

**SILVERLAKE AXIS LTD**

**Full Year Financial Statements And Dividend Announcement For The Financial Year Ended 30 June 2019**

**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 full year and fourth quarter ended 30 June 2019

	Financial year ended 30 June			Fourth quarter ended 30 June		
	2019 RM	2018 RM	Change %	2019 RM	2018 RM	Change %
Revenue	680,807,760	541,766,103	26	189,331,139	145,481,611	30
Cost of sales	(254,669,616)	(236,830,238)	8	(67,838,937)	(62,885,400)	8
<b>Gross profit</b>	<b>426,138,144</b>	<b>304,935,865</b>	<b>40</b>	<b>121,492,202</b>	<b>82,596,211</b>	<b>47</b>
<b>Other items of income</b>						
Finance income	3,172,427	2,850,159	11	1,155,782	535,733	116
Other income	55,572,767	4,525,513	1128	24,733,924	332,684	7335
<b>Other items of expenses</b>						
Selling and distribution costs	(37,423,074)	(29,750,672)	26	(10,479,672)	(3,766,062)	178
Administrative expenses	(133,996,805)	(118,158,697)	13	(53,685,500)	(30,753,782)	75
Finance costs	(27,021,025)	(1,336,222)	1922	(7,150,400)	(52,600)	13494
Share of loss of a joint venture	(1,716,738)	(15,876,018)	(89)	(375,048)	(13,867,601)	(97)
<b>Profit before tax</b>	<b>284,725,696</b>	<b>147,189,928</b>	<b>93</b>	<b>75,691,288</b>	<b>35,024,583</b>	<b>116</b>
Income tax expense	(39,159,484)	(13,109,684)	199	(8,241,598)	1,219,855	776
<b>Profit for the year/period</b>	<b>245,566,212</b>	<b>134,080,244</b>	<b>83</b>	<b>67,449,690</b>	<b>36,244,438</b>	<b>86</b>
<b>Profit for the year/period attributable to:</b>						
Owners of the parent	245,577,192	134,090,521	83	67,451,701	36,247,354	86
Non-controlling interests	(10,980)	(10,277)	7	(2,011)	(2,916)	(31)
	<b>245,566,212</b>	<b>134,080,244</b>	<b>83</b>	<b>67,449,690</b>	<b>36,244,438</b>	<b>86</b>
<b>Earnings per share attributable to owners of the parent:</b>						
- Basic (sen)	<b>9.27</b>	<b>5.09</b>	<b>82</b>	<b>2.55</b>	<b>1.38</b>	<b>85</b>
- Diluted (sen)	<b>9.27</b>	<b>5.08</b>	<b>82</b>	<b>2.55</b>	<b>1.37</b>	<b>86</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the full year and fourth quarter ended 30 June 2019

	Financial year ended 30 June			Fourth quarter ended 30 June		
	2019 RM	2018 RM	Change %	2019 RM	2018 RM	Change %
<b>Profit for the year/period</b>	<b>245,566,212</b>	<b>134,080,244</b>	<b>83</b>	<b>67,449,690</b>	<b>36,244,438</b>	<b>86</b>
<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	-	(29,333,305)	(100)	-	(38,712,126)	(100)
Deferred tax relating to fair value loss on available-for-sale financial assets - quoted equity shares	-	3,717,526	(100)	-	6,607,733	(100)
Foreign currency translation gain/(loss)*	13,941,368	(50,487,763)	128	12,250,371	(11,448,833)	207
Share of foreign currency translation gain/(loss) of a joint venture	76,988	63,800	21	-	(23,396)	(100)
	14,018,356	(76,039,742)	118	12,250,371	(43,576,622)	128
Items that will not be reclassified to profit or loss in subsequent periods:						
Fair value loss on financial assets - quoted equity shares**	(23,061,029)	-	N/M	(41,041,790)	-	N/M
Deferred tax relating to fair value loss on financial assets - quoted equity shares**	2,255,182	-	N/M	4,088,932	-	N/M
Actuarial (loss)/gain on defined benefit plans	(1,283,006)	901,273	242	(1,283,006)	901,273	242
Deferred tax relating to actuarial loss/(gain) on defined benefit plans	295,548	(184,164)	260	295,548	(184,164)	260
	(21,793,305)	717,109	3139	(37,940,316)	717,109	5391
Other comprehensive loss for the year/period, net of tax	(7,774,949)	(75,322,633)	(90)	(25,689,945)	(42,859,513)	(40)
<b>Total comprehensive income/(loss) for the year/period</b>	<b>237,791,263</b>	<b>58,757,611</b>	<b>305</b>	<b>41,759,745</b>	<b>(6,615,075)</b>	<b>731</b>
<b>Total comprehensive income/(loss) for the year/period attributable to:</b>						
Owners of the parent	237,802,243	58,767,888	305	41,761,756	(6,612,159)	732
Non-controlling interests	(10,980)	(10,277)	7	(2,011)	(2,916)	(31)
	<b>237,791,263</b>	<b>58,757,611</b>	<b>305</b>	<b>41,759,745</b>	<b>(6,615,075)</b>	<b>731</b>

\* 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 ("FVOCI"). Under IFRS 9 effective 1 July 2018, the amounts recognised in other comprehensive income ("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:**

	Financial year ended 30 June			Fourth quarter ended 30 June		
	2019 RM	2018 RM	Change %	2019 RM	2018 RM	Change %
Amortisation of intangible assets	(19,311,942)	(16,931,705)	14	(5,389,308)	(4,453,509)	21
Write off of intangible assets	(936,779)	-	N/M	(758,546)	-	N/M
Impairment of intangible assets	(15,539,747)	-	N/M	(15,539,747)	-	N/M
Depreciation of property, plant and equipment	(4,662,175)	(4,361,404)	7	(1,162,051)	(1,189,935)	(2)
Write off of property, plant and equipment	(65,049)	(6,790)	858	(60,777)	-	N/M
Impairment of property, plant and equipment	(850,166)	-	N/M	(850,166)	-	N/M
Net gain on disposal of property, plant and equipment**	9,039,880	241,951	3636	1,441	82,647	(98)
Gain on disposal of an associate**	1	-	N/M	-	-	N/M
Inventories written off	(10,399)	-	N/M	(10,399)	-	N/M
Bad debts recovered**	22,000	-	N/M	-	-	N/M
Bad debts written off*	(18,043)	(1,921,865)	(99)	(13,645)	(1,714,900)	(99)
Impairment loss on financial assets - trade receivables*	-	(1,986,010)	(100)	-	(1,447,277)	(100)
Expected credit losses on trade receivables*	(4,123,959)	-	N/M	(4,123,959)	-	N/M
Expected credit losses on contract assets*	(31,676)	-	N/M	(31,676)	-	N/M
Reversal of impairment loss on financial assets - trade receivables**	190,061	1,022,689	(81)	-	-	N/M
Reversal of provision/(Provision) for foreseeable losses	181,303	1,200,157	(85)	(68,361)	(594,465)	(89)
Reversal of impairment loss on financial assets - loan to an associate**	135,210	-	N/M	(599,790)	-	N/M
Write off of loan to an associate*	-	-	N/M	599,790	-	N/M
Loss on disposal of quoted equity investment*	-	(6,316,460)	(100)	-	(3,557,665)	(100)
Dividend income from quoted equity investment**	-	199,141	(100)	-	-	N/M
Reversal of value-added tax accrued for disposal of quoted equity investment**	18,249,642	-	N/M	-	-	N/M
Gain on redemption of financial assets - money market fund	336,582	494,290	(32)	79,982	90,297	(11)
Net foreign currency exchange gain**/(loss)*:						
- realised	139,645	(1,121,147)	112	(833,677)	(442,516)	88
- unrealised	1,997,298	(7,829,514)	126	897,166	(453,593)	298
Fair value adjustment on contingent consideration for business combination**	14,839,820	-	N/M	14,839,820	-	N/M
Gain on derivative instrument at fair value through profit or loss**	9,366,693	-	N/M	9,366,693	-	N/M
Reversal of impairment loss on interest in a joint venture***	-	5,600,000	(100)	-	5,600,000	(100)
Performance shares issued	(1,034,490)	(1,271,254)	(19)	-	(451,043)	(100)
Waiver of debts by previous owner of a subsidiary**	-	988,908	(100)	-	-	N/M
Allowance for unutilised leave	(1,744,607)	(1,726,127)	1	(1,210,279)	(1,265,043)	(4)
(Allowance)/Reversal of allowance for defined benefit liabilities	(1,634,215)	(886,686)	84	(699,357)	382,492	283
Adjustments for over/(under) provision of tax in respect of prior years	1,068,471	(63,181)	1791	668,593	(110,275)	706

