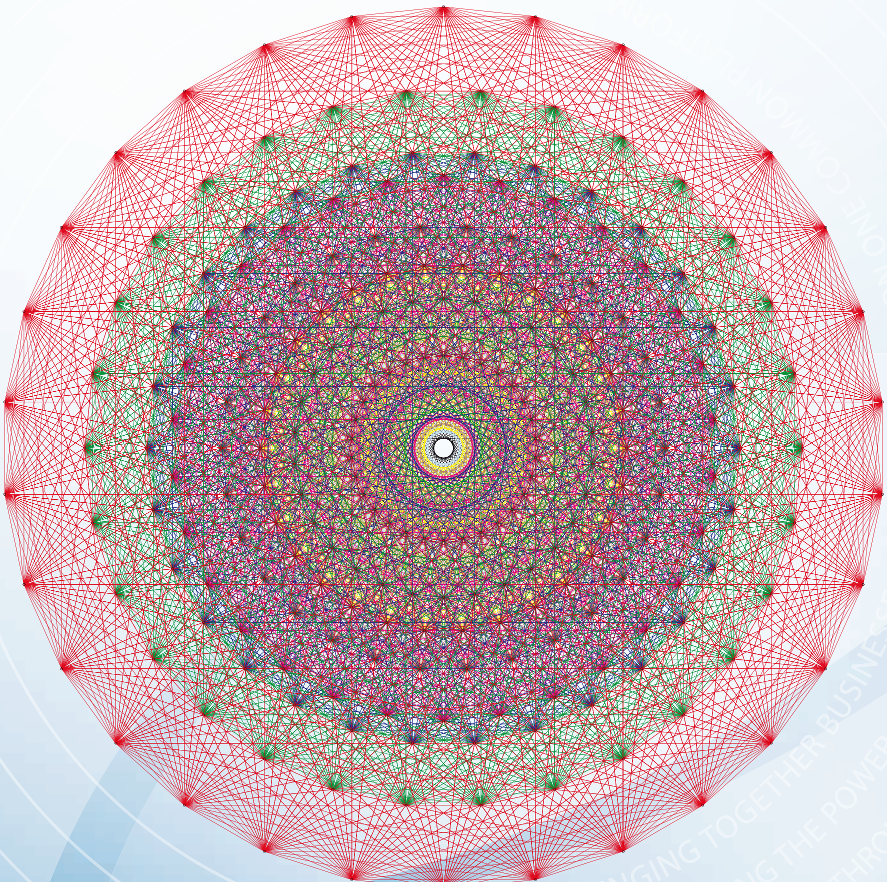
silverlake
SYMMETRY AT WORK

ANNUAL REPORT 2014

SILVERLAKE AXIS LTD



CLOUD : BRINGING TOGETHER BUSINESSES AND CUSTOMERS ON ONE COMMON PLATFORM

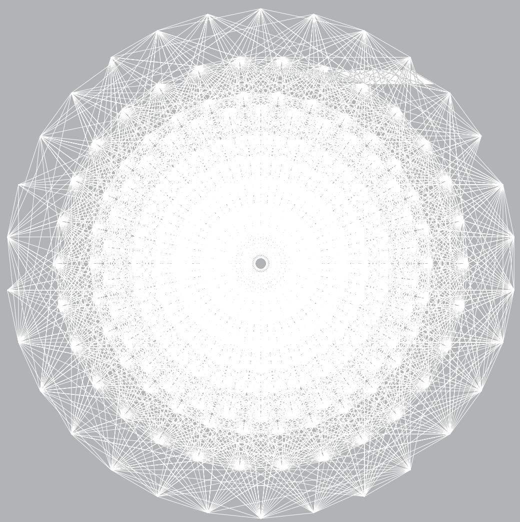
INTELLIGENCE : HARNESSING THE POWER OF DATA TO SERVE OUR CUSTOMERS.

MOBILITY : EMPOWERING MOBILITY THROUGH DEVICES, EXPERIENCE AND CONTEXT.

COLLABORATIVE COMPUTING : SEAMLESS COLLABORATION, ACROSS PLATFORMS AND INDUSTRIES.

ECOSYSTEM PARTNERSHIPS : BANKING : INSURANCE : RETAIL : LARGE ENTERPRISE ECOSYSTEM

1989 2014
25 YEARS OF DIGITAL INNOVATION



E$_8$

Symmetry at Work for Powerful Innovations & Solutions

The diagram above outlines the E8 root system. E8, (pronounced “E eight”) is an example of a Lie (pronounced “Lee”) group. Lie groups were invented by the 19th century Norwegian mathematician Sophus Lie to study symmetry. Underlying any symmetrical object, is a Lie group.

The American Institute of Mathematics (AIM), after four years of intensive collaboration, have successfully mapped E8, one of the largest and most complicated structures in mathematics in March 2007.

Source: American Institute of Mathematics (AIM)

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GROUP AT A GLANCE

SOFTWARE LICENSING

Silverlake Axis provides Digital Economy Solutions for banking and financial services, payments, retail, logistics and insurance businesses. 40% of leading South-East Asia banks use Silverlake Axis Integrated Banking Solution (SIBS) to process their banking transactions daily. SIBS is the core system platform of choice for 3 of the 5 largest ASEAN super regional financial institutions.

SOFTWARE PROJECT SERVICES

Silverlake Axis provides Project Implementation Services to deliver end-to-end Core Banking, Payment and Retail solutions for our customers. We have 100% success track record in our 25 years journey.

MAINTENANCE AND ENHANCEMENT SERVICES

Silverlake Axis Software Maintenance and Enhancement Services business engages with our customers to ensure the smooth running of their daily business operations and to keep up with the dynamic industry changes. Customers are supported from Silverlake Axis offices in Malaysia, Singapore, Indonesia, Thailand, Philippines and Brunei.

SALE OF SOFTWARE AND HARDWARE PRODUCTS

For customers requiring third party hardware and system software to run SIBS in their core banking implementations, Silverlake Axis includes the sale of software and hardware products as a bundled offering with our software licensing and project implementation services.

CREDIT AND CARDS PROCESSING

Silverlake Japan, the Group's wholly owned subsidiary in Japan, provides Outsourcing Services for the processing of credit card, debit card, prepaid card, eMoney, hire purchase and unsecured loans. This service is offered to Japanese card issuers in Japan and banks providing remote service for Japan and Japanese card issuers in Asia.

INSURANCE PROCESSING

Merimen, a new subsidiary of Silverlake Axis, provides a cloud computing Software as a Service (SaaS) platform for policy origination and claims processing. Today, Merimen has an established and growing community of insurers and takaful operators, automobile brands, repairers and motor franchisers, loss adjusters and law firms, and insurance intermediaries in Malaysia, Singapore and Indonesia.

CORPORATE INFORMATION

GOH PENG OOI
Group Executive Chairman

DR. KWONG YONG SIN
Group Managing Director

ONG KIAN MIN
Independent Non-Executive Director

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

LIM KOK MIN
Independent Non-Executive Director

YBHG. DATUK SULAIMAN BIN DAUD
Non-Executive Director

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
Tel : 013 1441 295 5950
Fax: 013 1441 292 4720

CORPORATE OFFICE

26-01/04
143 Cecil Street
GB Building
Singapore 069542

SHARE REGISTRAR

BERMUDA

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

SHARE TRANSFER AGENT

SINGAPORE

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

JOINT COMPANY SECRETARIES

Tan Min-Li
Hoong Lai Ling

AUDITORS

Ernst & Young
Kuala Lumpur, Malaysia
Chartered Accountants
Audit Partner : Phang Oy Lin
(with effect from financial year
ended 30 June 2012)

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of the Group for the financial year ended 30 June 2014.

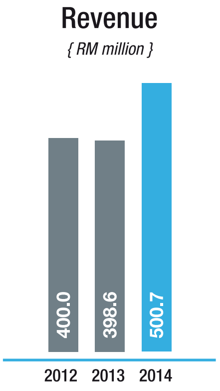
RM500.7m
Revenue

50%
Net Profit Margin

45%
Increase in Total Dividend Declared

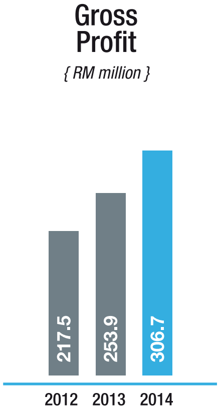
FY2014: ANOTHER YEAR OF RECORD PERFORMANCE

Following our record profit last year, I am pleased to report to you that FY2014 was another year of record performance for the Group. Group revenue rose 26% to RM500.7 million and net profit attributable to shareholders increased 27% to RM248.9 million. During the financial year, we continued to work on our contracts on hand and successfully executed a number of major Core Banking Transformation and Implementation Projects, notably the CIMB Malaysia 1Platform, Silverlake Axis Integrated Islamic Banking System for a new Islamic banking customer in Malaysia and the Union Bank of Sri Lanka. A major Card Business Transformation Project was also completed for one of the largest credit card issuers in Thailand.



As we celebrate our 25th anniversary this year, our record performance in successive years will serve as a confirmation that we have a robust business model which is characterised by a close working relationship with our customers and high recurring income from our maintenance and enhancement services as well as projects from existing customers. Many have contributed to our success over the last 25 years and it is not possible to mention and thank everyone in here.

I would like to thank and congratulate some of our banking customers for their collaboration in industry recognised initiatives. At the recent Asian Banker Summit 2014 in Kuala Lumpur, Silverlake Axis and OCBC Bank won the "Best Cross-Border Core Banking Implementation" award for the standardisation of OCBC Bank's core banking system across Singapore and Malaysia. In addition, the Asian Banker Summit 2014 also awarded Silverlake Axis and Alliance Bank the "Best Self Service Banking Project" award for the bank's unique online banking solution using mobile and electronic channels to reach out to a niche market segment of small businesses and sole proprietors. In an inaugural award, Asian Banker named Silverlake Axis as the winner of the "Vendor Satisfaction Survey Gold Award" following a survey of over 40 financial institutions across the Asia-Pacific and the Middle East based on key considerations like vendor selection process, choice of leading vendors, vendors they enjoy working with and rating of vendors on various parameters.



To reward shareholders for the record performance in FY2014, our directors have proposed a tax exempt fourth and final dividend of Singapore cents 1.2 and a special dividend of Singapore cents 0.6 per share. The total dividend in FY2014 would amount to Singapore cents 4.5, an increase of 45% over FY2013 and a pay out of approximately 106% of the net profits for the financial year. If approved by shareholders at the forthcoming Annual General Meeting, the dividends will be paid on 27 November 2014.

DIGITAL ECONOMY ENTERPRISE SOLUTIONS

Over the past few years, we have made several strategic acquisitions as part of our Digital Economy Transformation. Through the synergy of our core and acquired businesses, we are now better positioned to offer innovative digital economy propositions to our customers. Today, our Digital Economy Enterprise Solutions serve the Banking, Insurance, Retail, Payment and E-Commerce Ecosystems – and we partner these Ecosystems to run their business and support their transformation to win in the digital economy.

An example is our Merimen Software as a Service (SaaS) insurance platform for insurance companies to effectively and efficiently interact and transact with their customers and partner communities in policy origination administration and claims processing. The Merimen Insurance Ecosystem comprises 80 insurers and Takaful operators, 25 major automobile brands, 4,200 repairers and motor franchisers, 250 loss adjusters and law firms, and 3,500 insurance intermediaries in Malaysia, Singapore and Indonesia.

PROSPECTS

Notwithstanding the European economic and political uncertainties and the geo-political situation in the Middle East, the Group remains focused on business opportunities in Asia where the outlook continues to be cautiously favourable. In ASEAN, we have a commanding market share position amongst the banks and we are the solution provider of Core Institutional Software for 3 of ASEAN's 5 largest financial institutions: OCBC, UOB and CIMB. We believe there are ample opportunities in South East Asia to partner new banking customers in their business transformations.

The strategic acquisitions we have made in recent years have broadened the mission critical digital economy enterprise software solutions and service offerings of the Group. With our expanded suite of capabilities, the Group will work with existing and prospective customers in a broad range of industries as they innovate to improve their competitiveness in the digital economy. We are mindful of the longer term opportunities in North East Asia and will continue to position ourselves favourably to grow our customer base there as conglomerates and financial institutions seek strategic value added partners to successfully deliver their business transformation initiatives.

In Asia, mergers and acquisitions amongst banks remain active and we expect the trend to continue in the medium term. Several of our customers are at various stages of expanding their business footprints in ASEAN and North East Asia. We welcome the opportunities to work with our existing customers as they expand their activities throughout Asia. In FY2015, we will continue to focus on the execution of software implementation projects from existing and new customers as a top priority. Every successfully completed project will result in additional recurring maintenance revenue as well as a potential stream of future projects.

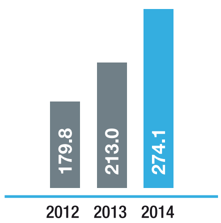
A WORD OF THANKS

Over the last 25 years, our collective determination based on the belief that our unique and innovative software solutions and services will empower our customers has enabled us to overcome many challenges as well as scale new heights. My team and I will continue to approach the future with the same determination.

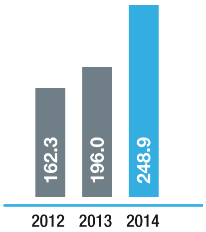
On behalf of my fellow directors, I would like to thank our management and staff for their innovative mindset and exemplary service delivery commitment in another year of record performance. I would also like to thank all our customers, shareholders, bankers and business associates for their trust and support. To my fellow directors, I am always grateful for their wise counsel.

Goh Peng Ooi
Group Executive Chairman
26 September 2014

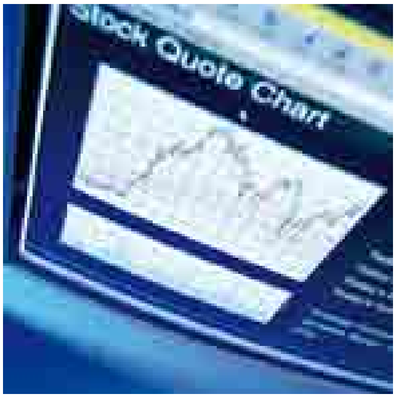
Profit Before Tax
{ RM million }



Net Profit
{ RM million }

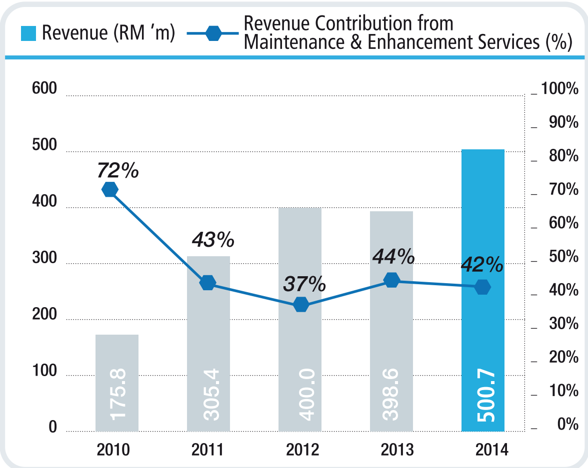


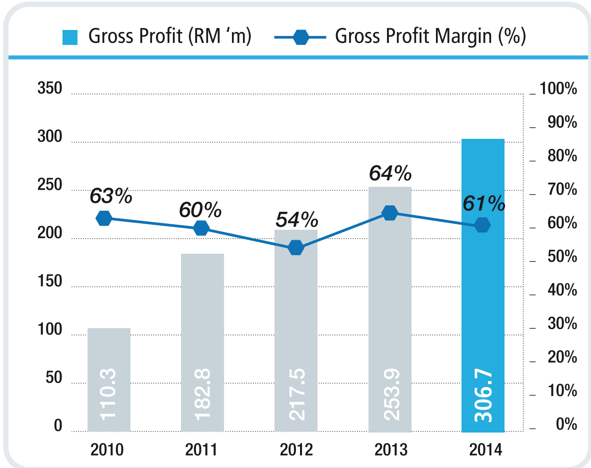
FINANCIAL HIGHLIGHTS

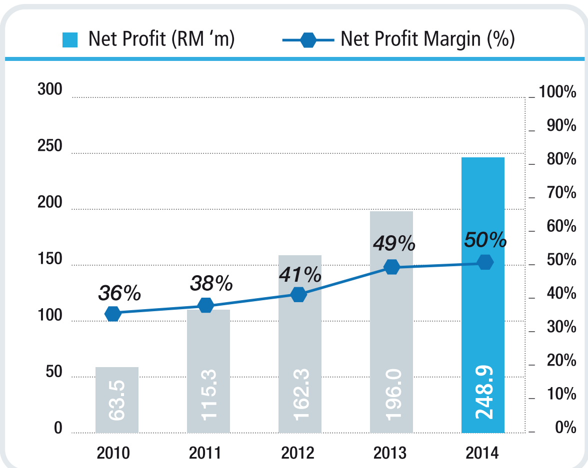



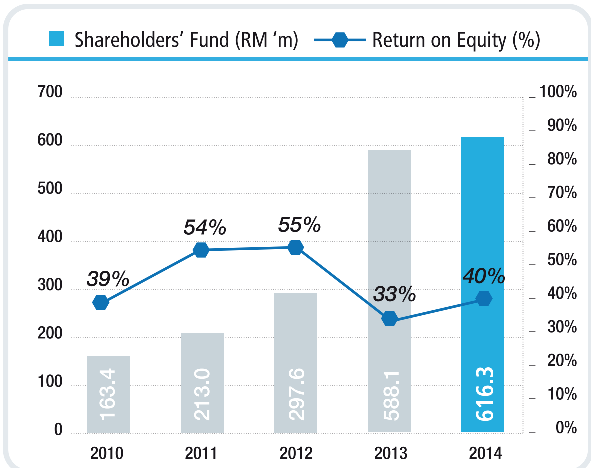

	Financial Year Ended 30 June	2010	2011	2012	2013	2014
1.	**Financial Results (RM million)**					
	Revenue	175.8	305.4	400.0	398.6	500.7
	Gross Profit	110.3	182.8	217.5	253.9	306.7
	EBITDA	85.7	145.0	190.7	222.9	290.9
	Profit Before Tax	75.2	131.8	179.8	213.0	274.1
	Net Profit	63.5	115.3	162.3	196.0	248.9
2.	**Financial Positions (RM million)**					
	Share Capital	151.3	151.3	151.3	157.5	157.5
	Shareholders' Fund	163.4	213.0	297.6	588.1	616.3
	Total Assets	282.0	319.6	400.4	743.9	766.7
3.	**Financial Ratio**					
	Gross Profit Margin (%)	63%	60%	54%	64%	61%
	Net Profit Margin (%)	36%	38%	41%	49%	50%
	Return on Equity (%)	39%	54%	55%	33%	40%
	Current Assets / Current Liabilities (Times)	1.3	2.1	3.1	5.2	4.5
4.	**Per Share (RM sen)**					
	Basic Earnings Per Share	3.04	5.50	7.72	9.25	11.09
	Net Assets Per Share	7.81	10.13	14.18	26.20	27.46
5.	**Dividends (SGD cents)**					
	Dividends Per Share	1.70	1.15	1.90	3.10	4.50

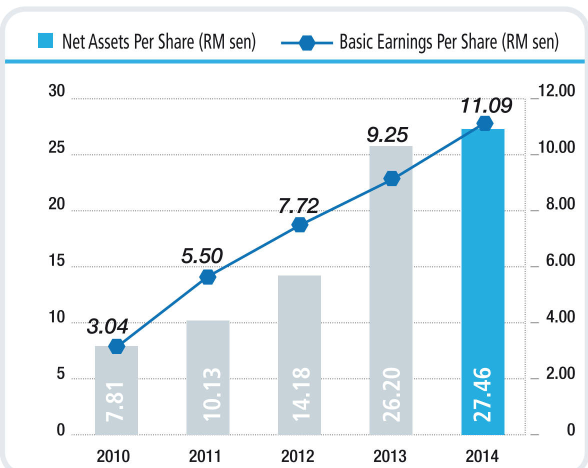
FINANCIAL HIGHLIGHTS (cont'd)

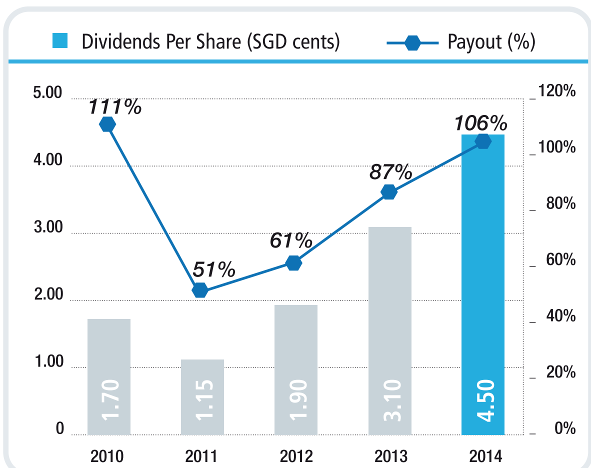












FINANCIAL AND OPERATIONS REVIEW

FINANCIAL PERFORMANCE REVIEW

OVERVIEW

The Group is in a dynamic growth phase of empowering its customers to compete effectively in the digital economy ecosystem. Buoyed by continual investments in IT by Asian financial institutions and corporations to improve their competitive edge, the Group recorded a growth of 26% in revenue to RM500.7 million and net profit attributable to shareholders rose by 27% to RM248.9 million in FY2014. This marks the fourth consecutive year of profitability growth for the Group.

