applicable to the Company

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: Level and Mix of Remuneration

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The Remuneration Committee ("RC") was established to review the remuneration of the Executive Directors and key executives of the Company and to provide a greater degree of objectivity and transparency in determining the remuneration of the Executive Directors and key executives.

The RC currently comprises YBhg Tan Sri Dato' Dr Lin See-Yan, Mr Ong Kian Min and Mr Lim Kok Min, all of whom are Independent Non-Executive Directors, with YBhg Tan Sri Dato'Dr Lin See-Yan as Chairman of the RC.

The RC will review and recommend to the Board a framework of remuneration for the Directors and key executives, and determine specific remuneration packages for the Chairman and the Managing Director. The recommendations of the RC should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC.

The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance to the industry and performance of the individual directors. No Director will be involved in deciding his own remuneration.

The Executive Directors have entered into service agreements with the Company. The service agreement covers the terms of employment, specifically salary and other benefits. The remuneration of Non-Executive Directors is determined by his contribution to the Company, taking into account factors such as effort and time spent as well as his responsibilities on the Board. The Board will recommend the remuneration of the Non-Executive Directors for shareholders' approval at the AGM.

Directors' Remuneration

The Executive Directors' remuneration consists of their salary, allowances and benefits in kind. All Directors' fees are subject to the approval of the shareholders at the AGM.

The basis of allocation of the number of share options to the Directors takes into account the Directors' contributions and his additional responsibilities at board committees. During this financial year, no share options were granted to any of the Directors.

The band of remuneration of each individual Director and the mix of remuneration by percentage (%) for the financial year under review are as follows:-

Name of Director	S$0 to S$250,000	S$250,001 to S$500,000	Directors' Fees (%)	Percentage of Variable Remuneration (%)	Percentage of Fixed Remuneration (including Directors' Fees) (%)
Goh Peng Ooi	√		41	8	92
Kwong Yong Sin		√	26	2	98
YBhg Datuk Sulaiman Bin Daud	√		100	-	100
Ong Kian Min	√		100	-	100
YBhg Tan Sri Dato' Dr Lin See-Yan	√		100	-	100
Lim Kok Min	√		100	-	100

Note: Fixed remuneration is inclusive of salary and employer's Provident Fund contribution. Benefit-in-kind is included in variable remuneration.

Remuneration of Key Employees

Currently, there are eight key executives (who are not Directors of the Company) in the Group. The details of remuneration paid to the eight key executives for the financial year under review are as follows:-

Name	S$250,000 to below S$500,000	Below S$250,000
Hidetoshi Neda	√	
Hoong Lai Ling		√
Lau Siow Ling		√
See Chuang Thuan		√
Thang Boon Cheng		√
Yap Mooi Yen, Audrey		√
Yau Siew Moi		√
Wong Yok Koon		√

There is no employee in the Group who is an immediate family member of the CEO or any other Directors of the Company.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board believes that it should promote best practices in order to build an excellent business for the shareholders as they are accountable to shareholders for the Company's and the Group's performance.

The Board is mindful of its obligation to provide timely and full disclosure of material information in compliance with the statutory reporting requirements. Price sensitive information is first publicly released, after the review by the Board, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Since FY2004, the Company has adopted quarterly reporting as required by the Code. Financial results and annual reports will be announced or issued within legally prescribed periods.

Principle 11: Audit Committee

The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") is currently made up of three Independent Non-Executive Directors, all of whom have the appropriate accounting experience or related financial management expertise. Mr Ong Kian Min chairs the AC. The other two members are YBhg Tan Sri Dato' Dr Lin See-Yan and Mr Lim Kok Min.

The AC holds periodic meetings and reviews primarily the following, where relevant, with the Executive Directors and External Auditors: -

(a) review issues of accounting policies and presentation for external financial reporting;
(b) review with External Auditors on their audit plans;
(c) review the External Auditors' reports and the letter to Management and Management's response;
(d) review the assistance given by the Management to the External Auditors;
(e) review the scope and results of the internal audit function;
(f) review the quarterly, half-yearly and full year financial statements of the Company and the Group, including announcements relating thereto before their submission to the Board of Directors for approval;
(g) nominate External Auditors for appointment;
(h) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST's Listing Manual (Section B: Rules of Catalist) and by such amendments made thereto from time to time;
(i) review interested person transactions; and
(j) review the remuneration packages of employees who are related to the Directors and/or substantial shareholders.

In addition to the above, the AC will meet with the External Auditors, in the absence of the Management at least once a year. The AC has the power to conduct or authorise investigations into any matters within its terms of reference. The AC also has full access to and the co-operation of the Management. The External Auditors have unrestricted access to the AC.

The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and for appropriate follow-up action.

The Company's External Auditors carry out, in the course of their annual statutory audit, a review of the effectiveness of the Company's internal audit controls, which will include financial, operational and compliance controls, to the extent of the scope of audit as laid out in the audit plan. Material non-compliance and internal control weaknesses noted during the audit and the auditors' recommendations to address such non-compliance and weaknesses are reported to the AC. Thereafter, the recommendations by the External Auditors are followed up by Management.

The AC has reviewed the External Auditor's non-audit services and is satisfied that the nature and extend of such services has not prejudiced the independence and objectivity of the External Auditors. The AC recognises the need to maintain a balance between the independence and objectivity of the External Auditors and the work carried out by the External Auditors based on value for money consideration and will periodically review and monitor any amounts paid for non-audit work to ensure that independence and objectivity are maintained.

Both the AC and Board have reviewed the appointment of different auditors for its subsidiaries and/or significant associated companies and satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Rule 716 of the Listing Rules of the SGX-ST.

The AC has recommended the re-appointment of Messrs Ernst & Young as auditors of the Company to the Board.

Principle 12: Internal Controls

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The AC, on behalf of the Board, has reviewed the effectiveness of the internal control system put in place by the Management and is satisfied that there are adequate internal controls in the Company.

Principle 13: Internal Audit

The company should establish an internal audit function that is independent of the activities it audits.

The Group has set up its own internal audit function in July 2009. The Internal Auditors report directly to the AC. The AC reviews the internal audit procedures and ensures that the internal audit function has appropriate standing within the Group.

Recognising the importance of the internal audit function, the AC believes that the Company's current internal audit function is adequate and will continue to assess, procure and allocate resources for the discharge and performance of this role.

Risk Management

The Company regularly reviews and improves its business and operational activities to take into account the risk Management perspective. The Company seeks to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Greater Shareholder Participation

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company recognises the importance of regular, effective and timely communication with the shareholders.

The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Manual (Section B: Rules of Catalist), it is the Board's policy that all shareholders should be equally informed, on a timely basis, of all major developments that will or expect to have impact on the Company or the Group.

Shareholders are encouraged to attend the AGM to stay informed of the Company's goals and strategies and to ensure a high level of accountability. Notice of AGM will be dispatched to shareholders, together with explanatory notes or a circular on items of special business, on a timely basis in accordance with the legal requirements. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM. The Chairmen of the Audit, Remuneration and Nominating Committees, will be available at the meeting to answer those questions relating to their work.

The Board is satisfied that shareholders have been given the opportunity to participate effectively and to vote at AGMs.

DEALINGS IN SECURITIES

The Company has adopted practices in relation to dealings in the Company's securities pursuant to the SGX-ST's Listing Manual (Section B: Rules of Catalist) that are applicable to all its officers. Its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's full year results and ending on the date of the announcement of the results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period.

other information

1. RECURRENT INTERESTED PERSON TRANSACTIONS OF A REVENUE OR TRADING NATURE

In compliance with Rule 920 of the SGX-ST's Listing Manual (Section B: Rules of Catalist), the aggregate value of recurrent interested person transactions of revenue or trading nature conducted during the financial year ended 30 June 2010 by the Group in accordance with the shareholders' mandates were as follows: -

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	01-07-2009 to 30-06-2010 RM	01-07-2009 to 30-06-2010 RM
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		
- Old Mandates(1)	-	2,238,507
- New Mandates(2)		
- Revenue from Silverlake Entities	-	14,876,413
- Service fees paid to Silverlake Entities	-	3,104,063
- Ancillary Transactions(3):		
- Revenue from Silverlake Entities	-	47,023,117
- Service fees paid to Silverlake Entities	-	542,426

(1) Old Mandates refers to Master Licence Reseller Agreement, Master Services Agreement and Master Reseller Agreement Shareholders' Mandates for IPTs approved by the shareholders on 31 October 2007.

(2) New Mandates refers to Master Licence Agreement and Master Services Agreement Shareholders' Mandates for IPTs approved by the shareholders on 24 October 2008.

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

2. MATERIAL CONTRACTS

There were no material contracts including contracts relating to a loan entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest except as disclosed in the financial statements.

3. DISCLOSURES IN RELATION TO THE COMPANY'S UNDERTAKINGS TO THE SGX-ST

In accordance with its terms of reference and undertakings given to the SGX-ST, the Audit Committee has reviewed all Interested Person Transactions between the Company and Silverlake Entities and is satisfied that the Interested Person Transactions comply with the shareholders' mandates granted by the shareholders at the Annual General Meeting of the Company held on 28 October 2009 and the Special General Meeting of the Company held on 28 January 2010.

The ageing of amounts owing from the Silverlake Entities as at 30 June 2010 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-90 days RM	91-180 days RM	181-360 days RM	> 360 days RM
Transactions conducted under the Old Mandates						
Silverlake Entities (1)	496,960	341,968	41,915	113,077	-	-
Transactions conducted under the New Mandates						
Silverlake Entities (1)	5,295,867	1,279,293	186,619	1,328,120	2,498,835	-
Ancillary Transactions						
Silverlake Entities	10,039,740	1,818,307	8,177,683	43,750	-	-
Total	**15,832,567**	**11,617,251**	**275,284**	**1,441,197**	**2,498,835**	**-**

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

NON-AUDIT FEES

For the financial year ended 30 June 2010, there were non-audit fees of RM825,000 paid to the Company's External Auditors for tax services and acquisition transactions advisory services.

SPONSOR

For the financial year ended 30 June 2010, there were non-sponsor fees of RM1,112,230 paid to the Company's Sponsor in relation to their role as the financial adviser in relation to the acquisition transactions in FY2010.

financial statements

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited consolidated financial statements of Silverlake Axis Ltd (the Company) and its subsidiaries (collectively, the Group) and the statement of financial positions and statement of changes in equity of the Company for the financial year ended 30 June 2010.

1. Directors

The directors of the Company in office at the date of this report are:

Goh Peng Ooi
Kwong Yong Sin
Ong Kian Min
Datuk Sulaiman bin Daud
Tan Sri Dato' Dr. Lin See-Yan
Lim Kok Min

2. Arrangement to enable directors to acquire shares

Except as disclosed in the financial statements, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

3. Directors' interests in shares

The following directors, who held office at the end of the financial year, had an interest in shares of the Company and its related corporations as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year	At end of financial year	At the beginning of financial year	At end of financial year
Ordinary shares of the Company				
Goh Peng Ooi	-	-	798,277,292	1,791,086,346
Kwong Yong Sin	560,000	560,000	300,000	300,000
Ordinary shares of the holding company (Intelligentsia Holding Ltd.)				
Goh Peng Ooi	-	-	3,882,254	3,882,254

There was no change in the abovementioned interests between the end of the financial year and 21 July 2010.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Significant events during the financial year

During the year, the Company completed the acquisitions of Silverlake Solutions Limited and its subsidiaries ("SSB group"), QR Technology Sdn. Bhd. and its subsidiaries ("QR group"), Silverlake Japan, Ltd. ("SJL") and Silverlake Sistem Sdn. Bhd. Further details are as disclosed in Note 33 to the financial statements.

6. Share option scheme

The ESOS Scheme in respect of unissued ordinary shares in the Company was approved by the shareholders on 9 January 2003 in conjunction with the Company's listing on the Singapore Exchange Securities Trading Limited. The ESOS Scheme became effective on 9 January 2003 for a duration of 10 years, terminating on 9 January 2013.

The principal features of the ESOS Scheme are as follows:

(a) Eligible persons are confirmed full-time employees of the Company, its subsidiaries and associates and the ultimate holding company and its subsidiaries, who have attained the age of 21 years, independent non-executive Directors of the Company and executive Directors of the Company, its subsidiaries and associates and the ultimate holding company and its subsidiaries.

(b) The ESOS Scheme is administered by the ESOS Committee comprising three Directors of the Company, namely Ong Kian Min, Datuk Sulaiman bin Daud and Tan Sri Dato' Dr. Lin See-Yan.

(c) The maximum number of new shares to be offered shall not exceed 15% of the issued and paidup share capital of the Company on the date preceding the grant of an option. The maximum number of shares available to Intelligentsia Holding Ltd (ultimate holding company) and its subsidiaries is 20% of the shares available under the ESOS Scheme.

(d) The option price shall be the price equal to ("Market Price Option") or not more than 20% discount ("Incentive Option") to the average of the prices for the last five consecutive days immediately preceding the grant of the option.

(e) Each option shall be exercisable, in the case of a Market Price Option, from the first anniversary to the 10th anniversary of the offering date. In the case of Incentive Option, the option shall be exercisable from the 2nd anniversary to the 10th anniversary of the offering date. In the case of persons not holding a salaried office, the option shall expire on the 5th anniversary for both the Market Price and Incentive Option.

(f) Shares arising from the exercise of options pursuant to the ESOS Scheme are subject to the Memorandum and Bye-Laws of the Company and rank pari passu in all respect with the then existing issued shares.

(g) The ESOS Scheme shall continue in operation for a maximum of 10 years commencing on the date on which the ESOS Scheme is adopted by the Company in the general meeting, which was held on 9 January 2003, subject to any extension as may be approved by the shareholders in general meeting and the relevant authorities.

There were no options granted in the current and previous financial years.

7. Audit Committee ("AC")

Information on the functions and activities of the Audit Committee are disclosed in Corporate Governance Statement.

8. Auditors

Ernst & Young have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors:

GOH PENG OOI DIRECTOR	**KWONG YONG SIN** DIRECTOR

30 September 2010

STATEMENT BY DIRECTORS

In the opinion of the directors,

(i) the accompanying statement of financial positions, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2010 and the results of the business, changes in equity and cash flows of the Group for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

GOH PENG OOI
DIRECTOR

KWONG YONG SIN
DIRECTOR

30 September 2010

INDEPENDENT AUDITORS' REPORT
To members of Silverlake Axis Ltd.