\* Included in other operating expenses

\*\* Included in other operating income

\*\*\* Included in share of loss of a joint venture

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-Jun-19		As at 30-Jun-18	
	Group RM	Company RM	Group RM	Company RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	14,883,219	3,706	20,415,445	4,128
Intangible assets	281,504,938	-	206,719,656	-
Investments in subsidiaries	-	2,246,199,153	-	2,218,334,773
Interest in a joint venture	8,624,011	16,009,608	9,667,993	23,108,840
Derivative asset	9,366,693	9,366,693	-	-
Deferred tax assets	26,082,336	-	16,375,321	-
	<b>340,461,197</b>	<b>2,271,579,160</b>	<b>253,178,415</b>	<b>2,241,447,741</b>
<b>Current assets</b>				
Inventories	969,423	-	-	-
Amounts due from customers for contract work-in-progress	-	-	55,829,157	-
Trade and other receivables	134,321,976	214,047	139,101,599	144,727
Contract assets	57,547,440	-	-	-
Advance maintenance costs	-	-	1,882,697	-
Prepayments	4,345,711	103,668	4,537,993	197,833
Amounts due from subsidiaries	-	34,492	-	15,486
Amounts due from related parties	17,473,386	-	50,027,486	-
Loan to a subsidiary	-	2,836,600	-	-
Tax recoverable	4,260,903	-	4,317,961	-
Available-for-sale financial assets				
- quoted equity shares	-	-	189,780,204	-
- money market fund	-	-	4,559,997	-
Financial assets at fair value through OCI - quoted equity shares	172,099,864	-	-	-
Financial assets at fair value through profit or loss - money market fund	8,879,131	-	-	-
Cash and bank balances	441,997,144	82,110,482	304,042,436	88,902,117
	<b>841,894,978</b>	<b>85,299,289</b>	<b>754,079,530</b>	<b>89,260,163</b>
<b>Total assets</b>	<b>1,182,356,175</b>	<b>2,356,878,449</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	236,820,722	1,704,482,883	234,417,308	1,702,079,469
Treasury shares	(81,725,730)	(81,725,730)	(68,558,076)	(68,558,076)
Foreign currency translation reserve	25,563,598	-	11,545,242	-
Capital reserve	466,828	-	466,828	-
Statutory reserve	21,819	-	21,819	-
Performance share plan reserve	-	-	6,056,474	6,056,474
Available-for-sale reserve	-	-	(112,813,218)	-
Fair value reserve of financial assets at fair value through OCI	(133,619,065)	-	-	-
Merger deficit	(476,280,829)	-	(476,280,829)	-
Retained profits	829,984,883	230,232,303	737,212,629	243,058,068
<b>Equity attributable to owners of the parent</b>	<b>592,272,880</b>	<b>2,044,030,110</b>	<b>523,108,831</b>	<b>2,073,676,589</b>
Non-controlling interests	63,941	-	74,921	-
<b>Total equity</b>	<b>592,336,821</b>	<b>2,044,030,110</b>	<b>523,183,752</b>	<b>2,073,676,589</b>
<b>Non-current liabilities</b>				
Loans and borrowings	63,098,790	59,947,894	2,925,844	-
Deferred tax liabilities	33,235,724	-	31,828,657	-
Other payables	248,502,535	248,502,535	233,743,461	233,743,461
Put liability	12,588,232	-	-	-
Derivative liability	-	1,070,705	-	-
Provision for defined benefit liabilities	10,302,180	-	6,906,254	-
	<b>367,727,461</b>	<b>309,521,134</b>	<b>275,404,216</b>	<b>233,743,461</b>
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress	-	-	43,282,889	-
Trade and other payables	70,666,634	1,788,896	67,960,485	1,944,126
Contract liabilities	118,323,243	-	-	-
Provision for defined benefit liabilities	92,338	-	258,271	-
Advance maintenance fees	-	-	55,887,662	-
Loans and borrowings	11,312,065	-	25,363,768	20,720,000
Amount due to holding company	-	-	213,120	-
Amounts due to subsidiaries	-	1,538,309	-	623,728
Amounts due to related parties	2,793,107	-	2,510,141	-
Tax payable	19,104,506	-	13,193,641	-
	<b>222,291,893</b>	<b>3,327,205</b>	<b>208,669,977</b>	<b>23,287,854</b>
<b>Total liabilities</b>	<b>590,019,354</b>	<b>312,848,339</b>	<b>484,074,193</b>	<b>257,031,315</b>
<b>Net current assets</b>	<b>619,603,085</b>	<b>81,972,084</b>	<b>545,409,553</b>	<b>65,972,309</b>
<b>Total equity and liabilities</b>	<b>1,182,356,175</b>	<b>2,356,878,449</b>	<b>1,007,257,945</b>	<b>2,330,707,904</b>

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

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

As at 30-Jun-19		As at 30-Jun-18	
Secured Group	Unsecured Group	Secured Group	Unsecured Group
RM	RM	RM	RM
1,375,423	9,936,642	4,643,768	20,720,000

**Amount repayable after one year**

As at 30-Jun-19		As at 30-Jun-18	
Secured Group	Unsecured Group	Secured Group	Unsecured Group
RM	RM	RM	RM
3,150,896	59,947,894	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 RM3,362,241 and Nil respectively as at 30 June 2019 (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 by personal guarantee provided by a director. The personal guarantee has been discharged in December 2018 and this facility is now secured by guarantee provided by the Company.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Financial year ended		Fourth quarter ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM	RM	RM	RM
<b>Operating activities:</b>				
Profit before tax	284,725,696	147,189,928	75,691,288	35,024,583
Adjustments for:				
Amortisation of intangible assets	19,311,942	16,931,705	5,389,308	4,453,509
Write off of intangible assets	936,779	-	758,546	-
Impairment of intangible assets	15,539,747	-	15,539,747	-
Depreciation of property, plant and equipment	4,662,175	4,361,404	1,162,051	1,189,935
Write off of property, plant and equipment	65,049	6,790	60,777	-
Impairment of property, plant and equipment	850,166	-	850,166	-
Net gain on disposal of property, plant and equipment	(9,039,880)	(241,951)	(1,441)	(82,647)
Gain on disposal of an associate	(1)	-	-	-
Inventories written off	10,399	-	10,399	-
Bad debts recovered	(22,000)	-	-	-
Bad debts written off	18,043	1,921,865	13,645	1,714,900
Impairment loss on financial assets - trade receivables	-	1,986,010	-	1,447,277
Expected credit losses on trade receivables	4,123,959	-	4,123,959	-
Expected credit losses on contract assets	31,676	-	31,676	-
Reversal of impairment loss on financial assets - trade receivables	(190,061)	(1,022,689)	-	-
(Reversal of provision)/Provision for foreseeable losses	(181,303)	(1,200,157)	68,361	594,465
Reversal of impairment loss on financial assets - loan to an associate	(135,210)	-	599,790	-
Write off of loan to an associate	-	-	(599,790)	-
Loss on disposal of quoted equity investment	-	6,316,460	-	3,557,665
Dividend income from quoted equity investment	-	(199,141)	-	-
Gain on redemption of financial assets - money market fund	(336,582)	(494,290)	(79,982)	(90,297)
Unrealised foreign currency exchange (gain)/loss	(1,997,298)	7,829,514	(897,166)	453,593
Fair value adjustment on contingent consideration for business combination	(14,839,820)	-	(14,839,820)	-
Gain on derivative instrument at fair value through profit or loss	(9,366,693)	-	(9,366,693)	-
Performance shares issued	1,034,490	1,271,254	-	451,043
Waiver of debts by previous owner of a subsidiary	-	(988,908)	-	-
Allowance for unutilised leave	1,744,607	1,726,127	1,210,279	1,265,043
Allowance/(Reversal of allowance) for defined benefit liabilities	1,634,215	886,686	699,357	(382,492)
Share of loss of a joint venture	1,716,738	15,876,018	375,048	13,867,601
Finance costs	27,021,025	1,336,222	7,150,400	52,600
Finance income	(3,172,427)	(2,850,159)	(1,155,782)	(535,733)
<b>Operating cash flows before changes in working capital</b>	<b>324,145,431</b>	<b>200,642,688</b>	<b>86,794,123</b>	<b>62,981,045</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)**