Since FY2010, the Group has successfully undertaken several acquisitions to broaden the suite of business enterprise software solutions and services offerings which in turn contributed to the steady growth over the past 4 years. In FY2013, the Group completed the acquisition of Merimen and in FY2014 acquired Cyber Village. Both acquisitions have contributed to the Group's revenue and profitability in FY2014.

REVENUE

Group revenue rose to RM500.7 million in FY2014, an increase of 26% over FY2013. The growth was broad-based across all business sectors except software project services. Revenue from software project services was marginally lower due to lower progressive revenue recognition on ongoing project implementation contracts during FY2014.

Maintenance and enhancement revenue recorded strong growth with new maintenance and enhancement contracts secured in Malaysia, Singapore, Indonesia and Thailand following the completion of software implementation contracts and the consolidation of Cyber Village's revenue after the acquisition in July 2013. Revenue from software licensing increased to RM147.7 million as several major software licensing contracts were delivered during the year. In addition, five major sales of hardware products to customers boosted revenue from sale of software and hardware products. Full year contribution from insurance processing by Merimen also led to the overall increase in revenue.

PROFITABILITY

With the increase in revenue, gross profit rose 21% to RM306.7 million. However, the Group's gross profit margin of 61% in FY2014 was lower compared with 64% in FY2013. This decline was mainly due to lower margins from certain projects.

During the year, the Group recorded a significant increase in other income as a result of higher foreign currency exchange gains recorded, gain on disposal of office premise and fair value adjustment on contingent consideration for the acquisition of Merimen. Finance costs also rose from the low base in FY2013 due to interest incurred on a temporary revolving credit facility as well as the fair value adjustment on the remaining purchase consideration payable for the acquisition of Merimen and Cyber Village. In addition, the Group's share of profit of associates saw an improvement with higher contributions from Global InfoTech Co. Ltd.

Driven by the increase in gross profit, other income and share of profit of associates, net profit of the Group rose 27% to RM248.9 million with a corresponding improvement in net profit margin to 50%.

FINANCIAL POSITION

The Group's operations generated healthy net cash inflows of RM280.4 million in FY2014. After payment of dividends and utilisation of funds to finance the acquisition of Merimen and Cyber Village, the Group still recorded high cash and bank balances of RM349.8 million as at 30 June 2014.

While total current assets decreased marginally to RM516.4 million, total current liabilities increased to RM115.0 million. The resultant marginal decrease in net current assets was mainly attributed to the utilisation of funds for group expansion, repayment of revolving credit and higher payment of dividends to shareholders. Following the completion of acquisition of Cyber Village, fair values of identifiable assets and goodwill related to the acquisition lifted the Group's non-current assets to RM250.4 million. Total liabilities were lower mainly due to the full repayment of revolving credit and payment of Tranche 2 of the purchase consideration for the acquisition of Merimen. As of 30 June 2014, the Group's statement of financial position remained strong with minimal borrowings and a comfortable net cash position.

OPERATIONS REVIEW

The Group is a leading provider of digital economy solutions and services for major organisations in Banking, Insurance, Payment, Retail and Logistics industries. The Group's Silverlake Axis Software and Services Solutions deliver operational excellence and enable business transformations at over 100 organisations across Asia, including 40% of the largest banks in South East Asia.

The Group's revenue contribution, in the order of their percentage contribution to total revenue in FY2014, are (i) Maintenance and Enhancement Services, (ii) Software Licensing, (iii) Software Project Services, (iv) Sale of Software and Hardware Products, (v) Credit and Cards Processing and (vi) Insurance Processing.

MAINTENANCE AND ENHANCEMENT SERVICES

Maintenance and enhancement services remain the key revenue contributor and provide the Group with a stable and steadily growing recurrent revenue stream. In FY2014, maintenance and enhancement services revenue increased 21% to RM210.3 million and accounted for 42% of total revenue. The improved revenue was attributed to new maintenance contracts and several major enhancement contracts secured from existing customers in Malaysia, Singapore, Thailand and Indonesia following the completion of software implementation contracts as well as the consolidation of Cyber Village's maintenance and enhancement revenue.

Geographically, revenue from Singapore continued to be driven by requirements for G3 Giro Transformation, chips based ATM cards and Personal Data Protection Act as well as demand for system enhancements from customers who continuously invest in technology to improve operational effectiveness and cost efficiency. While the addition of a new customer contributed to the increase in revenue from Thailand, integration of products and services as well as enhancements by local banks boosted revenue from Malaysia. In Indonesia, revenue growth was mainly attributed to enhancements undertaken by customers to improve and expand product offerings.

FY2014 REVENUE

RM500.7m

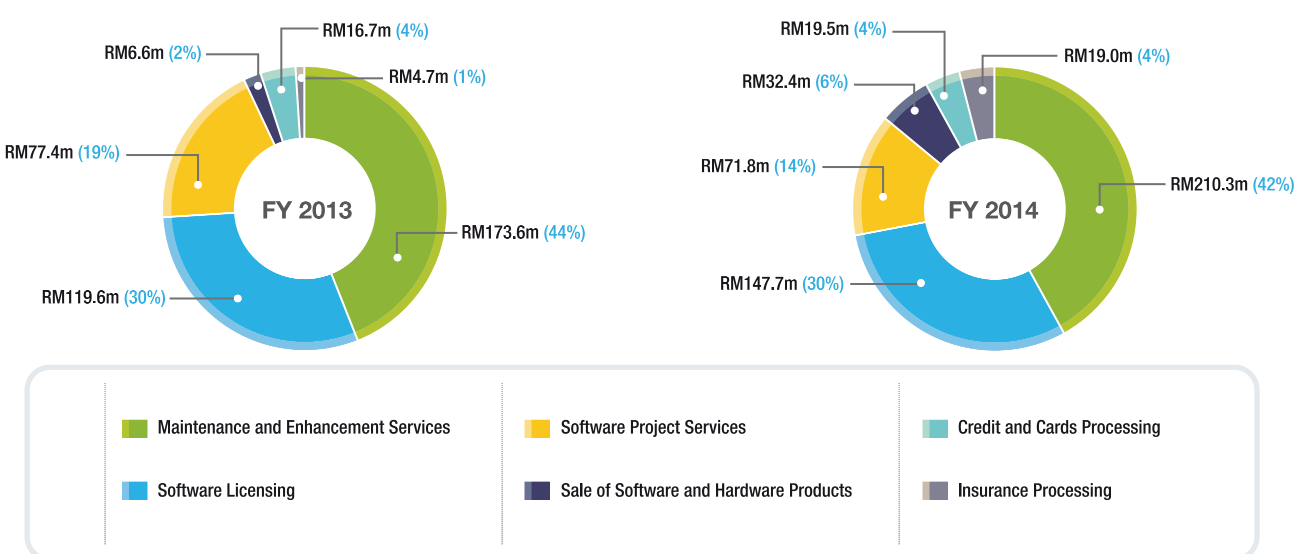
FY2014 GROSS PROFIT

RM306.7m

FY2014 NET PROFIT

RM248.9m

REVENUE CONTRIBUTION BY BUSINESS ACTIVITIES



SOFTWARE LICENSING

Software licensing remains one of the core business of the Group. The Group continued to focus on expanding and advancing our strong portfolio of enterprise software solutions. The effort reaped contract wins in FY2014 which contributed to the revenue growth of 23% to RM147.7 million. The contract wins were from both existing customers and new customers. The revenue growth was also attributed to the progressive delivery of ongoing software licensing contracts secured in previous financial years. Some of these contracts have been successfully delivered during the year.

SOFTWARE PROJECT SERVICES

Revenue from software project services declined marginally by 7% to RM71.8 million in FY2014. The Group continued to progressively deliver ongoing implementation contracts as well as new contracts won from existing and new customers during the year. Throughout the year, the Group was kept busy with a few major go-lives, including the Malaysian leg of the strategic CIMB 1Platform project, an Islamic banking software project in Malaysia, the core banking software project for Union Bank of Sri Lanka, a card system project for one of the largest credit card issuers in Thailand, and the final stages of a regional core banking standardisation project for a Singapore-based regional bank. The busy year ended with well deserved multiple prestigious awards in recognition of the Group's service delivery commitment.

SALE OF SOFTWARE AND HARDWARE PRODUCTS

Revenue from software and hardware products increased 388% to RM32.4 million in FY2014. The software and hardware products business is integral to the Group's core business by providing our customers with complete and integrated business transformation solutions. In FY2014, the software and hardware business benefited from the recent three major software contracts wins as well as a major hardware upgrade by an existing customer in Malaysia.

CREDIT AND CARDS PROCESSING

Silverlake Japan Ltd, the Group's wholly-owned subsidiary in Japan, provides on an outsourcing basis the full scale processing of a wide range of credit cards and other credit products issued by its customers. For the financial year in review, revenue contribution from Silverlake Japan increased 31% from JPY456.0 million to JPY597.4 million in line with its customers' business growth.

INSURANCE PROCESSING

Insurance processing is derived from Merimen, a new subsidiary acquired by the Group in late FY2013. Merimen provides cloud computing Software as a Service (SaaS) platform for insurance companies to interact and transact with their customers and partner communities to effectively and efficiently process and administer policy origination and claims processing. In FY2014, Merimen recorded higher recurring revenue due to increased acceptance of its SaaS solutions for both claim management and policy administration by Southeast Asian insurance companies. With the expansion in recurrent revenue base and a full year contribution, Merimen contributed RM19.0 million to Group revenue.

BOARD OF DIRECTORS

SEATED (L- R):
Dr. Kwong Yong Sin, Goh Peng Ooi

STANDING (L- R):
YBhg. Tan Sri Dato' Dr. Lin See-Yan, YBhg. Datuk Sulaiman bin Daud, Lim Kok Min, Ong Kian Min

GOH PENG OOI
Group Executive Chairman
Member of Nominating Committee

First appointment as a director: 23 August 2002
Last re-election as a director: 25 October 2013

Mr. Goh was appointed Group Executive Chairman on 23 May 2006. Prior to that, he was Non-Executive Chairman since 2002.

Mr. Goh founded Silverlake in 1989, and through his foresight on the future of technology demands of the Banking industry, he has built Silverlake Group to be a leading provider of state-of-the-art universal banking solutions, with presence in over 20 countries across Asia Pacific, Middle East and Africa. Through Mr. Goh's vision, the Group has won various significant awards throughout the past 25 years including the recent "Best of the Best" Award 2013 in Forbes Asia's "Best Under A Billion" for Asia Pacific, the Asian Banker Vendor Satisfaction Survey Gold Award 2014, and industry recognitions including the various IBM awards. Mr. Goh was bestowed the Ernst & Young Technology Entrepreneur Award Malaysia 2005 in recognition of his entrepreneurial excellence. Prior to forming Silverlake Group, Mr. Goh had worked with IBM Malaysia. He held several senior positions over his 9 years career at IBM, his last being Marketing Manager for Banking and Finance Industry. He obtained his Bachelor of Engineering (Major in Electronics) at the University of Tokyo on a Mombusho Scholarship in 1980.

Mr. Goh currently holds directorships in a number of his private investment companies. He does not hold any directorships in other listed companies. Mr. Goh remains passionate about science and mathematics and contributes to various academic and industrial initiatives in the region.

DR. KWONG YONG SIN
Group Managing Director

First appointment as a director: 20 August 2004

Dr. Kwong was appointed Group Managing Director on 1 November 2005. Prior to that, he was Non-Executive Director.

Prior to joining Silverlake Group as Managing Director, Dr. Kwong was a Partner/Vice President of Ernst & Young Global Consulting and Cap Gemini Ernst & Young for 11 years from 1989 to 2000. He was the Senior Manager and Head of IT Consulting for Coopers & Lybrand (South East Asia) from 1984 to 1989. Prior to that, he was Senior Systems Analyst for Pacific Power (Australia) from 1979 to 1983. Dr. Kwong has 35 years of experience in Information Technology, Business Transformation and Solution Implementation in Financial Services, Utilities and Technology Industries. He has a Bachelor of Commerce (Honours) from the University of New South Wales (Australia) and Ph.D in Information Systems. He is a Certified Practicing Accountant Australia.

Dr. Kwong does not hold other principal commitments or directorships in other listed companies.

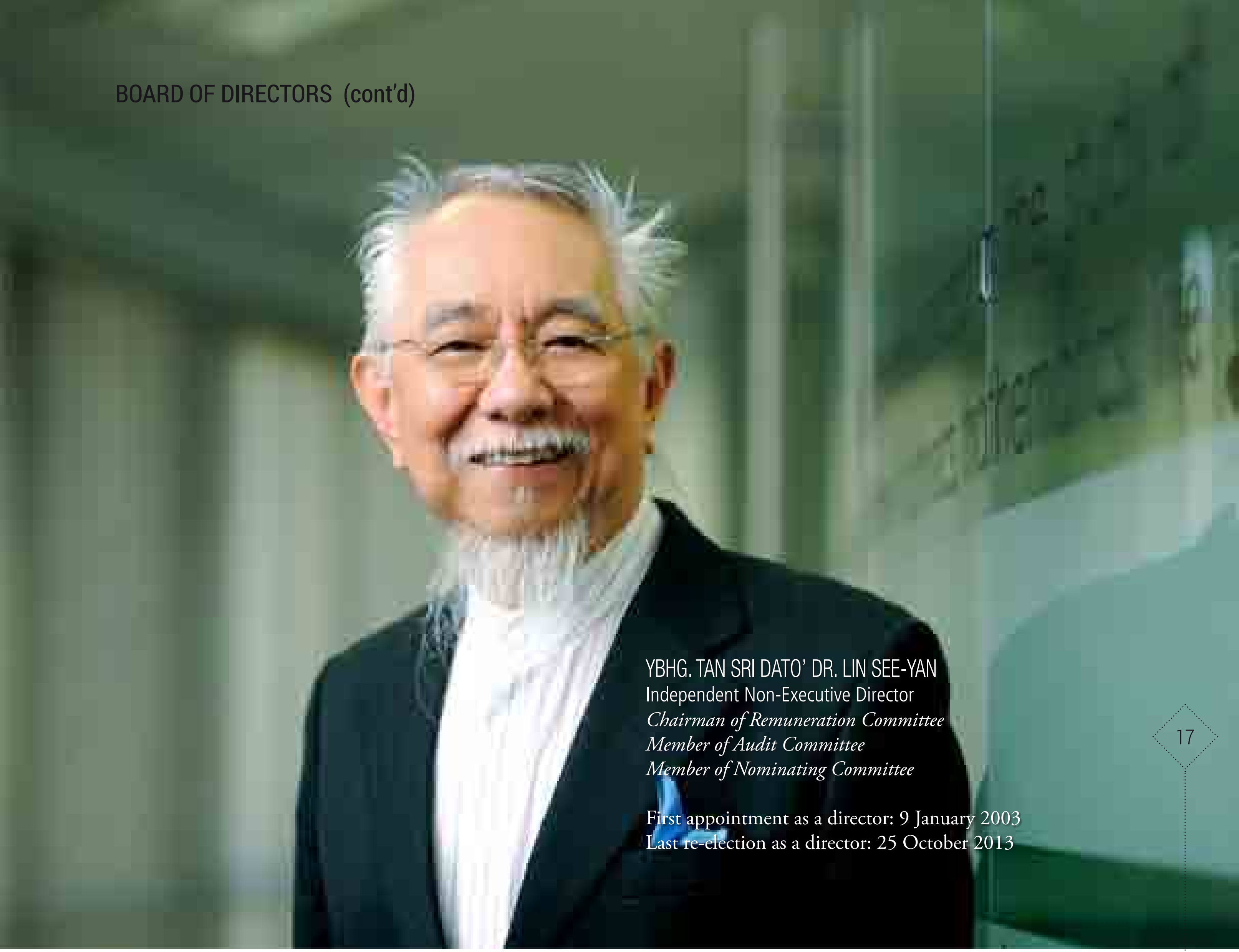
ONG KIAN MIN

Independent Non-Executive Director
Chairman of Audit Committee
Chairman of Nominating Committee
Member of Remuneration Committee

First appointment as a director: 9 January 2003
Last re-election as a director: 29 October 2012
Due for re-election as a director: 27 October 2014

Mr. Ong was called to the Bar of England and Wales in 1988, and to the Singapore Bar the following year. In his more than 20 years of legal practice, he focused on corporate and commercial law, such as mergers and acquisitions, joint ventures, IPOs and corporate finance. Mr. Ong was awarded the President's Scholarship and Singapore Police Force Scholarship in 1979, and holds a Bachelor of Laws (Honours) external degree from the University of London and a Bachelor of Science (Honours) degree from the Imperial College of Science & Technology in England. Mr. Ong was an elected Member of the Singapore Parliament from 1997 to 2011.

In addition to practicing as consultant with Drew & Napier LLC, a Singapore law firm, Mr. Ong is also a senior advisor with Alpha Advisory Pte. Ltd., an independent financial and corporate advisory firm. He is also non-executive chairman of Hupsteel Ltd and independent non-executive director of BreadTalk Group Limited, China Energy Limited, Food Empire Holdings Limited, GMG Global Ltd, Jaya Holdings Limited, OUE Hospitality REIT Management Pte Ltd and Penguin International Ltd.



YBHG. TAN SRI DATO' DR. LIN SEE-YAN
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

First appointment as a director: 9 January 2003
Last re-election as a director: 25 October 2013

Tan Sri Dato' Dr. Lin is currently an independent strategic and financial consultant. Prior to 1998, he was Chairman and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (Central Bank of Malaysia). Tan Sri Dato' Dr. Lin is a British Chartered Scientist and a UK Chartered Statistician. He holds 3 post-graduate degrees from Harvard University (including a Ph.D in Economics) where he was a Mason Fellow and Ford Scholar. He is an Eisenhower Fellow and Fellow of the IMF Institute in Washington D.C., the Royal Statistical Society in London, the Institute of Bankers Malaysia, the Malaysia Insurance Institute, the Malaysian Institute of Management, and the Malaysia Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies in Malaysia. He was a former director of The Straits Trading Company Limited (now an Adviser), Great Eastern Holdings Ltd, Overseas Assurance Corporation Ltd and F&N Holding Ltd in the preceding three years.

Tan Sri Dato' Dr. Lin is currently a member of the Prime Minister's Economic Council Working Group, Member, Competition Appeal Tribunal and Governor of the Asian Institute of Management in Manila as well as Director of Monash University Malaysia Sdn Bhd and of Sunway University. He sits on the Boards of Ancom Berhad, Genting Berhad, Wah Seong Corporation Berhad, IGB REIT Management Sdn Bhd, JobStreet Corporation Berhad, Top Glove Corporation Berhad and a number of private companies in Malaysia, Singapore and Indonesia. He is Chairman Emeritus of Harvard University's Graduate School Alumni Association Council in Cambridge (USA) and President of the Harvard Club of Malaysia. He is also Research Professor at Sunway University, Professor of Economics (Adjunct) at Universiti Utara Malaysia and Professor (Adjunct) of Business & International Finance at Universiti Malaysia Sabah.

LIM KOK MIN

Independent Non-Executive Director
Member of Audit Committee
Member of Remuneration Committee
Member of Nominating Committee

First appointment as a director: 15 June 2006
Last re-election as a director: 29 October 2012

Mr. Lim has more than 45 years of extensive senior management and over 30 years of board experience in the Asia-Pacific region. Mr. Lim is an Economics Honours graduate from University of Malaya. He is the immediate past Chairman of Gas Supply Pte Ltd, the Singapore Institute of Directors, Building and Construction Authority and Senoko Power Limited. He was the Executive Deputy Chairman of LMA International NV until end of December 2010, Deputy Chairman of NTUC FairPrice Cooperative until end of September 2011 and Vice Chairman of the Singapore Institute of Management until May 2012. He was previously Managing Director of Pan-United Corporation Limited, JC-MPH Ltd and Chief Executive Officer of Cold Storage Holding Limited. He was also a former member of the Securities Industry Council, the Corporate Governance Council, and a former director/Council Member of both the Singapore International Chamber of Commerce and the Singapore Confederation of Industries. He is the Past Chairman of the OECD Asian Network on Corporate Governance for State Owned Enterprises and was a member of the Singapore Companies Act Review Committee.

Mr. Lim is currently the Chairman of IREIT Global Group Pte Ltd. He now sits on the boards and Audit, Remuneration and Nominating Committees of Boustead Singapore Ltd and a number of non-listed companies. He is the Lead Independent Director of Forterra Real Estate Pte Ltd and a member of its Audit and Nominating Committees.

