

**SILVERLAKE AXIS LTD**

**First Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 30 September 2018**

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED INCOME STATEMENT**

For the first quarter ended 30 September 2018

	First quarter ended 30 September		
	2018 RM	2017 RM Restated	Change %
Revenue	166,609,322	122,362,284	36
Cost of sales	(62,000,621)	(58,631,884)	6
<b>Gross profit</b>	<b>104,608,701</b>	<b>63,730,400</b>	64
<b>Other items of income</b>			
Finance income	405,501	1,566,623	(74)
Other income	3,454,486	7,082,767	(51)
<b>Other items of expenses</b>			
Selling and distribution costs	(9,407,776)	(6,529,877)	44
Administrative expenses	(24,995,842)	(27,498,600)	(9)
Finance costs	(6,249,002)	(465,885)	>100
Share of (loss)/profit of a joint venture	(372,268)	205,685	>100
<b>Profit before tax</b>	<b>67,443,800</b>	<b>38,091,113</b>	77
Income tax expense	(9,505,589)	(4,027,852)	>100
<b>Profit for the period</b>	<b>57,938,211</b>	<b>34,063,261</b>	70
<b>Profit for the period attributable to:</b>			
Owners of the parent	57,939,241	34,058,721	70
Non-controlling interests	(1,030)	4,540	>100
	<b>57,938,211</b>	<b>34,063,261</b>	70
<b>Earnings per share attributable to owners of the parent:</b>			
- Basic (sen)	<b>2.18</b>	<b>1.29</b>	69
- Diluted (sen)	<b>2.18</b>	<b>1.29</b>	69

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the first quarter ended 30 September 2018

	First quarter ended 30 September		
	2018 RM	2017 RM Restated	Change %
<b>Profit for the period</b>	<b>57,938,211</b>	<b>34,063,261</b>	70
<b>Other comprehensive income/(loss):</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Fair value loss on available-for-sale financial assets - quoted equity shares	-	(1,533,230)	(100)
Deferred tax relating to fair value loss on available-for-sale financial assets - quoted equity shares	-	(207,602)	(100)
Foreign currency translation gain/(loss)*	10,534,092	(7,890,963)	>100
Share of foreign currency translation gain/(loss) of a joint venture	168,527	(34,014)	>100
	10,702,619	(9,665,809)	>100
Items that will not be reclassified to profit or loss in subsequent periods:			
Fair value loss on financial assets - quoted equity shares**	(35,361,469)	-	N/M
Deferred tax relating to fair value loss on financial assets - quoted equity shares**	3,485,483	-	N/M
	(31,875,986)	-	N/M
Other comprehensive loss for the period, net of tax	(21,173,367)	(9,665,809)	>100
<b>Total comprehensive income for the period</b>	<b>36,764,844</b>	<b>24,397,452</b>	51
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the parent	36,765,874	24,392,912	51
Non-controlling interests	(1,030)	4,540	>100
	<b>36,764,844</b>	<b>24,397,452</b>	51

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

\*\* The Group continues to carry and measure its investment in quoted equity shares at fair value through other comprehensive income ("OCI"). Under IFRS 9 effective 1 July 2018, the amounts recognised in OCI are not reclassified to profit or loss under any circumstances.

N/M = Not Meaningful

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

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

	First quarter ended 30 September		
	2018 RM	2017 RM Restated	Change %
Amortisation of intangible assets	(4,314,226)	(4,170,265)	3
Depreciation of property, plant and equipment	(1,143,495)	(1,023,514)	12
Write off of property, plant and equipment	(4)	(2,755)	(100)
Write off of intangible assets	(1,373)	-	N/M
Reversal of provision for foreseeable losses	108,990	-	N/M
Impairment loss on financial assets - trade receivables*	-	(448,104)	(100)
Bad debts written off	(4,501)	-	N/M
Reversal of impairment loss on trade receivables**	-	1,389	(100)
Waiver of debts by previous owner of a subsidiary**	-	1,130,048	(100)
Net foreign currency exchange (loss)/gain**:			
- realised	(902,874)	(2,845,383)	(68)
- unrealised	3,007,897	5,476,071	(45)
Adjustments for over provision of tax in respect of prior years	312,763	-	N/M
Gain on redemption of available-for-sale financial assets - money market fund**	145,644	111,306	31
Dividend income from quoted equity investment	-	208,825	(100)
Performance shares issued	(451,043)	(1,081,029)	(58)
Allowance for unutilised leave	(1,648,478)	(759,937)	>100
Allowance for defined benefit liabilities	(302,897)	(311,521)	(3)

\* Included in other operating expenses

\*\* Included in other operating income

N/M = Not Meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENTS OF FINANCIAL POSITION**