	Financial year ended		Fourth quarter ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM	RM	RM	RM
<b>Operating activities: (cont'd)</b>				
<b>Operating cash flows before changes in working capital (cont'd)</b>	<b>324,145,431</b>	<b>200,642,688</b>	<b>86,794,123</b>	<b>62,981,045</b>
<b>Changes in working capital:</b>				
Inventories	2,066,000	-	164,342	-
Trade and other receivables	17,131,991	9,848,414	26,396,140	13,784,988
Amounts due from/to customers for contract work-in-progress	12,546,268	6,125,791	12,546,268	11,898,976
Contract assets/liabilities	46,939,274	-	(3,364,578)	-
Amount due from/to holding company	-	(4,067,168)	-	(72,309)
Amounts due from/to related parties	32,773,825	(38,791,336)	(1,511,215)	(45,168,223)
Trade and other payables	(67,274,889)	(4,299,193)	(56,538,553)	(13,561,517)
<b>Cash flows from operations</b>	<b>368,327,900</b>	<b>169,459,196</b>	<b>64,486,527</b>	<b>29,862,960</b>
Net placement of deposit pledged	(1,186,011)	(3,046,000)	(416,053)	(3,346,650)
Defined benefits paid	(269,301)	(179,450)	(235,974)	-
Income tax paid	(40,216,503)	(19,993,947)	(13,519,846)	(4,203,900)
Interest paid	(1,473,967)	(1,336,222)	(218,285)	(52,600)
<b>Net cash flows from operating activities</b>	<b>325,182,118</b>	<b>144,903,577</b>	<b>50,096,369</b>	<b>22,259,810</b>
<b>Investing activities:</b>				
Purchases of property, plant and equipment	(5,078,448)	(3,170,400)	(1,150,890)	(598,498)
Payments for software development expenditure	(29,077,716)	(20,966,510)	(9,673,045)	(10,168,837)
Payments for other intangible assets	(16,702)	(5,307)	(11,736)	-
Acquisition of subsidiaries, net of cash acquired	(52,604,666)	-	-	-
Advances to a joint venture	(79,139)	(82,519)	(12,572)	(21,711)
Proceed from disposal of an associate	1	-	-	-
Proceeds from disposal of property, plant and equipment	16,234,227	260,577	10,857	99,247
Capital gain tax paid relating to the disposal of freehold land	(384,926)	-	(384,926)	-
Proceeds from disposal of quoted equity investment	-	32,894,190	-	17,924,642
Proceeds from repayment of loan by an associate	135,210	-	-	-
Capital gain tax paid relating to the disposal of shares	-	(3,239,756)	-	(1,738,840)
Proceeds from redemption of financial assets - money market fund	47,437,451	67,504,290	1,016,322	7,260,298
Purchases of financial assets - money market fund	(51,420,003)	(69,257,207)	29,997	(8,800,014)
Interest received	3,107,504	2,787,877	1,168,865	528,487
Dividend income received	-	199,141	-	-
Net uplift/(placement) of short-term deposits	-	284,738,561	-	(2,193,490)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(71,747,207)</b>	<b>291,662,937</b>	<b>(9,007,128)</b>	<b>2,291,284</b>
<b>Financing activities:</b>				
Dividends paid	(152,411,674)	(386,524,534)	(32,264,354)	(23,757,392)
Purchase of treasury shares	(17,855,204)	(108,921,092)	-	(31,032,942)
Proceeds from revolving credit	72,706,050	128,139,320	4,260,900	20,722,100
Repayment of revolving credit	(34,186,331)	(195,754,582)	(14,528,589)	-
Repayment of obligations under finance lease	(1,446,859)	(1,003,852)	(276,318)	(273,039)
<b>Net cash flows used in financing activities</b>	<b>(133,194,018)</b>	<b>(564,064,740)</b>	<b>(42,808,361)</b>	<b>(34,341,273)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>120,240,893</b>	<b>(127,498,226)</b>	<b>(1,719,120)</b>	<b>(9,790,179)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>9,857,669</b>	<b>(10,942,465)</b>	<b>10,642,340</b>	<b>4,797,571</b>
<b>Cash and cash equivalents at beginning of the year/period</b>	<b>293,494,043</b>	<b>431,934,734</b>	<b>414,669,385</b>	<b>298,486,651</b>
<b>Cash and cash equivalents at end of the year</b>	<b>423,592,605</b>	<b>293,494,043</b>	<b>423,592,605</b>	<b>293,494,043</b>
	Financial year ended		Fourth quarter ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM	RM	RM	RM
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:				
Cash and bank balances per Statements of Financial Position	441,997,144	304,042,436	441,997,144	304,042,436
Less: Pledged deposits	(8,467,897)	(7,280,916)	(8,467,897)	(7,280,916)
Less: Bank overdraft	(9,936,642)	(3,267,477)	(9,936,642)	(3,267,477)
Cash and cash equivalents at end of the year	423,592,605	293,494,043	423,592,605	293,494,043

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 year ended 30 June 2019**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	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
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	112,813,218	(112,813,218)	-	-	-	-	-
<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 year	-	-	-	-	-	-	-	-	-	-	245,577,192	245,577,192	(10,980)	245,566,212
Other comprehensive loss for the year	-	-	-	14,018,356	-	-	-	-	(20,805,847)	-	(987,458)	(7,774,949)	-	(7,774,949)
Purchase of treasury shares	-	-	(17,855,204)	-	-	-	-	-	-	-	-	(17,855,204)	-	(17,855,204)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,034,490	-	-	-	-	1,034,490	-	1,034,490
Release of shares under Performance Share Plan	-	2,403,414	4,687,550	-	-	-	(7,090,964)	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(152,411,674)	(152,411,674)	-	(152,411,674)
<b>As at 30-Jun-2019</b>	191,040,654	236,820,722	(81,725,730)	25,563,598	466,828	21,819	-	-	(133,619,065)	(476,280,829)	829,984,883	592,272,880	63,941	592,336,821

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	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 year	-	-	-	-	-	-	-	-	-	-	139,585,909	139,585,909	-	139,585,909
Purchase of treasury shares	-	-	(17,855,204)	-	-	-	-	-	-	-	-	(17,855,204)	-	(17,855,204)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,034,490	-	-	-	-	1,034,490	-	1,034,490
Release of shares under Performance Share Plan	-	2,403,414	4,687,550	-	-	-	(7,090,964)	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(152,411,674)	(152,411,674)	-	(152,411,674)
<b>As at 30-Jun-2019</b>	191,040,654	1,704,482,883	(81,725,730)	-	-	-	-	-	-	-	230,232,303	2,044,030,110	-	2,044,030,110

**Consolidated Statement of Changes in Equity for the financial year ended 30 June 2018**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>														
<b>As at 1-Jul-2017</b>														
As previously reported	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
Adjustments for acquisition of subsidiaries	-	-	-	9,508	-	-	-	-	-	1,039,232	33,268,643	34,317,383	-	34,317,383
<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 year	-	-	-	-	-	-	-	-	-	-	134,090,521	134,090,521	(10,277)	134,080,244
Other comprehensive loss for the year	-	-	-	(50,423,963)	-	-	-	(25,615,779)	-	-	717,109	(75,322,633)	-	(75,322,633)
Purchase of treasury shares	-	-	(108,921,092)	-	-	-	-	-	-	-	-	(108,921,092)	-	(108,921,092)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,271,254	-	-	-	-	1,271,254	-	1,271,254
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	123,811,314	-	-	-	-	-	-	(357,554,775)	-	(233,743,461)	-	(233,743,461)
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(386,524,534)	(386,524,534)	-	(386,524,534)
<b>As at 30-Jun-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