YBHG. DATUK SULAIMAN BIN DAUD
Non-Executive Director
Member of Nominating Committee

First appointment as a director: 9 January 2003
Last re-election as a director: 18 October 2011
Due for re-election as a director: 27 October 2014

Datuk Sulaiman started his career with Malaysian Tobacco Company Berhad (now British American Tobacco Company Berhad) in 1968 and was the Deputy Chief Executive/Executive Director when he left in 1992. He was a Director of the Agricultural Bank of Malaysia for 2 years and later became the Chairman for the bank for 8 years. Under his stewardship, the Bank was transformed into a corporatised entity, today known as AGRO Bank. He was the Chairman of Ranhill Power Berhad, Director of Pharmaniaga Berhad and Malaysia Nasional Insurance Berhad. He has served on the board of Universiti Putra Malaysia. He has also served as Director of Universiti Malaysia Sabah Link Holdings Berhad and Chairman of its Agro subsidiary. Datuk Sulaiman has a Diploma in Agriculture from Universiti Putra Malaysia and Master of Business Administration from IMC Buckingham, United Kingdom. He is also an Advanced Management Graduate of Stanford-Insead in Fontainebleau, France.

Datuk Sulaiman is currently the Chairman, member of Audit Committee and Chairman of Nomination Committee of Malaysia Packaging Industry Berhad. He is a Director, Chairman of Audit Committee as well as Chairman of Nomination and Remuneration Committee of Konsortium Transnasional Berhad. He is a Director, Chairman of Audit Committee and member of Nomination and ESOS Committee of Tadmax Resources Berhad. He is also Chairman and Director of a number of private companies in Malaysia and abroad in various industries. He now spends a considerable part of his time seeking and developing business prospects in Asean and the Middle East.

MANAGEMENT TEAM

WONG YOK KOON
Senior EVP, SIBS Core Solutions

Ms. Wong is one of the pioneer employees and was instrumental in driving the Group's core banking solution portfolio growth. She has over 25 years of experience in core banking development and deployment at major regional and local financial institutions. Today, she continues to be responsible for core product development of Silverlake Axis Integrated Banking Solution (SIBS) particularly in cards and payments, and works with customers in their digital economy transformation.

MARY YAU SIEW MOI
Senior EVP, SIBS Core Solutions

Ms. Yau has been a key driver in the Group's growth over the past 25 years and is one of the pioneer employees. Under her leadership, she has grown and enriched the capabilities of the core banking solution portfolio particularly in lending solutions. She is currently responsible for core product development of Silverlake Axis Integrated Banking Solution (SIBS) and works collaboratively with other entities within the Group to offer digital transformation propositions to customers.

LAU SIOW LING
Senior EVP, Structured Services

Ms. Lau has 28 years of IT industry experience in sales, marketing and operations, spending 16 years in IBM Malaysia before joining the Group. She was previously the IBM iSeries Country Manager. She is currently responsible for the Silverlake Axis Integrated Banking Solution (SIBS) Application Maintenance and Enhancement business, whereby she engages with our clients in ensuring the smooth running of their daily business operations and keeping up with the dynamic industry changes.



HOONG LAI LING
Senior EVP, Administration and Finance

Ms. Hoong is responsible for overseeing the Group's financial and administrative functions. She has 23 years of experience in auditing and financial managerial positions. She is a qualified accountant from the Malaysian Institute of Certified Public Accountants and was trained in Pricewaterhouse Malaysia. Prior to her current role, she was an accountant at Silverlake System from 1996 to 2002. She is also a member of the Malaysian Institute of Accountants.

JEAN AW PENG MEI
Senior EVP, Digital Enterprise Solutions

Ms. Aw is responsible for driving the Group's digital enterprise strategy by combining and creating digital solution propositions from our core and acquired businesses. She joined the Group in 2014 and brings 25 years of experience in business and technology transformation of a number of global, regional and local banks. Prior to her current role, she was Vice President at OCBC Bank and was previously Director at Ernst & Young Advisory Services.

LEE CHEEN SIONG
EVP, SIBS Channel Solutions

Mr. Lee has been with the Group since 2000 focusing on the development and implementation of Branch Delivery and Channels Solutions at major regional and local financial institutions. Today, his focus is on channels convergence and product development. He was appointed EVP in June 2012. Prior to his current role, he was the country manager for Silverlake Axis in Beijing, China. Mr. Lee has 18 years of experience in the banking software industry.

HIDETOSHI NEDA
Managing Director, Silverlake Japan Ltd

Mr. Neda is responsible for the growth and expansion of Silverlake Axis Group's business in Japan and joined the Group in 2009. In his 23 years of experience in the Credit Card and Retail Banking industries, he played a lead role in the Japan credit card market by developing new credit card products, payment products and services. These business products were successfully implemented in MasterCard, Citibank N.A., Shinsei Bank, Tokyo Star Bank and SBI Group.

SANJEEV DHAR
Managing Director, Isis Group

Mr. Dhar joined the Group in 2011 and is responsible for enterprise payment and integration technology platform business. He leads the research and development of "Implementable Architectures and Compliance", and is responsible for managing Isis Group's day-to-day operations, product development and technology strategy. Prior to joining the Group, he was Senior Vice President at Isis since 1996 where he spearheaded all product development. He has over 19 years of experience in banking technologies, financial systems and digital banking infrastructure.

TREVOR LOK THENG HEY
Chief Executive Officer, Merimen Group

Mr. Lok is one of the pioneer employees of Merimen since 2002 and played an instrumental role in its early success. He is currently responsible for the overall strategy and operations of Merimen's business and leading Merimen's business development and expansion. Before assuming his current role in 2013, he actively led the development of Merimen's insurance policy solutions. He has over 12 years of experience in insurance solutions and services industry.



ANDREW OOI SU JIN
Chief Technology Officer, Merimen Group

Mr. Ooi is responsible for the technical framework in which all Merimen solutions are built upon since the founding years. He assumed the role of Chief Technology Officer in 2013. Prior to Merimen, he worked as a Software Engineer in Sunway Workflow Automation (SWA), and was involved in the design and development of insurance automation systems. He has over 15 years of experience in insurance claim solution and services industry.

SUA SHII HUEY
Director, Cyber Village Sdn Bhd

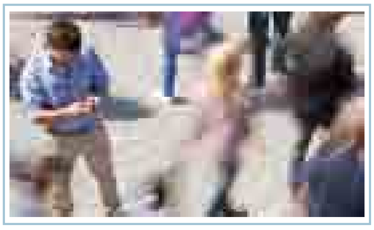
Ms. Sua joined Cyber Village in its founding years. She has more than 18 years business development and project management experience, specialising in e-commerce implementations and managing small to large enterprise scale e-business projects. Prior to Cyber Village, she was part of the team which set up the first image bank/ stock photo company in Malaysia - Ultra Dimension and successfully signed up stock photo agencies in Singapore, Hong Kong and China.

SHIEH YEE BING
Director, Cyber Village Sdn Bhd

Ms. Shieh is one of the pioneer employees of Cyber Village since 2000. She focuses on Cyber Village's large enterprise scale projects and development of key banking accounts. Today, besides overseeing Cyber Village's day to day operations, she also leads product development with special focus on portal and internet mobile financial self-service solutions. She has over 18 years of experience in e-business projects across financial services, logistics, and education industries.

Collaborative Computing

Silverlake Axis Collaborative Architecture provides for true business flexibility and acts as an enabler for infinite growth opportunities. This architecture allows Silverlake Axis to connect its full suite of banking, retail, insurance and payment technologies to every component of contemporary technologies. It is structured to seamlessly collaborate with new and existing applications, to reuse heterogeneous software and to apply agnostically across platforms.

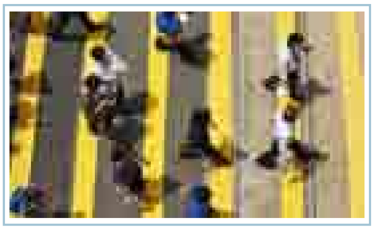


Mobility

Silverlake Axis technologies empower Mobility in three ways. Mobility in Devices enables banking, commerce, shopping, management and monitoring across mobile platforms. Mobility in Experience enables mobile applications, mobile interface, and omni-channel real-time synchronisation. Mobility in Context augments opportunities on the move based on geo-location, events and social setting.

Intelligence

Customer centricity forms the basis of our Intelligence technologies. This is driven by our established strength in the Single View of Customer Information (CIF) capability proven in multi industries, geographies and channels allowing consistent and real time synchronised experience and information flow. With the advent of digital economy, this customer centricity has now expanded to reach social and customer interactions information.



Software as a Service

Supporting a global trend where application software are becoming more consumer-focused, always-on and shared; Silverlake Axis has built and acquired technologies to hub and connect consumers, small-medium businesses and corporations under a cooperative technology platform that enables ecosystem community information sharing and exchange, work flow facilitation and transaction processing. Today, our insurance solutions are deployed on a cloud computing Software as a Service (SaaS) platform.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Silverlake Axis Ltd (the "Board") recognises the importance of good corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting and is committed to maintaining a high standard of corporate governance within the Group. Processes and procedures have been instituted and are being constantly reviewed and revised to ensure effective corporate governance.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 30 June 2014. The Board is pleased to report that the Company has complied with the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "Code") and Mainboard Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Listing Manual") except where otherwise stated.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

The primary function of the Board is to protect and enhance long-term shareholders' value. It provides entrepreneurial leadership and sets overall directions, strategies, values and standards for the Group to ensure the Group's strategies and affairs are in the interests of the Company and its stakeholders.

The Board's approval is required for matters such as strategic plans and performance reviews, financial plans, major investments and funding proposals, major corporate policies on key areas of operations, share issuance, dividends and other returns to shareholders and approval of interested person transactions. The Board also approves financial results for release to the SGX-ST and approval of the annual report and audited financial statements. In addition, the Board's approval is required for transactions exceeding the threshold limits delegated to Management.

To facilitate the Board in the execution of its duties and to enhance the effectiveness of the Board, the Board delegates authority to the Audit Committee ("AC"), Remuneration Committee ("RC") and Nominating Committee ("NC"), without abdicating its responsibility. Each Board Committee has written terms of reference, which clearly set out its respective authority and duties.

The Board meets regularly throughout the year on a quarterly basis and additional meetings are convened as and when necessary. In lieu of physical meetings, written resolutions are circulated for approval by the Directors. The Company's Articles of Association allow Board meetings to be conducted by way of teleconferencing. The number of Board meetings held in the financial year and the attendance of Directors at the meetings are as follows:

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

Principle 1: The Board's Conduct of Affairs (cont'd)

All Directors objectively discharge their duties and responsibilities at all times and take decisions in the interests of the Company. Newly appointed directors are provided with formal letter setting out the director's duties and obligations and are briefed on the Group's business, strategic direction and policies and governance practices.

All Directors are updated regularly on changes in relevant regulations and updates on industry trends and issues. In addition, Directors are updated regularly on trainings available in areas such as legal and governance. The Company is responsible for the funding of these trainings. During the financial year, the Company has arranged and funded appropriate trainings organised by the Singapore Institute of Directors.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six members, of which two are Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. Key information regarding the Directors can be found under the Board of Directors' profile section of this annual report.

The NC regularly reviews the size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance of skills, experience and knowledge of the Company. The Board considers that its current Directors represent a mix of industry knowledge, business network and extensive business and management experience, and collectively possess the necessary core competencies for effective functioning and decision making.

The Board is of the view that taking into account the nature and scope of the Company's operations, the current board size of six Directors is appropriate. The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision making.

The NC reviews the independence of each Independent Director annually and as and when circumstances require, based on the criteria for independence as defined in the Code and any other factors which would render a director to be deemed not independent. No NC member is involved in the deliberation in respect of his independence. The NC is of the view that the Board has a strong independent element, with Independent Directors making up half of the Board.

The Board also recognises that Independent Directors may over time develop significant insights in the Group's business, and can continue to provide significant and valuable contribution objectively to the Board. When there are such directors, the Board rigorously reviews their continuing contribution and independence of character and judgement in discharging their duties objectively. Based on the above, the NC and Board have reviewed and determined that two Directors, Mr. Ong Kian Min and YBhg. Tan Sri Dato' Dr. Lin See-Yan, who have served as Independent Non-Executive Directors of the Company for more than nine years from their respective date of first appointment to the Board, continue to be considered independent directors.

To-date, none of the Independent Directors of the Company has been appointed as a Director of the Company's principal subsidiaries. The Board is of the view that the current Board structure in the principal subsidiaries are well organised and constituted. The Board and the Management will from time to time review the Board structure of the principal subsidiaries and will make appropriate changes when required, including the appointment of Independent Directors to the board of such principal subsidiaries.

Principle 3: Role of Chairman and Managing Director

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr. Goh Peng Ooi is the Group's Executive Chairman and Dr. Kwong Yong Sin is the Group's Managing Director. The respective roles of Chairman and Group Managing Director are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman assumes responsibility for the management of the Board while the Managing Director takes responsibility for the implementation of board decisions and for all operational matters in the Group. The Chairman leads the Board and is responsible for ensuring effectiveness of the Board and its governance processes and relations with the Management. The Chairman sets the agenda and ensures Directors are provided with accurate and timely information for effective deliberations and decision making. Mr. Goh and Dr. Kwong are not related.

The Board is of the view that the separation of the role of the Chairman and that of the Managing Director and the chairing of the AC, NC and RC by Independent Directors ensures sufficient balance of power and authority in the Board. The Board is therefore of the view that, although the Chairman and the Managing Director are both part of management, it is not necessary at present to appoint a lead independent director as the independent directors, who form half the Board, are able to ensure objectivity and independence in the Board's deliberations and decisions.

Principle 4: Board Membership

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

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

The responsibilities of the NC are to (i) review the nomination for appointments and re-appointments of members of the Board and the various Board Committees for the purpose of proposing such nomination to the Board for approval having regard to the individual's experience, contributions and performance, (ii) review the Board's structure, size, composition including the review of board succession plans for Directors, in particular the Chairman and for the Managing Director, (iii) determine annually whether or not a Director is independent, (iv) assess on whether or not a Director is able to and has been adequately carrying out his duties as a Director, (v) oversee the appointment and induction process of new Directors, (vi) assess the effectiveness of the Board as a whole and the Board Committees, as well as the contributions of the Chairman and individual Directors and (vii) review the training and professional development programs for the Board.

The Company believes that board renewal should be an ongoing process to ensure the Board collectively has the required skills, diversity and experience to meet the changing needs of the Company and its businesses. The Company's Bye-Laws require one-third of Directors (excluding the Managing Director) to retire and be subjected to re-election by the shareholders at every Annual General Meeting ("AGM"). Accordingly, no Director shall stay in office for more than 3 years without being re-elected by the shareholders except for the Managing Director who is not required to submit himself for retirement and re-election.

New directors are normally appointed by way of a Board Resolution, after the NC has approved their nomination. The NC will consider the Company's current Board in term of its size, composition, collective skills and experience and diversity. Potential candidates are selected through internal resources, referrals from existing Directors and/or external search. Candidates should possess relevant experience and have the calibre to contribute to the Group and its businesses, and will complement the skills and competencies and attributes of the existing Board and the requirements of the Group. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple Boards.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately performed their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems fit.

Principle 4: Board Membership (cont'd)

The NC had nominated that Mr. Ong Kian Min and YBhg. Datuk Sulaiman bin Daud will retire by rotation pursuant to the Company's Bye-Laws at the forthcoming AGM. Taking into consideration their commitment and performance, the NC has recommended that the Directors retiring by rotation be nominated for re-election. The Board has accepted the recommendation and both of them, being eligible for re-election, have offered themselves for re-election.

The date of Directors' initial appointment, last re-election and their directorships and other principal commitments are set out under the Board of Directors' profile section of this annual report.

Principle 5: Board Performance

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

The Board has a formal process, which is overseen by the Nominating Committee, for assessing the effectiveness of the Board as a whole and the Board Committees, as well as the contributions of the Chairman and individual Directors. The evaluation exercise is carried out annually by way of questionnaire for self and peer assessments as well as for Board and Board Committees as a whole.

The assessment criteria include contributions at Board meetings and discussions, strategic thinking, exercise of judgement, time commitment and board dynamics. In assessing Board performance as a whole, the assessment criteria include quantitative criteria such as performance against key financial indicators. The NC reviews the consolidated assessment compiled by the Company Secretary and in consultation with the Board, determines appropriate improvement actions.

Principle 6: Access to information

In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its responsibilities, Management provides complete and adequate information to the Board in a timely manner on affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the Company and the Group.

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

The Company Secretary attends all Board and Board Committees' meetings and is responsible for the compliance of board procedures and all rules and regulations that are applicable to the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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

The RC is responsible for ensuring a formal and transparent procedure for developing policies on remuneration, and for fixing the remuneration packages of individual directors and key management personnel.

The RC is chaired by YBhg. Tan Sri Dato' Dr. Lin See-Yan and comprises Mr. Ong Kian Min and Mr. Lim Kok Min as members. All three are Independent Non-Executive Directors.

The RC reviews and recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines specific remuneration packages for the Directors, the Chairman, the Managing Director and the key management personnel. The recommendations of the RC are submitted for endorsement by the entire Board. No Director will be involved in deciding his own remuneration.

All aspects of remuneration, including but not limited to Directors' fees, salaries, short term incentives, options, share-based incentives and awards, and benefits-in-kind are covered by the RC. The RC has access to expert professional advice on remuneration matters whenever there is a need to consult externally.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating directors and employees. The Group aims to link remuneration to individual and corporate performance, and the long term interest and risk policies of the Group. The Group's compensation framework comprises fixed pay, short term and long term incentives. Long term incentive scheme comprises performance shares award to eligible directors and employees in accordance with the Silverlake Axis Ltd. Performance Share Plan.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Directors' Remuneration

The Executive Directors have entered into service agreements with the Company. The service agreements cover the terms of employment, specifically salary and other benefits-in-kinds.

The remuneration of Non-Executive Directors is determined by their contribution and responsibilities on the Board. Both Executive and Non-Executive Directors receive fixed fees which comprise base fee and additional fees for appointment and responsibilities at Board Committees. Directors' fees are subject to shareholders' approval at the AGM.

Principle 9: Disclosure on Remuneration (cont'd)

Remuneration of directors for the current financial year is individually disclosed in bands and by mix of remuneration as follows:

Name	Base/Fixed Salary (%)	Bonus (%)	Directors' Fees (%)	Fair Value of Share Plan[1] (%)	Other Benefits[2] (%)	Total (%)
S$250,001 to S$500,000						
Dr. Kwong Yong Sin	87	-	8	-	5	100
Below S$250,000						
Goh Peng Ooi	47	-	41	-	12	100
Ong Kian Min	-	-	60	40	-	100
YBhg. Tan Sri Dato' Dr. Lin See-Yan	-	-	55	45	-	100
Lim Kok Min	-	-	52	48	-	100
YBhg. Datuk Sulaiman bin Daud	-	-	40	60	-	100

Note:

(1) The Share Plan was in relation to the shares under the Silverlake Axis Ltd. Performance Share Plan ("PSP") awarded in previous financial year and released during the financial year in accordance with the Release Schedule. Details of the PSP are disclosed below and in Note 20(d) to the financial statements.

(2) Other benefits are inclusive of benefits-in-kind.

The annual aggregate remuneration paid to all the above directors is RM3,440,385 in FY2014.

Remuneration of Key Management Personnel

The remuneration of key management personnel comprises basic salary and variable components. The RC seeks to ensure that the level and mix of remuneration is competitive and relevant in finding a balance between current versus long-term objectives. The RC takes into consideration industry norms, corporate performance and individual annual performance appraisal, when determining annual remuneration packages.

There are twelve key management personnel (who are not Directors of the Company) in the Group. For confidentiality reason, the band of remuneration and mix of remuneration by percentage (%) paid to the five top-earning key management personnel for the current financial year is presented as follows:

	Percentage of Fixed Remuneration (consists of salary, allowance, benefits-in-kind and contributions to provident fund)	Percentage of Variable Remuneration (consists of incentives and share-based incentives award)
S$250,001 to S$500,000		
Hidetoshi Neda	100%	-
Lau Siow Ling	100%	-
Sanjeev Dhar	100%	-
Wong Yok Koon	100%	-
Yau Siew Moi	100%	-

The annual aggregate remuneration paid to all the above mentioned key management personnel of the Group is RM3,599,623 in FY2014.

The RC has reviewed the level and mix of remuneration for the directors and key management personnel of the Company for FY2014 to ensure that the remuneration commensurate with their performance whilst taking into account the industry norm and corporate performance of the Group as a whole during the year.

There are no terminations, retirement and post-employment benefits granted to Directors or the key management personnel. There is no employee in the Group who is an immediate family member of the CEO or any other Directors of the Company.

Principle 9: Disclosure on Remuneration (cont'd)

Performance Share Plan

The Silverlake Axis Ltd. Performance Share Plan ("PSP") was approved by the Company's shareholders at the Special General Meeting held on 28 October 2010 under which awards ("Awards") of fully-paid shares will be issued free of charge to eligible employees and Non-Executive Directors of the Company and its subsidiaries, provided certain prescribed performance targets are met.

The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the aggregate number of shares available under any other share-based schemes of the Company, will not exceed 5% of the total issued shares of the Company (excluding treasury shares) from time to time. The PSP shall continue to be in force at the discretion of the PSP Committee, subject to the maximum period of 10 years commencing on 28 October 2010. The PSP Committee comprises Mr. Goh Peng Ooi, YBhg. Tan Sri Dato' Dr. Lin See-Yan, Mr. Ong Kian Min and Mr. Lim Kok Min.