	As at 30-Sept-18		As at 30-Jun-18	
	Group RM	Company RM	Group RM Restated	Company RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	21,412,846	3,906	20,415,445	4,128
Intangible assets	209,277,127	-	206,719,656	-
Investments in subsidiaries	-	2,218,334,773	-	2,218,334,773
Interest in a joint venture	9,534,644	23,179,232	9,667,993	23,108,840
Deferred tax assets	16,627,379	-	16,375,321	-
	<b>256,851,996</b>	<b>2,241,517,911</b>	<b>253,178,415</b>	<b>2,241,447,741</b>
<b>Current assets</b>				
Trade and other receivables	108,918,765	176,706	138,714,664	144,727
Contract assets	73,014,361	-	58,285,090	-
Prepayments	3,211,604	260,236	4,351,692	197,833
Dividend receivable	-	26,397,600	-	-
Amount due from a subsidiary	-	19,849	-	15,486
Amounts due from related parties	72,041,599	-	50,027,486	-
Tax recoverable	5,037,828	-	4,317,961	-
Available-for-sale financial assets				
- quoted equity shares	159,249,016	-	189,780,204	-
- money market fund	6,699,597	-	4,559,997	-
Cash and bank balances	407,651,811	126,494,488	304,042,436	88,902,117
	<b>835,824,581</b>	<b>153,348,879</b>	<b>754,079,530</b>	<b>89,260,163</b>
<b>Total assets</b>	<b>1,092,676,577</b>	<b>2,394,866,790</b>	<b>1,007,257,945</b>	<b>2,330,707,904</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	191,040,654	191,040,654	191,040,654	191,040,654
Share premium	234,417,308	1,702,079,469	234,417,308	1,702,079,469
Treasury shares	(77,500,826)	(77,500,826)	(68,558,076)	(68,558,076)
Foreign currency translation reserve	22,247,861	-	11,545,242	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	6,507,517	6,507,517	6,056,474	6,056,474
Available-for-sale reserve	(144,689,204)	-	(112,813,218)	-
Merger deficit	(476,280,829)	-	(476,280,829)	-
Retained profits	795,746,064	291,932,117	737,212,629	243,058,068
<b>Equity attributable to owners of the parent</b>	<b>551,977,192</b>	<b>2,114,058,931</b>	<b>523,108,831</b>	<b>2,073,676,589</b>
Non-controlling interests	73,891	-	74,921	-
<b>Total equity</b>	<b>552,051,083</b>	<b>2,114,058,931</b>	<b>523,183,752</b>	<b>2,073,676,589</b>

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

	As at 30-Sept-18		As at 30-Jun-18	
	Group RM	Company RM	Group RM Restated	Company RM
<b>Non-current liabilities</b>				
Loans and borrowings	3,054,283	-	2,925,844	-
Deferred tax liabilities	29,220,163	-	31,828,657	-
Other payable	239,752,979	239,752,979	233,743,461	233,743,461
Provision for defined benefit liabilities	6,840,087	-	6,906,254	-
	<b>278,867,512</b>	<b>239,752,979</b>	<b>275,404,216</b>	<b>233,743,461</b>
<b>Current liabilities</b>				
Trade and other payables	69,753,735	1,745,284	65,809,779	1,944,126
Contract liabilities	132,147,501	-	101,321,257	-
Provision for defined benefit liabilities	756,941	-	258,271	-
Loans and borrowings	38,713,641	32,713,200	25,363,768	20,720,000
Amount due to holding company	-	-	213,120	-
Amounts due to subsidiaries	-	6,596,396	-	623,728
Amounts due to related parties	1,696,687	-	2,510,141	-
Tax payable	18,689,477	-	13,193,641	-
	<b>261,757,982</b>	<b>41,054,880</b>	<b>208,669,977</b>	<b>23,287,854</b>
<b>Total liabilities</b>	<b>540,625,494</b>	<b>280,807,859</b>	<b>484,074,193</b>	<b>257,031,315</b>
<b>Net current assets</b>	<b>574,066,599</b>	<b>112,293,999</b>	<b>545,409,553</b>	<b>65,972,309</b>
<b>Total equity and liabilities</b>	<b>1,092,676,577</b>	<b>2,394,866,790</b>	<b>1,007,257,945</b>	<b>2,330,707,904</b>

**Restatement of comparatives**
**(i) Acquisition of Silverlake Investment Ltd. and its subsidiaries**

On 20 October 2017, the Company entered into a share sale and purchase agreement with Group Executive Chairman, Mr. Goh Peng Ooi and other minority shareholders to acquire the entire issued share capital of Silverlake Investment Ltd. and its subsidiaries ("SIL Group"). The SIL Group comprising wholly-owned subsidiaries, Silverlake Digital Economy Sdn. Bhd. ("SDE"), Silverlake Digitale Sdn. Bhd. ("SDS") and Silverlake One Paradigm Sdn. Bhd. ("SOP") variously provide the front and middle layers to enhance the Company's digital capabilities. These layers are connected into core banking systems to deliver customer digital engagement and digital experience capabilities.

The acquisition was completed on 18 April 2018 and SIL Group became a subsidiary of the Company. As this acquisition is a combination of entities under common control whereby the Company and SIL Group are under the common control of a major shareholder, the Group's financial statements have been prepared based on the pooling of interest method of accounting. Accordingly, the comparative figures for the Group's financial statements have been presented as if the Group structure immediately after the acquisition had been in existence since the earliest financial year presented.