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	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 year	-	-	-	-	-	-	-	-	-	-	400,788,593	400,788,593	-	400,788,593
Purchase of treasury shares	-	-	(108,921,092)	-	-	-	-	-	-	-	-	(108,921,092)	-	(108,921,092)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	1,271,254	-	-	-	-	1,271,254	-	1,271,254
Release of shares under Performance Share Plan	-	2,199,870	3,178,800	-	-	-	(5,378,670)	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	31,104,405	123,811,314	-	-	-	-	-	-	-	-	154,915,719	-	154,915,719
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(386,524,534)	(386,524,534)	-	(386,524,534)
<b>As at 30-Jun-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

**Consolidated Statement of Changes in Equity for the fourth quarter ended 30 June 2019**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>														
<b>As at 1-Apr-2019</b>	191,040,654	236,820,722	(81,725,730)	13,313,227	466,828	21,819	-	-	(96,666,207)	(476,280,829)	795,784,994	582,775,478	65,952	582,841,430
Profit for the period	-	-	-	-	-	-	-	-	-	-	67,451,701	67,451,701	(2,011)	67,449,690
Other comprehensive loss for the period	-	-	-	12,250,371	-	-	-	-	(36,952,858)	-	(987,458)	(25,689,945)	-	(25,689,945)
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(32,264,354)	(32,264,354)	-	(32,264,354)
<b>As at 30-Jun-2019</b>	191,040,654	236,820,722	(81,725,730)	25,563,598	466,828	21,819	-	-	(133,619,065)	(476,280,829)	829,984,883	592,272,880	63,941	592,336,821

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>														
<b>As at 1-Apr-2019</b>	191,040,654	1,704,482,883	(81,725,730)	-	-	-	-	-	-	-	259,081,481	2,072,879,288	-	2,072,879,288
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,415,176	3,415,176	-	3,415,176
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(32,264,354)	(32,264,354)	-	(32,264,354)
<b>As at 30-Jun-2019</b>	191,040,654	1,704,482,883	(81,725,730)	-	-	-	-	-	-	-	230,232,303	2,044,030,110	-	2,044,030,110

**Consolidated Statement of Changes in Equity for the fourth quarter ended 30 June 2018**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>														
<b>As at 1-Apr-2018</b>														
As previously reported	191,040,654	234,417,308	(161,336,448)	23,023,942	466,828	21,819	5,605,431	(80,708,825)	-	(119,765,286)	686,271,173	779,036,596	77,837	779,114,433
Adjustments for acquisition of subsidiaries	-	-	-	(6,471)	-	-	-	-	-	1,039,232	37,734,385	38,767,146	-	38,767,146
<b>As at 1-Apr-2018, as restated</b>	191,040,654	234,417,308	(161,336,448)	23,017,471	466,828	21,819	5,605,431	(80,708,825)	-	(118,726,054)	724,005,558	817,803,742	77,837	817,881,579
Profit for the period	-	-	-	-	-	-	-	-	-	-	36,247,354	36,247,354	(2,916)	36,244,438
Other comprehensive loss for the period	-	-	-	(11,472,229)	-	-	-	(32,104,393)	-	-	717,109	(42,859,513)	-	(42,859,513)
Purchase of treasury shares	-	-	(31,032,942)	-	-	-	-	-	-	-	-	(31,032,942)	-	(31,032,942)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	451,043	-	-	-	-	451,043	-	451,043
Acquisition of subsidiaries	-	-	123,811,314	-	-	-	-	-	-	(357,554,775)	-	(233,743,461)	-	(233,743,461)
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(23,757,392)	(23,757,392)	-	(23,757,392)
<b>As at 30-Jun-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

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Statutory reserve	Performance share plan reserve	Available-for-sale reserve	Fair value reserve of financial assets at FVOCI	Merger deficit	Retained profits	Total	Non-controlling interests	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>														
<b>As at 1-Apr-2018</b>	191,040,654	1,670,975,064	(161,336,448)	-	-	-	5,605,431	-	-	-	284,022,579	1,990,307,280	-	1,990,307,280
Loss for the period	-	-	-	-	-	-	-	-	-	-	(17,207,119)	(17,207,119)	-	(17,207,119)
Purchase of treasury shares	-	-	(31,032,942)	-	-	-	-	-	-	-	-	(31,032,942)	-	(31,032,942)
Grant of shares under Performance Share Plan	-	-	-	-	-	-	451,043	-	-	-	-	451,043	-	451,043
Acquisition of subsidiaries	-	31,104,405	123,811,314	-	-	-	-	-	-	-	-	154,915,719	-	154,915,719
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	(23,757,392)	(23,757,392)	-	(23,757,392)
<b>As at 30-Jun-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

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 14 January 2019, the Company purchased 13,938,000 shares pursuant to the share purchase mandate approved by shareholders on 26 October 2018. These shares were acquired by way of market acquisition for a total consideration of RM17,855,204 and are held as treasury shares by the Company.

During the year, the Company has reissued 150,000 treasury shares to a former Non-Executive Director, 1,800,000 treasury shares to its Managing Director, and 200,000 treasury shares each to five Non-Executive Directors pursuant to Silverlake Axis Ltd. Performance Share Plan.

The number of treasury shares has increased from 40,432,068 as at 30 June 2018 to 51,420,068 as at 30 June 2019.

**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-Jun-19	As at 30-Jun-18
Total number of issued shares	2,696,472,800	2,696,472,800
Less: Treasury shares	(51,420,068)	(40,432,068)
Total number of issued shares excluding treasury shares	2,645,052,732	2,656,040,732

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

	As at 30-Jun-19	As at 30-Jun-18
Number of treasury shares at beginning of the year	40,432,068	49,855,200
Purchase of treasury shares	13,938,000	62,485,200
Release of treasury shares pursuant to Performance Share Plan	(2,950,000)	(1,800,000)
Reissuance of treasury shares for acquisition of subsidiaries	-	(70,108,332)
Number of treasury shares at end of the year	51,420,068	40,432,068

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

Not applicable.

**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, without restatement of comparative amounts. To conform with current year's presentation, the following comparative figures have been reclassified as follows:

	As previously reported as at 30-Jun-18	Re-classifications	Adjusted balance as at 1-Jul-18
	RM	RM	RM
<b>Statement 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.

The following tables summarise the impact of adopting IFRS 15 on the Group's statement of financial position as at 30 June 2019, and the consolidated income statement and consolidated statement of cash flows for the full year and fourth quarter ended 30 June 2019 for each of the line items affected.

### CONSOLIDATED INCOME STATEMENT

	Note	Financial year ended 30-Jun-19			Fourth quarter ended 30-Jun-19		
		As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/ (Decrease)	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/ (Decrease)
		RM	RM	RM	RM	RM	RM
Revenue	(a)	680,807,760	683,851,491	(3,043,731)	189,331,139	190,485,015	(1,153,876)
Cost of sales		(254,669,616)	(255,614,818)	(945,202)	(67,838,937)	(68,174,453)	(335,516)
Gross profit		426,138,144	428,236,673	(2,098,529)	121,492,202	122,310,562	(818,360)
Profit before tax		284,725,696	286,824,225	(2,098,529)	75,691,288	76,509,648	(818,360)
Income tax expense		(39,159,484)	(39,185,340)	(25,856)	(8,241,598)	(8,149,587)	92,011
Profit after tax		245,566,212	247,638,885	(2,072,673)	67,449,690	68,360,061	(910,371)

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/ (Decrease)
		RM	RM	RM
<b>Non-current assets</b>				
Intangible assets		281,504,938	281,080,798	424,140
Deferred tax assets		26,082,336	26,034,734	47,602
<b>Net impact to non-current assets</b>				471,742
<b>Current assets</b>				
Amounts due from customers for contract work-in-progress		-	51,651,562	(51,651,562)
Trade and other receivables		134,321,976	133,923,990	397,986
Contract assets	(b)	57,547,440	-	57,547,440
Advance maintenance costs		-	5,103,522	(5,103,522)
Tax recoverable		4,260,903	4,281,816	(20,913)
<b>Net impact to current assets</b>				1,169,429
<b>Net impact to total assets</b>				1,641,171
<b>Equity</b>				
Foreign currency translation reserve		25,563,598	25,628,327	(64,729)
Retained profits		829,984,883	831,463,362	(1,478,479)
<b>Net impact to equity</b>				(1,543,208)
<b>Non-current liabilities</b>				
Deferred tax liabilities		33,235,724	33,228,231	7,493
<b>Net impact to non-current liabilities</b>				7,493