During the previous financial year, 2,000,000 PSP shares were granted to Non-Executive Directors at 500,000 shares each to Mr. Ong Kian Min, YBhg. Datuk Sulaiman bin Daud, YBhg. Tan Sri Dato' Dr. Lin See-Yan and Mr. Lim Kok Min. The shares awards are based on the service and contributions made by each Non-Executive Directors to the success of the Company and shall be released to each of the Non-Executive Directors in accordance with the following Release Schedule:

Release date	Number of shares per director
3 January 2013	200,000
3 January 2014	150,000
3 January 2015	150,000

On 3 January 2014, 600,000 (2013: 800,000) shares were released to Non-Executive Directors at 150,000 (2013: 200,000) shares each. The shares awarded were subject to restrictions against any disposal or sale and/or other dealings in the shares for a period of one year from the applicable release date.

No PSP shares were awarded to eligible employees during the financial year. No Directors or employees of the Group have received 5% or more of the total number of shares available under the PSP. Details of the PSP are disclosed in Note 20(d) to the financial statements.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

The Board provides the shareholders with timely and balanced assessment of the Group's performance, position and prospects in the annual financial statements and quarterly financial result announcements and other material information, in compliance with statutory reporting requirements and the SGX-ST Listing Manual. The Management provides the Board with timely and accurate information of the Company's performance, position and prospects on a quarterly basis and when deemed appropriate under particular circumstances.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the governance of risk. The Board believes in the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets. The Board has adopted a Group Risk Management Framework ("Framework") for the identification, assessment and management of risks within the Group. Management and business units are responsible for the day-to-day identification, management and monitoring of risks. Significant business risks are regularly reviewed, addressed and reported to the AC and the Board.

Principle 11: Risk Management and Internal Controls (cont'd)

The Board regularly reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. The Board has received assurance from the Group Managing Director and the Group Head of Finance:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) the effectiveness of the Company's risk management and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors (in the course of their annual statutory audit), and reviews performed by the Management and the Board, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, including information technology risks, which the Group considers relevant and material to its operations, were adequate for the financial year ended 30 June 2014.

The system of internal control and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. However, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

Principle 12: Audit Committee

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

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

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management. The AC holds periodic meetings and reviews primarily the following, where relevant, with the Executive Directors and external auditors:

- the scope and evaluation of the internal audit functions and the adequacy of the Group's system of internal controls, including financial, operational and compliance controls and risk management;
- the audit plan and results of the external auditors and the assistance given by the Management to the external auditors;
- the Group's significant financial reporting issues and judgements;
- the periodic results announcements and full year financial statements of the Company and the Group prior to their submission to the Board of Directors for approval;
- the compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST's Listing Manual and such amendments made thereto from time to time;
- make recommendations for the appointment of the external auditors; and
- interested person transactions.

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

The AC is kept abreast by the Management of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and for appropriate follow-up actions. There was no reported incidents pertaining to whistle-blowing for FY2014.

Principle 12: Audit Committee (cont'd)

The Company's external auditors consider, in the course of their annual statutory audit, the Company's internal controls relevant to the Company's preparation of consolidated financial statements to design audit procedures. Material non-compliance and internal control weaknesses identified during the audit and the auditors' recommendations to address such non-compliance and weaknesses are reported to the AC. Thereafter, the recommendations by the external auditors are followed up by Management.

The aggregate amount of fees paid to the external auditors of the Company and subsidiaries for audit services FY2014 was RM871,779. The non-audit services provided by the external auditors of the Company and subsidiaries for the financial year ended 30 June 2014 relates to tax services and advisory services in relation to the acquisitions of Merimen Group in April 2013 and Cyber Village Sdn Bhd in July 2013, and fees paid amounted to RM347,966. The AC has reviewed the independence of the Company's external auditors, taking into account all non-audit services provided, and is satisfied with the independence and objectivity of the external auditors.

Both the AC and the Board have reviewed the appointment of different auditors for its subsidiaries and/or significant associates and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. The Company is in compliance with Rule 712 and Rule 715 of the Listing Rules in relation to the appointment of its auditor and in compliance with Rule 716 of the Listing Rules in relation to its independent auditors.

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

Principle 13: Internal Audit

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

The Group's internal audit function is responsible for reviewing, monitoring and assessing the system of internal control and is independent of activities it audits. The internal audit function reports directly to the AC. The AC reviews the internal audit plan, the scope and findings of internal audit procedures. The internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

The internal audit function is staffed with suitably qualified and experienced professionals and adopts the standard set by internationally recognised professional bodies. The AC approves the hiring, evaluation and compensation of the Head of Internal Audit.

The AC reviews the adequacy and effectiveness of the internal audit function on an on-going basis. The AC ensures that the internal audit function is adequately resourced, has appropriate standing within the Group and is able to perform its functions effectively and objectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company recognises the shareholders' rights to be sufficiently informed of changes in the Company or its business that would materially affect the price or value of its shares. The Company keeps shareholders fully informed of information that may have a material effect on the price or value of the Company's securities by timely disclosure of information through SGXNET.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings. Shareholders are also duly informed of the rules including voting procedures that govern the general meetings.

Shareholders may appoint up to two proxies to attend and vote on their behalf. Shareholders who hold shares in the Company through corporations which provide nominee or custodial services and who provide satisfactory evidence of their shares ownership are allowed to attend and observe the general meetings.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company actively engages the shareholders and has put in place an investor relations policy to promote regular, effective and fair communication with shareholders. All material information and financial results are released through SGXNET in a clear, detailed and timely manner.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released via SGXNET, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Regular meetings are held with investors, analysts and fund managers to keep the market updated on the Group's corporate developments and financial performance. The Company also keeps up-to-date corporate information in the Company's website. At general meetings, shareholders are given the opportunity to communicate their views on various matters affecting the Company.

The Company has a policy on the payment of dividends. Barring any unforeseen circumstances, the Company expects to pay out not less than 40% of the Group's net profit as dividends, taking into consideration various factors including expansion plans and funding requirements of the Company.

Principle 16: Conduct of Shareholder Meetings

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

The Company encourages shareholders to participate at general meetings of the Company and to communicate their views on matters affecting the Company. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special business, on a timely basis. Separate resolutions are proposed on each substantially separate issue.

All Directors, in particular the Chairman and Chairmen of Board Committees will be present and available to address the queries/questions from shareholders. Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board. These minutes would be available to shareholders upon their request.

The Company will conduct voting by poll at the forthcoming AGM to enhance transparency of the voting process and encourage greater shareholder participation. However, as the authentication of shareholder identity and other related security issues still remain a concern, the Company does not practice voting in absentia by mail, email or fax.

DEALINGS IN SECURITIES

The Company has adopted practices in relation to dealings in the Company's securities pursuant to the SGX-ST's Listing Manual that are applicable to all its officers. Under the code of conduct, the Group and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's full year results and ending on the date of the announcement of the results or when they are in possession of unpublished material price-sensitive information of the Group.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period and are discouraged from dealing in the Company's securities on short-term considerations.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognises Corporate Social Responsibility ("CSR") as an important aspect of our business. With our presence around Asia, we believe we are in a good position to create positive impact on the environment and in the society we live in.

For many years, the Group has been actively involved in various charitable initiatives and is constantly attentive in supporting the society in times of need. In these times of rapid technological changes, the Group is also supportive of studies and forums on the new digital economy as there is a need to educate and provide a helping hand to society to adapt to the rapid changes. As we further develop our business, we will continue to embrace positive socially responsible and sustainable practices in all aspects of our business.

OTHER INFORMATION

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

In compliance with Rule 920 of the SGX-ST's Listing Manual, the aggregate value of recurrent Interested Person Transactions ("IPT") of revenue or trading nature conducted during the financial year ended 30 June 2014 by the Group in accordance with the shareholders' mandates were as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	01-07-2013 to 30-06-2014 RM	01-07-2013 to 30-06-2014 RM
Companies associated to Mr. Goh Peng Ooi ("Silverlake Entities")		
- **New IPT Mandate** [1]		
- Revenue from Silverlake Entities	-	115,438,189
- Service fees to Silverlake Entities	-	(50,995,236)
- **Ancillary Transactions** [2]		
- Revenue from Silverlake Entities	-	5,047,768

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

(2) Ancillary Transactions were approved by shareholders at Special General Meeting on 28 January 2010 for transactions pursuant to Restructuring Agreements where Silverlake Entities shall be bare trustees for the Group, pending novation and/or assignment of applicable contracts to the Group.

2. MATERIAL CONTRACTS

Except as disclosed above, there were no material contracts, including contracts relating to loans, entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholder during FY2014.

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

In accordance with its terms of reference and undertakings given to the SGX-ST, the Audit Committee has reviewed all Interested Person Transactions between the Company and Silverlake Entities and is satisfied that the Interested Person Transactions comply with the shareholders' mandates granted by the shareholders at the Annual General Meeting of the Company held on 25 October 2013.

The ageing of amounts owing from the Silverlake Entities as at 30 June 2014 was as follows:

Name of related parties	Total Due RM	0-30 days RM	31-90 days RM	91-180 days RM	181-360 days RM	> 360 days RM
Transactions conducted under the New IPT Mandate:						
Silverlake Entities [1]	38,502,838	38,502,838	-	-	-	-
Non-trade Transactions						
Silverlake Entities	109,035	109,035	-	-	-	-
Grand Total	**38,611,873**	**38,611,873**	**-**	**-**	**-**	**-**

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

4. USE OF PROCEEDS FROM ISSUANCE OF 100,000,000 SHARES

On 11 June 2013, the Company allotted and issued 100,000,000 ordinary shares at an issue price of SGD0.75 per share. Out of the total net proceeds of RM180.3 million, RM39.3 million and RM11.2 million have been disbursed and utilised towards the first payment for the acquisition of Cyber Village Sdn. Bhd. on 3 July 2013 and the second tranche payment for the acquisition of 80% equity interest in Merimen Group on 19 November 2013.

The use of the net proceeds is in accordance with that previously disclosed in the Company's announcement dated 29 May 2013, 3 July 2013 and 19 November 2013. The remaining proceeds from the placement of RM129.8 million is currently being placed as fixed deposits with financial institutions. The Company will continue to make periodic announcements on the utilisation of the proceeds as and when the proceeds are materially disbursed.

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DIRECTORS' REPORT

The directors are pleased to present their report together with the audited consolidated financial statements of Silverlake Axis Ltd. (the Company) and its subsidiaries (collectively, the Group) and the statement of financial position of the Company for the financial year ended 30 June 2014.

1. DIRECTORS

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

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

2. ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES

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

3. DIRECTORS' INTERESTS IN SHARES

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

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Goh Peng Ooi	-	-	1,517,893,488	1,517,893,488
Dr. Kwong Yong Sin	6,810,000	6,810,000	300,000	300,000
Ong Kian Min	200,000	350,000	-	-
YBhg. Tan Sri Dato' Dr. Lin See-Yan	200,000	350,000	-	-
Lim Kok Min	200,000	350,000	-	-
YBhg. Datuk Sulaiman bin Daud	200,000	350,000	-	-
Ordinary shares of the holding company (Intelligentsia Holding Ltd.)				
Goh Peng Ooi	3,882,254	3,882,254	-	-

On 11 July 2014, Intelligentsia Holding Ltd. disposed 27,657,141 ordinary shares of the Company via off-market transactions. There was a change in the deemed interest of Mr. Goh Peng Ooi from 1,517,893,488 shares as at the end of the financial year to 1,490,236,347 shares as at 21 July 2014. Except as disclosed above, there was no change in any of the abovementioned interests between the end of the financial year and 21 July 2014.

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

4. DIRECTORS' CONTRACTUAL BENEFITS

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

5. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event are disclosed in Note 34 to the financial statements.

6. PERFORMANCE SHARE PLAN

The Silverlake Axis Ltd. Performance Share Plan ("PSP") was approved by the Company's shareholders at the Special General Meeting held on 28 October 2010 under which awards ("Awards") of fully-paid shares will be issued free of charge to eligible employees and non-executive directors of the Company and its subsidiaries, provided certain prescribed performance targets are met.

The aggregate number of shares which may be available for Awards under the PSP, when aggregated with the aggregate number of shares available under any other share-based schemes of the Company, will not exceed 5% of the total issued shares of the Company (excluding treasury shares) from time to time. The PSP shall continue in force at the discretion of the PSP Committee, subject to the maximum period of 10 years commencing on 28 October 2010. The PSP Committee comprises Mr. Goh Peng Ooi, YBhg. Tan Sri Dato' Dr. Lin See-Yan, Mr. Ong Kian Min and Mr. Lim Kok Min.

There were no PSP shares awarded in the current financial year. In the previous financial year, 2,000,000 PSP shares were awarded and granted to non-executive directors at 500,000 shares each to Mr. Ong Kian Min, YBhg. Datuk Sulaiman bin Daud, YBhg. Tan Sri Dato' Dr. Lin See-Yan and Mr. Lim Kok Min. The Awards were based on the service and contributions made by each non-executive directors to the success of the Company and shall be released in accordance with the following Release Schedule:

Release date	Number of shares per director
3 January 2013	200,000
3 January 2014	150,000
3 January 2015	150,000

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

On 3 January 2014, 600,000 (2013: 800,000) shares have been released to the non-executive directors at 150,000 (2013: 200,000) shares each according to the Release Schedule.

As at 30 June 2014, 1,400,000 (2013: 800,000) shares had been released from the Company's existing treasury shares at RM768,540 (2013: RM1,024,720), which reflected the fair value of shares at award date, to the non-executive directors.

No directors or employees of the Group have received 5% or more of the total number of shares available under the PSP. Details of the PSP are disclosed in Note 20(d) to the financial statements.

7. TREASURY SHARES

On 3 January 2014, 600,000 treasury shares were reissued at the price of SGD0.505 each, which reflected the fair value of shares at award date, for the purposes of award of shares to non-executive directors under the PSP.

Further details of the treasury shares are disclosed in Note 20(c) to the financial statements.

8. BOARD OPINION ON THE ADEQUACY OF INTERNAL CONTROLS ADDRESSING FINANCIAL, OPERATIONAL AND COMPLIANCE RISKS (INCLUDING INFORMATION TECHNOLOGY RISKS)

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors (in the course of their annual statutory audit), and reviews performed by the Management and the Board, the Board with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, including information technology risks, which the Group considers relevant and material to its operations, were adequate for the financial year ended 30 June 2014.

9. AUDIT COMMITTEE ("AC")

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

10. AUDITOR

Ernst & Young, have expressed their willingness to continue in office.

On behalf of the board of directors:

GOH PENG OOI
DIRECTOR

DR. KWONG YONG SIN
DIRECTOR

26 September 2014

STATEMENT BY DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position of the Company together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2014 and the results of the business, changes in equity and cash flows of the Group for the year then ended, and

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

On behalf of the board of directors:

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

26 September 2014

INDEPENDENT AUDITORS' REPORT

TO MEMBERS OF SILVERLAKE AXIS LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Silverlake Axis Ltd. and its subsidiaries (collectively, the Group), set out on pages 43 to 141, which comprise the statement of financial positions of the Group and the Company as at 30 June 2014, the consolidated statement of changes in equity, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated income statement and statement of financial positions to maintain accountability of assets.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
26 September 2014

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Group	
	Note	2014 RM	2013 RM
Revenue	3	500,727,515	398,575,255
Cost of sales		(194,013,450)	(144,678,825)
Gross profit		306,714,065	253,896,430
Other items of income			
Finance income	4	2,863,646	1,618,292
Other income	5	8,366,654	1,884,405
Other items of expenses			
Selling and distribution costs		(7,411,506)	(9,915,117)
Administrative expenses		(40,561,385)	(35,376,224)
Finance costs	6	(3,288,906)	(1,337,446)
Share of profit of associates		7,449,383	2,204,542
Profit before tax	7	274,131,951	212,974,882
Income tax expense	9	(25,201,987)	(16,974,626)
Profit for the year		248,929,964	196,000,256
Profit for the year attributable to:			
Owners of the parent		248,897,571	195,990,820
Non-controlling interests		32,393	9,436
		248,929,964	196,000,256
Earnings per share attributable to the owners of the parent:			
- Basic (sen)	10	11.09	9.25
- Diluted (sen)	10	11.09	9.25

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Group	
	Note	2014 RM	2013 RM
Profit for the year		248,929,964	196,000,256
Other comprehensive income:			
Item that can be reclassified subsequently to profit or loss:			
- Foreign currency translation gain/(loss)		2,543,925	(386,184)
Item that cannot be reclassified to profit or loss:			
- Actuarial (loss)/gain on defined benefit plans	27	(353,013)	815,241
Other comprehensive income for the year, net of tax		2,190,912	429,057
Total comprehensive income for the year		251,120,876	196,429,313
Total comprehensive income for the year attributable to:			
Owners of the parent		251,088,483	196,419,877
Non-controlling interests		32,393	9,436
		251,120,876	196,429,313

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

STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Assets					
Non-current assets					
Property, plant and equipment	11	13,101,765	10,122,128	4,185	7,767
Intangible assets	12	161,510,047	126,653,401	-	-
Investments in subsidiaries	13	-	-	1,827,788,044	1,785,778,028
Investments in associates	14	74,121,788	66,672,405	1,230,000	5,974,000
Deferred tax assets	25	1,652,150	1,585,660	-	-
		250,385,750	205,033,594	1,829,022,229	1,791,759,795
Current assets					
Amounts due from customers for contract work-in-progress	15	22,224,485	39,269,669	-	-
Trade and other receivables	16	102,616,154	101,017,341	64,588	50,996
Advance maintenance costs		1,171,516	1,182,684	-	-
Prepayments		1,336,466	1,029,998	78,979	49,595
Dividend receivable		-	-	4,150,798	-
Amount due from a subsidiary	17	-	-	-	562,131
Amounts due from related parties	17	38,611,873	33,053,352	-	-
Loan to subsidiaries	18	-	-	14,436,317	12,010,586
Loan to an associate	18	-	735,000	-	735,000
Tax recoverable		591,349	202,307	-	-
Cash and bank balances	19	349,804,185	362,417,267	153,072,247	233,144,632
		516,356,028	538,907,618	171,802,929	246,552,940
Total assets		766,741,778	743,941,212	2,000,825,158	2,038,312,735

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

STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2014 (cont'd)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Equity and liabilities					
Equity					
Share capital	20(a)	157,483,159	157,483,159	157,483,159	157,483,159
Share premium	20(b)	252,437,933	251,834,093	1,688,995,689	1,688,391,849
Treasury shares	20(c)	(768,352)	(933,052)	(768,352)	(933,052)
Foreign currency translation reserve	21(a)	(5,663,853)	(8,207,778)	-	-
Capital reserve	21(b)	466,828	466,828	-	-
Statutory reserve	21(c)	21,819	-	-	-
Performance share plan reserve	21(d)	576,405	576,405	576,405	576,405
Merger deficit	22	(119,765,286)	(119,765,286)	-	-
Retained profits		331,527,685	306,621,855	124,202,110	128,352,374
Equity attributable to owners of the parent		616,316,338	588,076,224	1,970,489,011	1,973,870,735
Non-controlling interests		61,612	29,219	-	-
Total equity		616,377,950	588,105,443	1,970,489,011	1,973,870,735
Non-current liabilities					
Loans and borrowings	23	2,560,515	14,903,576	-	13,539,420
Deferred tax liabilities	25	12,352,540	8,894,656	-	-
Other payables	26	17,272,430	25,828,291	17,272,430	25,828,291
Provision for defined benefit liabilities	27	3,167,894	2,730,918	-	-
		35,353,379	52,357,441	17,272,430	39,367,711
Current liabilities					
Amounts due to customers for contract work-in-progress	15	7,084,909	5,175,669	-	-
Trade and other payables	26	63,116,777	41,878,622	12,949,789	11,766,757
Provision for defined benefit liabilities	27	337,478	411,153	-	-
Advance maintenance fees		27,833,012	21,645,104	-	-
Loans and borrowings	23	1,293,379	10,005,603	-	9,026,280
Amounts due to subsidiaries	17	-	-	109,165	4,262,385
Amounts due to related parties	17	2,119,573	16,276,585	-	-
Income tax payable		13,225,321	8,085,592	4,763	18,867
		115,010,449	103,478,328	13,063,717	25,074,289
Total liabilities		150,363,828	155,835,769	30,336,147	64,442,000
Net current assets		401,345,579	435,429,290	158,739,212	221,478,651
Total equity and liabilities		766,741,778	743,941,212	2,000,825,158	2,038,312,735