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

	SIL Group	
	Financial period ended	
	30-Sept-18	30-Sept-17
	RM	RM
Revenue	26,868,289	12,458,965
Profit before tax	13,980,969	4,338,840
Profit for the period	11,714,172	3,786,513
Total assets	103,420,984	59,828,102
Total liabilities	56,465,807	22,394,582

**(ii) Initial application of IFRS 15 Revenue from Contracts with Customers**

The Group adopted IFRS 15 using modified retrospective method effective 1 July 2018 where the cumulative effect arising from the initial application of the standard was recognised as an adjustment to the opening retained profits as at 1 July 2018, without restatement of comparative amounts. To conform with current year's presentation, the following comparative figures have been reclassified as follows:

	As at 30-Jun-18		
	As previously reported	Re- classifications (Effect from (ii))	As restated, after reclassification
	RM	RM	RM
<b>Statements of financial position</b>			
<b>Current assets</b>			
Amounts due from customers for contract work-in-progress*	55,829,157	(55,829,157)	-
Trade and other receivables	139,101,599	(386,935)	138,714,664
Contract assets	-	58,285,090	58,285,090
Prepayments	4,537,993	(186,301)	4,351,692
Advance maintenance costs*	1,882,697	(1,882,697)	-
<b>Current liabilities</b>			
Amounts due to customers for contract work-in-progress*	43,282,889	(43,282,889)	-
Trade and other payables	67,960,485	(2,150,706)	65,809,779
Contract liabilities	-	101,321,257	101,321,257
Advance maintenance fees*	55,887,662	(55,887,662)	-

\* Amounts due from/(to) customers for contract work-in-progress and advance maintenance costs/fees are reclassified and presented in total as contract assets and contract liabilities respectively.

First quarter ended 30-Sept-17		
As restated	Re-classifications (Effect from (ii))	As restated, after reclassification
RM	RM	RM

**Consolidated statement of cash flows**

**Operating activities**

**Changes in working capital:**

Trade and other receivables	21,887,299	883,680	22,770,979
Amounts due from/to customers for contract work-in-progress	(2,971,990)	2,971,990	-
Contract assets/liabilities	-	(12,345,824)	(12,345,824)
Trade and other payables	(17,400,280)	8,490,154	(8,910,126)

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

**Amount repayable in one year or less, or on demand**

As at 30-Sept-18		As at 30-Jun-18	
Secured Group RM	Unsecured Group RM	Secured Group RM	Unsecured Group RM
6,000,441	32,713,200	4,643,768	20,720,000

**Amount repayable after one year**

As at 30-Sept-18		As at 30-Jun-18	
Secured Group RM	Unsecured Group RM	Secured Group RM	Unsecured Group RM
3,054,283	-	2,925,844	-

**Details of any collaterals**

The secured facilities of the Group comprise hire purchases and leasing which are secured by certain property, plant and equipment and intangible assets of subsidiaries with a total net carrying value of RM4,410,670 and RM108,632 respectively as at 30 September 2018 (RM4,115,380 and RM115,834 respectively as at 30 June 2018).

Due to the acquisition of SIL Group in previous financial year, the Group has additional overdraft facility secured with personal guarantee provided by a director.



1(d)(i) Statements (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Changes in Equity for the financial period ended 30 September 2018**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jul-2018</b>	191,040,654	234,417,308	(68,558,076)	11,545,242	466,828	21,819	6,056,474	(112,813,218)	(476,280,829)	737,212,629	523,108,831	74,921	523,183,752
Adjustment on initial application of IFRS 15	-	-	-	-	-	-	-	-	-	594,194	594,194	-	594,194
<b>Adjusted balance as at 1-Jul-2018</b>	191,040,654	234,417,308	(68,558,076)	11,545,242	466,828	21,819	6,056,474	(112,813,218)	(476,280,829)	737,806,823	523,703,025	74,921	523,777,946
Profit for the period	-	-	-	-	-	-	-	-	-	57,939,241	57,939,241	(1,030)	57,938,211
Other comprehensive loss for the period	-	-	-	10,702,619	-	-	-	(31,875,986)	-	-	(21,173,367)	-	(21,173,367)
Purchase of treasury shares	-	-	(8,942,750)	-	-	-	-	-	-	-	(8,942,750)	-	(8,942,750)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	451,043	-	-	-	451,043	-	451,043
<b>As at 30-Sept-2018</b>	191,040,654	234,417,308	(77,500,826)	22,247,861	466,828	21,819	6,507,517	(144,689,204)	(476,280,829)	795,746,064	551,977,192	73,891	552,051,083

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jul-2018</b>	191,040,654	1,702,079,469	(68,558,076)	-	-	-	6,056,474	-	-	243,058,068	2,073,676,589	-	2,073,676,589
Profit for the period	-	-	-	-	-	-	-	-	-	48,874,049	48,874,049	-	48,874,049
Purchase of treasury shares	-	-	(8,942,750)	-	-	-	-	-	-	-	(8,942,750)	-	(8,942,750)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	451,043	-	-	-	451,043	-	451,043
<b>As at 30-Sept-2018</b>	191,040,654	1,702,079,469	(77,500,826)	-	-	-	6,507,517	-	-	291,932,117	2,114,058,931	-	2,114,058,931