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (Cont'd)

	Note	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/(Decrease)
		RM	RM	RM
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress		-	39,542,843	(39,542,843)
Trade and other payables		70,666,634	75,098,862	(4,432,228)
Contract liabilities	(b)	118,323,243	-	118,323,243
Advance maintenance fees		-	71,164,446	(71,164,446)
Tax payable		19,104,506	19,111,346	(6,840)
<b>Net impact to current liabilities</b>				3,176,886
<b>Net impact to total liabilities</b>				3,184,379

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial year ended 30-Jun-19			Fourth quarter ended 30-Jun-19		
	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/(Decrease)	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/(Decrease)
	RM	RM	RM	RM	RM	RM
<b>Operating activities</b>						
Profit before tax	284,725,696	286,824,225	(2,098,529)	75,691,288	76,509,648	(818,360)
<b>Adjustments for:</b>						
Amortisation of intangible assets	19,311,942	19,302,233	9,709	5,389,308	5,379,599	9,709
<b>Changes in working capital:</b>						
Trade and other receivables	17,131,991	13,416,248	3,715,743	26,396,140	24,251,418	2,144,722
Amounts due from/to customers for contract work-in-progress	12,546,268	(7,140,036)	19,686,304	12,546,268	(34,487,203)	47,033,471
Contract assets/liabilities	46,939,274	-	46,939,274	(3,364,578)	-	(3,364,578)
Trade and other payables	(67,274,889)	5,140,607	(72,415,496)	(56,538,553)	(7,310,118)	(49,228,435)
Effects of exchange rate changes on cash and cash equivalents	9,857,669	5,694,674	4,162,995	10,642,340	6,418,869	4,223,471

As the net impact to consolidated income statement of RM2,072,673 and RM910,371 are less than 2% of the profit after tax for the full year and fourth quarter ended 30 June 2019 respectively, the financial performance review under Section 8 is prepared based on FY2019 and Q4 FY2019 IFRS 15 compliant results as compared with FY2018 and Q4 FY2018 results before the adoption of IFRS 15.

**Notes:****(a) Revenue**

	Financial year ended 30-Jun-19			Fourth quarter ended 30-Jun-19		
	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/(Decrease)	As reported with adoption of IFRS 15	Amounts without adoption of IFRS 15	Increase/(Decrease)
	RM	RM	RM	RM	RM	RM
Software licensing	100,654,052	99,588,351	1,065,701	34,016,028	34,751,414	(735,386)
Software project services	102,911,087	103,642,755	(731,668)	35,191,059	34,127,917	1,063,142
Maintenance and enhancement services	421,804,060	424,505,905	(2,701,845)	104,513,678	105,950,304	(1,436,626)
Sale of software and hardware products	11,041,089	11,717,008	(675,919)	5,578,004	5,623,010	(45,006)
Credit and cards processing	10,978,900	10,978,900	-	1,469,463	1,469,463	-
Software-as-a-Service						
- Insurance	33,418,572	33,418,572	-	8,562,907	8,562,907	-
	680,807,760	683,851,491	(3,043,731)	189,331,139	190,485,015	(1,153,876)

Software licensing and software project services revenue accounted for under the percentage of completion method as reported for the full year and fourth quarter ended 30 June 2019 amounted to RM186,145,017 and RM56,009,197 respectively.

Revenue from maintenance and enhancement services comprise two separate performance obligations, amounted to RM196,577,554 and RM225,226,506 respectively for the full year ended 30 June 2019; and RM51,706,538 and RM52,807,140 respectively for the fourth quarter ended 30 June 2019.

**(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 Group's investments in quoted equity shares and money market fund were classified as available-for-sale ("AFS") financial assets in FY2018 and the cumulative fair value changes were recognised in AFS reserve. Under IFRS 9 effective 1 July 2018, the Group continues to carry and measure its investment in quoted equity shares at fair value through other comprehensive income and the amounts recognised in OCI are not reclassified to profit or loss under any circumstances. Investment in money market fund has been reclassified as financial assets at fair value through profit or loss.

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 Amendment, 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
Revised Conceptual Framework for Financial Reporting (The Conceptual Framework)	1 January 2020
Amendments to IFRS 3 Definition of a Business	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of Material	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, except for those described below.

## (i) IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease for annual periods beginning on or after 1 January 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. It also includes two recognition exemptions for lessees – leases of low-value assets (e.g. personal computers and small items of office equipment) and short-term leases (i.e. leases with a lease term of 12 months or less).

The Group will adopt IFRS 16 by applying modified retrospective approach, effective 1 July 2019. The comparative figures will not be restated and the cumulative effect of initially applying IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019.

The Group has performed preliminary impact assessment of applying IFRS 16 on the Group's financial statements. Whilst the adoption of IFRS 16 will result in changes to the recognition, measurement, classification and presentation of leases as right-of-use assets and lease liabilities as current or non-current in the statement of financial position, the Group does not expect a material impact to the net earnings level. The Group estimates a decrease of RM1,347,032 in the opening retained profits as at 1 July 2019.

## 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		Group	
	Financial year ended		Fourth quarter ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	Sen	Sen	Sen	Sen
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	9.27	5.09	2.55	1.38
Based on a fully diluted basis <sup>(2)</sup>	9.27	5.08	2.55	1.37

<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 year ended 30 June 2019 of 2,648,408,108 (30 June 2018 of 2,635,387,566) 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-Jun-19		As at 30-Jun-18	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share <sup>(1)</sup>	22.39	77.28	19.70	78.07

(1) Based on the issued share capital excluding treasury shares as at the end of the current financial year 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 period 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 period reported on.

**(a)(i) INCOME STATEMENT REVIEW – Fourth quarter ended 30 June 2019 ("Q4 FY2019") vs Fourth quarter ended 30 June 2018 ("Q4 FY2018")**

**Overview**

Silverlake Axis Ltd (SAL) provides digital economy solutions to the Banking, Insurance, Retail, Government, Payment and Logistics industries. Founded in 1989, SAL has an impeccable track record of successful delivery of innovative and transformative solutions to its enterprise customers and their ecosystems. The Group has more than 380 enterprise customers in over 80 countries across Asia, Europe, Middle East, Africa, Americas, Australia and New Zealand.

From FY2011 to FY2019, the Group has successfully undertaken seven acquisitions to broaden the suite of business enterprise software solutions and services offerings and strengthen its market position in new markets. With expanded capabilities, the Group is well positioned to empower its customers to compete effectively in the digital economy. The Group continues to achieve gains in market share as Asian financial institutions and corporations continue to invest in Information Technology ("IT") to improve their competitive edge.

In Q4 FY2019, the Group achieved a revenue increase of 30% compared with the previous corresponding period and recorded a net profit attributable to shareholders of RM67.4 million, 86% higher than the RM36.2 million achieved in Q4 FY2018. The Group's earnings before interest, taxes, depreciation, and amortisation ("EBITDA") of RM88.2 million achieved in Q4 FY2019 was 120% higher than the RM40.2 million achieved in Q4 FY2018.

**Revenue**

**By Business Activities**

	1-4-19 to 30-6-19	1-4-18 to 30-6-18	Change
	Group RM	Group RM	%
<b>Revenue</b>			
Software licensing*	34,016,028	14,688,079	132
Software project services*	35,191,059	9,726,556	262
Maintenance and enhancement services**	104,513,678	105,773,607	(1)
Sale of software and hardware products	5,578,004	2,438,054	129
Credit and cards processing	1,469,463	4,980,264	(70)
Software-as-a-Service			
- Insurance**	8,562,907	7,875,051	9
	189,331,139	145,481,611	30

\* Project related revenue

\*\* Recurrent revenue

Q4 FY2019 group revenue of RM189.3 million was 30% higher compared with Q4 FY2018. The project related segment, a key business segment, contributed significantly to the higher revenue in Q4 FY2019.