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

2014		Attributable to owners of the parent											
				<---------- Non-distributable ---------->									
Group	Note	Share capital (Note 20(a)) RM	Share premium (Note 20(b)) RM	Treasury shares (Note 20(c)) RM	Foreign currency translation reserve (Note 21(a)) RM	Capital reserve (Note 21(b)) RM	Statutory reserve (Note 21(c)) RM	Performance share plan reserve (Note 21(d)) RM	Merger deficit (Note 22) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2013		157,483,159	251,834,093	(933,052)	(8,207,778)	466,828	-	576,405	(119,765,286)	306,621,855	588,076,224	29,219	588,105,443
Profit for the year		-	-	-	-	-	-	-	-	248,897,571	248,897,571	32,393	248,929,964
Other comprehensive income/ (loss) for the year		-	-	-	2,543,925	-	-	-	-	(353,013)	2,190,912	-	2,190,912
Total comprehensive income for the year		-	-	-	2,543,925	-	-	-	-	248,544,558	251,088,483	32,393	251,120,876
<u>Contributions by and distributions to owners</u>													
Transfer to statutory reserve fund		-	-	-	-	-	21,819	-	-	(21,819)	-	-	-
Grant of shares under Performance Share Plan	20(d)	-	-	-	-	-	-	768,540	-	-	768,540	-	768,540
Release of shares under Performance Share Plan	20(d)	-	603,840	164,700	-	-	-	(768,540)	-	-	-	-	-
Dividends on ordinary shares	28	-	-	-	-	-	-	-	-	(223,616,909)	(223,616,909)	-	(223,616,909)
Total contributions by and distributions to owners		-	603,840	164,700	-	-	21,819	-	-	(223,638,728)	(222,848,369)	-	(222,848,369)
Total transactions with owners in their capacity as owners		-	603,840	164,700	-	-	21,819	-	-	(223,638,728)	(222,848,369)	-	(222,848,369)
At 30 June 2014		157,483,159	252,437,933	(768,352)	(5,663,853)	466,828	21,819	576,405	(119,765,286)	331,527,685	616,316,338	61,612	616,377,950

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

2013		Attributable to owners of the parent										
				<---- Non-distributable				---->				
Group	Note	Share capital (Note 20(a)) RM	Share premium (Note 20(b)) RM	Treasury shares (Note 20(c)) RM	Foreign currency translation reserve (Note 21(a)) RM	Capital reserve (Note 21(b)) RM	Performance share plan reserve (Note 21(d)) RM	Merger deficit (Note 22) RM	Distributable retained profits RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 July 2012		151,271,159	28,315,358	(13,505,152)	(7,821,594)	466,828	-	(119,765,286)	258,629,821	297,591,134	-	297,591,134
Profit for the year		-	-	-	-	-	-	-	195,990,820	195,990,820	9,436	196,000,256
Other comprehensive (loss)/income for the year		-	-	-	(386,184)	-	-	-	815,241	429,057	-	429,057
Total comprehensive (loss)/income for the year		-	-	-	(386,184)	-	-	-	196,806,061	196,419,877	9,436	196,429,313
<u>Contributions by and distributions to owners</u>												
Issuance of ordinary shares	20(a)&(b)	6,212,000	179,000,500	-	-	-	-	-	-	185,212,500	-	185,212,500
Reissuance of treasury shares	20(b)&(c)	-	49,187,250	12,352,500	-	-	-	-	-	61,539,750	-	61,539,750
Share issuance expenses												
- issuance of ordinary shares	20(b)	-	(4,954,434)	-	-	-	-	-	-	(4,954,434)	-	(4,954,434)
- reissuance of treasury shares	20(b)	-	(519,701)	-	-	-	-	-	-	(519,701)	-	(519,701)
Grant of shares under Performance Share Plan	20(d)	-	-	-	-	-	1,601,125	-	-	1,601,125	-	1,601,125
Release of shares under Performance Share Plan	20(d)	-	805,120	219,600	-	-	(1,024,720)	-	-	-	-	-
Dividends on ordinary shares	28	-	-	-	-	-	-	-	(148,814,027)	(148,814,027)	-	(148,814,027)
Total contributions by and distributions to owners		6,212,000	223,518,735	12,572,100	-	-	576,405	-	(148,814,027)	94,065,213	-	94,065,213
<u>Changes in ownership interests in subsidiaries</u>												
Acquisition of subsidiaries	13(b)	-	-	-	-	-	-	-	-	-	19,783	19,783
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	19,783	19,783
Total transactions with owners in their capacity as owners		6,212,000	223,518,735	12,572,100	-	-	576,405	-	(148,814,027)	94,065,213	19,783	94,084,996
At 30 June 2013		157,483,159	251,834,093	(933,052)	(8,207,778)	466,828	576,405	(119,765,286)	306,621,855	588,076,224	29,219	588,105,443

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	Group 2014 RM	Group 2013 RM
Operating activities			
Profit before tax		274,131,951	212,974,882
Adjustments for:			
Amortisation of intangible assets	12	11,876,993	7,190,501
Depreciation of property, plant and equipment	11	1,634,026	1,391,911
Write off of property, plant and equipment	7	-	13,511
Net gain on disposal of property, plant and equipment	5	(1,216,817)	(139,453)
Gain on sale of available-for-sale financial assets - money market fund	5	(236,318)	-
Impairment loss on financial assets - trade receivables	7	110,721	951,300
Bad debts written off	7	154,415	151,579
Reversal of impairment loss on trade receivables	5	(7,167)	(17,187)
Impairment loss on financial assets - loan to an associate	7	735,000	-
Unrealised foreign currency exchange gain	5	(2,679,838)	(724,016)
Allowance for unutilised leave	8	382,732	382,956
Allowance for defined benefit liabilities	8	291,183	1,520,856
Fair value adjustment arising from subsequent measurement of contingent consideration for business combination	5	(1,519,367)	-
Share of profit of associates		(7,449,383)	(2,204,542)
Performance shares issued	8	768,540	1,601,125
Finance costs	6	3,288,906	1,337,446
Finance income	4	(2,863,646)	(1,618,292)
Total adjustments		3,269,980	9,837,695
Operating cash flows before changes in working capital		277,401,931	222,812,577
Changes in working capital:			
Decrease in trade and other receivables		1,674,721	19,600,412
Net movement in amounts due from/to customers for contract work-in-progress		19,082,532	(35,700,394)
Net movement in amounts due from/to related parties		(19,546,970)	(18,520,437)
Increase in trade and other payables		24,930,477	13,924,653
Total changes in working capital		26,140,760	(20,695,766)
Cash flows from operations		303,542,691	202,116,811
Net uplift of deposit pledged		-	35,461
Income tax paid		(22,606,981)	(17,676,307)
Interest paid		(578,428)	(439,116)
Net cash flows from operating activities		280,357,282	184,036,849

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

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	Group 2014 RM	Group 2013 RM
Investing activities			
Purchases of property, plant and equipment	(a)	(1,861,999)	(489,827)
Payments for software development expenditure	12	(2,016,861)	(2,533,775)
Payments for other intangible assets	12	(2,030,496)	(355,140)
Acquisition of subsidiaries, net of cash acquired	(b)	(45,545,453)	(33,050,830)
Purchases of available-for-sale financial assets - money market fund		(40,640,000)	-
Proceeds from disposal of property, plant and equipment		1,422,983	168,049
Proceeds from sale of available-for-sale financial assets - money market fund		40,876,318	-
Interest received		2,477,357	1,497,024
Placement of short-term deposits		(64,491,197)	(51,234,000)
Net cash flows used in investing activities		(111,809,348)	(85,998,499)
Financing activities			
Dividends paid	28	(223,616,909)	(148,814,027)
Proceeds from issuance of ordinary shares	20(a)	-	180,258,066
Proceeds from reissuance of treasury shares	20(c)	-	61,020,049
Proceeds from term loan and revolving credit		-	27,292,800
Repayment of finance lease liabilities		(631,040)	(607,132)
Repayment of term loan and revolving credit		(23,049,734)	(4,997,976)
Net cash flows (used in)/from financing activities		(247,297,683)	114,151,780
Net (decrease)/increase in cash and cash equivalents		(78,749,749)	212,190,130
Effects of exchange rate changes on cash and cash equivalents		524,860	1,382,471
Cash and cash equivalents at beginning of year		305,947,195	92,374,594
Cash and cash equivalents at end of year	19	227,722,306	305,947,195

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

(a) Additions of property, plant and equipment during the financial year were by way of:

	Group	
	2014 RM	2013 RM
Cash	1,861,999	489,827
Hire purchase	2,681,032	-
	4,543,031	489,827

(b) Acquisition of subsidiaries, net of cash acquired:

		Group	
	Note	2014 RM	2013 RM
Cyber Village Sdn. Bhd. ("CVSB")	13(a)	34,345,453	-
Merimen Ventures Sdn. Bhd. ("Merimen")	13(b)	11,200,000	21,993,399
Isis International Pte. Ltd. ("IIPL")		-	11,057,431
		45,545,453	33,050,830

During the previous financial year, the remaining 25% deferred cash consideration of RM11,057,431 had been settled for the acquisition of IIPL.

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

1. Corporate information

Silverlake Axis Ltd. (the Company) is an exempt company with limited liability and incorporated in Bermuda. The holding corporation is Intelligentsia Holding Ltd., a corporation incorporated in Bermuda.

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 34.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except as disclosed in the summary of significant accounting policies below. The financial statements are presented in Ringgit Malaysia (“RM”).

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.5.

2.2 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 July 2013:

- IAS 19 Employee Benefits (Revised)
- IAS 27 Separate Financial Statements (as revised in 2011)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Involvement with Other Entities
- IFRS 13 Fair Value Measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IFRS 1 Government Loans
- Amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities
- Improvement to IFRSs - 2009 - 2012 Cycle

The adoption of the above standards did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

2. Significant accounting policies (cont'd)

2.2 New and amended standards and interpretations (cont'd)

IAS 19 Employee Benefits (Revised)
IAS 19 (Revised) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes include the following:

- All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period. The revision does not give rise to any impact to the financial statements of the Group.

- The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. The revision does not give rise to any impact to the financial statements of the Group.

- IAS 19 (Revised) requires more extensive disclosures. These have been provided in Note 27.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 is renamed as IAS 28 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates. The Group does not have investment in joint venture.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces part of IAS 27 Separate Financial Statements that deals with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities.

Under IFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under IAS 27 Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

IFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. IFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

Based the analysis performed, the application of IFRS 10 does not have any impact on the investments currently held by the Group.

IFRS 12 Disclosure of Involvement with Other Entities
IFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance. IFRS 12 disclosures are provided in Notes 13 and 14.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of guidance in IFRS 13, the Group re-assessed its policies for measuring fair value. IFRS 13 also requires additional disclosures.

2. Significant accounting policies (cont'd)

2.2 New and amended standards and interpretations (cont'd)

IFRS 13 Fair Value Measurement (cont'd)
Application of IFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to assets and liabilities whose fair values were determined. As at 30 June 2014 and 2013, the Group has no financial instruments measured at fair value. Hence, no disclosures on fair value hierarchy are provided.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description		Effective for annual periods beginning on or after
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	1 January 2014
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21	Levies	1 January 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements	IFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements	IFRSs 2011 - 2013 Cycle	1 July 2014
Amendments to IFRS 11	Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 27	Reinstating the Equity Method as an Accounting Option for Investments in Subsidiaries, Joint Ventures and Associates in an Entity's Separate Financial Statements	1 January 2016
Amendments to IAS 16 and IAS 38	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41	Bringing Bearer Plants into the Scope of IAS 16	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The Group reasonably expects the adoption of the following standards and interpretations issued to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement which apply gross settlement mechanisms that are not simultaneous. The Group is currently assessing the impact that these amendments will have on the Group's financial position.

2. Significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendments affect only the disclosure and there is no impact on the Group's financial position or performance.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a five-step model that will apply to revenue from a contract with a customer (with limited exception), regardless of the type of revenue transaction or the industry.

<u>The five-step model</u>
Step 1: Identify the contract(s) with a customer
Step 2: Identify the separate performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the separate performance obligations
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sales of some non-financial assets that are not an output of the entity's ordinary activities (e.g. sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group is currently assessing the impact that IFRS 15 will have on the Group's financial position and performance.

IFRS 9 Financial Instruments
IASB issued the final version of IFRS 9 incorporating a new expected loss impairment model and introducing limited amendments to the classification and measurement requirements for financial asset. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

The Group is currently assessing the impact that IFRS 9 will have on the Group's financial position and performance.

2.4 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2014.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

When the Group has less than a majority of the voting and similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at the fair value at the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(b) Business combinations and goodwill (cont'd)

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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

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

(c) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(c) Associates (cont'd)

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of associates' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Investments in subsidiaries and associates

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

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

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(e) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the income statement of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(f) Foreign currency translation

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(f) Foreign currency translation (cont'd)

(ii) Group companies (cont'd)

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 July 2010 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Prior to 1 July 2010, the Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition, as assets and liabilities of the parent. Therefore, those assets and liabilities are already expressed in the functional currency or are non-monetary items and no further translation differences occur.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition cirteria described below must also be met before revenue is recognised.

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

(ii) Software project services
Revenue relating to rendering of software project services is accounted for under the percentage of completion method. The stage of completion is measured by reference to the actual cost for work performed to date to the estimated total costs for each contract as disclosed in Note 2.4(h).

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

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

(v) Credit and cards processing
Revenue on credit and cards processing is recognised upon the rendering of services to customers.

(vi) Insurance processing
Revenue on insurance processing is recognised upon the rendering of claim processing services.

(vii) Interest income
Interest income is recognised using the effective interest method.

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

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(g) Revenue recognition (cont'd)

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

(h) Income recognition on contracts

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

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

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

(i) Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

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

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

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

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

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(j) Taxes (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

Sales tax

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

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(k) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(l) Property, plant and equipment

(i) Measurement

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

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

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

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

(ii) Depreciation

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

Office premises	4%
Furniture and fittings	10% - 20%
Motor vehicles	15%
Office equipment	10% - 25%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(iii) Subsequent expenditure

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

(iv) Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

(m) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(m) Leases (cont'd)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(n) Intangible assets

(i) Software development expenditure

Software development expenditure comprises purchased software, manpower and related overhead incurred directly in the development of computer software. Software development expenditures are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure during development; and
- the ability to use the intangible asset generated.

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit (to the maximum of 10 years), at the principal annual amortisation rate of 10% to 20%. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Software development expenditures which are not or have ceased to be commercially viable are written off. The policy for recognition and measurement of impairment losses is in accordance with Note 2.4(o).

(ii) Other intangible assets

Other intangible assets of the Group comprise purchased software, proprietary software, customer relationship and customer contracts.

Other intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding software development expenditures, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(n) Intangible assets (cont'd)

(ii) Other intangible assets (cont'd)

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

Other intangible assets of the Group are amortised on a straight-line basis over their estimated economic useful lives, as follows:

Purchased software	10 years
Proprietary software	10 years
Customer relationship	2 - 12 years
Customer contracts	2 years

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

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(o) Impairment of non-financial assets (cont'd)

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(p) Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include loans and receivables financial assets, which include cash and short-term deposits, trade and other receivables and loans; and available-for-sale financial assets.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

- **Available-for-sale ("AFS") financial investments**

AFS financial investments are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the income statement in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; and
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(ii) Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

AFS financial investments

For AFS financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from OCI and recognised in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(ii) Impairment of financial assets (cont'd)

Financial assets carried at cost

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

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities are loans and borrowings financial liabilities, which include trade and other payables and loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(p) Financial instruments – Initial recognition and subsequent measurement (cont'd)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(q) Fair value measurement

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The methods and assumptions used to estimate the fair values of the Group's and the Company's financial instruments are disclosed in Note 31(e).

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(r) Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short-term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, net of pledged deposits and outstanding bank overdrafts.

(s) Share capital and share issuance expenses

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

(t) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

(u) Share-based payment transactions

Equity-settled transactions - Performance share plan ("PSP")

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is measured by reference to the fair value of shares at the date when the award is granted using an appropriate valuation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the PSP reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the performance shares are released on the release date, the PSP reserve is transferred to share capital if new shares are issued, or to treasury shares if the performance shares are satisfied by the reissuance of treasury shares.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of performance shares awarded but not yet vested is reflected as additional share dilution in the computation of diluted earnings per share.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(v) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of:

- the amount that would be recognised in accordance with the general requirements for provisions above; or
- the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

(w) Employee benefits

(i) Defined contribution plans

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

(ii) Employee leave entitlement

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

(x) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(x) Defined benefit plans (cont'd)

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(y) Related parties

A related party is defined as follows:

(i) A person or a close member or that person's family is related to the Group and the Company if that person:

(1) Has control or joint control over the Company;
(2) Has significant influence over the Company; or
(3) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. Significant accounting policies (cont'd)

2.4 Summary of significant accounting policies (cont'd)

(y) Related parties (cont'd)

A related party is defined as follows: (cont'd)

(ii) An entity is related to the Group and the Company if any of the following condition applies:

(1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(3) Both entities are joint ventures of the same third party.
(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(5) The entity is a post-employment benefit plan for the benefit of employees of either the Company or any entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(6) The entity is controlled or jointly controlled by a person identified in (i).
(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(z) Contingencies

A contingent liability is:

(i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) A present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial positions of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(aa) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements

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

Key sources of estimation uncertainty

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

(a) Percentage of completion for software project services

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

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

<u>Sensitivity analysis on the estimated total contract costs</u>
If the estimated total contract costs (excluding sub-contractor fees) for material contracts vary by 10%, the net profit of the Group will decrease by approximately RM820,000 (2013: RM1,589,000).

(b) Capitalisation and amortisation of software development expenditure

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

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

<u>Sensitivity analysis on economic lives of software development expenditure</u>
If the economic lives of these intangible assets vary by 1 year from management's estimates, the Group's amortisation will vary as follows:

	Group	
	2014 RM	2013 RM
If economic lives increase by 1 year: Decrease in amortisation	110,632	124,513
If economic lives decrease by 1 year: Increase in amortisation	(135,217)	(152,182)

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(c) Impairment of intangible assets and goodwill

An impairment exist when the carrying value of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group has not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

<u>Sensitivity analysis on discount rate and growth rate used</u>
The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are further explained in Note 12.

(d) Impairment of investments in subsidiaries

The Company assesses at each reporting date whether there is an indication that the investments in subsidiaries may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries at 30 June 2014 is RM1,827,788,044 (2013: RM1,785,778,028).

The carrying value of Company's investment in subsidiaries have been tested by discounting the total estimated future cash flows of the subsidiaries' business using discount rate ranging from 15% to 21.5% and growth rate from 0% to 5% varying in accordance to country and industry. No impairment loss has been recognised on investment in subsidiaries in the current and previous financial year.

<u>Sensitivity analysis on discount rate and growth rate used</u>
On the basis that all other assumptions in calculation remain constant, an increase of 1% in discount rate and decrease of 1% in growth rate would result in a potential impairment of RM9,345,000 and RM5,795,000 respectively on investment in QR Technology Sdn. Bhd. in the Company's statement of financial position.

(e) Fair value adjustment arising from subsequent measurement of contingent consideration for business combination

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the consideration transferred for business combination. The determination of the fair value is based on the discounted cash flows. The key assumptions take into consideration the probability of meeting the performance target and discount factor. As part of the accounting for the acquisition of Merimen Ventures Sdn. Bhd., contingent consideration with an estimated fair value of RM36,112,762 was recognised at the acquisition date as disclosed in Note 13(b). The carrying amount of the contingent consideration payable at the end of reporting date is disclosed in Note 26 to the financial statements.

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(e) Fair value adjustment arising from subsequent measurement of contingent consideration for business combination (cont'd)

Sensitivity analysis on discount rate used to estimate the fair value of contingent consideration
If the discount rate used in estimation of the fair value of the contingent consideration vary by 1% from management's estimates, the Group's and the Company's contingent consideration for business combination will vary as follows:

	Group and Company	
	2014 RM	**2013 RM**
If discount rate increase by 1%: Decrease in contingent consideration	182,744	502,688
If discount rate decrease by 1%: Increase in contingent consideration	(186,403)	(516,865)

(f) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

If trade receivables past due over 5 months are estimated to be not recoverable, there will be an impairment loss of RM3,087,610 (2013: RM39,744,613).

The carrying amount of the Group's and the Company's loans and receivables at the reporting date is disclosed in Note 16 and the assessment of credit risk is disclosed in Note 31(c).

(g) Impairment of investment in an associate

Management has assessed the carrying value of investment in an associate for potential impairment. The carrying value is supported through a valuation determined by discounting the total estimated future cash flows of the business at 15% (2013: 15%). During the financial year, an impairment loss of RM4,744,000 (2013: RM3,053,000) has been recognised on investments in associates in the Company's statement of financial position.

Sensitivity analysis on discount rate used
On the basis that all other assumptions in the calculation remain constant, an increase of 1% in discount rate would result in a change to the total estimated future cash flows of the business of the associate which would then result in a potential impairment of RM90,000 (2013: RM451,000) against the Company's carrying value of investments in associates.

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

(h) Income and deferred tax

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

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

The Group has RM522,374 (2013: RM507,800) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group was able to recognise these unrecognised deferred tax assets, profit and equity would have increased by RM118,124 (2013: RM115,395). Further details on taxes are disclosed in Note 9 and Note 25.

(i) Defined benefits plans

The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds in the respective currencies with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are disclosed in Note 27.

2. Significant accounting policies (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, which have significant effect on the amounts recognised in the consolidated financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the environment in which the entities operate and the entities' process of determining sales prices.