**Consolidated Statement of Changes in Equity for the financial period ended 30 September 2017**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>													
<b>As at 1-Jul-2017</b>	191,040,654	232,217,438	(86,627,098)	61,959,697	466,828	21,819	10,163,890	(87,197,439)	(119,765,286)	955,660,890	1,157,941,393	85,198	1,158,026,591
As previously reported	-	-	-	9,508	-	-	-	-	1,039,232	33,268,643	34,317,383	-	34,317,383
Adjustments for acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 1-Jul-2017, as restated</b>	191,040,654	232,217,438	(86,627,098)	61,969,205	466,828	21,819	10,163,890	(87,197,439)	(118,726,054)	988,929,533	1,192,258,776	85,198	1,192,343,974
Profit for the period	-	-	-	-	-	-	-	-	-	34,058,721	34,058,721	4,540	34,063,261
Other comprehensive loss for the period	-	-	-	(7,924,977)	-	-	-	(1,740,832)	-	-	(9,665,809)	-	(9,665,809)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,081,029	-	-	-	1,081,029	-	1,081,029
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(107,339,936)	(107,339,936)	-	(107,339,936)
<b>As at 30-Sept-2017</b>	191,040,654	232,217,438	(86,627,098)	54,044,228	466,828	21,819	11,244,919	(88,938,271)	(118,726,054)	915,648,318	1,110,392,781	89,738	1,110,482,519

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>													
<b>As at 1-Jul-2017</b>	191,040,654	1,668,775,194	(86,627,098)	-	-	-	10,163,890	-	-	228,794,009	2,012,146,649	-	2,012,146,649
Profit for the period	-	-	-	-	-	-	-	-	-	123,519,191	123,519,191	-	123,519,191
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,081,029	-	-	-	1,081,029	-	1,081,029
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(107,339,936)	(107,339,936)	-	(107,339,936)
<b>As at 30-Sept-2017</b>	191,040,654	1,668,775,194	(86,627,098)	-	-	-	11,244,919	-	-	244,973,264	2,029,406,933	-	2,029,406,933

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

From 11 July 2018 to 28 September 2018, the Company purchased 6,788,000 shares pursuant to the share purchase mandate approved by shareholders on 26 October 2017. These shares were acquired by way of market acquisition for a total consideration of RM8,942,750 and are held as treasury shares by the Company.

The number of treasury shares has increased from 40,432,068 as at 30 June 2018 to 47,220,068 as at 30 September 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30-Sept-18	As at 30-Jun-18	As at 30-Sept-17
Total number of issued shares	2,696,472,800	2,696,472,800	2,696,472,800
Less: Treasury shares	(47,220,068)	(40,432,068)	(49,855,200)
Total number of issued shares excluding treasury shares	2,649,252,732	2,656,040,732	2,646,617,600

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

	As at 30-Sept-18	As at 30-Jun-18
Number of treasury shares at beginning of the year	40,432,068	49,855,200
Purchase of treasury shares	6,788,000	62,485,200
Release of treasury shares pursuant to Performance Share Plan	-	(1,800,000)
Reissuance of treasury shares for acquisition of subsidiaries	-	(70,108,332)
Number of treasury shares at end of the period/year	47,220,068	40,432,068

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group's audited annual financial statements for the financial year ended 30 June 2018 were prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 30 June 2018 except that the Group has adopted the following new IFRS which became effective for the period beginning on or after 1 July 2018.

Annual Improvements to IFRSs 2014 - 2016 Cycle

- Amendments to IFRS 1 First Time Adoption of International Financial Reporting Standards
- Amendments to IAS 28 Investment in Associates and Joint Ventures

Amendments to IFRS 2 Classification and Measurement of Share-Based Payment Transactions

Amendments to IAS 40 Transfers of Investment Property

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

IFRS 15 Revenue from Contracts with Customers

IFRS 9 Financial Instruments

The adoption of the above standards do not have significant impact on the financial performance or position of the Group, except for those described below.

**(i) IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers effective for annual period beginning on or after 1 January 2018. It replaced the previous revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The Group adopted IFRS 15 using modified retrospective method effective 1 July 2018. The cumulative impact of RM594,194 arising from the initial application of the standard was recognised as an adjustment to the opening retained profits as at 1 July 2018.

The following tables summarise the impacts of adopting IFRS 15 on the Group's statement of financial position as at 30 September 2018, and the consolidated income statement and consolidated statement of cash flows for the first quarter ended 30 September 2018 for each of the line items affected.

	Note	As reported with adoption of IFRS 15 RM	Amounts without adoption of IFRS 15 RM	Increase/ (Decrease) RM
<b>Consolidated income statement for the first quarter ended 30 September 2018</b>				
Revenue	(a)	166,609,322	165,746,701	862,621
Cost of sales		(62,000,621)	(62,307,776)	(307,155)
Gross profit		104,608,701	103,438,925	1,169,776
Profit before tax		67,443,800	66,274,024	1,169,776
Income tax expense		(9,505,589)	(9,109,122)	396,467
Profit after tax		57,938,211	57,164,902	773,309
<b>Statements of financial position as at 30 September 2018</b>				
<b>Current assets</b>				
Amounts due from customers for contract work-in-progress		-	68,092,461	(68,092,461)
Trade and other receivables		108,918,765	109,753,180	(834,415)
Contract assets	(b)	73,014,361	-	73,014,361
Advance maintenance costs		-	1,619,756	(1,619,756)
Tax recoverable		5,037,828	5,007,284	30,544
<b>Net impact to current assets</b>				<b>2,498,273</b>
<b>Equity</b>				
Foreign currency translation reserve		22,247,861	22,268,528	(20,667)
Retained profits		795,746,064	794,378,561	1,367,503
<b>Net impact to equity</b>				<b>1,346,836</b>
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress		-	83,793,572	(83,793,572)
Trade and other payables		69,753,735	72,362,731	(2,608,996)
Contract liabilities	(b)	132,147,501	-	132,147,501
Advance maintenance fees		-	45,019,684	(45,019,684)
Tax payable		18,689,477	18,263,289	426,188
<b>Net impact to current liabilities</b>				<b>1,151,437</b>
<b>Consolidated statement of cash flows for the first quarter ended 30 September 2018</b>				
<b>Operating activities</b>				
<b>Changes in working capital:</b>				
Trade and other receivables		33,402,002	33,134,652	267,350
Amounts due from/to customers for contract work-in-progress		-	17,824,505	(17,824,505)
Contract assets/liabilities		17,409,417	-	17,409,417
Trade and other payables		892,145	1,914,183	(1,022,038)