Project related revenue totalling RM69.2 million in Q4 FY2019 was 183% higher than RM24.4 million recorded in the previous corresponding period. Software licensing revenue recorded 132% growth to RM34.0 million in Q4 FY2019 compared with RM14.7 million in Q4 FY2018 whereas revenue from software project services increased significantly from RM9.7 million in Q4 FY2018 to RM35.2 million in Q4 FY2019. The increases were mainly due to higher revenues recorded from the progressive delivery of two Malaysian core banking projects, new retail automation contracts secured in Hong Kong and Malaysia, and the deployment of channel innovations for two financial institutions in Malaysia in Q4 FY2019. SIA X Infotech Group ("XIT Group"), a newly acquired subsidiary in January 2019, also contributed to the overall increase in project related revenue in Q4 FY2019.

Revenue from maintenance and enhancement services of RM104.5 million in Q4 FY2019 was comparable to RM105.8 million recorded in Q4 FY2018.

Following the termination of an outsourcing contract in Q2 FY2019, revenue contribution from credit and cards processing decreased from RM5.0 million in Q4 FY2018 to RM1.5 million in Q4 FY2019.

Revenue from sale of software and hardware products increased from RM2.4 million in Q4 FY2018 to RM5.6 million in Q4 FY2019 following the consolidation of XIT Group's revenue in Q4 FY2019.

Revenue from Software-as-a-Service for insurance processing of RM8.6 million in Q4 FY2019 was 9% higher than the RM7.9 million achieved in Q4 FY2018, with the growth mainly due to the expansion of business activities into Hong Kong and Vietnam as well as new customers secured in Malaysia and Indonesia in Q4 FY2019.

## **Profitability**

The Group recorded a gross profit of RM121.5 million in Q4 FY2019, 47% higher than the RM82.6 million recorded in Q4 FY2018 and achieved a gross profit margin of 64% in Q4 FY2019 as compared with 57% in Q4 FY2018. The increase in gross profit margin was mainly due to improved margin from software licensing, software project services, and maintenance and enhancement segments in Q4 FY2019 as compared with Q4 FY2018.

Higher finance income was recorded in Q4 FY2019 due to larger amount of deposits placed with financial institutions in Q4 FY2019 as compared with Q4 FY2018.

Other income increased from RM0.3 million in Q4 FY2018 to RM24.7 million in Q4 FY2019 due to the recognition of a gain of RM14.8 million from fair value adjustment on earn-out consideration for the acquisition of Silverlake Investment Ltd. Group ("SIL Group") and a gain of RM9.4 million from the recognition of a derivative instrument for the call option on the remaining 20% equity interest in XIT Group, measured at fair value through profit or loss.

Selling and distribution expenses which are recurring in nature increased from RM3.8 million in Q4 FY2018 to RM10.5 million in Q4 FY2019 mainly due to higher expenses incurred for marketing, research and business development activities in Q4 FY2019 as well as the consolidation of XIT Group's results for Q4 FY2019.

Compared with Q4 FY2018, administrative expenses increased by 75% to RM53.7 million in Q4 FY2019 mainly due to the consolidation of XIT Group's Q4 FY2019 results, the recognition of one-off impairment on goodwill of RM14.1 million acquired through business combination for Payments and Integration Solution cash-generating unit, and additional headcount for business expansion in Q4 FY2019. The increase was partially offset by one-off loss of RM3.6 million recognised from the disposal of Global InfoTech Co. Ltd. ("GIT") shares in Q4 FY2018.

Finance costs increased substantially in Q4 FY2019 mainly due to the quarterly fair value adjustment on the contingent consideration payable for the acquisition of SIL Group and XIT Group as required by IFRS.

The Group's share of loss of a joint venture was RM0.4 million in Q4 FY2019 compared with RM13.9 million in Q4 FY2018. The reduction in losses recognised in Q4 FY2019 was mainly due to the recognition of impairment loss on goodwill acquired from business combination by Silverlake HGH Limited ("SHGH") in Q4 FY2018.

With higher revenue and other income, partially offset by higher operating expenses and finance costs, the Group recorded a profit before tax of RM75.7 million in Q4 FY2019 compared with RM35.0 million in Q4 FY2018. The Group's EBITDA improved 120% from RM40.2 million in Q4 FY2018 to RM88.2 million in Q4 FY2019 and achieved an EBITDA margin of 47% in Q4 FY2019, 19% higher than the 28% recorded in Q4 FY2018.

Income tax expense increased from a credit of RM1.2 million in Q4 FY2018 to an expense of RM8.2 million in Q4 FY2019. The increase in tax expense in Q4 FY2019 was mainly due to the expiry of pioneer status of a Malaysian subsidiary as well as higher taxable income from certain subsidiaries in Q4 FY2019 as compared with Q4 FY2018, partially offset by the recognition of deferred tax assets for unused tax losses carried forward from a subsidiary in Q4 FY2018.

The Group reported an increase of 86% in profit after tax attributable to shareholders of RM67.4 million in Q4 FY2019 from RM36.2 million recorded in Q4 FY2018.

## **(a)(ii) INCOME STATEMENT REVIEW – Full year ended 30 June 2019 ("FY2019") vs Full year ended 30 June 2018 ("FY2018")**

### **Overview**

In FY2019, group revenue increased by 26% compared with the previous corresponding financial year and the Group recorded a net profit attributable to shareholders of RM245.6 million, 83% higher than the RM134.1 million achieved in FY2018. The Group's EBITDA improved 99% from RM167.0 million in FY2018 to RM332.5 million in FY2019.

### **Revenue**

#### **By Business Activities**

	<b>1-7-18 to 30-6-19 Group RM</b>	<b>1-7-17 to 30-6-18 Group RM</b>	<b>Change %</b>
<b>Revenue</b>			
Software licensing*	100,654,052	39,976,023	152
Software project services*	102,911,087	51,832,406	99
Maintenance and enhancement services**	421,804,060	391,973,002	8
Sale of software and hardware products	11,041,089	8,044,173	37
Credit and cards processing	10,978,900	19,631,173	(44)
Software-as-a-Service			
- Insurance**	33,418,572	30,309,326	10
	<b>680,807,760</b>	<b>541,766,103</b>	<b>26</b>

\* Project related revenue

\*\* Recurrent revenue

For FY2019, the Group achieved a revenue of RM680.8 million, 26% higher compared with RM541.8 million recorded in FY2018. Both key business segments, project related and recurrent revenue segments, contributed higher revenue in FY2019.

Project related revenue recorded 122% growth to RM203.6 million in FY2019 from RM91.8 million in FY2018. Revenue from software licensing rose significantly to RM100.7 million in FY2019 mainly due to the recognition of a core banking licensing contract fully delivered in Malaysia in FY2019, as well as the progressive delivery of another new larger core banking contract in Malaysia and new retail automation contracts in Hong Kong, Vietnam and Malaysia in FY2019.

Software project services revenue of RM102.9 million in FY2019 was 99% higher compared with the previous corresponding year due to higher progressive revenue recognised in FY2019 from the delivery of two new Malaysian core banking projects secured in late FY2018, new Hong Kong and Malaysia retail based projects secured in FY2019 and a few ongoing implementation contracts secured in Malaysia, Indonesia, Thailand, and Singapore. The consolidation of XIT Group also added to the Group's project related revenue following the completion of its acquisition in Q3 FY2019.

Revenue from maintenance and enhancement services increased by 8% from RM392.0 million in FY2018 to RM421.8 million in FY2019. A few new enhancement contracts were secured in FY2019 in response to the requests for support in the digital banking and payments transformation initiatives by two established financial institutions in Singapore in addition to revenue contribution from ongoing enhancement contracts delivered to Malaysian and Indonesian financial institutions in FY2019. New and additional maintenance contracts from Malaysia, Sri Lanka and Brunei as well as the consolidation of XIT Group's results have also contributed to the overall increase for this recurring revenue in FY2019.

The decrease in credit and cards processing revenue by 44% from RM19.6 million in FY2018 to RM11.0 million in FY2019 was mainly due to the termination of an outsourcing contract in Q2 FY2019, partially offset by higher processing revenue from an existing customer with a new tier-pricing fee arrangement from Q3 FY2018.

With XIT Group's six months contribution to revenue from sale of software and hardware products in FY2019, the revenue from this segment recorded a growth of 37% to RM11.0 million in FY2019 from RM8.0 million in FY2018.

Revenue from Software-as-a-Service for insurance processing increased by 10% from RM30.3 million in FY2018 to RM33.4 million in FY2019. New customers in Thailand, Hong Kong and Vietnam as well as higher processing activities in Philippines and Indonesia contributed to the revenue growth in FY2019.