3. Revenue

	Group	
	2014 RM	2013 RM
Sale of goods		
Sale of software and hardware products	32,358,689	6,634,862
Software licensing	147,685,409	119,602,102
	180,044,098	126,236,964
Rendering of services		
Software project services	71,778,927	77,436,493
Maintenance and enhancement services	210,330,551	173,565,199
Credit and cards processing	19,535,360	16,644,388
Insurance processing	19,038,579	4,692,211
	320,683,417	272,338,291
Total revenue	500,727,515	398,575,255

4. Finance income

	Group	
	2014 RM	2013 RM
Interest income from deposits with licensed banks	2,425,942	1,446,853
Interest income on receivables	51,025	171,439
Interest income - others	1,030	-
	2,477,997	1,618,292
Unwinding of discount on amount due from customers (receivables)*	385,649	-
Total finance income	2,863,646	1,618,292

* This represents unwinding of discount on software project contracts with deferred billing arrangements.

5. Other income

	Group	
	2014 RM	2013 RM
Net foreign currency exchange gain:		
- realised	2,196,456	322,821
- unrealised	2,679,838	724,016
Net gain on disposal of property, plant and equipment	1,216,817	139,453
Commission income and other incentives	411,511	373,328
Rental income of office premise	17,657	64,182
Fair value adjustment arising from subsequent measurement of contingent consideration for business combination (Note 26)	1,519,367	-
Reversal of impairment loss on trade receivables (Note 31(c))	7,167	17,187
Gain on sale of available-for-sale financial assets - money market fund	236,318	-
Miscellaneous income	81,523	243,418
Total other income	8,366,654	1,884,405

6. Finance costs

	Group	
	2014 RM	2013 RM
Interest expense on:		
- term loan	41,192	73,150
- revolving credit	397,208	336,537
- obligations under finance leases	84,068	85,390
	522,468	495,077
Unwinding of discount on other payables (non-current):		
- Deferred consideration payable	140,132	66,863
- Contingent consideration for business combination	2,203,607	775,506
Unwinding of discount on amount due to customers (payables)*	422,699	-
Total finance costs	3,288,906	1,337,446

* This represents unwinding of discount on sub-contracted software projects with deferred billing arrangements.

7. Profit before tax

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

	Group	
	2014 RM	2013 RM
Amortisation of intangible assets (Note 12)	11,876,993	7,190,501
Depreciation of property, plant and equipment (Note 11)	1,634,026	1,391,911
Write off of property, plant and equipment	-	13,511
Impairment loss on financial assets - trade receivables (Note 31(c))	110,721	951,300
Bad debts written off	154,415	151,579
Impairment loss on financial assets - loan to an associate (Note 18)	735,000	-
Directors' fees	1,199,948	1,159,967
Employee benefits expense (Note 8)	88,812,264	71,800,094
Audit fees:		
- Auditors of the Company	530,559	454,790
- Other auditors	341,220	277,637
Non-audit fees:		
- Auditors of the Company	287,093	466,654
- Other auditors	60,873	36,643
Operating lease expenses (Note 30(b))	3,071,244	2,420,995

Total software project costs (including employee benefits expense) were amounting to RM53,069,643 (2013: RM53,400,411).

8. Employee benefits expense (including directors' remuneration)

	Group	
	2014 RM	2013 RM
Wages and salaries	80,574,116	63,952,985
Defined contribution plans	7,400,933	5,515,407
Defined benefit obligation (Note 27)	291,183	1,520,856
Performance shares issued (Note 20(d))	768,540	1,601,125
Allowance for unutilised leave	382,732	382,956
Other employee benefits	1,080,436	1,115,644
	90,497,940	74,088,973
Less: Capitalised under intangible assets (Note 12)	(1,535,862)	(2,288,879)
Less: Capitalised under contract work-in-progress (Note 15)	(149,814)	-
	88,812,264	71,800,094

9. Income tax expense

	Group	
	2014 RM	2013 RM
Current income tax:		
- Malaysia	6,444,762	3,869,379
- Singapore	7,233,394	5,150,811
- Thailand	703,424	1,110,294
- Brunei	564,811	396,091
- Indonesia	914,491	331,838
- Philippines	757,313	1,906,463
- Others	9,483	10,585
	16,627,678	12,775,461
Deferred tax (Note 25)		
- origination and reversal of temporary differences	(1,314,226)	(1,350,259)
Under/(Over) provision in prior financial years:		
- income tax	1,388,129	(555,503)
- deferred tax (Note 25)	3,198	283,877
	1,391,327	(271,626)
Income tax expense for the year	16,704,779	11,153,576
Foreign and withholding tax	8,497,208	5,821,050
	25,201,987	16,974,626

The corporate income tax rates applicable to companies within the Group are as follows:

	2014	2013
Malaysia	25%	25%
Singapore	17%	17%
Thailand	20%	23%
Brunei	20%	20%
Indonesia	25%	25%
Philippines	30%	30%
China	25%	25%
Hong Kong	17%	17%

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. Income tax expense (cont'd)

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the financial years ended 30 June 2014 and 2013 are as follows:

	Group	
	2014 RM	2013 RM
Profit before tax	274,131,951	212,974,882
Tax calculated at a tax rate of:		
- Malaysia 25% (2013: 25%)	28,282,379	24,275,176
- Singapore 17% (2013: 17%)	7,257,939	5,188,054
- Thailand 20% (2013: 23%)	2,025,265	2,923,097
- Brunei 20% (2013: 20%)	639,048	478,055
- Indonesia 25% (2013: 25%)	887,473	112,513
- Philippines 30% (2013: 30%)	1,042,358	1,356,388
- China 25% (2013: 25%)	2,057,741	869,299
- Hong Kong 17% (2013: 17%)	(4,247)	(1,823)
Tax effect of:		
- Share of profit of associates	(1,862,346)	(551,135)
- Partial exemption and tax relief	(1,097,972)	(447,885)
- Exempted income under pioneer status[1]	(26,620,895)	(21,300,191)
- Exempted income under promotional privileges[2]	(1,371,587)	(1,843,962)
- Exempted income under increase in value of export incentive[3]	(95,452)	(256,710)
- Expenses not deductible for tax purposes	2,457,972	2,190,898
- Income not subject to tax	(1,776,024)	(277,647)
- Tax rebates	(196,498)	(112,941)
- Enhanced capital allowances	(9,742)	(56,242)
- Change in tax rate	-	529
Deferred tax assets unrecognised	3,765,932	12,348
Utilisation of bilateral tax credit	(67,892)	(1,132,619)
Under/(Over) provision of income tax in prior financial years	1,388,129	(555,503)
Under provision of deferred tax in prior financial years	3,198	283,877
Income tax expense for the year	16,704,779	11,153,576
Foreign and withholding tax	8,497,208	5,821,050
	25,201,987	16,974,626

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

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

9. Income tax expense (cont'd)

1. Three Malaysian subsidiaries of the Group, Silverlake Axis MSC Sdn. Bhd. ("SAMSC"), Silverlake Structured Services Sdn. Bhd. ("SSSVC") and Merimen Online Sdn. Bhd. ("MOSB"), are Multimedia Super Corridor Status Companies and enjoy the incentives, rights and privileges provided for under the Bill of Guarantees.

   The pioneer status of SAMSC and MOSB was extended for a period of five years effective from 1 November 2012 and 29 June 2013 respectively.

   The pioneer status of SSSVC commenced on 13 August 2009 and expired five years from the commencement date on 12 August 2014. On 3 September 2014, the pioneer status of SSSVC was extended for a period of five years effective from 13 August 2014.

2. A Thailand subsidiary of the Group, Silverlake Structured Services Ltd., was granted promotional privileges approved by the Board of Investment under Thai Investment Promotion Act B.E. 2520, for Enterprise software and Digital content, under Certificate No. 2010(7)/2552 dated 23 December 2009 for a period of 8 years.

3. A Malaysian subsidiary of the Group, QR Retail Automation (Asia) Sdn. Bhd., qualifies for exemption on income for value of increased export of services under Income Tax Act, 1967 (Exemption) (No. 2) 2001 - P.U. (A) 154 and No. 9 (2002), P.U. (A) 57 and (Amendment) 2006 - P.U. (A) 275, for services rendered to foreign customers.

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group	
	2014 **RM**	**2013** **RM**
Profit net of tax attributable to owners of the parent (RM)	248,897,571	195,990,820
Weighted average number of ordinary shares for basic earnings per share computation *	2,244,441,710	2,118,371,574
Basic earnings per share (sen)	11.09	9.25
Weighted average number of ordinary shares for diluted earnings per share computation #	2,244,734,313	2,118,956,780
Diluted earnings per share (sen)	11.09	9.25

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

\# The weighted average number of shares has taken into account the weighted average effect of dilution shares under Silverlake Axis Ltd. Performance Share Plan ("PSP") of 292,603 (2013: 585,206) shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. Property, plant and equipment

Group	Freehold land RM	Office premises RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2014						
Cost						
At 1 July 2013	7,153,765	762,851	3,220,165	3,025,111	5,519,837	19,681,729
Acquisition of a subsidiary (Note 13(a))	-	-	-	-	344,791	344,791
Additions	-	-	712,886	1,095,214	2,734,931	4,543,031
Disposals	-	(766,021)	-	(152,092)	(41,329)	(959,442)
Currency translation differences	-	3,170	(69,137)	10,738	(109,555)	(164,784)
At 30 June 2014	7,153,765	-	3,863,914	3,978,971	8,448,675	23,445,325
Accumulated depreciation						
At 1 July 2013	-	537,785	3,217,299	1,256,487	4,548,030	9,559,601
Charge for the year (Note 7)	-	27,267	245,798	491,255	869,706	1,634,026
Disposals	-	(563,768)	-	(152,092)	(37,416)	(753,276)
Currency translation differences	-	(1,284)	(49,575)	3,943	(49,875)	(96,791)
At 30 June 2014	-	-	3,413,522	1,599,593	5,330,445	10,343,560
Net carrying amount	7,153,765	-	450,392	2,379,378	3,118,230	13,101,765

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

Group	Freehold land RM	Office premises RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Total RM
At 30 June 2013						
Cost						
At 1 July 2012	7,153,765	763,289	3,609,958	3,657,917	5,890,541	21,075,470
Acquisition of a subsidiary (Note 13(b))	-	-	208,972	1	338,386	547,359
Additions	-	-	60,557	-	429,270	489,827
Disposals	-	-	-	(632,209)	(10,041)	(642,250)
Written off	-	-	(27,500)	-	(414,293)	(441,793)
Currency translation differences	-	(438)	(631,822)	(598)	(714,026)	(1,346,884)
At 30 June 2013	7,153,765	762,851	3,220,165	3,025,111	5,519,837	19,681,729
Accumulated depreciation						
At 1 July 2012	-	505,486	3,529,881	1,414,130	4,964,311	10,413,808
Charge for the year (Note 7)	-	32,720	340,976	452,378	565,837	1,391,911
Disposals	-	-	-	(606,711)	(6,943)	(613,654)
Written off	-	-	(27,500)	-	(400,782)	(428,282)
Currency translation differences	-	(421)	(626,058)	(3,310)	(574,393)	(1,204,182)
At 30 June 2013	-	537,785	3,217,299	1,256,487	4,548,030	9,559,601
Net carrying amount	7,153,765	225,066	2,866	1,768,624	971,807	10,122,128

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

Company	Office equipment RM
At 30 June 2014	
Cost	
At 1 July 2013/30 June 2014	32,363
Accumulated depreciation	
At 1 July 2013	24,596
Charge for the year	3,582
At 30 June 2014	28,178
Net carrying amount	4,185
At 30 June 2013	
Cost	
At 1 July 2012/30 June 2013	32,363
Accumulated depreciation	
At 1 July 2012	20,852
Charge for the year	3,744
At 30 June 2013	24,596
Net carrying amount	7,767

Assets held under finance leases
During the financial year, the Group acquired motor vehicles and office equipment with an aggregate cost of RM2,681,032 (2013: Nil) by means of finance leases.

The carrying amount of property, plant and equipment of the Group held under finance leases as at the reporting date were RM4,097,290 (2013: RM1,730,928).

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

Assets pledged as security for term loan
In addition to assets held under finance leases, freehold land of a subsidiary with a carrying amount of RM7,153,765 (2013: RM7,153,765) is pledged to secure term loan facility of a subsidiary (Note 23).

12. Intangible assets

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Goodwill RM	Total RM
At 30 June 2014							
Cost							
At 1 July 2013	52,358,656	30,151,988	37,180,597	11,023,000	-	63,844,499	194,558,740
Additions							
- internal development	2,016,861	-	-	-	-	-	2,016,861
- purchased	-	2,030,496	-	-	-	-	2,030,496
Acquisition of a subsidiary (Note 13(a))	-	-	13,970,000	2,381,000	2,016,000	23,032,343	41,399,343
Currency translation differences	311,811	(120,086)	653,326	-	-	657,223	1,502,274
At 30 June 2014	54,687,328	32,062,398	51,803,923	13,404,000	2,016,000	87,534,065	241,507,714
Accumulated amortisation							
At 1 July 2013	41,831,495	18,199,647	5,436,588	301,625	-	-	65,769,355
Charge for the year (Note 7)	1,216,950	2,999,631	5,207,812	1,444,600	1,008,000	-	11,876,993
Currency translation differences	311,811	(207,054)	110,578	-	-	-	215,335
At 30 June 2014	43,360,256	20,992,224	10,754,978	1,746,225	1,008,000	-	77,861,683
Accumulated impairment loss							
At 1 July 2013/ 30 June 2014	2,135,984	-	-	-	-	-	2,135,984
Net carrying amount	9,191,088	11,070,174	41,048,945	11,657,775	1,008,000	87,534,065	161,510,047

12. Intangible assets (cont'd)

Group	Software development expenditure RM	Purchased software RM	Proprietary software RM	Customer relationship RM	Goodwill RM	Total RM
At 30 June 2013						
Cost						
At 1 July 2012	50,003,059	33,346,727	25,693,711	-	25,846,987	134,890,484
Additions						
- internal development	2,533,775	-	-	-	-	2,533,775
- purchased	-	355,140	-	-	-	355,140
Acquisition of a subsidiary (Note 13(b))	-	-	11,384,000	11,023,000	37,894,012	60,301,012
Currency translation differences	(178,178)	(3,549,879)	102,886	-	103,500	(3,521,671)
At 30 June 2013	52,358,656	30,151,988	37,180,597	11,023,000	63,844,499	194,558,740
Accumulated amortisation						
At 1 July 2012	40,640,032	18,729,979	2,550,131	-	-	61,920,142
Charge for the year (Note 7)	1,369,641	2,632,778	2,886,457	301,625	-	7,190,501
Currency translation differences	(178,178)	(3,163,110)	-	-	-	(3,341,288)
At 30 June 2013	41,831,495	18,199,647	5,436,588	301,625	-	65,769,355
Accumulated impairment loss						
At 1 July 2012/30 June 2013	2,135,984	-	-	-	-	2,135,984
Net carrying amount	8,391,177	11,952,341	31,744,009	10,721,375	63,844,499	126,653,401

Software development expenditure
Included in software development expenditure capitalised during the financial year is employee benefits expense amounted to RM1,535,862 (2013: RM2,288,879) (Note 8).

Purchased software
Purchased software represents mainly a software acquired from third party for enhancing front-end customer interaction software components and expansion of the capabilities of the Group's existing software solutions.

Proprietary software
Proprietary software represents software acquired through the acquisition of Cyber Village Sdn. Bhd. ("CVSB") during the financial year (Note 13(a)), Merimen Group (Note 13(b)) and Isis International Pte. Ltd. ("IIPL") Group.

Customer relationship
Customer relationship acquired through:
(i) the acquisition of CVSB during the financial year (Note 13(a)) represents the relationships exist between CVSB and its major recurring banking customers in Malaysia as at the acquisition date; and
(ii) the acquisition of Merimen Group in previous financial year (Note 13(b)) represents the relationships exist between Merimen Group and its major recurring customers in Malaysia, Singapore and Indonesia as at the acquisition date.

12. Intangible assets (cont'd)

Customer contracts
Customer contracts acquired through the acquisition of CVSB during the financial year (Note 13(a)) represents software licensing and software project services contracts entered by CVSB with its major banking customers.

Goodwill
Goodwill represents the excess of the aggregate of consideration transferred over the net identifiable assets acquired and liabilities assumed arising from the acquisition of CVSB (Note 13(a)), Merimen Group (Note 13(b)) and IIPL Group.

Goodwill acquired through business combinations has been allocated to three cash-generating units ("CGUs") as follows:

	2014 RM	2013 RM
Payments and integration solution	26,607,710	25,950,487
Insurance processing solution	37,894,012	37,894,012
Mobile and internet solution	23,032,343	-
	87,534,065	63,844,499

Amortisation expense
The amortisation of intangible assets (other than goodwill) of RM11,876,993 (2013: RM7,190,501) is included in the cost of sales line item in the consolidated income statement.

Impairment testing
The carrying value of intangible assets (other than goodwill) is expected to be recovered from the probable future economic benefits that are expected to be generated from the commercial exploitation of these intangible assets. The remaining amortisation period at financial year end is less than 9 years (2013: less than 9 years).

Impairment testing for goodwill
The recoverable amounts of the CGUs have been determined based on value in use calculations using projected cash flows from financial budgets approved by management covering a five-year period. The discount rate applied to the cash flow projections and the forecast growth rate used to extrapolate the cash flows beyond the five-year period are as follows:

	Payments and integration solution		Insurance processing solution		Mobile and internet solution	
	2014	2013	2014	2013	2014	2013
Discount rate	21.5%	21.5%	15.0%	15.0%	15.0%	N/A
Growth rate	5.0%	5.0%	5.0%	5.0%	5.0%	N/A

Discount rate - Discount rate represents the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both cost of debt and cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

12. Intangible assets (cont'd)

Impairment testing for goodwill (cont'd)
Growth rate - Growth rate is based on management expectation of the long-term average growth rate of the industry.

The Group tests goodwill, proprietary software, customer relationship and customer contracts for impairment by assessing the underlying cash-generating units. Based on this, no impairment loss was recognised during the financial year.

Sensitivity to changes in assumptions
Management believes that no reasonable possible change in any of the above key assumptions would cause the recoverable amount to be materially lower than its carrying value.

13. Investments in subsidiaries

	Company	
	2014 RM	2013 RM
Shares at cost, unquoted		
At beginning of the year	1,785,778,028	1,723,871,286
Acquisitions of subsidiaries by way of cash (Note a and b)	42,010,016	61,906,742
At end of the year	1,827,788,044	1,785,778,028

Details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation	Proportion of ownership interest held 2014 %	2013 %
Held by the Company:				
Silverlake Axis Sdn. Bhd.*	Rendering of software project services and maintenance services	Malaysia	100	100
Silverlake Adaptive Applications & Continuous Improvement Services Ltd. ("SAACIS")*	Software licensing and the rendering of enhancement services	Bermuda	100	100
Silverlake Japan Ltd^	Provision of credit and debit cards payment processing services	Japan	100	100
QR Technology Sdn. Bhd. ("QRT")*	Investment holding	Malaysia	100	100
Silverlake Solutions Ltd. ("SSL")*	Investment holding	Bermuda	100	100
Silver Team Technology Limited ("STTL") *****	Investment holding	Hong Kong	100	100

13. Investments in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation	Proportion of ownership interest held 2014 %	Proportion of ownership interest held 2013 %
Held by the Company (cont'd):				
Isis International Pte. Ltd. ("IIPL") #	Investment holding, sales of computer software and support services	Singapore	100	100
Merimen Ventures Sdn. Bhd. ("Merimen") (Note b) ###	Investment holding and provision of electronic insurance claim solution services	Malaysia	100	100
Cyber Village Sdn. Bhd. ("CVSB") (Note a) ^^^^^	Provision of internet and mobile services, portal, customer loyalty and e-commerce solutions and services	Malaysia	100	-
Held by SAACIS:				
Silverlake Holdings Sdn. Bhd.*	Trading of IBM products in Malaysia and the rendering of enhancement services	Malaysia	100	100
Silverlake Axis MSC Sdn. Bhd.*	Rendering of software project services and provision of enhancement services	Malaysia	100	100
Held by QRT:				
QR Retail Automation (Asia) Sdn. Bhd.*	Software trading, development and maintenance services	Malaysia	100	100
QR Retail Automation (S) Pte. Ltd.^^	Software trading, development and maintenance services	Singapore	100	100
Held by SSL:				
Silverlake Structured Services Sdn. Bhd.*	Services and maintenance of Silverlake customised software	Malaysia	100	100
Silverlakegroup Pte. Ltd.**	Services and maintenance of Silverlake customised software	Singapore	100	100
Silverlakegroup Pte. Ltd. (Philippines branch)****	Services and maintenance of Silverlake customised software	Philippines	100	100
Silverlake Structured Services Ltd.***	Services and maintenance of Silverlake customised software	Thailand	100	100
PT Structured Services^^^	Services and maintenance of Silverlake customised software	Indonesia	100	100
Silverlake Sistem Sdn. Bhd.^^^^	Services and maintenance of Silverlake customised software	Brunei	100	100

13. Investments in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation	Proportion of ownership interest held 2014 %	2013 %
Held by IIPL:				
Isis Computer Systems Pte. Ltd. #	Sales of computer software and provision of technical support services	Singapore	100	100
Isis Computer Systems (M) Sdn. Bhd. ##	Sales of computer software and provision of technical support services	Malaysia	100	100
Held by Merimen:				
Merimen Online Sdn. Bhd. ###	Provision of electronic insurance claim solution services	Malaysia	100	100
Merimen Technologies (Singapore) Pte. Ltd. ####	Provision of electronic insurance claim solution services	Singapore	100	100
P.T. Merimen Technologies Indonesia #####	Provision of electronic insurance claim solution services	Indonesia	100	100
Merimen Technologies Philippines Inc. ######	Provision of electronic insurance claim solution services	Philippines	100	100
Motobiznes Online Sdn. Bhd. ###	Provision of electronic insurance claim solution services	Malaysia	51	51

* Audited by Ernst & Young, Malaysia
** Audited by Ernst & Young, Singapore
*** Audited by Ernst & Young, Thailand
**** Audited by SyCip Gorres Velayo & Co. (Ernst & Young, Philippines)
***** Audited by Union Alpha C.P.A Limited, Hong Kong
^ Audited by Miyako & Co., Japan
^^ Audited by SS Lee PAC, Singapore
^^^ Audited by Kosasih, Nurdiyaman, Tjahjo & Rekan, Indonesia
^^^^ Audited by Lee Corporatehouse Associates, Brunei
^^^^^ Audited by Baker Tilly Monteiro Heng, Malaysia. Acquired on 3 July 2013
\# Audited by Lo Hock Ling & Co., Singapore
\## Audited by KPMG, Malaysia
\### Audited by Crowe Horwath, Malaysia
\#### Audited by Crowe Horwath, Singapore
\##### Audited by Crowe Horwath, Indonesia
\###### Audited by Ramon F. Garcia and Company CPA, Philippines

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries

Current financial year

(a) Cyber Village Sdn. Bhd. ("CVSB")

On 3 July 2013, the Group acquired 100% equity interest in Cyber Village Sdn. Bhd. ("CVSB"), a company incorporated in Malaysia, for a total cash consideration of RM42,296,000, of which RM39,296,000 was paid upon completion with the remaining consideration of RM1,200,000 and RM1,800,000 to be paid within 21 days from 31 December 2014 and 31 December 2015 respectively. The fair value of the total purchase consideration is RM42,010,016.