As the net impact to consolidated income statement of RM773,309 is less than 2% of the profit after tax for the first quarter ended 30 September 2018, the financial performance review under Section 8 is prepared based on Q1 FY2019 IFRS 15 compliant results as compared with Q1 FY2018 results before the adoption of IFRS 15.

**Note:**

**(a) Revenue**

	As reported with adoption of IFRS 15 RM	Amounts without adoption of IFRS 15 RM	Increase/ (Decrease) RM
Software licensing	25,472,708	25,390,135	82,573
Software project services	29,399,662	27,465,130	1,934,532
Maintenance and enhancement services	98,289,128	99,154,584	(865,456)
Sale of software and hardware products	185,030	474,058	(289,028)
Credit and cards processing	5,320,097	5,320,097	-
Software-as-a-Service			
- Insurance	7,942,697	7,942,697	-
	166,609,322	165,746,701	862,621

Software licensing and software project services revenue accounted for under the percentage of completion method as reported in Q1 FY2019 amounted to RM51,755,549.

**(b) Contract assets/liabilities**

IFRS 15 does not distinguish between different types of contracts with customers and requires the presentation of a contract asset or contract liability when either party to the contract has performed as well as requires any accrued or deferred income, or payments received in advance or on account, to the extent that payment is received before or after performance of services to be presented as contract assets or contract liabilities. Hence, the amounts presented as amount due from/to customers for contract work-in-progress, advance maintenance costs/fees and prepaid costs/deferred revenue are now reclassified and presented as contract assets and contract liabilities respectively in compliance with the standard.



## (ii) IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting effective for annual period beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The new impairment model under IFRS 9 requires the recognition of impairment based on expected credit losses, replaced the incurred credit loss model under IAS 39.

The Group adopted IFRS 9 effective 1 July 2018 without restating prior periods' information and any difference between the previous carrying amount and the carrying amount at the date of initial application shall be adjusted in the opening retained profits. Based on the historical credit loss experience as well as assessment undertaken on financial assets classified at amortised cost, loans and receivables, no additional impairment loss adjustments being made to the opening retained profits. The classification and measurement of the Group's financial assets are appropriate.

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
IFRS 16 Leases	1 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19 Plan Amendments, Curtailment or Settlement	1 January 2019
Annual Improvements to IFRSs 2015 - 2017 Cycle	
- Amendments to IFRS 3 Business Combinations	1 January 2019
- Amendments to IFRS 11 Joint Arrangements	1 January 2019
- Amendments to IAS 12 Income Taxes	1 January 2019
- Amendments to IAS 23 Borrowing Costs	1 January 2019
Conceptual Framework for Financial Reporting	1 January 2020
IFRS 17 Insurance Contracts	1 January 2021
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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

Refer to Note 4.

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

	Group	
	First quarter ended	
	30-Sept-18	30-Sept-17
	Sen	Sen Restated
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	2.18	1.29
Based on a fully diluted basis <sup>(2)</sup>	2.18	1.29

<sup>(1)</sup> The weighted average number of ordinary shares on issue has taken into account the weighted average effect of changes in ordinary shares and treasury shares transactions during the financial period ended 30 September 2018 of 2,654,840,368 (30 September 2017 of 2,646,617,600) of USD0.02 each.

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

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

	As at 30-Sept-18		As at 30-Jun-18	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share <sup>(1)</sup>	20.84	79.80	19.70	78.07

<sup>(1)</sup> Based on the issued share capital excluding treasury shares as at the end of the current financial period and the immediately preceding financial year.

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

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

**(a) INCOME STATEMENT REVIEW – First quarter ended 30 September 2018 ("Q1 FY2019") vs First quarter ended 30 September 2017 ("Q1 FY2018")**

**Overview**

Silverlake Axis Ltd (SAL) provides digital economy solutions to the Banking, Insurance, Payments, Retail and Logistics industries. Founded in 1989, SAL has built an impeccable track record of successful core banking implementations. The Group's Software and Services Solutions deliver operational excellence and enable business transformations at over 300 organisations across Asia Pacific, Africa, Central Europe and Middle East.

From FY2011 to FY2018, the Group has successfully undertaken six acquisitions to broaden the suite of business enterprise software solutions and services offerings and strengthen its market position in new markets in New Zealand, Australia, South Asia and Europe. With expanded capabilities, the Group is well positioned to empower its customers to compete effectively in the digital economy ecosystem. Buoyed by continual investments in Information Technology ("IT") by Asian financial institutions and corporations to improve their competitive edge, the Group continues to achieve steady growth in market share.