### **Profitability**

Due to the improvement in revenue, the Group recorded a gross profit of RM426.1 million in FY2019, 40% higher compared with RM304.9 million in FY2018. The Group's gross profit margin of 63% in FY2019 was higher compared with 56% in FY2018 mainly due to improved margin from software licensing, software project services, and maintenance and enhancement segment in FY2019 as compared with the previous corresponding year.

Other income increased significantly to RM55.6 million in FY2019 from RM4.5 million in FY2018 mainly due to the recognition of a gain of RM14.8 million from fair value adjustment on earn-out consideration for the acquisition of SIL Group, as well as the reversal of RM18.2 million value-added-tax accrued for the disposal of GIT shares in FY2017 and FY2018 as Silver Team Technology Limited ("STTL"), a subsidiary of SAL, had obtained VAT exemption in FY2019 for the disposals. In addition, there were gain of RM9.4 million from the recognition of a derivative instrument for the call option on the remaining 20% equity interest in XIT Group and a pre-tax gain of RM8.8 million from the disposal of freehold land in FY2019.

Selling and distribution expenses of RM37.4 million in FY2019, which are recurring in nature, were 26% higher compared with RM29.8 million in FY2018, reflecting more marketing, research and business development activities in FY2019 in addition to the consolidation of XIT Group in FY2019.

Administrative expenses increased 13% from RM118.2 million in FY2018 to RM134.0 million in FY2019 mainly due to the recognition of one-off impairment loss of RM14.1 million on goodwill of a cash-generating unit, Payments and Integration Solution, additional headcount for business expansion as well as additional expenses from the consolidation of XIT Group in FY2019. Offsetting this were the strengthening of foreign currencies against Ringgit Malaysia ("RM") in FY2019 and whereas they weakened in FY2018. As such, the Group recorded realised and unrealised foreign currency exchange gain of RM2.1 million in FY2019 as compared with a loss of RM9.0 million in FY2018 from the translation of bank balances denominated in United States Dollar ("USD") and Singapore Dollar ("SGD"), as well as the translation of advances to a joint venture denominated in New Zealand Dollar.

Finance costs increased significantly to RM27.0 million in FY2019 from RM1.3 million in FY2018 mainly due to the quarterly fair value adjustment on the contingent consideration payable for the acquisition of SIL Group and XIT Group as required by IFRS.

The Group's share of loss of a joint venture was RM1.7 million in FY2019 compared with RM15.9 million in FY2018. Share of loss was significantly lower in FY2019 mainly due to the recognition of impairment loss on the goodwill acquired from business combination by SHGH in FY2018.

With higher operating and non-operating income coupled with lower share of loss of a joint venture, partially offset by higher operating expenses and finance costs, the Group recorded a profit before tax of RM284.7 million in FY2019 compared with RM147.2 million in FY2018, a growth of 93%. The Group's EBITDA of RM332.5 million in FY2019 was 99% higher than the RM167.0 million achieved in FY2018 with the corresponding improvement in EBITDA margin from 31% in FY2018 to 49% in FY2019.

Income tax expense of RM39.2 million in FY2019 was significantly higher compared with RM13.1 million in FY2018 and the effective tax rate of 14% in FY2019 was 5% higher than the 9% reported in FY2018. Higher tax expense recorded in FY2019 were mainly due to higher taxable income from certain subsidiaries in addition to the expiry of pioneer status of a Malaysian subsidiary, partially offset by the recognition of deferred tax assets for unused tax losses carried forward from a subsidiary in FY2018.

The Group reported an increase of 83% in profit after tax attributable to shareholders of RM245.6 million in FY2019 compared with RM134.1 million in FY2018.

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

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

Property, plant and equipment ("PPE") decreased from RM20.4 million as at 30 June 2018 to RM14.9 million as at 30 June 2019 mainly due to the disposal of freehold land during FY2019 and the depreciation charge for FY2019. The decrease was partially offset by office renovation cost capitalised and purchase of office equipment during FY2019 as well as higher foreign currency translation on PPE attributable to the appreciation of USD and SGD against RM in FY2019 compared with FY2018.

### **Intangible assets**

The increase in intangible assets from RM206.7 million as at 30 June 2018 to RM281.5 million as at 30 June 2019 was mainly due to the recognition of provisional goodwill and other intangibles assets arising from the acquisition of XIT Group, and the capitalisation of software development expenditure incurred for the development of enhanced core banking and Fintech solutions during FY2019. Higher foreign currency translation on intangibles attributable to the appreciation of USD and SGD against RM in FY2019 compared with FY2018 has also contributed to the overall increase intangible assets. The increase was partially offset by the amortisation of intangible assets as well as the impairment of goodwill of a cash-generating unit, Payments and Integration Solution in FY2019.

### **Derivative asset**

The call option for the acquisition of the remaining 20% equity interest in XIT Group is accounted for as a derivative asset in accordance with IFRS 9 as the Group does not have a present ownership interest in the shares subject to the call. This asset is measured as a financial asset at fair value of RM9.4 million as at 30 June 2019 and any subsequent changes in its fair value will be recognised in profit or loss.

## Inventories

Inventories of RM1.0 million as at 30 June 2019 comprise raw and basic materials, consumables, purchased hardware and parts for re-sale and to support the provision of software solutions for the issuance and verification of digital identity documents and financial smart cards.

## Trade and other receivables

Trade and other receivables decreased from RM139.1 million as at 30 June 2018 to RM134.3 million as at 30 June 2019 mainly due to improved collection from customers, partially offset by the consolidation of XIT Group's receivables of approximately RM14.8 million in FY2019.

## Contract assets/(liabilities)

In compliance with IFRS 15, the amounts presented as amount due from/(to) customers for contract work-in-progress, advance maintenance costs/fees and prepaid costs/deferred revenue as at 30 June 2018 were reclassified and presented as contract assets and contract liabilities respectively as of 1 July 2018 as disclosed in Section 4 above.

The net contract liabilities increased from RM43.0 million as at 1 July 2018 to RM60.8 million as at 30 June 2019. The components of contract assets and contract liabilities are presented as follows:

	As at 30-Jun-19	As at 1-Jul-18	Change
	RM	RM	%
<b>Contract assets</b>			
Amounts due from customers for contract work-in-progress (Note (i))	51,597,388	55,829,157	(8)
Advance maintenance costs (Note (ii))	5,103,522	1,882,697	171
Prepaid license and hardware costs	846,530	573,236	48
<b>Total contract assets recognised under current assets</b>	<b>57,547,440</b>	<b>58,285,090</b>	(1)
<b>Contract liabilities</b>			
Amounts due to customers for contract work-in-progress (Note (i))	39,808,665	43,282,889	(8)
Advance maintenance fees (Note (ii))	69,567,212	55,887,662	24
Deferred revenue (Note (iii))	8,947,366	2,150,706	316
<b>Total contract liabilities recognised under current liabilities</b>	<b>118,323,243</b>	<b>101,321,257</b>	17
<b>Net contract liabilities</b>	<b>(60,775,803)</b>	<b>(43,036,167)</b>	41

- (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 from customers for contract work-in-progress as at 30 June 2019 was RM11.8 million as compared with 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 costs/fees represent maintenance fees billed in advance, for which costs/revenue will be recognised over the contractual period, typically twelve months. The net increase in advance maintenance fees from RM54.0 million as at 30 June 2018 to RM64.5 million as at 30 June 2019 was due to higher maintenance fee billings raised during FY2019 as well as the consolidation of maintenance fee billings from XIT Group.
- (iii) Deferred revenue increased from RM2.2 million as at 30 June 2018 to RM8.9 million as at 30 June 2019 following the increase in advance maintenance fees as explained in Note (ii) above as a portion of the advance maintenance fees have been reallocated to the unutilised free man-days, recognised as deferred revenue. This is in compliance with 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. 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.

## Financial assets at fair value through other comprehensive income - quoted equity shares

This financial asset represents 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 RM172.1 million as at 30 June 2019, with RM23.1 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 RM442.0 million as at 30 June 2019 mainly due to net cash inflow from operating activities of RM325.2 million and net proceeds from revolving credit of RM38.5 million, partially offset by cash outflow from financing activities of RM152.4 million and RM17.9 million for payment of dividends to shareholders and share buyback respectively. The Group had settled part of the initial upfront purchase consideration (EUR12.6 million), reflected as RM52.6 million cash outflow from investing activities, for the acquisition of 80% equity interest in XIT Group in FY2019.