We have audited the financial statements of Silverlake Axis Ltd. and its subsidiaries, which comprise the statement of financial positions as at 30 June 2010 of the Group and of the Company, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The management of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial positions of the Company are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Without qualifying our opinion, we draw attention to Note 34 to the financial statements which states the acquisitions of the equity interests of several entities under common control were accounted under the pooling of interests method. Under the pooling of interest method, comparatives are presented as if the entities had always been combined. Accordingly, the comparatives have been restated. Such comparatives, however, are unaudited.

Other matters

This report is made solely to the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia
30 September 2010

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2010

	Note	2010 RM	Restated 2009 RM
Revenue	3	175,818,103	173,415,598
Cost of sales		(65,495,050)	(67,404,325)
Gross profit		110,323,053	106,011,273
Other items of income			
Interest income	4	328,609	1,156,222
Other income	5	3,365,967	2,346,585
Other items of expenses			
Selling and distribution costs		(4,818,851)	(2,873,901)
Administrative expenses		(29,572,281)	(14,736,799)
Finance costs	6	(265,042)	(296,777)
Share of (loss)/profits of associates		(4,159,378)	801,074
Profit before tax	7	75,202,077	92,407,677
Income tax expense	9	(11,682,341)	(11,450,088)
Profit for the year		63,519,736	80,957,589
Profit attributable to:			
Owners of the Company		63,519,736	80,957,589
Earnings per share attributable to the equity holders of the Company:			
- Basic and diluted (sen)	10	3.04	3.82

The accompanying notes and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2010

	2010 RM	Restated 2009 RM
Profit for the year	63,519,736	80,957,589
Other comprehensive (loss)/income:		
Foreign currency translation (loss)/gain	(1,026,577)	2,487,889
Other comprehensive (loss)/ income for the year, net of tax	(1,026,577)	2,487,889
Total comprehensive income for the year	62,493,159	83,445,478
Total comprehensive income attributable to:		
Owners of the Company	62,493,159	83,445,478

The accompanying notes and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2010

		Group			Company	
	Note	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Non-current assets						
Property, plant and equipment	11	11,837,442	9,062,565	9,223,749	5,022	8,264
Intangible assets	12	36,764,185	8,711,743	11,456,531	-	-
Investments in subsidiaries	13	-	-	-	1,608,907,743	771,859,481
Investments in associates	14	84,804,930	88,964,308	88,163,234	83,353,760	88,682,760
Deferred tax assets	25	220,240	-	31,534	-	-
		133,626,797	106,738,616	108,875,048	1,692,266,525	860,550,505
Current assets						
Amounts due from customers for contract work-in-progress	15	404,619	2,268,937	5,633,449	-	-
Trade and other receivables	16	90,802,985	5,732,588	2,745,469	-	-
Advance maintenance cost		7,334,157	-	-	-	-
Prepayments		1,061,472	2,491,916	713,379	34,311	34,936
Dividend receivable		-	-	-	24,989,000	-
Amounts due from related parties	17	15,832,567	23,115,634	28,276,183	-	-
Loan to a subsidiary	18	-	-	-	5,508,802	-
Loan to an associate	18	735,000	735,000	-	735,000	735,000
Pledged deposits	19	1,129,890	102,873	804,634	-	-
Cash and cash equivalents	19	31,019,613	63,156,015	54,929,754	679,883	1,886,172
Tax recoverable		48,030	2,354	-	-	-
		148,368,333	97,605,317	93,102,868	31,946,996	2,656,108
Total assets		281,995,130	204,343,933	201,977,916	1,724,213,521	863,206,613
Equity and liabilities						
Equity attributable to owners of the Company						
Share capital	20	151,271,159	151,271,159	151,271,159	151,271,159	81,918,614
Share premium	20	22,216,916	22,216,916	22,216,916	1,458,774,672	708,326,733
Treasury shares	20	(12,734,498)	(12,734,498)	-	(12,734,498)	(12,734,498)
Foreign currency translation reserve	21(a)	(6,514,649)	(5,488,072)	(7,975,961)	-	-
Capital reserve	21(b)	466,828	466,828	466,828	-	-
Merger deficit	22	(119,765,286)	(127,950,351)	(127,950,351)	-	-
Retained profits		128,471,744	133,764,221	118,832,976	81,535,787	85,336,112
Total equity		163,412,214	161,546,203	156,861,567	1,678,847,120	862,846,961

The accompanying notes and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2010 (cont'd)

		Group			Company	
	Note	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Non-current liabilities						
Loans and borrowings	23	2,888,605	2,383,229	2,774,589	-	-
Deferred tax liabilities	25	1,539,976	1,529,376	1,624,260	-	-
		4,428,581	3,912,605	4,398,849	-	-
Current liabilities						
Amounts due to customers for contract work-in-progress	15	45,782,831	676,068	366,041	-	-
Trade and other payables	26	16,274,423	10,514,773	13,684,534	914,430	323,975
Advance maintenance fees		20,425,659	20,396,928	19,367,311	-	-
Dividend payable		24,645,869	-	-	24,645,869	-
Loans and borrowings	23	2,300,552	499,493	494,677	-	-
Amounts due to subsidiaries	17	-	-	-	19,806,102	35,134
Amounts due to related parties	17	581,237	4,633,917	5,975,242	-	-
Income tax payable		4,143,764	2,163,946	829,695	-	543
		114,154,335	38,885,125	40,717,500	45,366,401	359,652
Total liabilities		118,582,916	42,797,730	45,116,349	45,366,401	359,652
Total equity and liabilities		281,995,130	204,343,933	201,977,916	1,724,213,521	863,206,613

The accompanying notes and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2010

Group	Note	Share capital RM	Share premium RM	Treasury shares RM	Foreign currency translation reserve RM	Capital reserve RM	Merger deficit (Note 22) RM	Distributable retained profits RM	Total RM
As at 1 July 2008:									
As previously reported		81,918,614	22,216,916	-	(7,962,203)	-	(59,771,338)	130,998,376	167,400,365
Shares issued for acquisitions of subsidiaries	20(a)	69,352,545	-	-	-	-	-	-	69,352,545
Adjustments for acquisitions of subsidiaries		-	-	-	(13,758)	466,828	(68,179,013)	(12,165,400)	(79,891,343)
As at 1 July 2008, as restated		**151,271,159**	**22,216,916**	**-**	**(7,975,961)**	**466,828**	**(127,950,351)**	**118,832,976**	**156,861,567**
Profit, net of tax		-	-	-	-	-	-	80,957,589	80,957,589
Other comprehensive income for the year		-	-	-	2,487,889	-	-	-	2,487,889
Total comprehensive income for the year		-	-	-	2,487,889	-	-	80,957,589	83,445,478
Purchase of treasury shares	20(c)	-	-	(12,734,498)	-	-	-	-	(12,734,498)
Distribution to Silverlake Private Entities	33	-	-	-	-	-	-	(50,110,709)	(50,110,709)
Dividends on ordinary shares	27	-	-	-	-	-	-	(15,915,635)	(15,915,635)
At 30 June 2009 (Restated)		**151,271,159**	**22,216,916**	**(12,734,498)**	**(5,488,072)**	**466,828**	**(127,950,351)**	**133,764,221**	**161,546,203**
As at 1 July 2009:									
As previously reported		81,918,614	22,216,916	(12,734,498)	(5,491,899)	-	(59,771,338)	142,258,708	168,396,503
Shares issued for acquisitions of subsidiaries	20(a)	69,352,545	-	-	-	-	-	-	69,352,545
Adjustments for acquisitions of subsidiaries		-	-	-	3,827	466,828	(68,179,013)	(8,494,487)	(76,202,845)
As at 1 July 2009, as restated		**151,271,159**	**22,216,916**	**(12,734,498)**	**(5,488,072)**	**466,828**	**(127,950,351)**	**133,764,221**	**161,546,203**
Profit, net of tax		-	-	-	-	-	-	63,519,736	63,519,736
Other comprehensive expense for the year		-	-	-	(1,026,577)	-	-	-	(1,026,577)
Total comprehensive (loss)/ income for the year		-	-	-	(1,026,577)	-	-	63,519,736	62,493,159
Distribution to Silverlake Private Entities	33	-	-	-	-	-	-	(18,652,260)	(18,652,260)
Increase in share capital of a subsidiary by the former shareholder	33	-	-	-	-	-	8,185,065	-	8,185,065
Dividends on ordinary shares	27	-	-	-	-	-	-	(50,159,953)	(50,159,953)
At 30 June 2010		**151,271,159**	**22,216,916**	**(12,734,498)**	**(6,514,649)**	**466,828**	**(119,765,286)**	**128,471,744**	**163,412,214**

The accompanying notes and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

For the financial year ended 30 June 2010

	Note	Group 2010 RM	Group Restated 2009 RM
Cash flows from operating activities			
Profit before tax		75,202,077	92,407,677
Adjustments for:			
Amortisation of intangible assets	12	7,457,137	3,329,693
Impairment of intangible assets	12	-	489,795
Depreciation of property, plant and equipment	11	2,740,110	526,052
(Gain)/loss on disposal of property, plant and equipment	7	(11,533)	2,306
Write off of property, plant and equipment, net	7	1,771	10,093
Net unrealised foreign exchange gain	7	(494,349)	(413,067)
Writeback of allowance for impairment of trade receivables		-	(5,000)
Bad debts recovered		-	(141,854)
Allowance for/(reversal of) unutilised leave	8	1,351,744	(107,148)
Share of loss/(profits) of associates		4,159,378	(801,074)
Negative goodwill arising from the acquisition of a subsidiary	5	(107,916)	-
Interest expense	6	265,042	296,777
Interest income	4	(328,609)	(1,156,222)
Operating profit before working capital changes		90,234,852	94,438,028
Changes in working capital:			
Trade and other receivables		(92,037,124)	(4,535,261)
Net movement in amounts due from customers on contracts		49,160,344	3,753,634
Net movement in amounts due from related parties		5,670,550	4,418,788
Trade and other payables		1,392,830	(2,056,310)
Cash generated from operations		54,421,452	96,018,879
Net (placement)/uplift of deposit pledged		(1,027,017)	701,761
Income tax paid		(9,869,293)	(10,177,665)
Interest paid		(265,042)	(296,777)
Net cash generated from operating activities		43,260,100	86,246,198

The accompanying notes and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASHFLOW (cont'd)

For the financial year ended 30 June 2010

		Group	
	Note	2010 RM	Restated 2009 RM
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(1,912,474)	(376,407)
Payments for software development expenditure	12	(3,649,528)	(859,298)
Payments for other intangible assets	12	(15,871,127)	-
Interest received		328,609	1,156,222
Proceeds from disposal of property, plant and equipment		23,413	3,040
Loan to an associate company		-	(735,000)
Acquisition of a subsidiary, net of cash acquired	13(a)	(16,976,380)	-
Net cash used in investing activities		(38,057,487)	(811,443)
Cash flows from financing activities			
Purchase of treasury shares	20	-	(12,734,498)
Dividends paid		(25,514,084)	(15,915,635)
Distribution to Silverlake Private Entities		(18,652,260)	(50,110,709)
Proceeds from issuance of shares to a former shareholder by a subsidiary		8,185,065	-
Drawdown on finance lease liabilities		1,156,793	-
Repayment of finance lease liabilities		(1,200,859)	(46,296)
Repayment of term loan		(361,913)	(340,247)
Net cash used in financing activities		(36,387,258)	(79,147,385)
Net (decrease)/increase in cash and cash equivalents		(31,184,645)	6,287,370
Effects of exchange rate changes		(951,757)	1,938,891
Cash and cash equivalents at beginning of year		63,156,015	54,929,754
Cash and cash equivalents at end of year	19	31,019,613	63,156,015

The accompanying notes and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2010

1. Corporate information

Silverlake Axis Limited ("Company") is an exempt company with limited liability and incorporated in Bermuda. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited (SGX-ST). The immediate and ultimate holding corporation is Intelligentsia Holding Ltd., a corporation incorporated in Bermuda.

The registered office of the Company is located at Clarendon House, 2, Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Lot 5.04, 5th Floor, Menara 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 33.

Related parties refer to companies with common shareholder/director of the Company.

2. Significant accounting policies

2.1 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 (FRS).

The financial statements have been prepared under the historical cost basis, except as disclosed in the summary of significant accounting policies below.

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

The preparation of financial statements in conformity with FRS 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.5.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009:

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosures
- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation

2. Significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
- INT FRS 118 Transfers of Assets from Customers
- Improvements to FRSs issued in 2009
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Item
- Revised FRS 103 Business Combinations
- Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations
- INT FRS 117 Distributions of Non-cash Assets to owners
- Improvements to FRSs issued in 2009

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised presentation
The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as two linked statements.

Amendments to FRS 107 Financial Instruments: Disclosures
The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The liquidity risk disclosures and fair value measurement disclosures are presented in Note 30(b) and Note 30(e), respectively.

FRS 108 Operating Segments
FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in Note 32, including revised comparative information.

2. Significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Improvements to FRSs issued in 2008
In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial positions. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any reclassification of financial instruments between current and non-current in the statement of financial positions.

- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one - the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly, which did not result in any change its financial position.

Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statement — Cost of An Investment In a Subsidiary, Jointly Controlled Entity or Associates

The amendments to FRS 27 require all dividends from a subsidiary, jointly controlled entities or associates to be recognised in profit or loss of the Company's separate financial statement. Distinction between pre- and post-acquisition profits is no longer required. The Company applied the amendments to FRS 27 prospectively. During the financial year, the change in the accounting policy did not result in any change in the Company's dividend income and retained earnings.

Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements

The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with non-controlling interests.