In Q1 FY2019, the Group achieved a revenue increased of 36% compared with the previous corresponding period and recorded a net profit attributable to shareholders of RM57.9 million, 70% higher than the RM34.1 million for Q1 FY2018.

**Revenue**

**By Business Activities**

	1-7-18 to 30-9-18 Group	1-7-17 to 30-9-17 Group	Change
	RM	RM Restated	%
<b>Revenue</b>			
Software licensing	25,472,708	4,003,878	>100
Software project services	29,399,662	11,469,433	>100
Maintenance and enhancement services	98,289,128	94,928,361	4
Sale of software and hardware products	185,030	269,841	(31)
Credit and cards processing	5,320,097	4,463,634	19
Software-as-a-Service			
- Insurance	7,942,697	7,227,137	10
	166,609,322	122,362,284	36

Q1 FY2019 group revenue of RM166.6 million was 36% higher compared with Q1 FY2018. All key business segments contributed higher revenue.

Project related revenue comprising software licensing and software project services improved from RM15.5 million in Q1 FY2018 to RM54.9 million in Q1 FY2019. Software licensing revenue rose significantly to RM25.5 million in Q1 FY2019 mainly due to the early stages of delivery of new larger core banking contracts in Malaysia and Thailand in Q1 FY2019 compared with the recognition of progressive revenue in Q1 FY2018 from a few ongoing implementation contracts secured by SIL Group mainly in Sri Lanka and Brunei.

Revenue from software project services also recorded significant growth to RM29.4 million in Q1 FY2019 compared with RM11.5 million in Q1 FY2018 mainly due to progressive revenue recognised from the early stages of delivery of two new Malaysian projects secured in late FY2018 and core system replacement projects secured in Thailand in late FY2017. The Group has also benefited from the contributions of SIL Group, where higher progressive revenue was recognised in Q1 FY2019 from the delivery of an ongoing implementation contract secured in Sri Lanka and new implementation projects secured from the retail industry in Hong Kong.

Maintenance and enhancement services revenue of RM98.3 million in Q1 FY2019 was 4% higher compared with RM94.9 million in Q1 FY2018 mainly due to higher progressive revenue recognised from existing enhancement contracts secured in Malaysia.

The revenue contribution from credit and cards processing increased by 19% from RM4.5 million in Q1 FY2018 to RM5.3 million in Q1 FY2019. This improvement is due to a new tier-pricing fee arrangement signed with an existing customer since Q3 FY2018, higher outsourcing revenue earned from processing the issuance and authorisation of cards as well as the provision of enhancement services for a customer in Q1 FY2019.

With more customers secured in Malaysia and a non-recurring integration contract secured from a customer in Thailand in Q1 FY2019, revenue from Software-as-a-Service - insurance increased to RM7.9 million in Q1 FY2019, 10% higher than the RM7.2 million achieved in Q1 FY2018.

**Profitability**

The Group recorded a gross profit of RM104.6 million in Q1 FY2019, 64% higher compared with RM63.7 million in Q1 FY2018. The Group's gross profit margin of 63% in Q1 FY2019 was higher compared with 52% in Q1 FY2018, with the improvement due to a change in revenue mix with a higher proportion of revenue recorded from higher margin software licensing bundled with customisation and implementation services as well as higher margin achieved from the credit and cards processing segment in Q1 FY2019 compared with the previous corresponding period.

Lower finance income was recorded in Q1 FY2019 due to lower deposits placed with financial institutions in Q1 FY2019 compared with Q1 FY2018.

Other income of RM3.5 million in Q1 FY2019 was 51% lower compared with RM7.1 million in Q1 FY2018 mainly due to lower unrealised foreign currency exchange gains recorded from smaller fluctuation of bank balances denominated in foreign currencies in Q1 FY2019 as compared with Q1 FY2018. The recognition of a gain from waiver of debts by previous owner of a subsidiary in Q1 FY2018 has also contributed to higher income in Q1 FY2018.

Selling and distribution expenses increased by 44% from RM6.5 million to RM9.4 million in Q1 FY2019, reflecting higher marketing and business development activities in Q1 FY2019.

Compared with Q1 FY2018, administrative expenses decreased by 9% from RM27.5 million to RM25.0 million in Q1 FY2019 mainly due to lower professional fees incurred for acquisitions in Q1 FY2019, lower realised foreign currency exchange loss from translation of loans, receivables and bank balances denominated in foreign currencies in Q1 FY2019 as well as the recognition of impairment loss on receivables in Q1 FY2018.

Finance costs increased significantly to RM6.2 million in Q1 FY2019 from RM0.5 million in Q1 FY2018 mainly due to the quarterly fair value adjustment on the contingent consideration payable for the acquisition of SIL Group as required by IFRS.

Silverlake HGH Limited Group recorded some operating losses in Q1 FY2019 compared with an operating profit in Q1 FY2018. As a result, the Group's share of loss of a joint venture was RM0.4 million in Q1 FY2019 compared with a share of profit of RM0.2 million in Q1 FY2018.

With higher revenue, partially offset by lower other income and higher finance costs, the Group recorded a profit before tax of RM67.4 million in Q1 FY2019 compared with RM38.1 million in Q1 FY2018.