CVSB provides e-business consulting services, including web design, web application development and internet marketing services.

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

	Fair value recognised on date of acquisition RM
Assets	
Property, plant and equipment (Note 11)	344,791
Intangible assets (Note 12)	18,367,000
Trade and other receivables	2,446,906
Cash and bank balances	4,950,547
	26,109,244
Liabilities	
Trade and other payables	(1,781,041)
Income tax payable	(810,764)
Deferred tax liabilities (Note 25)	(4,539,766)
	(7,131,571)
Total identifiable net assets at fair value	18,977,673
Goodwill arising on acquisition (Note 12)	23,032,343
Purchase consideration transferred	42,010,016

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Current financial year (cont'd)

(a) Cyber Village Sdn. Bhd. ("CVSB") (cont'd)

Consideration transferred for the acquisition of CVSB	RM
Initial cash consideration paid	39,296,000
Deferred consideration payable recognised at acquisition date	2,714,016
Total purchase consideration transferred	42,010,016

Effect of the acquisition of CVSB on current year's cash flows	RM
Total purchase consideration, at fair value	42,010,016
Less: Deferred consideration payable	(2,714,016)
Consideration settled in cash	39,296,000
Less: Cash and cash equivalents of subsidiary acquired	(4,950,547)
Net cash outflow on acquisition	34,345,453

Fair value of assets acquired and liabilities assumed
The fair value of acquired identifiable intangible assets of RM18,367,000, consist of proprietary software, customer relationship and customer contracts, were valued by using Relief from Royalty method and Multi Period Excess Earnings method respectively. The related deferred tax liability was provided accordingly (Note 25).

Goodwill of RM23,032,343 comprises the value of expected synergies arising from the acquisition which are not separately recognised. Goodwill is allocated entirely to the mobile and internet solution CGU. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of acquisition on consolidated income statement
From the date of acquisition, CVSB has contributed RM21,873,170 and RM4,365,729 to the Group's revenue and profit net of tax respectively for financial year ended 30 June 2014.

Acquisition-related costs of RM127,229 (2013: RM241,086) have been recognised in the "Administrative expenses" line item in the consolidated income statement for the financial year ended 30 June 2014.

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Previous financial year

(b) Merimen Ventures Sdn. Bhd. ("Merimen")

On 10 April 2013, the Company acquired 80% equity interest with a call and put options on the remaining 20% equity interest in Merimen Ventures Sdn. Bhd. ("Merimen"), a private limited liability company incorporated in Malaysia. The combination of the call option and put option with same exercise period and same pricing was considered as a forward contract to acquire the remaining 20% equity interest in Merimen and therefore present ownership interest in the remaining 20% equity interest had been granted. The Company had therefore effectively acquired 100% equity interest in Merimen at a total purchase consideration, at fair value of RM61,906,742, and the Group had consolidated 100% of the Merimen's results.

Merimen with its subsidiaries, Merimen Online Sdn. Bhd., Merimen Technologies (Singapore) Pte. Ltd., P.T. Merimen Technologies Indonesia, Merimen Technologies Philippines Inc. and Motobiznes Online Sdn. Bhd. (collectively, the "Merimen Group"), are principally engaged in the provision of a cloud computing Software as a Service ("SaaS") platform for insurance companies to interact and transact with their customers and partner communities to effectively and efficiently process and administer policy origination and claims processing.

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

	Fair value recognised on date of acquisition RM
Assets	
Property, plant and equipment (Note 11)	547,359
Intangible assets (Note 12)	22,407,000
Trade and other receivables	2,633,092
Cash and bank balances	3,800,581
	29,388,032
Liabilities	
Trade and other payables	(1,769,870)
Income tax payable	(301,743)
Deferred tax liabilities (Note 25)	(3,283,906)
Non-controlling interests of a subsidiary	(19,783)
	(5,375,302)
Total identifiable net assets at fair value	24,012,730
Goodwill arising on acquisition (Note 12)	37,894,012
Purchase consideration transferred	61,906,742

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Previous financial year (cont'd)

(b) Merimen Ventures Sdn. Bhd. ("Merimen") (cont'd)

Consideration transferred for the acquisition of Merimen	RM
Initial cash consideration paid	25,793,980
Contingent consideration payable recognised at acquisition date	36,112,762
Total purchase consideration transferred	61,906,742

Effect of the acquisition of Merimen on cash flows

	2014 RM	2013 RM
Purchase consideration paid:		
- Initial cash consideration, tranche 1	-	25,793,980
- Initial cash consideration, tranche 2	11,200,000	-
	11,200,000	25,793,980
Less: Cash and cash equivalents of subsidiary acquired	-	(3,800,581)
	11,200,000	21,993,399

Contingent consideration arrangement
The purchase consideration is made up of initial 80% equity interest acquisition from a minimum of RM15,000,000 up to RM52,400,000 ("Initial Consideration"), and call and put options on the remaining 20% equity interest in Merimen for an aggregate exercise price of up to RM19,200,000 ("Option Consideration").

(i) Initial Consideration for the acquisition of 80% equity interest

The Initial Consideration is based on a multiple of eight times of the average audited net consolidated profit after tax ("AVNPAT") of Merimen Group for the financial years ended 30 June 2012, 30 June 2013 ("FY2013") and 30 June 2014 ("FY2014"), together with bonus considerations, as follows:

(a) first bonus consideration based on a multiple of four times of AVNPAT, if Merimen Group achieves AVNPAT in excess of RM7,000,000 but does not exceed RM8,500,000; and

(b) second bonus consideration of equivalent to one time of AVNPAT in addition to the first bonus consideration, if Merimen Group achieves AVNPAT in excess of RM8,500,000 but does not exceed RM12,000,000.

Where the AVNPAT is at a loss position, the Initial Consideration shall be a fixed sum of RM15,000,000 only.

The Initial Consideration is payable in 3 tranches, with a first payment of RM25,793,980 made on the completion date, a second payment not exceeding RM11,200,000 to be made within 2 months of the date of the completion of the audited accounts of Merimen Group for FY2013 and a final payment (being the total amount payable less any earlier payments) to be made within 2 months of the date of completion of the audited accounts of Merimen Group for FY2014.

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Previous financial year (cont'd)

(b) Merimen Ventures Sdn. Bhd. ("Merimen") (cont'd)

Contingent consideration arrangement (cont'd)

(ii) Option Consideration for the remaining 20% equity interest

The Company has the option to require any of the Vendors to sell all but not part of the remaining shareholdings in Merimen ("Call Option") and each of the Vendors has the option to require the Company to purchase all but not part of the remaining shareholdings in Merimen ("Put Option"). Each of the Call Option and Put Option shall be exercisable within a period of three months commencing from the date of completion of the audited accounts of Merimen Group for financial year ending 30 June 2015 ("FY2015"). The aggregate exercise price will be determined based on a multiple of eight times of the AVNPAT of Merimen Group for FY2013, FY2014 and FY2015 (subject to a maximum AVNPAT of RM12,000,000).

As at the acquisition date, the fair value of the contingent consideration was estimated as follows:

	RM
Initial Consideration	22,513,220
Option Consideration	13,599,542
	36,112,762

The fair value of the contingent consideration was calculated using the "probability-weighted average of payouts" method and at a discount rate of 8%.

Subsequent measurement of contingent consideration
The average audited net consolidated profit after tax of Merimen Group for FY2014 was lower than that estimated at the acquisition date due to a probable additional tax liability. Accordingly, the AVNPAT has been reduced and the fair value of the contingent consideration has been adjusted. The fair value of the contingent consideration has decreased by RM1,519,367 (Note 5) with the fair value adjustment recognised in the "Other income" line item in the consolidated income statement for the financial year ended 30 June 2014.

Fair value of assets acquired and liabilities assumed
The fair value of the trade and other receivables of RM2,633,092 included trade receivables with a fair value of RM2,436,319. The gross contractual amount of these trade receivables was RM2,462,669, of which RM26,350 were impaired as they were not expected to be collected.

The fair value of acquired identifiable intangible assets of RM22,407,000, consisted of proprietary software and customer relationship, were valued by using Relief from Royalty method and Multi Period Excess Earnings method respectively. The related deferred tax liability was provided accordingly (Note 25).

Goodwill of RM37,894,012 comprised of the value of expected synergies arising from the acquisition which were not separately recognised. Goodwill was allocated entirely to the insurance processing solution. None of the goodwill recognised was expected to be deductible for income tax purposes.

13. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Previous financial year (cont'd)

(b) Merimen Ventures Sdn. Bhd. ("Merimen") (cont'd)

Impact of acquisition on consolidated income statement
From the date of acquisition, Merimen Group has contributed RM4,692,211 and RM2,070,794 to the Group's revenue and profit net of tax respectively for financial year ended 30 June 2013. If the business combination had taken place at the beginning of the financial year ended 2013, the Group's revenue and profit net of tax would have been RM411,761,110 and RM201,826,779 respectively.

Acquisition-related costs of RM480,813 were recognised in the "Administrative expenses" line item in the consolidated income statement for the financial year ended 30 June 2013.

14. Investments in associates

	Group	
	2014 RM	2013 RM
At beginning of the year	66,672,405	64,467,863
Share of profit for the year	7,449,383	2,204,542
At end of the year	74,121,788	66,672,405
Comprise:		
Shares, at cost	88,682,760	88,682,760
Share of post acquisition reserves	(14,560,972)	(22,010,355)
	74,121,788	66,672,405

	Company	
	2014 RM	2013 RM
Shares, at cost	21,000,000	21,000,000
Accumulated impairment	(19,770,000)	(15,026,000)
	1,230,000	5,974,000

14. Investments in associates (cont'd)

	Group 2014 RM	Group 2013 RM
Share of the associates' statement of financial position:		
Assets	143,759,088	110,475,326
Liabilities	(69,637,300)	(43,802,921)
Equity	74,121,788	66,672,405
Share of the associates' revenue and profit:		
Revenue	139,981,597	129,562,888
Net profit	7,449,383	2,204,542

Details of the associates are as follows:

Name of companies	Principal activities	Country of incorporation	Proportion of ownership interest held 2014 %	Proportion of ownership interest held 2013 %
Held by STTL:				
Global InfoTech Co. Ltd. ("GIT")^	Provision of Information Technology services focusing on the financial services sector in the People's Republic of China ("PRC")	PRC	27	27
Held by the Company:				
ePetrol Silverswitch Sdn. Bhd. ("ePetrol")^^	Provision of payment transaction technology infrastructure solutions and to manage services for the centralised interchange in Malaysia	Malaysia	24.5	24.5

^ Audited by Ruihua Certified Public Accountants (LLP)
^^ Audited by BDO Binder, Malaysia

14. Investments in associates (cont'd)

(a) Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	GIT	
	2014 RM	**2013 RM**
Non-current assets	95,014,373	107,190,605
Current assets	408,300,480	293,802,764
Total assets	503,314,853	400,993,369
Non-current liabilities	30,399,441	30,136,241
Current liabilities	198,390,272	126,817,041
Total liabilities	228,789,713	156,953,282
Net assets	274,525,140	244,040,087

(ii) Summarised statement of comprehensive income

	GIT	
	2014 RM	**2013 RM**
Revenue	513,984,910	478,387,818
Profit before tax from operations	34,884,593	19,252,560
Profit for the year from operations	30,485,053	12,878,496
Total comprehensive income	30,485,053	12,878,496

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	GIT	
	2014 RM	**2013 RM**
Net assets at 1 July	244,040,087	231,161,591
Profit for the year	30,485,053	12,878,496
Net assets at 30 June	274,525,140	244,040,087
Interest in associate	27%	27%
Carrying value of Group's interest in material associate	74,121,788	65,890,823

14. Investments in associates (cont'd)

(b) At the current reporting date, the unrecognised share of losses in an associate amounting to RM339,153 (2013: Nil).

Impairment testing of investments in associates
During the financial year, management performed an impairment test for the investment in ePetrol as this associate has previously made losses. An impairment loss of RM4,744,000 (2013: RM3,053,000) was recognised for the financial year ended 30 June 2014 to write down the carrying amount of this investment to its recoverable amount in the Company's statement of financial position.

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

	Group	
	2014 RM	**2013 RM**
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	244,740,611	182,124,438
Progress billings	(229,601,035)	(148,030,438)
	15,139,576	34,094,000
Presented as:		
Amounts due from customers for contract work-in-progress	22,224,485	39,269,669
Amounts due to customers for contract work-in-progress	(7,084,909)	(5,175,669)
	15,139,576	34,094,000

Included in contract work-in-progress capitalised during the financial year is employee benefits expense amounted to RM149,814 (2013: Nil) (Note 8).

16. Trade and other receivables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables				
Third parties	94,764,435	94,106,829	-	-
Less: Allowance for impairment (Note 31(c))	(1,236,601)	(1,136,348)	-	-
Net trade receivables (Note 31(c))	93,527,834	92,970,481	-	-
Other receivables				
Sundry receivables	7,584,944	6,575,658	64,588	50,996
Deposits	1,503,376	1,471,202	-	-
	9,088,320	8,046,860	64,588	50,996
Total trade and other receivables	102,616,154	101,017,341	64,588	50,996
Trade and other receivables	102,616,154	101,017,341	64,588	50,996
Dividend receivable	-	-	4,150,798	-
Amount due from a subsidiary (Note 17)	-	-	-	562,131
Amounts due from related parties (Note 17)	38,611,873	33,053,352	-	-
Loan to subsidiaries (Note 18)	-	-	14,436,317	12,010,586
Loan to an associate (Note 18)	-	735,000	-	735,000
Cash and bank balances (Note 19)	349,804,185	362,417,267	153,072,247	233,144,632
Total loans and receivables	491,032,212	497,222,960	171,723,950	246,503,345

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days (2013: 30 days) term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

As at 30 June 2014, the Group's significant concentration of credit risk is as disclosed in Note 31(c).

Receivables that are impaired

Trade receivables that are impaired at the reporting date relate to debtors that are slow in payments. These receivables are not secured by any collateral or credit enhancements.

Information regarding financial assets that are neither past due nor impaired and past due and/or impaired is disclosed in Note 31(c).

Other receivables

Other receivables are unsecured, non-interest bearing and repayable on demand.

Included in sundry receivables of the Group is account receivable of RM5,478,696 (2013: RM6,021,097) distributed from Unifisoft Holdings Ltd. upon liquidation in year 2012. This receivable is unsecured, non-interest bearing and is repayable within two years from the date of disbursement, or upon mutual consent by all parties in writing, whichever is earlier. The debtor has repaid 10% of the debt to the Group during the financial year. As at the reporting date, the receivable repayment arrangement has been extended to 30 June 2015.

Other information on financial risks of trade and other receivables are disclosed in Note 31.

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Amount due from a subsidiary (Note 16)	-	-	-	562,131
Amounts due to subsidiaries (Note 26)	-	-	(109,165)	(4,262,385)
Amounts due from related parties (Note 16)				
- trade (Note 31(c))	38,502,838	32,974,771	-	-
- non-trade	109,035	78,581	-	-
	38,611,873	33,053,352	-	-
Amounts due to related parties (Note 26)				
- trade	(2,107,704)	(16,069,947)	-	-
- non-trade	(11,869)	(206,638)	-	-
	(2,119,573)	(16,276,585)	-	-

Amount due from a subsidiary
At previous reporting date, the amount due from a subsidiary was non-trade, unsecured, non-interest bearing, repayable on demand and was to be settled in cash.

Amounts due to subsidiaries
The amounts due to subsidiaries are non-trade, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Amounts due from related parties
The amounts due from related parties are unsecured and non-interest bearing except for amounts owing by related parties to certain subsidiaries amounted to RM33,638,090 (2013: RM28,081,764) which carry interest at 1.0% (2013: 1.0%) per month. The trade amounts due from related parties have a credit term of 30 days (2013: 30 days). The amounts due from related parties are to be settled in cash.

Amounts due to related parties
The amounts due to related parties are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of amounts due from/(to) subsidiaries and related parties are disclosed in Note 31.

18. Loans to subsidiaries and an associate

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

During the financial year, loan to an associate, ePetrol, of RM735,000 was impaired and fully provided (Note 7).

19. Cash and bank balances

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash at banks and on hand	117,082,480	73,067,755	1,302,390	997,642
Short-term deposits with licensed banks	232,721,705	289,349,512	151,769,857	232,146,990
Cash and bank balances (Note 16)	349,804,185	362,417,267	153,072,247	233,144,632

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and twelve months (2013: one day and twelve months) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. As at 30 June 2014, the effective interest rates of short-term deposits of the Group and of the Company range from 0.10% to 8.25% (2013: 0.10% to 3.15%) and 0.15% to 2.40% (2013: 0.10% to 2.40%) per annum respectively.

As at 30 June 2014, short-term deposits with licensed banks of the Group amounting to RM1,224,682 (2013: RM1,224,072) are pledged by certain subsidiaries for bank guarantee facilities in relation to project tenders.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group	
	2014 RM	2013 RM
Cash and bank balances	349,804,185	362,417,267
Less: Short-term deposits with licensed banks with maturity more than 3 months	(120,857,197)	(55,246,000)
Less: Pledged deposits	(1,224,682)	(1,224,072)
Cash and cash equivalents	227,722,306	305,947,195

20. Share capital, share premium, treasury shares and performance share plan

(a) Ordinary share capital

(i) Authorised

	Group and Company Number of ordinary shares of USD0.02 each	
	2014	2013
At beginning and end of the year	3,000,000,000	3,000,000,000

(ii) Issued and fully paid

	Group and Company			
	Number of ordinary shares of USD0.02 each		Amount	
	2014	2013	2014 RM	2013 RM
At beginning of the year	2,247,543,108	2,147,543,108	157,483,159	151,271,159
Issued during the year	-	100,000,000	-	6,212,000
At end of the year	2,247,543,108	2,247,543,108	157,483,159	157,483,159

On 11 June 2013, the Company allotted and issued 100 million ordinary shares to subscribers at the market price of SGD0.75 per share, amounted to RM185,212,500, of which RM179,000,500 was recognised in the share premium account. As at 30 June 2014, out of the total net proceeds of RM180,258,066 arising from the issuance, RM39,296,000 and RM11,200,000 respectively, have been disbursed to satisfy the first payment for the acquisition of Cyber Village Sdn. Bhd. on 3 July 2013 (Note 13(a)) and the second tranche payment for the acquisition of 80% equity interest in Merimen Group on 19 November 2013 (Note 13(b)).

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

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

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

(b) Share premium

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At beginning of the year	251,834,093	28,315,358	1,688,391,849	1,464,873,114
Arising from:				
- issuance of ordinary shares	-	179,000,500	-	179,000,500
- reissuance of treasury shares	-	49,187,250	-	49,187,250
- release of treasury shares pursuant to Performance Share Plan (Note d)	603,840	805,120	603,840	805,120
Transaction costs for:				
- issuance of ordinary shares	-	(4,954,434)	-	(4,954,434)
- reissuance of treasury shares	-	(519,701)	-	(519,701)
At end of the year	252,437,933	251,834,093	1,688,995,689	1,688,391,849

(c) Treasury shares

	Group and Company	
	Number of treasury shares	RM
At 1 July 2012	49,194,000	13,505,152
Reissuance of treasury shares	(45,000,000)	(12,352,500)
Release of treasury shares pursuant to Performance Share Plan (Note d)	(800,000)	(219,600)
At 30 June 2013	3,394,000	933,052
At 1 July 2013	3,394,000	933,052
Release of treasury shares pursuant to Performance Share Plan (Note d)	(600,000)	(164,700)
At 30 June 2014	2,794,000	768,352

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

On 6 March 2013, the Company reissued a total of 45,000,000 treasury shares to institutional investors to increase trading liquidity in its shares, deepen institutional shareholding of its shares and establish a more efficient capital structure for the Company. The shares were reissued at the market price of SGD0.54 per share, amounted to RM61,539,750, of which, gain on reissuance of treasury shares of RM49,187,250 was recognised in the share premium account. Net proceeds of RM61,020,049 arising from the reissuance will be used for investment and business expansion, including potential acquisition.