2. Significant accounting policies (cont'd)

2.3 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
Improvements to FRSs issued in 2009:	
- Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
- Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
- Amendments to FRS 17 *Leases*	1 January 2010
- Amendments to FRS 36 *Impairment of Assets*	1 January 2010
- FRS 39 Financial Instruments: *Recognition and Measurement*	1 January 2010
- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
- Amendments to FRS 108 *Operating Segments*	1 January 2010
Amendments to FRS 102 - Group Cash-settled Share-based Payment Transactions	1 January 2010
2009 Improvements to FRSs	1 January 2010
Amendments to FRS 32 - Classification of Rights Issue	1 February 2010
INT FRS 119 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Amendments to FRS 24 - Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 - Prepayments of a Minimum Funding Requirement	1 January 2011

The directors expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities and contingent liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets and liabilities is recorded as goodwill in the statement of financial positions. The accounting policy for goodwill is set out in Note 2.4(d)(i). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in income statement on the date of acquisition.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" 'entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Expenditure incurred in relation to a common control combination is recognised as an expense in the period in which it is incurred. Such expenditure includes professional fees, registration fees and all other incidental expenses.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The Company's accounting policy on investments in subsidiaries is as disclosed in Note 2.4(e).

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(b) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(b) Associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Company's accounting policy on investments in associates is as disclosed in Note 2.4(e).

(c) Property, plant and equipment

(i) Measurement

Land
Land is initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses.

Other property, plant and equipment
All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs
The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation
Freehold land has unlimited useful life and therefore is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives. The principal annual depreciation rates are as follows:

Office premises	4%
Furniture and fittings	15%
Motor vehicles	15%
Office equipment	15% - 20%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial reporting date. The effects of any revision are recognised in the income statement when the changes arise.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(c) Property, plant and equipment (cont'd)

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(iv) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

(d) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cashgenerating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4(k).

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(d) Intangible assets (cont'd)

(ii) Software development expenditure

Software development expenditure represents cost incurred on software development and is capitalised and amortised using the straight line method over their estimated useful lives (to the maximum of 10 years). Costs directly attributable to the development of computer software are capitalised as software development expenditure only when:

- technical feasibility of the project is demonstrated;
- the Group has an intention and ability to complete and use the software; and
- the costs can be measured reliably.

Software development expenditure comprises purchased software, manpower and related overhead costs incurred directly in the development of computer software.

The principal annual amortisation rate is 10% to 20%.

Costs incurred in the development of software which are not or have ceased to be commercially viable are written off in that financial year to the Group income statements.

The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

(iii) Other intangible assets

Other intangible assets acquired separately are measured initially at cost. The cost of other intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, other intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Other intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite lives is recognised in profit or loss.

The principal annual amortisation rate is 10%.

Gains or losses arising from derecognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(e) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the Company's statement of financial position. Where an indication of impairment exists, the carrying amounts of the investments are assessed and written down immediately to its recoverable amount. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in the company's income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(f) Income recognition on contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the financial reporting date, when the outcome of a contract can be estimated reliably. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. An expected loss on the contract is recognised as an expense immediately when it is probable that total contract costs will exceed total revenue.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The stage of completion is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Contract costs include staff costs, allowances and other directly attributed costs.

(g) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised or derecognised on trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and deposits held at call with financial institutions that are readily convertible to known amount of cash and which are subject to an significant risk of changes in value.

(i) Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in the income statement except to the extent that the tax relates to items recognised outside the income statement, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- in respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(i) Income taxes (cont'd)

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial reporting.

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(I) Licensing of Silverlake Axis Integrated Banking Solution ("SIBS")

Revenue from licensing of SIBS is recognised when there are no remaining obligations in accordance with the substance of the agreement. When there are no obligations subsequent to the delivery of the software source codes and the risks and rewards of ownership have been transferred, license fees is recognised upon transfer of title to the customer, which takes place after delivery and customer acceptance.

(ii) Customised software solutions

Revenue relating to rendering of customised software solutions services is accounted for under the percentage of completion method. The stage of completion is measured by reference to the actual cost for work performed to date to the estimated total costs for each contract. Please refer to Note 2.4(f) for further details.

(iii) Sale of software and hardware products

Revenue relating to sale of software and hardware products is recognised upon delivery of products and customer acceptance, net of discounts.

(iv) Maintenance and enhancement services

Revenue on maintenance and enhancement services is recognised over the contractual period or performance of services.

(v) Interest income

Interest income is recognised using the effective interest method.

(vi) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vii) Commission income

Commission income is recognised as earned when the right to receive the commission is established.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(k) Currency translation

(i) Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency.

(ii) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the financial reporting date are recognised in the income statement, unless they arise from borrowings in foreign currencies and qualifying as net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the income statement as part of the gain or loss on disposal of the foreign operations.

(iii) Translation of the Group entities' financial statements
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the date of the statement of financial position;

- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

- All resulting currency translation differences are taken to the foreign currency translation reserve within equity.

(l) Financial liabilities

Financial liabilities within the scope of FRS 39 are recognised on the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of the financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in income statement. Net gains or losses on derivatives include exchange differences.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(m) Leases

Finance leases
Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial positions as property, plant and equipment and hire-purchase liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

When a lease is terminated before the lease period expires, any payment made by the Group as penalty is recognised as an expense when termination takes place.

Operating leases
Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(n) Employee benefits

(i) Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employees' Provident Fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense in the period in which the related service is performed, unless they can be capitalised as an asset.

(ii) Employee share option plans
Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(n) Employee benefits (cont'd)

(iii) Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial reporting date.

(o) Impairment of assets

The Group assesses at each financial reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement. Impairment loss on goodwill is not reversed in a subsequent period.

(ii) Assets carried at amortised cost
If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(o) Impairment of assets (cont'd)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(iii) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(p) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

(q) Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against the share capital.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(r) Dividends to Company's shareholders

Interim dividends are recorded in equity in the year in which they are declared payable. Final dividends are recorded in equity in the year in which the dividends are approved by the shareholders.

(s) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of uncertain future event(s) not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statement of financial positions of the Group.

2.5 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Percentage of completion for customised software solutions

The Group uses the percentage of completion method in accounting for its contract revenue for rendering of customised software solutions services where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred and the estimated total contract costs, as well as the recoverability of the contracts. In making the judgement, the Group has relied on past experience.

(b) Capitalisation and amortisation of software development expenditure

The Group and the Company capitalised costs relating to the development and enhancement of its new and existing products respectively, upon meeting all the criteria for capitalisation as described in Note 2.4(d)(ii). Amortisation, which commences upon commercialisation or sale of products, is recognised in the income statement based on a straight-line basis over the products' estimated economic lives of 5 to 10 years. The Group and the Company review the amortisation period and amortisation method at least once a year.

However, if there are indications that the products are unable to meet expected future cash flow, immediate impairment loss would be recognised.

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

(c) 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 estimated 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 at 30 June 2010 is RM1,608,907,743 (2009: RM771,859,481).

(d) Impairment of loans and receivables

The Group assesses at each financial reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the financial reporting date is disclosed in Notes 16.

(e) Impairment of investment in an associate

Management has assessed the carrying value of investment in an associate, ePetrol Silverswitch Sdn. Bhd., for potential impairment. The carrying value is supported through a valuation determined by discounting the total estimated future cash flows of the business. The valuation in 2010 and 2009 involves cash flow forecasts and projections covering a 10-year period (2008: 20-year period cash flow forecasts and projections were used). Cash flows beyond the period are extrapolated using the growth rate stated below.

Key assumptions used for the valuation are as follows:

	2010	2009
Growth rate	0%	0%
Discount rate	20%	22%

On the basis that all other assumptions in the calculation remain the same, an increase of 0.1% (2009: 1%) in the discount rate to 20.1% (2009: 23%) would result in a change to the total estimated future cash flows of the business of the associate which would then result in a potential impairment of RM135,000 (2009: RM176,000) against the carrying value of investment in an associate.

(f) Income 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 capital 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 estimates of assessment 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 income tax provisions in the period in which such determination is made.

3. Revenue

	Group	
	2010 RM	Restated 2009 RM
Sale of goods		
Sale of software and hardware products	8,704,647	18,575,196
Licensing of SIBS*	13,693,933	15,204,407
	22,398,580	33,779,603
Rendering of services		
Customised software solutions	9,356,983	14,834,029
Maintenance and enhancement services	126,240,961	124,801,966
Credit card processing fee	17,821,579	-
	153,419,523	139,635,995
	175,818,103	173,415,598

* The pricing of SIBS licence fees between SAACIS and related parties entered prior to 24 October 2008 was negotiated on a contract-by-contract basis depending on the geographical market, competitions and nature of the end customers, and effective from the shareholders' mandate approval on 24 October 2008, the pricing of SIBS licence fees between SAACIS and related parties was in accordance with the pricing model under the Master Licence Agreement.

4. Interest income

	Group	
	2010 RM	Restated 2009 RM
Interest income from deposits with licensed banks	253,156	762,593
Interest income received from loans and receivables	75,453	393,629
	328,609	1,156,222

5. Other income

	Group	
	2010 RM	Restated 2009 RM
Foreign currency exchange gain:		
- realised	1,192,583	1,200,938
- unrealised	1,752,809	476,380
Bad debts recovered	-	141,854
Gain on disposal of property, plant and equipment	11,533	736
Commission income and other incentives	242,089	417,037
Rental income	24,000	24,000
Negative goodwill on acquisition of a subsidiary (Note 13(a))	107,916	-
Writeback of allowance for impairment of trade receivables (Note 30(c))	-	5,000
Miscellaneous income	35,037	80,640
	3,365,967	2,346,585

6. Finance costs

	Group	
	2010 RM	Restated 2009 RM
Interest expense:		
- term loan	134,045	147,556
- obligations under finance leases	130,997	149,221
	265,042	296,777

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2010 RM	Restated 2009 RM
Amortisation of intangible assets (Note 12)	7,457,137	3,329,693
Costs of hardware sold	6,138,073	13,930,924
Software subscription costs and others	31,127,915	55,897,252
Directors' fees:		
- current year	1,406,797	1,083,343
Employee benefits expense (Note 8)	25,803,676	14,145,473
Depreciation of property, plant and equipment (Note 11)	2,740,110	526,052
Impairment loss of intangible assets (Note 12)	-	489,795
Write off of property, plant and equipment	1,771	10,093
Gain)/Loss on disposal of property, plant and equipment	(11,533)	2,306
Net foreign currency exchange loss/(gain):		
- realised	1,477,472	1,485,905
- unrealised	(494,349)	(413,067)
Non-audit fees paid to:		
- auditors of the Company	825,000	18,470
- other auditors	18,331	-
Operating lease expenses	1,071,464	551,030
Professional expenses	5,663,673	2,874,894

8. Employee benefits expense (including directors' remuneration)

	Group	
	2010 RM	Restated 2009 RM
Wages and salaries	24,940,934	13,168,098
Defined contribution plans	1,769,040	1,526,248
Allowance for/(reversal of) unutilised leave	1,351,744	(107,148)
Other employee benefits	403,312	154,776
	28,465,030	14,741,974
Less: Capitalised under intangible assets	(2,661,354)	(596,501)
	25,803,676	14,145,473

9. Income tax expense

	Group	
	2010 RM	Restated 2009 RM
Current income tax:		
- Malaysia	3,238,347	2,988,762
- Singapore	1,493,203	1,048,125
- Others	567,291	3,270,113
	5,298,841	7,307,000
Deferred tax (Note 25)		
- origination and reversal of temparary differences	(308,588)	(103,478)
(Over)/under provision in prior financial years		
- current income tax	(3,270)	(116,691)
- deferred income tax (Note 25)	92,054	40,128
	88,784	(76,563)
Tax expense for the year	5,079,037	7,126,959
Foreign and withholding tax	6,603,304	4,323,129
	11,682,341	11,450,088

The corporate income tax rate applicable to Singapore companies of the Group was 17% (2009: 17%). The corporate income tax rate applicable to Malaysian companies of the Group was 25% (2009: 25%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. Income tax expense (cont'd)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the year ended 30 June 2010 are as follows:

	2010 RM	Restated 2009 RM
Group		
Profit before tax	75,202,077	92,407,677
Tax calculated at a tax rate of:		
- Malaysia 25% (2009: 25%)	10,728,217	16,369,786
- Singapore 17% (2009: 17%)	1,697,012	945,401
- China 25% (2009: 25%)	791,989	451,484
- Thailand 30% (2009: 30%)	573,167	1,638,187
- Indonesia 28% (2009: 28%)	(52,783)	1,290,332
- Philippines 30% (2009: 30%)	-	79,259
- Brunei 23.5% (2009: 23.5%)	49,608	65,397
Tax effect of:		
- Share of loss/(gain) of associates	1,061,527	(88,367)
- Exempted amount	(298,072)	(56,662)
- Exempted income under pioneer status[2]/ advance Technology Enterprise status[3]	(10,408,039)	(13,389,801)
- Expenses not deductible for tax purposes	1,186,821	888,090
- Temporary differences exempted under pioneer status	-	(19,398)
- Lower tax rates for small, medium enterprise companies	-	(75,000)
- Deduction for tax incentives[4]	(529,941)	(895,185)
- Utilisation of capital allowance previously not recognised	(2,671)	-
Deferred tax assets not recognised	193,418	-
Over provision of current income tax in prior financial years	(3,270)	(116,691)
Under provision of deferred income tax in prior financial years	92,054	40,128
Tax expense for the year	5,079,037	7,126,959
Foreign and withholding tax	6,603,304	4,323,129
	11,682,341	11,450,088

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

9. Income tax expense (cont'd)

1. Two Bermuda subsidiaries of the Group, Silverlake Adaptive Applications & Continuous Improvement Services Ltd ("SAACIS"), and Silverlake Solutions Limited ("SSL") have obtained exemption from the Ministry of Finance, Bermuda, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, thus no taxes shall be applicable to SAACIS and SSL on all income derived by SAACIS and SSL.

2. Three Malaysian subsidiaries of the Group, Silverlake Axis Sdn. Bhd. ("SASB"), Silverlake Axis MSC Sdn. Bhd. ("SAMSB") and Silverlake Structured Services Sdn. Bhd. ("SSSVC"), are a Multimedia Super Corridor Status Company and enjoys the incentives, rights and privileges provided for under the Bill of Guarantees.

   The pioneer status of SASB was extended for a period of five years effective from 1 May 2005 and expired on 30 April 2010. The pioneer status of SAMSC and SSSVC commenced on 1 November 2007 and 13 August 2009 respectively, and will expire in five years' time.