Income tax expense increased from RM4.0 million in Q1 FY2018 to RM9.5 million in Q1 FY2019 and the effective tax rate increased to 14% in Q1 FY2019 from 11% in Q1 FY2018. The increase was mainly due to higher taxable income from certain subsidiaries, the expiry of pioneer status of two Malaysian subsidiaries as well as higher withholding tax on overseas revenue.

The Group reported a profit after tax attributable to shareholders of RM57.9 million in Q1 FY2019, a growth of 70% from the RM34.1 million in Q1 FY2018 and achieved a net profit margin of 35% in Q1 FY2019, 7% higher compared with the 28% achieved in Q1 FY2018.

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

### **Property, plant and equipment**

The increase in property, plant and equipment ("PPE") from RM20.4 million as at 30 June 2018 to RM21.4 million as at 30 September 2018 was mainly due to office renovation, purchase of office equipment and higher foreign currency translation on PPE attributable to the appreciation of United States Dollar ("USD") and Singapore Dollar ("SGD") against Ringgit Malaysia ("RM") in Q1 FY2019 compared with Q4 FY2018. The increase was partially offset by the depreciation charge for the quarter.

### **Intangible assets**

The increase in intangible assets from RM206.7 million as at 30 June 2018 to RM209.3 million as at 30 September 2018 was mainly due to the capitalisation of software development expenditure incurred for the development of enhanced core banking and Fintech solutions during the quarter as well as higher foreign currency translation on intangibles attributable to the appreciation of USD and SGD against RM in Q1 FY2019 compared with Q4 FY2018. The increase was partially offset by the amortisation of intangible assets in Q1 FY2019.

### **Trade and other receivables**

Trade and other receivables decreased from RM138.7 million as at 30 June 2018 to RM108.9 million as at 30 September 2018 as a result of improved collection from customers.

### **Contract assets/(liabilities)**

The net contract liabilities as at 30 June 2018 was RM43.0 million compared with RM59.1 million as at 30 September 2018. The components of contract assets and contract liabilities are presented as follows:

	As at 30-Sept-18	As at 30-Jun-18	Change
	RM	RM Restated	%
<b>Contract assets</b>			
Amounts due from customers for contract work-in-progress ( <i>Note (i)</i> )	70,585,120	55,829,157	26
Advance maintenance costs	1,619,756	1,882,697	(14)
Prepaid license and hardware costs	809,485	573,236	41
<b>Total contract assets recognised under current assets</b>	<b>73,014,361</b>	<b>58,285,090</b>	25
<b>Contract liabilities</b>			
Amounts due to customers for contract work-in-progress ( <i>Note (i)</i> )	84,163,207	43,282,889	94
Advance maintenance fees ( <i>Note (ii)</i> )	39,518,873	55,887,662	(29)
Deferred revenue ( <i>Note (iii)</i> )	8,465,421	2,150,706	>100
<b>Total contract liabilities recognised under current liabilities</b>	<b>132,147,501</b>	<b>101,321,257</b>	30
<b>Net contract liabilities</b>	<b>(59,133,140)</b>	<b>(43,036,167)</b>	37

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

The net amount due to customers for contract work-in-progress as at 30 September 2018 was RM13.6 million compared with net amount due from customers of RM12.5 million as at 30 June 2018 and this was mainly due to the timing of billings and revenue recognition for the contracts on hand.

- (ii) Advance maintenance fees represent maintenance fees billed in advance, for which revenue will be recognised over the contractual period, typically twelve months. The decrease in advance maintenance fees from RM55.9 million as at 30 June 2018 to RM39.5 million as at 30 September 2018 was due to the recognition of maintenance revenue following the performance of services in Q1 FY2019 as well as the allocation of a portion of advance maintenance fees billed to unutilised free-mandays as explained in Note (iii) below.
- (iii) Deferred revenue as at 30 September 2018 was RM8.5 million compared with RM2.2 million as at 30 June 2018 mainly due to the requirement of IFRS 15 where maintenance contracts which contain free man-days are required to be accounted for as separate performance obligations ("PO") and revenue to be allocated to each PO accordingly. A portion of the advance maintenance fees recognised as of 30 June 2018 have been reallocated to these unutilised free man-days. The revenue allocated to the free man-days and options for the customers to acquire additional goods or services at discounts will be deferred until they are either utilised, exercised, expired or lapsed, and presented as contract liabilities when the consideration is received.

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

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

### **Available-for-sale financial assets - quoted equity shares**

This available-for-sale financial assets represent the retained equity interest in Global InfoTech Co. Ltd. ("GIT"). The 37.1 million shares were valued at RM189.8 million as at 30 June 2018 and re-measured at RM159.2 million as at 30 September 2018, with RM35.4 million unrealised fair value loss recognised in Other Comprehensive Income.

### **Cash and bank balances**

Cash and bank balances increased from RM304.0 million as at 30 June 2018 to RM407.7 million as at 30 September 2018 mainly due to net cash inflow from operating activities of RM101.6 million, cash inflow from financing activities arising from net drawdown of revolving credit of RM11.4 million, partially offset by cash outflow from financing activities of RM8.9 million for share buyback. The Group had fully repatriated the sale proceeds from the disposal of GIT shares in FY2018 from China during the quarter.

### **Non-current other payable**

The non-current other payable represents the fair value of contingent consideration payable to the vendors in FY2021 in relation to the acquisition of the entire share capital of SIL Group. The non-current other payable increased from RM233.7 million as at 30 June 2018 to RM239.8 million as at 30 September 2018 after taking into account the effect of time value of money and the discounting effect is recognised as Finance Costs in Q1 FY2019.