## Non-current other payables

The non-current other payables of RM248.5 million as at 30 June 2019 represent the fair value of contingent consideration payable for the acquisition of subsidiaries, SIL Group and XIT Group.

The non-current other payables of RM233.7 million recorded as at 30 June 2018 represent the contingent consideration payable to the vendors in FY2021 in relation to the acquisition of the entire equity interest in SIL Group. This amount payable has increased to RM243.6 million as at 30 June 2019 after taking into account the fair value adjustment on earn-out consideration of SIL Group.

Contingent consideration of RM4.9 million have been recognised for the acquisition of 80% equity interest in XIT Group as at 30 June 2019. This amount is payable in FY2021.

### **Put liability**

This financial liability refers to the present value of the exercise price for the put option on the remaining 20% equity interest in XIT Group as at 30 June 2019. Any subsequent changes in its value will be recognised in profit or loss.

### **Deferred tax**

The decrease in deferred tax from a net liability position of RM15.5 million as at 30 June 2018 to RM7.2 million as at 30 June 2019 was mainly due to the recognition of deferred tax assets on taxable income of a subsidiary with pioneer status expiring in FY2020, as well as the reversal of withholding tax for 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 financial assets of RM2.3 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 RM74.4 million as at 30 June 2019 mainly due to drawdown of revolving credit and the utilisation of bank overdraft facility by a subsidiary for working capital purposes.

### **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 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 RM14.8 million as at 30 June 2019 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 ongoing trade dispute between the United States and China has resulted in slower economic growth in many countries in Asia. If this trade dispute is prolonged, the general uncertainties could deteriorate into a more cautious business environment. The Group is monitoring the situation closely although it has been experiencing a healthy flow of new business enquiries and requests for proposals from existing and potential customers. As a strategic partner to large financial institutions in Asia, we maintain and enhance their mission critical IT systems and approximately 67% of the Group's revenue in FY2019 was recurrent in nature.

A key focus of the Group has been the expansion of market share. In addition to acquiring new customers in our existing businesses, the Group is active in acquiring companies to broaden our suite of products and services. The recent expansion of the Group's suite of digital banking solutions has enabled active cross selling of these capabilities to existing core banking customers. The Group will continue to seek suitable companies for acquisition to further expand its market share.

## **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	Second Interim	Third Interim	Final
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	Singapore 0.3 cents per ordinary share	Singapore 0.4 cents per ordinary share	Singapore 0.4 cents per ordinary share	Singapore 0.7 cents per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier

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

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

Name of Dividend	First Interim and Special	Second Interim and Special	Third Interim	Final and Special
Dividend Type	Cash	Cash	Cash	Cash
Dividend Rate	Singapore 0.3 cents and Singapore 0.5 cents per ordinary share	Singapore cents 0.3 and Singapore cents 0.8 per ordinary share	Singapore 0.3 cents per ordinary share	Singapore 0.3 cents and Singapore 0.5 cents per ordinary share
Par Value of Shares	USD0.02	USD0.02	USD0.02	USD0.02
Tax Rate	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier	Tax exempt 1-tier

Total dividends declared for FY2019 amounted to Singapore 1.8 cents compared with Singapore 3.0 cents declared for FY2018.

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

The Directors have proposed a tax exempt (one-tier) final dividend of Singapore cents 0.7 per ordinary share. The final dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company, will be payable on 15 November 2019.



(d) **Books closure date**

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 6 November 2019 for the purpose of determining shareholders' entitlements to the proposed final 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 5 November 2019 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 5 November 2019 will be entitled to the proposed final dividend.

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

Not applicable.

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

**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.**

**By Business Activities**

	1-7-18 to 30-6-19	1-7-17 to 30-6-18
	Group	Group
<u>Revenue</u>	RM	RM
Software licensing	100,654,052	39,976,023
Software project services	102,911,087	51,832,406
Maintenance and enhancement services	421,804,060	391,973,002
Sale of software and hardware products	11,041,089	8,044,173
Credit and cards processing	10,978,900	19,631,173
Software-as-a-Service		
- Insurance	33,418,572	30,309,326
	680,807,760	541,766,103

**By Geographical Segments**

	1-7-18 to 30-6-19	1-7-17 to 30-6-18
	Group	Group
<u>Revenue</u>	RM	RM
South East Asia	534,054,164	429,720,597
North East Asia	40,596,098	32,272,955
South Asia	43,759,184	36,769,340
Middle East	20,717,037	18,463,197
Americas	3,145,403	-
Africa	10,702,715	9,801,911
Europe	27,833,159	14,738,103
	680,807,760	541,766,103

**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.**

Please refer to paragraph 8 above.

**15. A breakdown of sales**

	Financial year ended 30 June		
	2019	2018	Change
	Group RM	Group RM	%
Sales reported for the first half of the financial year	398,428,399	263,145,235	51
Operating profit after tax before deducting non-controlling interests reported for the first half of the financial year	97,835,806	68,082,803	44
Sales reported for the second half of the financial year	282,379,361	278,620,868	1
Operating profit after tax before deducting non-controlling interests reported for the second half of the financial year	147,730,406	65,997,441	124

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

	Latest Full Year			Previous Full Year		
	Interim/Final RM	Special RM	Total RM	Interim/Final RM	Special RM	Total RM
<b>Ordinary</b>						
First dividends paid by the Company	24,252,584	-	24,252,584	23,920,161	39,866,929	63,787,090
Second dividends paid by the Company	31,867,596	-	31,867,596	23,131,714	61,684,557	84,816,271
Third dividends paid by the Company	32,264,353	-	32,264,353	23,757,392	-	23,757,392
Final dividends*	56,675,545	-	56,675,545	24,010,178	40,016,963	64,027,141
<b>Total</b>	<b>145,060,078</b>	<b>-</b>	<b>145,060,078</b>	<b>94,819,445</b>	<b>141,568,449</b>	<b>236,387,894</b>

\* This proposed final dividend in relation to financial year ended 30 June 2019 is subject to approval by shareholders at the forthcoming Annual General Meeting. The dividend payable is computed based on the exchange rate of SGD equivalent to RM3.06 as at 30 June 2019. The total amount to be paid to shareholders in relation to the proposed final dividend will amount to SGD18,515,369.

**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 year ended 30 June 2019 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 30-6-19 RM	1-7-18 to 30-6-19 RM
Companies associated to Mr. Goh Peng Ooi ("Silverlake Entities")		
<b>- IPT Mandate <sup>(1)</sup></b>		
Revenue from Silverlake Entities	-	126,645,644
Service fees to Silverlake Entities	-	(18,739,768)
<b>- Non-Mandate Transactions <sup>(2)</sup></b>		
Revenue from Silverlake Entities	4,378,556	-
Service fees to Silverlake Entities	(773,824)	-

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

<sup>(2)</sup> The Non-Mandate Transactions were mainly derived from provision of software licensing by Silverlake Adaptive Applications & Continuous Improvement Services Ltd. and provision of enhancement services and hardware products by Cyber Village Sdn. Bhd. and Silverlake Holdings Sdn. Bhd. to Silverlake Entities; and maintenance services contracted between SIL Group and Silverlake Entities before the completion of acquisition of SIL Group in prior year.

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

The ageing for amounts owing from related parties as at 30 June 2019 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 IPT Mandate:-</u>						
Silverlake Entities <sup>(1)</sup>	15,155,039	11,157,048	3,997,991	-	-	-
<u>Non-Mandate Transactions</u>						
Silverlake Entities	2,168,076	2,168,076	-	-	-	-
<u>Non-Trade Transactions</u>						
Silverlake Entities	150,271	97,062	53,209	-	-	-
<b>Grand Total</b>	<b>17,473,386</b>	<b>13,422,186</b>	<b>4,051,200</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer**

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Shiou Ling	32	Daughter of Mr. Goh Peng Ooi	Executive Director (with effect from 1 April 2018)	Not applicable

**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**

ANDREW TAN TEIK WEI  
Group Managing Director

23 August 2019