3. A subsidiary of the Group, Silverlake Axis (Beijing) Co. Ltd, was an Advance Technology Enterprise and was entitled to a three-year tax exemption, followed by a three year 50% tax deduction effective from 1 January 2005. The newly revised Enterprise Corporate Income Tax Law of P.R.C was effective from 1 January 2008. The basic income tax rate is 25%, except for high-tech enterprise which are entitled to a 15% preferential tax rate. However, the Company was no longer accorded with a high-tech enterprise status in the current financial year, and therefore the applicable tax rate is 25%.

4. A Malaysian subsidiary of the Group, QR Retail Automation (Asia) Sdn. Bhd., qualifies for exemption on income for value of increased export of services under Income Tax Act, 1965 (Exemption) (No. 2) 2001 - P.U. (A) 154 and No. 9 (2002), P.U. (A) 57 and (Amendment) 2006 - P.U. (A) 275, for services rendered to foreign customers.

5. A Thailand subsidiary of the Group, Silverlake Structured Services Ltd, was granted promotional privileges approved by the Board of Investment under Thai Investment Promotion Act B.E. 2520, for Enterprise software and Digital content, under Certificate No. 2010(7)/2552 dated 23 December 2009.

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to equity shareholders of the Company by the weighted number of ordinary shares in issue adjusted for treasury shares during the financial year.

	Group	
	2010 RM	Restated 2009 RM
Profit net of tax attributable to owners of the company	63,519,736	80,957,589
Weghted average number of ordinary shares for basic earnings per share computation *	2,091,735,108	2,119,448,366
Basic earnings per share (sen)	3.04	3.82

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

As there were no share options and other potential issuance granted, the basic and diluted earnings per share are the same.

11. Property, plant and equipment

Group	Freehold land RM	Office premises RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2010						
Cost						
At 1 July 2009	7,153,765	818,000	726,080	1,556,179	1,920,334	12,174,358
Additions	-	-	363,990	625,990	922,494	1,912,474
Acquisition of a subsidiary (Note 13(a))	-	-	1,613,170	-	2,095,921	3,709,091
Disposals	-	-	-	-	(13,200)	(13,200)
Written off	-	-	(155,654)	-	(1,014)	(156,668)
Currency translation differences	-	-	(149,092)	(6,407)	(178,115)	(333,614)
At 30 June 2010	7,153,765	818,000	2,398,494	2,175,762	4,746,420	17,292,441
Accumulated depreciation						
At 1 July 2009	-	457,600	330,831	831,079	1,492,283	3,111,793
Charge for the year (Note 7)	-	32,720	1,258,354	237,663	1,211,373	2,740,110
Disposals	-	-	-	-	(1,320)	(1,320)
Written off	-	-	(154,231)	-	(666)	(154,897)
Currency translation differences	-	-	(97,606)	(3,837)	(139,244)	(240,687)
At 30 June 2010	-	490,320	1,337,348	1,064,905	2,562,426	5,454,999
Net carrying amount	7,153,765	327,680	1,061,146	1,110,857	2,183,994	11,837,442
At 30 June 2009 (Restated)						
Cost						
At 1 July 2008	7,153,765	818,000	626,927	1,406,265	1,816,793	11,821,750
Additions	-	-	107,382	147,809	121,216	376,407
Disposals	-	-	(8,300)	-	(3,950)	(12,250)
Written off	-	-	-	-	(19,797)	(19,797)
Currency translation differences	-	-	71	2,105	6,072	8,248
At 30 June 2009	7,153,765	818,000	726,080	1,556,179	1,920,334	12,174,358
Accumulated depreciation						
At 1 July 2008	-	424,880	251,851	601,933	1,319,337	2,598,001
Charge for the year (Note 7)	-	32,720	84,167	228,036	181,129	526,052
Disposals	-	-	(5,258)	-	(1,646)	(6,904)
Written off	-	-	-	-	(9,704)	(9,704)
Currency translation differences	-	-	71	1,110	3,167	4,348
At 30 June 2009	-	457,600	330,831	831,079	1,492,283	3,111,793
Net carrying amount	7,153,765	360,400	395,249	725,100	428,051	9,062,565

11. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land RM	Office premises RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2008 (Restated)						
Cost						
At 1 July 2007	7,153,765	818,000	476,045	1,284,637	2,945,884	12,678,331
Additions	-	-	413,430	482,577	169,263	1,065,270
Disposals	-	-	(262,548)	(360,949)	(1,301,128)	(1,924,625)
Currency translation differences	-	-	-	-	2,774	2,774
At 30 June 2008	7,153,765	818,000	626,927	1,406,265	1,816,793	11,821,750
Accumulated depreciation						
At 1 July 2007	-	392,160	430,007	510,549	2,410,656	3,743,372
Charge for the year	-	32,720	65,938	234,007	196,358	529,023
Disposals	-	-	(244,094)	(142,623)	(1,288,905)	(1,675,622)
Currency translation differences	-	-	-	-	1,228	1,228
At 30 June 2008	-	424,880	251,851	601,933	1,319,337	2,598,001
Net carrying amount	7,153,765	393,120	375,076	804,332	497,456	9,223,749

11. Property, plant and equipment (cont'd)

Company	Office equipment RM
At 30 June 2010	
Cost	
At 1 July 2009 / 30 June 2010	18,907
Accumulated depreciation	
At 1 July 2009	10,643
Charge for the year	3,242
At 30 June 2010	13,885
Net carrying amount	5,022
At 30 June 2009	
Cost	
At 1 July 2008	23,838
Written off	(4,931)
At 30 June 2009	18,907
Accumulated depreciation	
At 1 July 2008	12,116
Charge for the year	3,458
Written off	(4,931)
At 30 June 2009	10,643
Net carrying amount	8,264

Assets held under finance leases
During the financial year, the Group acquired motor vehicles and leased assets with an aggregate cost of RM1,156,793 (2009:Nil; 2008: Nil) by means of finance leases.

The carrying amount of motor vehicles held under finance leases as at the financial reporting date were RM1,110,858 (2009: RM275,125; 2008: RM402,909).

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security for term loan
In addition to assets held under finance leases, the Group's freehold land with a carrying amount of RM7,153,765 (2009: RM7,153,765; 2008: RM7,153,765) is pledged to secure the Group's term loan (Note 23).

12. Intangible assets

Group	Software development expenditure RM	Other intangible asset RM	Total RM
At 30 June 2010			
Cost			
At 1 July 2009	48,230,264	-	48,230,264
Additions:			
- internal development	3,649,528	-	3,649,528
- purchased	-	15,871,127	15,871,127
Acquisition of a subsidiary (Note 13(a))	-	17,060,702	17,060,702
Currency translation differences	(2,315,679)	(1,456,816)	(3,772,495)
At 30 June 2010	49,564,113	31,475,013	81,039,126
Accumulated amortisation and impairment loss			
At 1 July 2009:			
- accumulated amortisation	39,028,726	-	39,028,726
- accumulated impairment loss	489,795	-	489,795
Charge for the year (Note 7)	2,503,043	4,954,094	7,457,137
Currency translation differences	(2,276,320)	(424,397)	(2,700,717)
At 30 June 2010	39,745,244	4,529,697	44,274,941
Net carrying amount	9,818,869	26,945,316	36,764,185
At 30 June 2009 (Restated)			
Cost			
At 1 July 2008	44,926,903	-	44,926,903
Additions	859,298	-	859,298
Currency translation differences	2,444,063	-	2,444,063
At 30 June 2009	48,230,264	-	48,230,264
Accumulated amortisation and impairment loss			
At 1 July 2008	33,470,372	-	33,470,372
Charge for the year (Note 7)	3,329,693	-	3,329,693
Impairment loss for the year (Note 7)	489,795	-	489,795
Currency translation differences	2,228,661	-	2,228,661
At 30 June 2009	39,518,521	-	39,518,521
Net carrying amount	8,711,743	-	8,711,743

12. Intangible assets (cont'd)

Group (cont'd)	Software development expenditure RM	Other intangible asset RM	Total RM
At 30 June 2008 (Restated)			
Cost			
At 1 July 2007	45,272,928	-	45,272,928
Additions	1,424,199	-	1,424,199
Written off	(31,003)	-	(31,003)
Currency translation differences	(1,739,221)	-	(1,739,221)
At 30 June 2008	44,926,903	-	44,926,903
Accumulated amortisation			
At 1 July 2007	31,870,456	-	31,870,456
Charge for the year	3,130,227	-	3,130,227
Currency translation differences	(1,530,311)	-	(1,530,311)
At 30 June 2008	33,470,372	-	33,470,372
Net carrying amount	11,456,531	-	11,456,531

Other intangible asset
Current year addition relates to a new software acquired from a third party for enhancing the front-end customer interaction software components and expansion of the capabilities of the Group's existing software solutions.

Amortisation expense
The amortisation of intangible assets of RM7,457,137 (2009: RM3,329,693) is included in the costs of sales line item in the consolidated income statement.

Impairment loss recognised
In the previous year, the impairment loss of RM489,795 was recognised in the consolidated income statement under the line item "administrative expenses".

13. Investments in subsidiaries

	Company	
	2010 RM	2009 RM
Shares at cost, unquoted	771,859,481	771,859,481
Acquisitions of subsidiaries by way of:		
- issuance of shares (Note 33(a))	819,800,484	-
- cash (Note 33(b))	17,247,778	-
	1,608,907,743	771,859,481

13. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation	Proportion (%) of ownership interest held 2010 %	2009 %
Held by the Company:				
Silverlake Axis Sdn. Bhd.*	Rendering of customised software solutions services and maintenance services	Malaysia	100	100
Silverlake Axis (Beijing) Co. Ltd.^	Rendering of customised software solutions services and maintenance services	The People's Republic of China	100	100
Silverlake Axis Adaptive Applications & Continuous Improvement Services Ltd. ("SAACIS")*	Licensing of SIBS and the rendering of enhancement services	Bermuda	100	100
Silverlake Japan, Ltd.^^	Provision of credit and debit cards payment processing services	Japan	100	25
QR Technology Sdn. Bhd. ("QRT")*	Investment holding	Malaysia	100	-
Silverlake Solutions Ltd. ("SSL")*	Investment holding	Bermuda	100	-
Held by SAACIS:				
Silverlake Holdings Sdn. Bhd.*	Trading of IBM products in Malaysia and the rendering of enhancement services	Malaysia	100	100
Silverlake Axis MSC Sdn. Bhd.*	Rendering of enhancement services	Malaysia	100	100
Held by QRT:				
QR Retail Automation (Asia) Sdn. Bhd.*	Software trading, development and maintenance services.	Malaysia	100	-

13. Investments in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation	Proportion (%) of ownership interest held 2010 %	2009 %
Held by QRT: (cont'd)				
QR Retail Automation(s) Pte. Ltd.^^^	Software trading, development and maintenance services.	Singapore	100	-
Held by SSL:				
Silverlake Structured Services Sdn. Bhd.*	Services and maintenance of Silverlake customised softwares	Malaysia	100	-
Silverlakegroup Pte. Ltd.**	Services and maintenance of Silverlake customised softwares	Singapore	100	-
Silverlakegroup Pte. Ltd. (Philippines branch)****	Services and maintenance of Silverlake customised softwares	Philippines	100	-
Silverlake Structured Services Ltd.***	Services and maintenance of silverlake customised softwares	Thailand	100	-
PT Structured Services^^^^	Services and maintenance of silverlake customised softwares	Indonesia	100	-
Silverlake Sistem Sdn. Bhd.^^^^^	Dealers in computers and related spare parts as consultants and advisors in all fields of computer data processing and programming.	Brunei	100	-

* Audited by Ernst & Young, Malaysia
** Audited by Ernst & Young, Singapore
*** Audited by Ernst & Young, Thailand
**** Audited by Ernst & Young, Philippines
^ Audited by Grant Thornton, China
^^ Audited by Azabu Aiwa & Co., Japan
^^^ Audited by SS Lee PAC, Singapore
^^^^ Audited by Kosasih, Nurdiyaman, Tjahjo & Rekan, Indonesia
^^^^^ Audited by Lee Corporatehouse Associates, Brunei

13. Investments in subsidiaries (cont'd)

Acquisitions of subsidiaries

(a) Silverlake Japan Ltd.

On 10 November 2009, the Company acquired the remaining 75% equity interest in an associate, SBI Card Processing Co., Ltd. and the remaining loan balance due to the former holding company for a cash purchase consideration of RM17,247,778. Subsequent to the acquisition, the Company changed the subsidiary's name to Silverlake Japan, Ltd. ("SJL"). Upon acquisition, SJL became a wholly-owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities of SJL as at the date of acquisition were:

	Recognised on date of acquisition RM	Carrying amount before combination RM
Property, plant and equipment	3,709,091	5,355,483
Intangible assets	17,060,702	15,674,711
Trade and other receivables (current and non-current)	4,248,839	4,248,841
Tax recoverable	133,644	133,644
Cash and cash equivalents	271,398	271,398
	25,423,674	25,684,077
Trade and other payables	(5,245,220)	(5,245,220)
Finance lease liabilities	(2,769,402)	(2,769,402)
Income tax payable	(53,358)	(53,358)
	(8,067,980)	(8,067,980)
Net identifiable assets	17,355,694	17,616,097

Total cost of business combination

The total cost of the business combination is as follows:

	RM
Fair value remeasurement of the previously held 25% equity interest	-
Cash consideration for acquisition of additional 75% equity interest	17,247,778
	17,247,778

The effect of acquisition on cash flows is as follows:

Cash consideration for 75% equity interest acquired	17,247,778
Less: Cash and cash equivalents of subsidiary acquired	(271,398)
Net cash outflow on acquisition	16,976,380

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

(a) Silverlake Japan Ltd. (cont'd)

Total cost of business combination
The total consideration for the 25% equity interest in SJL was paid on 1 October 2006 and it represented the fair value of the share of net identifiable assets acquired on that date.

Impact of acquisition on consolidated income statement
From the date of acquisition, SJL has contributed a loss of RM5,157,242 to the Group's profit net of tax. If the acquisition had taken place at the beginning of the financial year, the Group's profit net of tax would have been RM58,134,823 and revenue would have been RM179,601,383.