### **Deferred tax**

The decrease in deferred tax from a net liability position of RM15.5 million as at 30 June 2018 to RM12.6 million as at 30 September 2018 was mainly due to the reversal of withholding tax provided for available-for-sale financial assets attributable to the changes in fair value of GIT shares quoted on ChiNext of the Shenzhen Stock Exchange. The deferred tax relating to fair value loss on available-for-sale financial assets of RM3.5 million was recognised in Other Comprehensive Income.

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

Loans and borrowings increased from RM28.3 million as at 30 June 2018 to RM41.8 million as at 30 September 2018 mainly due to drawdown of revolving credit and an additional finance lease secured for the purchase of motor vehicle during Q1 FY2019.

### **Amount due to holding company**

The amount due to holding company, Intelligentsia Holding Ltd., represents advances given to SIL Group prior to the acquisition of SIL Group. This balance had been fully settled in Q1 FY2019.

### **Current income tax**

Current income tax assets and liabilities represent the amount expected to be recovered from or paid to the taxation authorities. The increase in net tax payable from RM8.9 million as at 30 June 2018 to RM13.7 million as at 30 September 2018 was mainly due to higher taxable income from certain subsidiaries and the expiry of pioneer status of two Malaysian subsidiaries.

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

Not applicable.

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

The Group's operational improvement which started in the second half of FY2018 continued into Q1 FY2019. Due to software contracts and projects secured by the Group in FY2018 and earlier, project related revenue grew from RM15.5 million in Q1 FY2018 to RM54.9 million in Q1 FY2019. These contracts will continue to be implemented for the rest of FY2019 and into FY2020. Notwithstanding the growing political and economic uncertainties around the world, the Group remains active in responding to new enquiries and requests for proposals, and is working towards securing additional software projects in FY2019.

With an expanded suite of digital banking solutions and core banking technologies, the Group is working closely with existing and potential customers to strengthen their capabilities to compete effectively in an increasingly competitive business environment. In addition, the Group is constantly evaluating suitable companies for acquisition to further expand its portfolio of Fintech and Insurtech software products and services to cement its position as an innovation accelerator and a value-added IT partner to its customers.

### **11. If a decision regarding dividend has been made:**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First Interim
Dividend Type	Cash
Dividend Rate	Singapore 0.3 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First Interim and Special
Dividend Type	Cash
Dividend Rate	Singapore 0.3 cents and Singapore 0.5 cents per ordinary share
Par Value of Shares	USD0.02
Tax Rate	Tax exempt 1-tier

**(c) Date payable**

The Directors have proposed a tax exempt (one-tier) interim dividend of Singapore 0.3 cents per ordinary share. The interim dividend will be payable on 6 December 2018.

**(d) Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 26 November 2018 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m., on 23 November 2018 will be registered before entitlements to the dividend are determined.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 23 November 2018 will be entitled to the proposed interim dividend.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

**15. A breakdown of sales**

Not applicable.

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

Not applicable.

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

The aggregate value of recurrent Interested Person Transactions ("IPT") of revenue or trading nature conducted during the financial period ended 30 September 2018 by the Group in accordance with the shareholders' mandates were as follow:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1-7-18 to 30-9-18	1-7-18 to 30-9-18
	RM	RM
Companies associated to Mr. Goh Peng Ooi ("Silverlake Entities")		
- <b>New IPT Mandate</b> <sup>(1)</sup>		
Revenue from Silverlake Entities	-	33,962,687
Service fees to Silverlake Entities	-	(5,362,938)
- <b>Non-Mandate Transactions</b> <sup>(2)</sup>		
Revenue from Silverlake Entities	1,409,180	-
Service fees to Silverlake Entities	(290,101)	-

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

<sup>(2)</sup> The Non-Mandate transactions were mainly derived from project, maintenance and enhancement services contracted between SIL Group and Silverlake Entities before the completion of acquisition of SIL Group in prior year and provision of software licensing by Silverlake Adaptive Applications & Continuous Improvement Services Ltd. to Silverlake Entities.

## 18. Ageing for amounts owing from related parties

The ageing for amounts owing from related parties as at 30 September 2018 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-60 days RM	61-90 days RM	91-180 days RM	> 180 days RM
<u>Transactions conducted under the New IPT Mandate: -</u>						
Silverlake Entities <sup>(1)</sup>	71,316,759	4,364,367	66,187,314	765,078	-	-
<u>Non-Mandate Transactions</u>						
Silverlake Entities	632,689	101,134	531,555	-	-	-
<u>Non-Trade Transactions</u>						
Silverlake Entities	92,151	85,535	6,616	-	-	-
<b>Grand Total</b>	<b>72,041,599</b>	<b>4,551,036</b>	<b>66,725,485</b>	<b>765,078</b>	<b>-</b>	<b>-</b>

(Note 2)

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

<sup>(2)</sup> As at 13 November 2018, the amounts due from Silverlake Entities between 61-90 days have been fully collected.

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

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the unaudited financial statements for the financial period ended 30 September 2018 to be false or misleading in any material aspect.

## 20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

### BY ORDER OF THE BOARD

KWONG YONG SIN  
Group Managing Director

13 November 2018