Goodwill arising on acquisition
The acquisition of 25% equity interest in SJL on 1 October 2006 gave rise to a goodwill of RM792,047, which was included in its carrying amount. The carrying value of the underlying goodwill has been reduced to nil because the Group's cumulative share of losses has exceeded its interest in SJL and the Group has no obligation in respect of those losses. Negative goodwill of RM107,916 arose from acquisition of the remaining 75% equity interest in SJL and is recognised immediately in the income statement. The Group has engaged an independent professional valuer to determine the fair value of SJL at the date of acquisition.

(b) Silverlake Solutions Limited, QR Technology Sdn. Bhd and Silverlake Sistem Sdn. Bhd.

During the year, the Company acquired 100% of the issued share capital of Silverlake Solutions Limited, QR Technology Sdn. Bhd. and Silverlake Sistem Sdn. Bhd.. Details of the acquisitions are as disclosed in Note 33(a).

The results of the subsidiaries that have been accounted in the consolidated income statement under the pooling-of-interest method are as follows:

	Group	
	2010 RM	2009 RM
Revenue	117,543,122	132,746,633
Profit before tax	68,348,129	70,825,537
Profit for the year	60,576,948	61,869,422

14. Investments in associates

	Group		
	2010 RM	2009 RM	2008 RM
At 1 July	88,964,308	88,163,234	767,978
Acquisition of associates	-	-	83,537,760
Share of (loss)/profit for the year	(4,159,378)	801,074	3,857,496
At 30 June	84,804,930	88,964,308	88,163,234
Comprise:			
Shares, at cost	88,682,760	92,677,490	92,677,490
Share of post acquisition reserves*	(3,877,830)	(3,713,182)	(4,514,256)
	84,804,930	88,964,308	88,163,234

* This excludes the previously recognized share of losses of RM3,994,730 in Silverlake Japan, Ltd. pursuant to the acquisition of the remaining 75% equity interest during the year as disclosed in Note 13(a).

	Company	
	2010 RM	2009 RM
Shares, at cost	88,682,760	92,677,490
Accumulated impairment	(5,329,000)	(3,994,730)
	83,353,760	88,682,760

	Group		
	2010 RM	2009 RM	2008 RM
The summarised financial information of associates not adjusted for the proportion of ownership interest held by the Group, is as follows:			
Assets	428,075,499	449,723,769	440,105,386
Liabilities	90,074,042	128,022,664	133,878,874
Revenue	258,081,893	264,401,757	281,861,509
Net loss	(18,407,971)	(18,475,287)	(2,832,761)

14. Investments in associates (cont'd)

Details of the associates are as follows:

Name of companies	Principal activities	Country of incorporation	Equity interest held (%) 2010 %	2009 %
Silverlake Japan, Ltd. ("SJL")^	Provision of credit and debit cards payment processing services	Japan	-	25
Unifisoft Holdings Ltd.^^	Provision of Information Technology services focusing on the Financial services sector in the People's Republic of China ("PRC")	PRC	30	30
ePetrol Silverswitch Sdn Bhd^^^	Provision of payment transaction technology infrastructure solutions and to manage services for the centralised interchange in Malaysia	Malaysia	24.5	24.5

^ Audited by Azabu Aiwa & Co., Japan
^^ Audited by China Li Xin Da Hua, China (previously by BDO Beijing Jingdu, China)
^^^ Audited by BDO Binder, Malaysia

On 10 November 2009, the Company completed the acquisition of the remaining 75% equity interest in an associate,SJL. Upon acquisition, SJL became a wholly-owned subsidiary of the Group. Further details are disclosed in Note 13(a).

Goodwill amounting to RM24,347,622 (2009: RM20,357,072; 2008: RM24,700,322) was included in the carrying amount of the acquisition of the associates.

In the previous financial years, the Group had not recognised its share of losses of an associate, SJL, amounting to RM5,224,799 (2008: RM3,792,000) where the Group's cumulative share of losses exceeds its interest in that entity and the Group had no obligation in respect of those losses. The cumulative unrecognised losses as at 30 June 2009 amounting to RM9,016,799 (2008: RM3,792,000) was recognised during the financial year upon acquisition of the remaining 75% equity interest as disclosed in Note 13(a).

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

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	35,249,439	46,851,755	64,293,681
Progress billings	(80,627,651)	(45,258,886)	(59,026,273)
	(45,378,212)	1,592,869	5,267,408
Presented as:			
Amounts due from customers for contract work-in-progress	404,619	2,268,937	5,633,449
Amounts due to customers for contract work-in-progress	(45,782,831)	(676,068)	(366,041)
	(45,378,212)	1,592,869	5,267,408

16. Trade and other receivables

	Group			Company	
	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Trade receivables					
Third parties	89,039,655	5,364,794	2,381,676	-	-
Less:					
Allowance for impairment	(5,000)	(5,000)	(40,000)	-	-
	89,034,655	5,359,794	2,341,676	-	-
Other receivables					
Sundry receivables	767,212	195,867	262,225	-	-
Deposits	1,001,118	176,927	141,568	-	-
	1,768,330	372,794	403,793	-	-
Total trade and other receivables	**90,802,985**	**5,732,588**	**2,745,469**	**-**	**-**
Dividend receivable	-	-	-	24,989,000	-
Amount due from related parties (Note 17)	15,832,567	23,115,634	28,276,183	-	-
Loan to a subsidiary (Note 18)	-	-	-	5,508,802	-
Loan to an associate (Note 18)	735,000	735,000	-	735,000	735,000
Cash and cash equivalent (Note 19)	32,149,503	63,258,888	55,734,388	679,883	1,886,172
Total loans and receivables	**139,520,055**	**92,842,110**	**86,756,040**	**31,912,685**	**2,621,172**

16. Trade and other receivables (cont'd)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Included herein are RM24,338,858 (2009 and 2008: nil) and RM47,109,083 (2009 and 2008: nil) arising from billings to Silverlake Structured Business customers and HNA group Co Ltd., respectively.

Receivable that is impaired

Trade receivable that is impaired is not expected to be recovered.

Information regarding financial assets that are either past due but not impaired and past due and impaired is disclosed in Note 30(c).

Other information on financial risks of trade and other receivables are disclosed in Note 30.

17. Amounts due from/(to) subsidiaries and related parties

	Group			Company	
	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Amounts due to subsidiaries	-	-	-	(19,806,102)	(35,134)
Amounts due from related parties	15,832,567	23,115,634	28,276,183	-	-
Amounts due to related parties:					
- trade	(532,290)	(4,633,917)	(5,838,217)	-	-
- non trade	(48,947)	-	(137,025)	-	-
	(581,237)	(4,633,917)	(5,975,242)	-	-

Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing and repayable on demand.

Amounts due from related parties

The amounts due from related parties are trade in nature, unsecured, interest free and have a credit term of 30 days except for amounts owing by related parties to certain subsidiaries which carry interest at 1.0% (2009: 1.0%; 2008:1.0%) per annum.

Included herein are receivables amounting to RM10,039,740 (2009: RM17,418,797; 2008: RM15,582,074) resulting from the acquisition of SSB group as further disclosed in Note 33(a)(i).

Amounts due to related parties

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

Further details on related party transactions are disclosed in Note 28.

Other information on financial risks of amount due from/(to) subsidiaries and related parties are disclosed in Note 30.

18. Loan to a subsidiary and an associate

The balances are unsecured, non-interest bearing and repayable on demand.

19. Cash and cash equivalents

	Group			Company	
	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Cash and bank balances	24,689,272	28,091,568	9,099,962	679,883	1,186,172
Short term deposits with licensed banks	7,460,231	35,167,320	46,634,426	-	700,000
	32,149,503	63,258,888	55,734,388	679,883	1,886,172

Other information on financial risks of cash and cash equivalent's are disclosed in Note 30.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 30 June 2010 for the Group is 1.59% (2009: 0.82%, 2008: 1.70%) per annum.

As at 30 June 2010, short-term deposits with a licensed bank of the Group amounting to RM1,129,890 (2009:RM102,873; 2008: RM804,634) had been pledged by a subsidiary for bank guarantees. The bank guarantees are in relation to project tenders.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following as at statement of financial positions date:

	Group	
	2010 RM	Restated 2009 RM
Cash and bank balances	24,689,272	28,091,568
Deposits with licensed banks	7,460,231	35,167,320
	32,149,503	63,258,888
Less: Deposits pledged	(1,129,890)	(102,873)
Total cash and cash equivalents	31,019,613	63,156,015

20. Share capital, share premium, treasury shares and share options

(a) Ordinary share capital

(i) Authorised

	Group and Company Number of ordinary shares of USD0.02 each	
	2010	2009
At 1 July	2,000,000,000	2,000,000,000
Created during the year	1,000,000,000	-
At 30 June	3,000,000,000	2,000,000,000

During the year, the Company increased its authorised share capital via the creation of 1,000 million ordinary shares of USD0.02 each.

(ii) Issued and fully paid

	Number of ordinary shares of USD0.02 each			Amount		
Group	2010	Restated 2009	Restated 2008	2010 RM	Restated 2009 RM	Restated 2008 RM
At 1 July	2,147,543,108	2,147,543,108	1,121,606,476	151,271,159	151,271,159	81,897,623
Issued for acquisitions of subsidiaries	-	-	1,025,635,632	-	-	69,352,545
Exercise of employee share options (Note d)	-	-	301,000	-	-	20,991
At 30 June	2,147,543,108	2,147,543,108	2,147,543,108	151,271,159	151,271,159	151,271,159

	Number of ordinary shares of USD0.02 each		Amount	
Company	2010	2009	2010 RM	2009 RM
At 1 July	1,121,907,476	1,121,907,476	81,918,614	81,918,614
Issued for acquisitions of subsidiaries	1,025,635,632	-	69,352,545	-
At 30 June	2,147,543,108	1,121,907,476	151,271,159	81,918,614

During the year, the Company has increased its ordinary shares via the allotment of 1,025,635,632 of USD0.02 each as the purchase price consideration in exchange for the entire equity interest in Silverlake Solutions Limited and its subsidiaries and QR Technology Berhad and its subsidiaries. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company, with the exception that they were not entitled to any dividend, right, allotment or other distribution in respect of financial years/ periods prior to 1 January 2010 declared by the Company. Further details are as disclosed in Note 33.

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

20. Share capital, share premium, treasury shares and share options (cont'd)

(b) Share premium

	Group		
	2010 RM	2009 RM	2008 RM
At 1 July	22,216,916	22,216,916	21,751,133
Arising from the issuance of shares pursuant to the exercise of employee share options (Note d)	-	-	465,783
At 30 June	22,216,916	22,216,916	22,216,916

	Company	
	2010 RM	2009 RM
At 1 July	708,326,733	707,860,950
Arising from issuance of shares:		
- for acquisitions of subsidiaries	750,447,939	-
- pursuant to the exercise of employee share options (Note d)	-	465,783
At 30 June	1,458,774,672	708,326,733

(c) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2007/30 June 2008	-	-
At 1 July 2008	-	-
Purchase of treasury shares	55,808,000	12,734,498
At 30 June 2009/2010	55,808,000	12,734,498

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

In the previous year, the Company acquired 55,808,000 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was RM12,734,498 and this was presented as a component within shareholders' equity. The percentage of treasury shares over total ordinary shares net of treasury shares amounts to 3% (2009: 3%).

20. Share capital, share premium and treasury shares (cont'd)

(d) Share options

The ESOS Scheme became effective on 9 January 2003 for a duration of 10 years, terminating on 9 January 2013. Eligible persons are confirmed full-time employees of the Company, its subsidiaries and associates and the ultimate holding company and its subsidiaries, who have attained the age of 21 years, independent non-executive directors of the Company and executive directors of the Company, its subsidiaries and associates and the ultimate holding company and its subsidiaries.

The option price shall be the price equal to ("Market Price Option") or not more than 20% discount ("Incentive Option") to the average of the prices for the last five consecutive days immediately preceding the grant of the option.

Each option shall be exercisable, in the case of a Market Price Option, from the first anniversary to the 10th anniversary of the offering date. In the case of Incentive Option, the option shall be exercisable from the 2nd anniversary to the 10th anniversary of the offering date. In the case of persons not holding a salaried office, the option shall expire on the 5th anniversary for both the Market Price and Incentive Option.

Shares arising from the exercise of options pursuant to the ESOS Scheme are subject to the Memorandum and Bye-Laws of the Company and rank pari passu in all respect with the then existing issued shares.

There were no options granted in the current and previous financial years..

21. Foreign currency translation/capital reserve

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's reporting currency.

(b) Capital reserve

This represents non-distributable capital reserves of a subsidiary arising from the issuance of bonus shares in prior years.

The above reserves are not available for dividend distribution to shareholders.

22. Merger deficit

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
At 1 July	127,950,351	127,950,351	59,771,338
Arising from acquisitions of subsidiaries (Note 33 (a))	-	-	68,179,013
Capital injection by the former shareholder (Note 33(a))	(8,185,065)	-	-
At 30 June	119,765,286	127,950,351	127,950,351

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.

23. Loans and borrowings

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Current:			
Secured			
Term loan (Note 30(b))	383,333	371,567	326,961
Obligations under finance leases (Note 30(b))	1,917,219	127,926	167,716
	2,300,552	499,493	494,677
Non-current:			
Secured			
Term loan (Note 30(b))	1,690,532	2,064,211	2,449,064
Obligations under finance leases (Note 30(b))	1,198,073	319,018	325,525
	2,888,605	2,383,229	2,774,589
Total loans and borrowings	5,189,157	2,882,722	3,269,266

Term loan
This loan is repayable in 83 monthly installments from the first drawdown on 21 March 2008 and is secured by a charge over the freehold land (Note 11). The weighted average effective interest rate of this loan at the financial reporting date was 5.93% (2009: 5.76%; 2008: 5.25%) per annum.

Obligations under finance leases
These obligations are secured by a charge over the lease assets (Note 11). The weighted average effective interest rate of the leases are disclosed in Note 24.

24. Obligations under finance leases

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Minimum lease payments			
Not later than one year	2,043,589	147,315	187,596
Later than one year but not later than five years	1,224,507	352,725	354,836
Later than five years but not later than seven years	96,732	-	-
	3,364,828	500,040	542,432
Less: Amounts representing finance charges	(249,536)	(53,096)	(49,191)
	3,115,292	446,944	493,241
The present value of the obligations under finance leases may be analysed as follows:			
Not later than one year	1,917,219	127,926	167,716
Later than one year but not later than five years	1,103,730	319,018	325,525
Later than five years but not later than seven years	94,343	-	-
	3,115,292	446,944	493,241
Presented as:			
Current	1,917,219	127,926	167,716
Non-current	1,198,073	319,018	325,525
	3,115,292	446,944	493,241

The weighted average effective interest rate of hire-purchase liabilities at the financial reporting date was 3.38% (2009: 5.67%; 2008: 5.70%) per annum.

25. Deferred tax

Deferred income tax as at 30 June relates to the following::

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
At 1 July	1,529,376	1,592,726	1,236,746
Recognised in income statement	(308,588)	(103,478)	355,980
Under provision in prior financial years	92,054	40,128	-
Currency translation differences	6,894	-	-
At 30 June	1,319,736	1,529,376	1,592,726
Presented after appropriate offsetting as follows:			
Deferred tax assets	(220,240)	-	(31,534)
Deferred tax liabilities	1,539,976	1,529,376	1,624,260
	1,319,736	1,529,376	1,592,726

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax liabilities of the Group:

	Software development expenditure RM	Others RM	Total RM
At 1 July 2007	1,272,663	-	1,272,663
Recognised in income statement	331,014	20,583	351,597
At 30 June 2008 (Restated)	1,603,677	20,583	1,624,260
At 1 July 2008	1,603,677	20,583	1,624,260
Recognised in income statement	(99,042)	(4,436)	(103,478)
Under/(over) provision in previous years	48,241	(8,113)	40,128
Offsetting against deferred tax assets	(23,500)	(8,034)	(31,534)
At 30 June 2009 (Restated)	1,529,376	-	1,529,376
At 1 July 2009	1,529,376	-	1,529,376
Recognised in income statement	(81,454)	-	(81,454)
Under provision in prior financial years	92,054	-	92,054
At 30 June 2010	1,539,976	-	1,539,976

25. Deferred tax (cont'd)

Deferred tax assets of the Group:

	Allowance for impairment of trade receivables RM	Allowance for unutilised leave RM	Tax losses RM	Others RM	Total RM
At 1 July 2007	(30,245)	(5,672)	-	-	(35,917)
Recognised in income statement	30,245	11,986	-	(37,848)	4,383
At 30 June 2008 (Restated)	-	6,314	-	(37,848)	(31,534)
At 1 July 2008	-	6,314	-	(37,848)	(31,534)
Offsett against deferred tax liabilities	-	(6,314)	-	37,848	31,534
At 30 June 2009 (Restated)	-	-	-	-	-
At 1 July 2009	-	-	-	-	
Recognised in income statement	-	(4,548)	(194,377)	(28,209)	(227,134)
Currency translation differences	-	138	5,900	856	6,894
At 30 June 2010	-	(4,410)	(188,477)	(27,353)	(220,240)

As at 30 June 2010, the deferred tax assets have not been recognised in respect of the following items:

	Group		
	2010	2009	2008
Provisions	375,744	-	-
Unrealised foreign exchange loss	457,864	-	-
	833,608	-	-

Tax consequences of proposed dividends

There are no income tax consequences (2009: nil) attached to the dividends to the shareholders by the company but not recognised in the financial statements (Note 27).

26. Trade and other payables

	Group			Company	
	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Trade payables	9,353,478	3,827,601	4,321,455	-	-
Other payables and accruals	5,145,831	6,263,802	8,832,561	914,430	323,975
	14,499,309	10,091,403	13,154,016	914,430	323,975
Allowance for unutilised leave	1,775,114	423,370	530,518	-	-
Total trade and other payable	**16,274,423**	**10,514,773**	**13,684,534**	**914,430**	**323,975**
Loans and borrowings	2,300,552	499,493	494,677	-	-
Amount due to:					
- subsidiaries (Note17)	-	-	-	19,806,102	35,134
- related parties (Note17)	581,237	4,633,917	5,975,242	-	-
Total financial liabilities carried at amortised cost	**19,156,212**	**15,648,183**	**20,154,453**	**20,720,532**	**359,109**

Trade payables/other payables

These amounts are non-interest bearing. Trade payables are normally settled on 60-day terms while other payables have an average term of six months.

Other information on financial risks of trade and other payables are disclosed in Note 30.

27. Dividends

	Company			
	2010		2009	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
Declared and paid/payable during the year:				
In respect of financial year ended 30 June 2009:				
- Interim dividend paid per share, tax exempt (1-tier)	-	-	0.003 / 0.007	7,827,835
- Final dividend paid per share, tax exempt (1-tier)	0.003 / 0.007	7,895,000	-	-
In respect of financial year ended 30 June 2010 :				
- Interim dividend paid per share, tax exempt (1-tier)	0.005 / 0.012	13,025,070	-	-
- Special dividend paid per share, tax exempt (1-tier)	0.001 / 0.002	2,605,014	-	-
- Interim dividend payable per share, tax exempt (1-tier)	0.003 / 0.007	24,645,869	-	-
		48,170,953		7,827,835
Declared and paid during the year by QR Technology Sdn. Bhd. to the former shareholders prior to the combination:				
In respect of financial year ended 30 June 2009:				
- Interim dividend paid per share	-	-	2.844 / 6.913	8,087,800
In respect of financial year ended 30 June 2010 :				
- Final dividend paid per share	0.696 / 1.700	1,989,000	-	-
		50,159,953		15,915,635

Proposed but not recognised as a liability as at 30 June:	**2010**	**2009**
Dividends on ordinary share, subject to shareholders' approval at AGM:		
Final exempt (1-tier) dividend for 2010: SGD0.006 (2009: SGD0.003) per share	29,575,043	7,782,420

28. Significant related party transactions

a) Sale and purchase of goods and services

For the purpose of these financial statements, parties are considered to be related to the Group, where the Group and the party are subject to common control or common significant influence.

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:

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Sales of goods and rendering of services:			
Customised software solutions			
- an associate	-	-	2,642,500
- other related parties	4,479,691	8,467,012	12,928,071
Sale of hardware products			
- related parties	180,002	9,747,009	1,160,803
Maintenance and enhancement services			
- related parties	58,002,001	18,461,453	17,169,764
Licensing of SIBS			
- an associate	-	-	11,253,169
- other related parties	1,476,343	14,674,967	79,384,102
Service fees paid to:			
- related parties	3,646,489	-	-
Others:			
Accounting and administration expenses paid to a related party	153,726	157,676	166,116
Rentals paid to related parties	107,720	129,179	311,151

Information regarding outstanding balances arising from related party transactions as at 30 June 2010 are disclosed in Note 17.

b) Compensation of key management personnel

	Group	
	2010 RM	2009 RM
Salaries and other short term employee benefits	3,587,102	2,514,364
Defined contribution plans	362,796	243,936
	3,949,898	2,758,300
Comprise amounts paid to:		
Directors of the Company	803,054	670,358
Other key management personnel	3,146,844	2,087,942
	3,949,898	2,758,300

29. Commitments

a) Capital commitments

There is no capital commitment as at financial year end.

b) Operating lease commitments

The Group leases certain land and building under non-cancellable lease agreements with varying terms and renewal rights. There are no restrictions placed upon the Group and the Company as a result of entering into these leases. Operating lease payments recognised in the profit during the year amounted to RM1,071,464 (2009: RM551,030).

Future minimum rental under non-cancellable operating leases at the reporting date are as follows:

	Group			Company	
	2010 RM	Restated 2009 RM	Restated 2008 RM	2010 RM	2009 RM
Not later than one year	1,219,860	504,717	437,893	-	80,954
Later than one year but not later than five years	961,407	370,502	493,383	-	-
	2,181,267	875,219	931,276	-	80,954

30. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instrument where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's loans and borrowings and cash and cash equivalents. The Group's policy is to manage its interest costs by obtaining the most favourable interest rates on its borrowings and overdraft facilities available.

Surplus funds of the Group are placed with licensed banks as deposits to generate interest income. The Group has no significant net exposure to interest rate risk.

Sensitivity analysis for interest rate risk

The Group's term loan at variable rate is denominated in Ringgit Malaysia. At the financial reporting date, assuming the market interest rate increase/decrease by 1% with other variables including tax rate being held constant, the Group's profit net of tax for the financial year would have been lower/higher by RM22,624 (2009: RM18,905) arising mainly as a result of higher/lower interest expense on this term loan.

30. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. There is no significant exposure to liquidity risk. The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. The Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group's liquidity risk management policy is to match maturities of financial asset and liabilities, and to maintain the available banking facilities of a reasonable level to its overall debt position.

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the financial reporting date.

Group	Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM	Total RM
At 30 June 2010					
Trade and other payables	36,700,082	-	-	-	36,700,082
Amounts due to related parties	581,237	-	-	-	581,237
Term loan (Note 23)	383,333	430,706	1,259,826	-	2,073,865
Obligations under finance leases (Note 23)	1,917,219	586,259	517,471	94,343	3,115,292
	39,581,871	1,016,965	1,777,297	94,343	42,470,476
At 30 June 2009 (Restated)					
Trade and other payables	30,911,701	-	-	-	30,911,701
Amounts due to related parties	4,633,917	-	-	-	4,633,917
Term loan (Note 23)	371,567	416,417	1,403,823	243,971	2,435,778
Obligations under finance leases (Note 23)	127,926	69,580	249,438	-	446,944
	36,045,111	485,997	1,653,261	243,971	38,428,340
At 30 June 2008 (Restated)					
Trade and other payables	33,051,845	-	-	-	33,051,845
Amounts due to related parties	5,975,242	-	-	-	5,975,242
Term loan (Note 23)	326,961	342,439	1,256,540	850,084	2,776,024
Obligations under finance leases (Note 23)	167,716	127,926	197,600	-	493,242
	39,521,764	470,365	1,454,140	850,084	42,296,353

30. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM	Total RM
Company					
At 30 June 2010					
Trade and other payables	914,430	-	-	-	914,430
Amounts due to subsidiaries	19,806,102	-	-	-	19,806,102
	20,720,532	-	-	-	20,720,532
At 30 June 2009					
Trade and other payables	323,975	-	-	-	323,975
Amounts due to subsidiaries	35,134	-	-	-	35,134
	359,109	-	-	-	359,109

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, amounts due from related parties and loan to an associate. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group monitors its credit risk closely and trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group does not expect its related parties to default on their repayment obligations. Cash and deposits are placed with reputable licensed banks.

Exposure to credit risk profile

As at financial reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from a debtor (2009 and 2008: Nil), representing 53% (2009 and 2008: Nil) of the Group's trade receivables.

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Credit risk concentration profile

The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group					
	2010		Restated 2009		Restated 2008	
By Geographical areas	RM	%	RM	%	RM	%
South East Asia	30,768,717	35%	5,158,798	96%	2,067,736	88%
North East Asia	56,322,693	63%	200,996	4%	273,940	12%
South Asia	1,537,654	2%	-	-	-	-
Middle East	98,145	-*	-	-	-	-
North America	307,446	-*	-	-	-	-
	89,034,655	100%	5,359,794	100%	2,341,676	100%

* Less than 1%

Financial assets that are neither past due nor impaired

Trade and other receivables, amounts due from related parties and loan to an associate that are not past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered with reputable licensed banks with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

The Group has trade receivables amounting to RM51,503,031 (2009: RM2,310,649; 2008: RM977,937) that are past due at the financial reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the statement of financial position date is as follows:

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Past due 0 to 2 months (31-90 days)	1,821,212	934,778	807,454
Past due 2 to 4 months (90-180 days)	49,594,900	902,269	70,483
Past due over 4 months (>180 days)	86,919	473,602	100,000
	51,503,031	2,310,649	977,937

30. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group's trade receivables that are impaired at the financial reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
Trade receivables, nominal amounts	5,000	5,000	40,000
Less: Allowance for impairment	(5,000)	(5,000)	(40,000)
	-	-	-
At 1 July	5,000	40,000	233,448
Charge for the year	-	-	10,000
Written off	-	(30,000)	(85,543)
Written back (Note 5)	-	(5,000)	(117,905)
At 30 June 2010	5,000	5,000	40,000

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The Group's business is exposed to foreign exchange risk arising from various currency exposures primarily with respect to sales and operating expenses denominated mainly in United States Dollars (USD) and Singapore Dollars (SGD).

The Group holds short-term deposits denominated in USD and SGD, which also gives rise to foreign currency exposure. The Group is also exposed to currency translation risk arising from its net investments in foreign operations whose functional currencies are not in Ringgit Malaysia. The Company's net investments in foreign operations are not hedged as currency positions of the respective companies are considered to be long-term in nature.

At the financial reporting date, the Group does not hedge its foreign currency exposure using any financial instruments. However, management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arises.

30. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a 15% (2009: 15% ; 2008: 10%) change in the Singapore Dollar and United States Dollar exchange rates against the respective functional currencies of the Group entities, with all other variables including tax rate being held constant:

	Group		
	2010 RM	Restated 2009 RM	Restated 2008 RM
	<---------------------- Profit net of the tax		---------------------->
United States Dollar against Ringgit Malaysia			
- strengthened	4,392,348	2,634,785	1,408,273
- weakened	(4,392,348)	(2,634,785)	(1,408,273)
Singapore Dollar against Ringgit Malaysia			
- strengthened	7,993,974	3,823,041	2,599,148
- weakened	(7,993,974)	(3,823,041)	(2,599,148)

	Company	
	2010 RM	2009 RM
	<----------- Profit net of the tax	----------->
United States Dollar against Ringgit Malaysia		
- strengthened	5,103	31,543
- weakened	(5,103)	(31,543)
Singapore Dollar against Ringgit Malaysia		
- strengthened	85,348	100,739
- weakened	(85,348)	(100,739)

30. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Group's currency exposure based on the information provided to key management is as follows:

At 30 June 2010	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Chinese Renminbi RM	Japanese Yen RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Total RM
Financial assets										
Cash and cash equivalents	15,150,094	6,541,825	3,330,074	264,899	2,539,182	1,174,897	1,788,436	877,162	482,934	32,149,503
Trade receivables	5,546,131	51,124,510	17,219,945	-	1,101,202	5,497,844	1,144,001	7,401,022	-	89,034,655
Amounts due from related parties	3,017,739	2,619,270	9,221,752	-	-	-	973,806	-	-	15,832,567
Loan to an associate	735,000	-	-	-	-	-	-	-	-	735,000
	24,448,964	60,285,605	29,771,771	264,899	3,640,384	6,672,741	3,906,243	8,278,184	482,934	137,751,725
Financial liabilities										
Loans and borrowings	2,959,499	-	-	-	-	2,229,658	-	-	-	5,189,157
Trade payables	156,484	6,868,812	435,830	-	-	1,734,606	-	154,865	2,881	9,353,478
Amounts due to related parties	123,352	123,636	53,623	-	-	152,267	-	128,359	-	581,237
	3,239,335	6,992,448	489,453	-	-	4,116,531	-	283,224	2,881	15,123,872
Net financial assets	21,209,629	53,293,157	29,282,318	264,899	3,640,384	2,556,210	3,906,243	7,994,960	480,053	122,627,853
Less: Net financial position denominated in the respective entities functional currencies	(2,115,944)	(8,519,621)	(149,936)	(218,672)	(3,538,394)	(1,809,804)	(2,781,237)	(7,550,472)	(319,864)	(27,003,944)
Currency exposure	**19,093,685**	**44,773,536**	**29,132,382**	**46,227**	**101,990**	**746,406**	**1,125,006**	**444,488**	**160,189**	**95,623,909**

30. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

At 30 June 2009	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Chinese Renminbi RM	Japanese Yen RM	Thailand Baht RM	Brunei Dollar RM	Indonesia Rupiah RM	Restated Total RM
Financial assets										
Cash and cash equivalents	24,338,674	21,383,772	13,121,893	5,385	3,639,248	62,940	-	706,976	-	63,258,888
Trade receivables	1,533,084	1,336,819	1,493,367	-	200,996	-	-	795,528	-	5,359,794
Amounts due from related parties	8,395,796	2,786,786	9,834,931	-	426,215	-	1,010,409	-	661,497	23,115,634
Loan to an associate	735,000	-	-	-	-	-	-	-	-	735,000
	35,002,554	25,507,377	24,450,191	5,385	4,266,459	62,940	1,010,409	1,502,504	661,497	92,469,316
Financial liabilities										
Loans and borrowings	2,882,722	-	-	-	-	-	-	-	-	2,882,722
Trade payables	88,945	20,439	3,718,217	-	-	-	-	-	-	3,827,601
Amounts due to related parties	733,399	-	3,166,741	-	-	-	-	733,777	-	4,633,917
	3,705,066	20,439	6,884,958	-	-	-	-	733,777	-	11,344,240
Net financial assets	31,297,488	25,486,938	17,565,233	5,385	4,266,459	62,940	1,010,409	768,727	661,497	81,125,076
Less: Net financial position denominated in the respective entities functional currencies	(19,586,705)	(470,795)	(1,983,301)	-	(3,638,721)	-	-	(699,129)	-	(26,378,651)
Currency exposure	**11,710,783**	**25,016,143**	**15,581,932**	**5,385**	**627,738**	**62,940**	**1,010,409**	**69,598**	**661,497**	**54,746,425**

30. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

At 30 June 2008	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Chinese Renminbi RM	Japanese Yen RM	Thailand Baht RM	Brunei Dollar RM	Restated Total RM
Financial assets								
Cash and cash equivalents	25,516,158	23,773,983	3,027,403	2,554,674	52,603	-	809,567	55,734,388
Trade receivables	1,624,545	539,498	-	-	-	-	177,633	2,341,676
Amounts due from related parties	5,631,353	1,677,997	19,731,948	-	-	1,234,885	-	28,276,183
	32,772,056	25,991,478	22,759,351	2,554,674	52,603	1,234,885	987,200	86,352,247
Financial liabilities								
Loans and borrowings	3,269,266	-	-	-	-	-	-	3,269,266
Trade payables	188,109	-	4,133,346	-	-	-	-	4,321,455
Amounts due to related parties	583,411	-	4,593,275	-	-	-	798,556	5,975,242
	4,040,786	-	8,726,621	-	-	-	798,556	13,565,963
Net financial assets/ (liabilities)	28,731,270	25,991,478	14,032,730	2,554,674	52,603	1,234,885	188,644	72,786,284
Less: Net financial position denominated in the respective entities functional currencies	(18,037,767)	-	(8,326,365)	(2,832,785)	-	-	-	(29,196,917)
Currency exposure	**10,693,503**	**25,991,478**	**5,706,365**	**(278,111)**	**52,603**	**1,234,885**	**188,644**	**43,589,367**

30. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk (cont'd)

The Company's currency exposure based on the information provided to key management is as follows:

At 30 June 2010	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Japanese Yen RM	Total RM
Financial assets					
Cash and cash equivalents	9,427	568,985	34,017	67,454	679,883
Loan to an associate	735,000	-	-	-	735,000
	744,427	568,985	34,017	67,454	1,414,883
Financial liabilities					
Amounts due to subsidiaries	19,806,102	-	-	-	19,806,102
Net financial (liabilities)/ assets	(19,061,675)	568,985	34,017	67,454	(18,391,219)
Less: Net financial position denominated in the functional currencies	19,061,675	-	-	-	19,061,675
Currency exposure	**-**	**568,985**	**34,017**	**67,454**	**670,456**
At 30 June 2009					
Financial assets					
Cash and cash equivalents	941,351	671,594	210,287	62,940	1,886,172
Loan to an associate	735,000	-	-	-	735,000
	1,676,351	671,594	210,287	62,940	2,621,172
Financial liabilities					
Amounts due to subsidiaries	35,134	-	-	-	35,134
Net financial assets	1,641,217	671,594	210,287	63,940	2,586,038
Less: Net financial liabilities denominated in the functional currencies	(1,426,217)	-	-	-	(1,426,217)
Currency exposure	**215,000**	**671,594**	**210,287**	**62,940**	**1,159,821**

30. Financial risk management objectives and policies (cont'd)

(e) 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.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and cash equivalents, other receivables, other payables and accruals

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Trade receivables and trade payables

The carrying amounts approximate fair values because these are subject to normal trade credit terms.

(iii) Loans and borrowings

The fair values of the obligations under finance leases is determined by their present value of minimum lease payments.

The fair value of the term loan approximates its carrying value as it is based on floating interest rates and terms that continue to be available to the Group.

(iv) Amounts due from/to subsidiaries and related parties and loan to an associate

It is not practical to determine the fair value of amounts due to/(from) subsidiaries, related parties and loan to an associate principally due to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the directors do not anticipate the carrying amounts recorded at the statement of financial position date to be significantly different from the values that would eventually be received or settled.

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2010, 2009 and 2008.

The Group monitors capital using the net tangible asset value of the Group, which is total tangible assets less total liabilities of the Group. The net tangible assets values of the Group as at 30 June 2010 is RM163,412,214 (2009: RM161,546,203; 2008: RM156,861,567).

32. Segment information

For management purposes, the Group is organised into five business segments: sale of software and hardware products; rendering of customised software solutions services; maintenance and enhancement services; licensing of SIBS and credit card processing services.

Other operations of the Group comprise investment holding which does not constitute a separate reportable segment.

The 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 respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes are managed on a group basis and are not allocated to operating segments.

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

(a) Business information

The following table presents the revenue and results information regarding the Group's business segments for the years ended 30 June 2010 and 2009 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2010, 2009 and 2008.

2010	Sale of software and hardware products RM	Customised software solutions RM	Maintenance and enhancement services RM	Licensing of SIBS RM	Credit card processing RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statement RM
Revenue:									
External customers	8,704,647	9,356,983	126,240,961	13,693,933	17,821,579	56,039,000	(56,039,000)	A	175,818,103
Results:									
Interest income	111,333	6,324	128,252	2,670	180	4,397	-		253,156
Interest expense	-	(37,228)	(114,823)	-	(112,991)		-		(265,042)
Selling and distribution costs	(591,152)	(496,682)	(3,348,018)	(195,228)	(186,279)	(1,492)	-		(4,818,851)
Depreciation of property, plant and equipment	(13,807)	(136,309)	(391,802)	-	(2,194,950)	(3,242)	-		(2,740,110)
Amortisation of intangible assets	-	(1,529,140)	-	(1,767,459)	(4,160,538)	-	-		(7,457,137)
Share of loss of associates	-	-	-	-	-	(4,159,378)	-		(4,159,378)
Other non-cash expenses	(7,060)	(26,602)	(1,208,665)	-	(144,514)	-	-	B	(1,386,841)
Segment profit/(loss)	2,065,889	4,535,495	83,437,243	11,946,576	(662,601)	(26,512,542)	392,017	C	75,202,077
Assets:									
Investments in associates	-	-	-	-	-	84,804,930	-		84,804,930
Capital expenditure	64,617	16,062,813	3,821,711	-	1,483,988	-	-	D	21,433,129
Segment assets	921,989	16,894,250	91,482,889	48,374,596	23,432,566	719,216	100,169,624	E	281,995,130
Segment liabilities	**-**	**8,710,190**	**26,985,325**	**43,578,078**	**6,049,816**	**25,560,299**	**7,699,208**	F	**118,582,916**

32. Segment information (cont'd)

(a) Business information (cont'd)

2009 (Restated)	Sale of software and hardware products RM	Customised software solutions RM	Maintenance and enhancement services RM	Licensing of SIBS RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statement RM
Revenue:								
External customers	18,575,196	14,834,029	124,801,966	15,204,407	65,445,000	(65,445,000)	A	173,415,598
Results:								
Interest income	327,492	54,137	289,654	43,316	47,994	-		762,593
Interest expense	(8,514)	(68,653)	(219,610)	-	-	-		(296,777)
Selling and distribution costs	(454,633)	(521,914)	(1,897,354)	-	-	-		(2,873,901)
Depreciation of property, plant and equipment	(56,782)	(185,939)	(279,873)	-	(3,458)	-		(526,052)
Amortisation of intangible assets	-	(1,651,589)	-	(1,678,104)	-	-		(3,329,693)
Share of profits of associates	-	-	-	-	801,074	-		801,074
Impairment loss on intangible assets	-	489,795	-	-	-	-		489,795
Other non-cash expenses	(4,504)	(34,686)	(49,362)	-	-	-	B	(88,552)
Segment profit/ (loss)	4,456,339	6,753,603	78,341,591	13,569,619	(15,504,474)	4,790,999	C	92,407,677
Assets:								
Investments in associates	-	-	-	-	88,964,308	-		88,964,308
Capital expenditure	101,472	471,695	662,538	-	-	-	D	1,235,705
Segment assets	16,670,248	24,571,529	65,912,128	5,558,994	1,929,372	89,701,662	E	204,343,933
Segment liabilities	**143,058**	**3,550,417**	**29,035,654**	**-**	**323,975**	**9,744,626**	F	**42,797,730**

2008 (Restated)	Sale of software and hardware products RM	Customised software solutions RM	Maintenance and enhancement services RM	Licensing of SIBS RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statement RM
Assets:								
Investments in associates	-	-	-	-	88,163,234	-		88,163,234
Capital expenditure	20,408	390,951	653,911	-	-	-	D	1,065,270
Segment assets	10,780,003	24,941,426	29,232,557	48,860,696	-	88,163,234	E	201,977,916
Segment liabilities	**2,329,126**	**13,479,889**	**23,787,483**	**5,519,851**	**-**	**-**	F	**45,116,349**

32. Segment information (cont'd)

(a) Business information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2009: Nil).

B Other non-cash expenses consist of allowance/(reversal) for unutilised leave, allowance for doubtful debts, impairment of financial assets, gain on disposal of property, plant and equipment and property, plant and equipment written off as presented in the respective notes to the financial statements.

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	2010 RM	2009 RM
Negative goodwill	107,916	-
Exchange loss on inter companies balance	(885,521)	(4,805)
Impairment loss in investment in an associate	5,329,000	3,994,730
Share of (loss)/profit of associates	(4,159,378)	801,074
	392,017	4,790,999

D Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the statement of financial positions:

	2010 RM	2009 RM	2008 RM
Loan to an associate	735,000	735,000	-
Tax recoverable	48,030	2,354	-
Investments in associates	84,804,930	88,964,308	88,163,234
Intangible assets	14,361,424	-	-
Deferred tax assets	220,240	-	-
	100,169,624	89,701,662	88,163,234

32. Segment Information (cont'd)

(a) Business information (cont'd)

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in statement of financial positions:

	2010 RM	2009 RM
Unallocated other payables	2,015,468	6,051,304
Current Income tax liabilities	4,143,764	2,163,946
Deferred tax liabilities	1,539,976	1,529,376
	7,699,208	9,744,626

(b) Geographical information

The Group's four main business segments operate in five main geographical regions:

- South East Asia – the operations in this area are principally sale of software and hardware products; rendering of customised software solutions services; maintenance and enhancement services; and licensing of SIBS.
- North East Asia – the operations in this area are principally rendering of customised software solutions services; maintenance and enhancement services; and licensing of SIBS.
- South Asia – the operations in this area are principally rendering of customised software solutions services; and maintenance and enhancement services.
- Middle East – the operations in this area are principally rendering of customised software solutions services; maintenance and enhancement services and licensing of SIBS.
- North America – the operation in this area are principally rendering of customised software solutions services and licensing of SIBS.

With the exception of South East Asia, no other individual region contributed more than 10% of consolidated revenue and assets.

Revenue, trade receivables and amounts due from related parties (trade) are based on the country in which the end-customer is located. Other assets and capital expenditure are shown by the geographical region where the assets are located.

32. Segment Information (cont'd)

(b) Geographical information (cont'd)

Revenue	2010 RM	Restated 2009 RM
South East Asia	129,279,433	154,475,778
North East Asia	38,203,538	5,170,138
South Asia	4,051,083	4,167,329
Middle East	2,809,213	2,879,770
North America	-	4,388,824
Europe	1,474,836	2,333,759
	175,818,103	173,415,598

Segmental assets	2010 RM	Restated 2009 RM	Restated 2008 RM
South East Asia	102,285,090	105,972,143	95,178,344
North East Asia	77,086,188	5,696,747	10,058,061
South Asia	2,850,998	1,119,721	5,050,471
Middle East	98,145	913,316	853,572
North America	14,869,779	1,677,698	2,674,234
	197,190,200	115,379,625	113,814,682
Investments in associates	84,804,930	88,964,308	88,163,234
	281,995,130	204,343,933	201,977,916
Capital expenditure			
South East Asia	4,069,830	898,517	1,960,315
North East Asia	-	5,980	-
	4,069,830	904,497	1,960,315

33. Significant events during the year

(a) In the current financial year, the Company completed the following transactions:

(i) Acquisition of the entire issued and paid up capital of Silverlake Solutions Limited ("SSB HoldCo") and its subsidiaries ("SSB group") for a total consideration of RM701,873,478 satisfied via the issuance of 879,388,624 ordinary shares of USD0.02 per share. The issuance of the shares were completed in 2 separate tranches on 3 March 2010 and 14 May 2010.

Prior to the acquisition of SSB HoldCo, the Silverlake Private Entities ("SPE") comprising companies where Mr Goh held a majority interest, undertook a Restructuring Exercise described in the Circular to Shareholders dated 13 January 2010, whereby the business of providing maintenance, application management and program change request services to customers who have licensed and are using the Silverlake Integrated Banking System ("SIBS") software (collectively known as Structured Services Business) to SSB group.

33. Significant events during the year (cont'd)

(a) In the current financial year, the Company completed the following transactions: (cont'd)

(ii) Acquisition of the entire issued and paid up capital of QR Technology Sdn. Bhd. ("QR HoldCo") and its subsidiaries ("QR group") for a total consideration of RM117,927,006 satisfied via the issuance of 146,247,008 ordinary shares of USD0.02 per share on 3 March 2010; and

(iii) Acquisition of the entire issued and paid up capital of Silverlake Sistem Sdn. Bhd. for zero consideration on 30 June 2010.

Prior to the acquisition of SSISB, the amounts due to Mr. Goh and his related companies were capitalised by the issuance of ordinary shares in SSISB. In addition, Mr. Goh has also injected additional capital into SSISB in exchange for ordinary shares in SSISB to offset SSISB's remaining net liability position. The capital injection amounting to RM8,185,065 has been accounted as part of merger deficit.

The above acquisitions are a combination of entities under common control whereby the Company, SSB group, QR group and SSISB are under the common control of a major shareholder. Accordingly, the acquisition has been accounted for using the "pooling-of-interest" method in accordance with Note 2.4(a).

The cost of merger for the above acquisitions amounted to RM819,800,484 and resulted in the issuance of 1,025,635,632 ordinary shares of USD0.02 each. The differences between the cost of merger and the nominal value of shares acquired in relation to the acquisitions of SSB group, QR group and SSISB represents merger deficit.

The effects of the acquisitions to the Group's revenue and profit for the year are as disclosed in Note 13.

The SSB group uses a centralised approach to cash management and financial of its business prior to the acquisitions. Cash transactions relating to the businesses are retained by Silverlake Private Entities and therefore, are accounted for through distribution to Silverlake Private Entities in the consolidated statement of changes in equity.

(b) On 10 November 2009, the Company acquired the remaining 75% equity interest in an associate, SBI Card Processing Co., Ltd. and the remaining loan because due to the former holding company for a cash purchase consideration of RM17,247,778. Subsequent to the acquisition, the Company changed its subsidiary's name to Silverlake Japan, Ltd. ("SJL") the financial effects are disclosed in Note 13(a).

34. Comparatives

The Group's financial statements have been prepared based on the pooling-of-interest method of accounting pursuant to the acquisition of subsidiaries as disclosed in Note 33. Accordingly, the comparative figures for the Group's financial statements have been presented as if the Group structure immediately after the acquisitions has been in existence since the earliest financial year presented. These comparatives have not been audited.

35. Authorisation of financial statements for issues

The financial statements for the year ended 30 June 2010 were authorised for issue in accordance with a resolution of the directors on 30 September 2010.

statistics of shareholdings

AS AT 21TH SEPTEMBER 2010

Issued and fully paid-up capital	:	RM151,271,159
No. of shares issued	:	2,147,543,108 shares of USD 0.02 each
Treasury Shares	:	55,808,000 share of USD 0.02 each
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	6	0.61	1,645	0.00
1,000 - 10,000	468	47.66	3,137,000	0.15
10,001 - 1,000,000	486	49.49	37,092,839	1.77
1,000,001 AND ABOVE	22	2.24	2,051,503,624	98.08
TOTAL	982	100.00	2,091,735,108	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	INTELLIGENTSIA HOLDING LTD	1,491,086,346	71.28
2	HSBC (SINGAPORE) NOMINEES PTE LTD	243,936,000	11.66
3	CITIBANK NOMINEES SINGAPORE PTE LTD	125,243,000	5.99
4	CIMB SECURITIES (SINGAPORE) PTE LTD	99,569,000	4.76
5	SEE CHUANG THUAN	33,066,578	1.58
6	OCBC SECURITIES PRIVATE LTD	11,427,000	0.55
7	DBS NOMINEES PTE LTD	8,036,700	0.38
8	PHILLIP SECURITIES PTE LTD	5,042,000	0.24
9	DMG & PARTNERS SECURITIES PTE LTD	4,431,000	0.21
10	KIM ENG SECURITIES PTE. LTD.	4,243,000	0.20
11	OH ENG CHONG	3,600,000	0.17
12	DBS VICKERS SECURITIES (S) PTE LTD	3,483,000	0.17
13	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	3,403,000	0.16
14	CITIBANK CONSUMER NOMINEES PTE LTD	3,207,000	0.15
15	UOB KAY HIAN PTE LTD	1,993,000	0.10
16	VOON SENG CHUAN	1,812,000	0.09
17	HONG LEONG FINANCE NOMINEES PTE LTD	1,627,000	0.08
18	LIM YOKE KIAN	1,590,000	0.08
19	MERRILL LYNCH (SINGAPORE) PTE LTD	1,558,000	0.07
20	KWANG KING SIONG	1,100,000	0.05
	TOTAL	2,049,453,624	97.97

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company as at 21 September 2010 are as follows:

	No. of Ordinary Shares of USD 0.02 each			
	Direct interest	%	Indirect Interest	%
INTELLIGENTSIA HOLDING LTD	1,742,836,346	83.32	-	
GOH PENG OOI	-	-	1,742,836,346	83.32

Note:-

Intelligentsia Holding Ltd. is wholly-owned by Mr Goh Peng Ooi. As such, Mr Goh Peng Ooi is deemed to have an interest in the 1,742,836,346 shares held by Intelligentsia Holding Ltd.

FREE FLOAT

As at 21 September 2010, approximately 14.64% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited (SectionB: Rules of Catalist).

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SILVERLAKE AXIS LTD will be held at Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 28 October 2010, Thursday at 11.00 am for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2010 together with the Directors' Report and Auditors' Report thereon. **Resolution 1**

2. To declare a final tax exempt 1-Tier dividend of Singapore cents 0.6 per share, for the financial year ended 30 June 2010 as recommended by the Directors. **Resolution 2**

3. To approve the payment of Special Directors' Fees of S$120,000 for the financial year ended 30 June 2010. **Resolution 3**

4. To approve the payment of Directors' Fees of S$460,000 (2009: S$460,000) for the financial year ending 30 June 2011, to be paid quarterly in arrears. **Resolution 4**

5. To re-elect Tan Sri Dato' Dr Lin See-Yan who is retiring under Bye-Law 86(1) of the Company's Bye-Laws. **Resolution 5**

   [See Explanatory Note (i)]

6. To re-elect Mr Ong Kian Min who is retiring under Bye-Law 86(1) of the Company's Bye-Laws. **Resolution 6**

   [See Explanatory Note (ii)]

7. To re-appoint Messrs Ernst & Young, as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions: -

9. **SILVERLAKE AXIS EMPLOYEE SHARE OPTION SCHEME** **Resolution 8**

   "THAT authority be given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Silverlake Axis Employee Share Option Scheme (the "Scheme") and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 15% of the total issued share capital of the Company from time to time."

   [See Explanatory Note (iii)]

10. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES** **Resolution 9**

"THAT pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (Section B: Rules of Catalist) ("Catalist Rules") and Bye-Law 12(3) of the Company's Bye-Laws, authority be and is hereby given to the Directors of the Company to allot and issue new shares in the capital of the Company, and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit:

(i) shares in the capital of the Company (whether by way of bonus, rights or otherwise);

(ii) convertible securities;

(iii) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or otherwise; or

(iv) shares arising from the conversion of convertible securities in (ii) and (iii) above;

PROVIDED ALWAYS that

(i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 100% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (ii) below or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution);

(ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the total number of issued shares (excluding treasury shares) of the Company at the date this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising of share options or vesting of share awards outstanding or subsisting at the date of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and

(c) any subsequent bonus issues, consolidation or subdivision of shares; and

(iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by the such date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iv)]

11. **PLACEMENT OF NEW SHARES UNDER THE SHARE ISSUE MANDATE AT A DISCOUNT OF NOT MORE THAN 20% DISCOUNT** **Resolution 10**

"THAT notwithstanding Rule 811 of the Catalist Rules, and subject to Resolution 8 being passed, the Directors of the Company be and are hereby authorised to issue shares and/or Instruments other than on a pro-rata basis pursuant to the aforesaid general mandate at a discount of not more than 20% to the weighted average price for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on which the placement or subscription agreement in relation to such shares is executed, provided that:

(a) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and

(b) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (v)]

12. **RENEWAL OF SHARE PURCHASE MANDATE** **Resolution 11**

"THAT:

(a) for the purposes of Part XI of Chapter 8 of the Catalist Rules and Sections 76C and 76E of the Companies Act, Cap. 50 (**"Act"**), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (**"Shares"**) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a **"Market Purchase"**) on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**); and/or

(ii) off-market purchases (each an **"Off-Market Purchase"**) effected otherwise than on the SGX-ST in accordance with any equal schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date by which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) In this Resolution:

"Prescribed Limit" means that number of issued Shares representing 10% of the issued Shares of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares); and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 market days on which Shares were transacted on the SGX-ST immediately preceding the date of making the Market Purchase by the Company or, as the case may be, the date of making the offer pursuant to the Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant 5 market day period;

"date of the making of the offer" means the day on which the Company makes an offer for the purchase of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and

"market day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (vi)]

13. **RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS** **Resolution 12**

"THAT:

(i) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of the interested person transactions, (**"Recurrent Transactions"**) set out in the Company's Circular to Shareholders dated 2 October 2008 (**"Circular"**), with any party who is of the classes of Interested Person described in the Circular, provided that such interested transactions are carried out on normal commercial terms and in accordance with the review procedures for Recurrent Transactions as set out in the Circular (**"General Mandate"**);

(ii) the General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;

(iii) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

(iv) the Directors of the Company and each of them be hereby authorised to complete and do all such acts and things including executing all such documents as may be required as they or he may consider expedient or necessary or in the interest of the Company to give effect to the General Mandate and/or this Resolution."

[See Explanatory Note (vii)]

BY ORDER OF THE BOARD

Tan Min-Li
Hoong Lai Ling
Joint Company Secretaries
Singapore

Date: 13 October 2010

Explanatory Notes: -

(i) Tan Sri Dato' Dr Lin See-Yan shall, upon re-elected as Director of the Company, remain as the Chairman of the Remuneration Committee and member of the Nominating and Audit Committees and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(ii) Mr Ong Kian Min shall, upon re-elected as Director of the Company, remain as the Chairman of the Audit and Nominating Committees and member of the Remuneration Committee and shall be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(iii) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, to grant options and to allot and issue shares upon the exercise of such options in accordance with the Scheme.

(iv) The Ordinary Resolution 9 proposed in item 10 above, if passed, will empower the Directors of the Company from the date of passing of the aforesaid resolution until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law or by the Company's Bye-Laws to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the total number of issued shares in the capital excluding treasury shares (as defined in Resolution 9) of the Company. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares (as defined in Resolution 9) of the Company. Subject to the provisos in Ordinary Resolution 9, the Directors may issue shares notwithstanding that authority pursuant to Ordinary Resolution 9 has ceased to be in force if the shares are issued in pursuance of an offer, agreement or option made or granted by the Directors while the authority pursuant to this Resolution was in force and if such offer, agreement or option which would or might require shares to be issued after the expiration of the authority.

(v) Resolution 10 is to authorise the Directors to issue new shares to subscribers or placees at a discount of not more than 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed.

The maximum pricing discount of 20% is proposed pursuant to the SGX-ST's news release of 19 February 2009 which introduced further measures to accelerate and facilitate the fund raising efforts of listed issuers and will be in effect until 31 December 2010 or such later date as may be determined by the SGX-ST.

(vi) Resolution 11 is to renew, effective until the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. Please refer to the Letter to Shareholders on (I) Proposed Renewal of Share Purchase Mandate and (II) Proposed Renewal of Interested Person Transactions ("IPT") General Mandate dated 13 October 2010.

(vii) Please refer to the Letter to Shareholders on (I) Proposed Renewal of Share Purchase Mandate and (II) Proposed Renewal of Interested Person Transactions ("IPT") General Mandate dated 13 October 2010.

Notes: -

(i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than 2 proxies to attend and vote in his stead.

(ii) Where a shareholder appoints 2 proxies, the appointments shall be invalid unless the shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy in the proxy form.

(iii) A proxy need not be a shareholder.

(iv) The instrument appointing a proxy or proxies must be deposited at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not less than 48 hours before the time of the Annual General Meeting.

(v) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. If the appointor is a corporation, the instrument appointing a proxy or proxies must be executed by the appointor under its common seal or under the hand of an officer, attorney or other person authorised to sign the same. The power of attorney or other authority (if any) or a duly certified copy thereof must be attached to the instrument of proxy.

Silverlake Axis Ltd (32447)

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