The percentage of treasury shares over total ordinary shares net treasury shares amounts to 0.1% (2013: 0.2%).

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

(d) Performance share plan

On 3 January 2013, the Company granted 2,000,000 shares awards to its non-executive directors at 500,000 shares each pursuant to the Silverlake Axis Ltd. Performance Share Plan ("PSP"). The shares awards are based on the service and contributions made by each non-executive directors to the success of the Company and shall be released in accordance with the following Release Schedule:

Release date	Number of shares per director
3 January 2013	200,000
3 January 2014	150,000
3 January 2015	150,000

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

On 3 January 2014, 600,000 (2013: 800,000) shares were reissued from the Company's existing treasury shares at the market price of SGD0.505 per share at grant date, amounted to RM768,540 (2013: RM1,024,720), of which, gain on reissuance of treasury shares of RM603,840 (2013: RM805,120) was recognised in the share premium account.

The remaining 600,000 (2013: 1,200,000) shares awards granted will be released to the non-executive directors in the financial year ending 2015 (2013: 2014 and 2015). The expense on the remaining 600,000 (2013: 1,200,000) shares recognised in the profit or loss and performance share plan reserve account during the financial year was RM576,405 (2013: RM576,405).

The fair value of PSP awarded was estimated using Forward Pricing Formulae, taking into account the terms and conditions upon which the PSP were awarded. The fair value of PSP measured at grant date and the assumptions were as follows:

Fair value of PSP:	
Weighted average fair value of PSP (RM)	1.23
Share price at grant date (RM)	1.28
Risk free rate (%)	0.25
Expected dividend yield (%)	4.27

The share price at grant date used was the closing price of the Company's shares on that date. Expected yield rate used was based on historical data and future estimates, which may not necessarily be the actual outcome. No other features of the share award were incorporated into the measurement of fair value.

There were no PSP shares awarded in the current financial year.

21. Foreign currency translation reserve, capital reserve, statutory reserve and performance share plan reserve

(a) Foreign currency translation reserve

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

(b) Capital reserve

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

(c) Statutory reserve

This represents non-distributable reserve of a subsidiary incorporated in Thailand. As required by Thailand Civil and Commercial Code, an entity shall allocate at least 5% of its annual net profit to a reserve, when dividend is declared, until the reserve reaches an amount not less than 10% of the entity's authorised capital.

(d) Performance share plan reserve

This represents non-distributable reserve arising from performance shares granted to non-executive directors (Note 20(d)). The reserve is made up of the cumulative value of service received from non-executive directors over the vesting period commencing from the grant date of the performance shares and will be reduced by the release of the performance shares on the release date.

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

22. Merger deficit

	Group	
	2014 RM	2013 RM
At beginning and end of the year	119,765,286	119,765,286

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

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

23. Loans and borrowings

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Unsecured:				
Revolving credit	-	9,026,280	-	9,026,280
Secured:				
Term loan	335,394	484,034	-	-
Obligations under finance leases (Note 24)	957,985	495,289	-	-
	1,293,379	979,323	-	-
	1,293,379	10,005,603	-	9,026,280
Non-current				
Unsecured:				
Revolving credit	-	13,539,420	-	13,539,420
Secured:				
Term loan	-	335,394	-	-
Obligations under finance leases (Note 24)	2,560,515	1,028,762	-	-
	2,560,515	1,364,156	-	-
	2,560,515	14,903,576	-	13,539,420
Total loans and borrowings (Note 26)	3,853,894	24,909,179	-	22,565,700

Revolving credit
In the previous financial year, the Company had drawn down a revolving credit facility amounting to SGD10,800,000 (equivalent to RM27,292,800). This revolving credit is guaranteed by a subsidiary and is repayable in 12 equal quarterly installments of SGD900,000 each, commencing from March 2013. This revolving credit was fully repaid in February 2014. The weighted average effective interest rate of this revolving credit at the previous reporting date was 3.02% per annum.

Term loan
This loan is repayable in 83 monthly installments from the first drawdown on 21 March 2008 and is secured by a charge over freehold land of a subsidiary (Note 11). The weighted average effective interest rate of this loan at the reporting date was 6.85% (2013: 6.85%) per annum.

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

24. Obligations under finance leases

	Group	
	2014 RM	**2013 RM**
Minimum lease payments:		
Not later than one year	1,051,808	552,472
Later than one year but not later than five years	2,647,407	1,039,684
Later than five years but not later than seven years	45,536	50,732
	3,744,751	1,642,888
Less: Amounts representing finance charges	(226,251)	(118,837)
	3,518,500	1,524,051
The present value of the obligations under finance leases may be analysed as follows:		
Not later than one year	957,985	495,289
Later than one year but not later than five years	2,516,046	978,794
Later than five years but not later than seven years	44,469	49,968
	3,518,500	1,524,051
Presented as:		
Current (Note 23)	957,985	495,289
Non-current (Note 23)	2,560,515	1,028,762
	3,518,500	1,524,051

The effective interest rates of finance lease liabilities at the reporting date range from 0.97% to 3.45% (2013: 1.55% to 3.45%) per annum.

25. Deferred tax

	Group	
	2014 RM	2013 RM
At beginning of the year	7,308,996	5,087,641
Acquisition of a subsidiary (Note 13(a) & Note 13(b))	4,539,766	3,283,906
Recognised in income statement (Note 9):		
Provision in current year	(1,314,226)	(1,350,259)
Under provision in prior financial years	3,198	283,877
Recognised in other comprehensive income (Note 27):		
Provision in current year	(123,545)	-
Under provision in prior financial years	70,771	-
Currency translation differences	215,430	3,831
At end of the year	10,700,390	7,308,996
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,981,011)	(1,843,560)
Offsetting	328,861	257,900
Deferred tax assets (after offsetting)	(1,652,150)	(1,585,660)
Deferred tax liabilities	12,681,401	9,152,556
Offsetting	(328,861)	(257,900)
Deferred tax liabilities (after offsetting)	12,352,540	8,894,656
Deferred tax	10,700,390	7,308,996

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

25. Deferred tax (cont'd)

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

Deferred tax liabilities of the Group:

	Software development expenditure RM	Proprietary software RM	Customer relationship RM	Customer contracts RM	Property, plant and equipment RM	Others RM	Total RM
At 1 July 2012	1,056,846	4,860,152	-	-	234,254	-	6,151,252
Acquisition of a subsidiary	-	1,646,886	1,626,061	-	15,497	-	3,288,444
Recognised in income statement:							
Provision in current year	164,518	(566,312)	(23,310)	-	(4,130)	138,939	(290,295)
Over provision in prior financial years	-	-	-	-	(19,562)	-	(19,562)
Currency translation differences	-	21,822	-	-	895	-	22,717
At 30 June 2013	1,221,364	5,962,548	1,602,751	-	226,954	138,939	9,152,556
At 1 July 2013	1,221,364	5,962,548	1,602,751	-	226,954	138,939	9,152,556
Acquisition of a subsidiary	-	3,381,000	576,000	504,000	78,766	-	4,539,766
Recognised in income statement:							
Provision in current year	228,721	(989,770)	(152,767)	(252,000)	25,792	102,950	(1,037,074)
Under/(Over) provision in prior financial years	-	-	-	-	29,046	(138,939)	(109,893)
Currency translation differences	-	137,162	-	-	1,180	(2,296)	136,046
At 30 June 2014	1,450,085	8,490,940	2,025,984	252,000	361,738	100,654	12,681,401

Deferred tax assets of the Group:

	Provision for defined benefit liabilities RM	Allowance for unutilised leave RM	Advance maintenance fees RM	Others RM	Total RM
At 1 July 2012	(466,435)	(307,900)	-	(289,276)	(1,063,611)
Acquisition of a subsidiary	-	-	-	(4,538)	(4,538)
Recognised in income statement:					
Provision in current year	(221,342)	118,282	(871,395)	(85,509)	(1,059,964)
Over provision in prior financial years	-	17,449	-	285,990	303,439
Currency translation differences	(13,989)	(985)	-	(3,912)	(18,886)
At 30 June 2013	(701,766)	(173,154)	(871,395)	(97,245)	(1,843,560)
At 1 July 2013	(701,766)	(173,154)	(871,395)	(97,245)	(1,843,560)
Recognised in income statement:					
Provision in current year	(75,075)	(60,769)	(72,886)	(68,422)	(277,152)
(Under)/Over provision in prior financial years	(70,771)	(31,551)	171,597	43,816	113,091
Recognised in other comprehensive income:					
Provision in current year	(123,545)	-	-	-	(123,545)
Over provision in prior financial years	70,771	-	-	-	70,771
Currency translation differences	81,162	21	9,766	(11,565)	79,384
At 30 June 2014	(819,224)	(265,453)	(762,918)	(133,416)	(1,981,011)

25. Deferred tax (cont'd)

Deferred tax assets of the Group (cont'd):

As at 30 June 2014, the deferred tax assets have not been recognised in respect of the following items:

	Group	
	2014 RM	2013 RM
Unused tax losses	522,374	507,800
Unabsorbed capital allowances	(58,254)	(105,754)
	464,120	402,046

Tax consequences of proposed dividends

There are no income tax consequences (2013: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 28).

Unused tax losses

The Group has tax losses which arose in subsidiaries of RM522,374 (2013: RM507,800) that are available indefinitely for offset against future taxable profits of the subsidiaries in which the losses arose. However, as these losses relate to subsidiaries that have a history of losses, deferred tax assets have not been recognised as these losses may not be used to offset taxable profits elsewhere in the Group. If the Group was able to recognise these unrecognised deferred tax assets, profit would increase by RM118,124 (2013: RM115,395).

Unrecognised earnings

At 30 June 2014, there was no recognised deferred tax liability (2013: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates. The Group has determined that undistributed profits of its certain subsidiaries or associate will not be distributed in the foreseeable future. The temporary differences associated with investments in subsidiaries and associates, for which a deferred tax liability has not been recognised, aggregate to RM5,041,000 (2013: RM3,640,000).

26. Trade and other payables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade payables:				
- Third parties	6,239,207	6,502,291	-	-
- Accrual of sub-contractor fees	30,712,549	14,897,769	-	-
Total trade payables	36,951,756	21,400,060	-	-
Other payables:				
- Sundry payables and accruals	10,727,294	6,419,383	995,562	706,780
- Allowance for unutilised leave	3,483,500	2,999,202	-	-
- Deferred consideration payable	1,092,811	-	1,092,811	-
- Contingent consideration for business combination	10,861,416	11,059,977	10,861,416	11,059,977
Total other payables	26,165,021	20,478,562	12,949,789	11,766,757
	63,116,777	41,878,622	12,949,789	11,766,757
Non-current				
Other payables:				
- Deferred consideration payable	1,761,338	-	1,761,338	-
- Contingent consideration for business combination	15,511,092	25,828,291	15,511,092	25,828,291
Total other payables	17,272,430	25,828,291	17,272,430	25,828,291
Total trade and other payables	80,389,207	67,706,913	30,222,219	37,595,048
Trade and other payables	80,389,207	67,706,913	30,222,219	37,595,048
Loans and borrowings (Note 23)	3,853,894	24,909,179	-	22,565,700
Amounts due to:				
- subsidiaries (Note 17)	-	-	109,165	4,262,385
- related parties (Note 17)	2,119,573	16,276,585	-	-
Total financial liabilities carried at amortised cost	86,362,674	108,892,677	30,331,384	64,423,133

26. Trade and other payables (cont'd)

Trade and other payables (current)
These amounts are non-interest bearing. Trade payables are normally settled on 60 days (2013: 60 days) term while other payables have an average term of 6 months (2013: 6 months).

Deferred consideration payable
This amount represents balance of purchase consideration payable to the vendor within 21 days from 31 December 2014 and 2015 respectively in relation to the acquisition of CVSB (Note 13(a)).

Contingent consideration for business combination
This amount represents the fair value of the remaining purchase consideration payable to the vendors in tranches in relation to the acquisition of Merimen (Note 13(b)). This consideration is dependent on the AVNPAT of Merimen Group for FY2014 to FY2015 (2013: FY2013 to FY2015).

	Group and Company	
	2014 RM	2013 RM
Total purchase consideration, initially recognised at fair value	61,906,742	61,906,742
Add: Unwinding of discount on contingent consideration payable (cumulative)	2,979,113	775,506
Add: Fair value changes recognised in profit or loss	(1,519,367)	-
Less: Consideration settled	(36,993,980)	(25,793,980)
Contingent consideration payable at end of the year	26,372,508	36,888,268
Contingent consideration payables:		
- within 12 months	10,861,416	11,059,977
- after 12 months	15,511,092	25,828,291
	26,372,508	36,888,268

Other information on financial risks of trade and other payables are disclosed in Note 31.

27. Provision for defined benefit liabilities

The Group has three defined benefit pension plans, in Indonesia, Thailand and Philippines respectively, for its employees.

(a) Indonesia plan

A subsidiary in Indonesia provides benefits for its employees who achieve the retirement age at 55 based on the provisions of Labor Law No.13/2003 dated 25 March 2003. The employee benefits liability is unfunded. The employee benefits liability of this subsidiary was determined by an independent actuarist in its report dated 17 July 2014 for financial year ended 2014 and 15 July 2013 for financial year ended 2013.

The principal assumptions used in determining the employee benefits liability of the Indonesia plan are shown below:

Principal actuarial assumptions:

	2014	2013
Discount rate	8.50%	7.50%
Salary increment rate	10%	10%
Mortality rate	100% *	100% *
Disability rate	5% *	5% *
Resignation rate	5% to age 30, then decreasing linearly to 0% at age 55	5% to age 30, then decreasing linearly to 0% at age 55

* based on Indonesian Mortality Table 3

(b) Thailand plan

A subsidiary in Thailand provides benefits for its employees who achieve the retirement age at 60 based on the provisions of Labour Protection Act (A.D. 1998), on Severance Pay. The employee benefits liability is unfunded. The employee benefits liability of this subsidiary was determined by an independent actuarist in its report dated 9 July 2013 for financial year ended 2014 and 2013.

The principal assumptions used in determining the employee benefits liability of the Thailand plan are shown below:

Principal actuarial assumptions:

	2014	2013
Discount rate	4.50%	4.50%
Salary increment rate	10% per annum for ages up to 29; 5% per annum for ages 30 to 39; 1.5% per annum for ages 40 to 49; 0% per annum for ages 50 and above	10% per annum for ages up to 29; 5% per annum for ages 30 to 39; 1.5% per annum for ages 40 to 49; 0% per annum for ages 50 and above
Mortality rate	Thailand Mortality Ordinary 2008 Table	Thailand Mortality Ordinary 2008 Table
Disability rate	0%	0%
Resignation rate	1% per annum for ages up to 49; 0% per annum for ages 50 and above	1% per annum for ages up to 49; 0% per annum for ages 50 and above

27. Provision for defined benefit liabilities (cont'd)

(c) Philippines plan

A subsidiary in Philippines provides benefits for its employees who achieve the retirement age at 60 based on the provisions of the Retirement Pay Law (Republic Act No. 7641). The employee benefits liability is unfunded. The employee benefits liability of this subsidiary was determined by an independent actuarist in its report dated 4 July 2013 for financial year ended 2014 and 2013.

The principal assumptions used in determining the employee benefits liability of the Philippines plan are shown below:

Principal actuarial assumptions:

	2014	2013
Discount rate	5.12%	6.70%
Salary increment rate	12%	12%
Mortality rate	The 2001 CSO Table - Generational (Scale AA, Society of Actuarists)	The 2001 CSO Table - Generational (Scale AA, Society of Actuarists)
Disability rate	0%	0%
Resignation rate	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above	7.5% per annum for ages 19 to 24; 6% per annum for ages 25 to 29; 4.5% per annum for ages 30 to 34; 3% per annum for ages 35 to 39; 2% per annum for ages 40 to 44; 0% per annum for ages 45 and above

The following tables summarise the components of employee benefits expense recognised in the consolidated statement of comprehensive income and the amounts recognised in the consolidated statement of financial position as employee benefits liabilities.

27. Provision for defined benefit liabilities (cont'd)

The details of the net employee benefits liability are as follows:

	Group							
	2014				2013			
	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM
Present Value of the Defined Benefit Obligation ("PVDBO") as at 1 July	1,787,791	616,722	737,558	3,142,071	1,825,281	520,435	-	2,345,716
Defined benefit obligation (Note 8)	394,002	63,888	(166,707)	291,183	462,195	49,770	1,008,891	1,520,856
Gross amount of actuarial (gain)/loss	(36,177)	-	441,964	405,787	(621,372)	44,213	(238,082)	(815,241)
Currency translation differences	(304,020)	(24,318)	(5,331)	(333,669)	121,687	2,304	(33,251)	90,740
PVDBO as at 30 June	1,841,596	656,292	1,007,484	3,505,372	1,787,791	616,722	737,558	3,142,071
Analysis of funded and unfunded PVDBO								
PVDBO from plans that are wholly unfunded	1,841,596	656,292	1,007,484	3,505,372	1,787,791	616,722	737,558	3,142,071
Analysed as:								
Current	155,318	182,160	-	337,478	223,473	187,680	-	411,153
Non-current:								
Later than 1 year but not later than 2 years	173,830	-	-	173,830	6,970	-	-	6,970
Later than 2 years but not later than 5 years	460,530	-	-	460,530	36,055	-	-	36,055
Later than 5 years	1,051,918	474,132	1,007,484	2,533,534	1,521,293	429,042	737,558	2,687,893
Total non-current	1,686,278	474,132	1,007,484	3,167,894	1,564,318	429,042	737,558	2,730,918
	1,841,596	656,292	1,007,484	3,505,372	1,787,791	616,722	737,558	3,142,071
Current service cost	214,491	43,142	(217,879)	39,754	325,205	32,661	952,324	1,310,190
Interest cost	179,511	20,746	51,172	251,429	136,990	17,109	56,567	210,666
Net employee benefits expense (Note 8)	394,002	63,888	(166,707)	291,183	462,195	49,770	1,008,891	1,520,856
Total amount recognised in statement of comprehensive income								
Gross amount of actuarial (gain)/loss	(36,177)	-	441,964	405,787	(621,372)	44,213	(238,082)	(815,241)
Deferred tax (Note 25)	9,044	-	(61,818)	(52,774)	-	-	-	-
Net amount of actuarial (gain)/loss	(27,133)	-	380,146	353,013	(621,372)	44,213	(238,082)	(815,241)
Cumulative amount of actuarial (gain)/loss recognised in statement of comprehensive income	(61,790)	44,213	142,064	124,487	(34,657)	44,213	(238,082)	(228,526)

27. Provision for defined benefit liabilities (cont'd)

Sensitivity analysis:

Discount rate
A one percentage point change in the assumed discount rate would have the following effects:

	Increase in one percentage point on discount rate				Decrease in one percentage point on discount rate			
	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM
2014								
Effect on the aggregate current service cost and interest cost	(173,467)	(77,652)	(159,073)	(410,192)	198,812	94,195	197,516	490,523
Effect on the PVDBO as at 30 June	(161,504)	(70,141)	(154,246)	(385,891)	185,101	85,085	191,523	461,709
2013								
Effect on the aggregate current service cost and interest cost	(191,245)	(70,824)	(140,441)	(402,510)	214,052	85,912	175,821	475,785
Effect on the PVDBO as at 30 June	(191,245)	(65,912)	(134,383)	(391,540)	214,052	79,955	168,237	462,244

Salary increment rate
A one percentage point change in the assumed salary increment rate would have the following effects:

	Increase in one percentage point on salary increment rate				Decrease in one percentage point on salary increment rate			
	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM	Indonesia Plan RM	Thailand Plan RM	Philippines Plan RM	Total RM
2014								
Effect on the aggregate current service cost and interest cost	200,776	96,843	185,256	482,875	(178,698)	(36,906)	(153,566)	(369,170)
Effect on the PVDBO as at 30 June	186,929	87,477	179,634	454,040	(166,374)	(33,337)	(148,906)	(348,617)
2013								
Effect on the aggregate current service cost and interest cost	211,784	88,328	156,628	456,740	(192,988)	(33,661)	(129,804)	(356,453)
Effect on the PVDBO as at 30 June	211,784	82,203	149,872	443,859	(192,988)	(31,327)	(124,205)	(348,520)

Amounts for the current and previous periods since inception of the defined benefit pension plans are as follows:

	Indonesia Plan				Thailand Plan			Philippines Plan	
	2014 RM	2013 RM	2012 RM	2011 RM	2014 RM	2013 RM	2012 RM	2014 RM	2013 RM
PVDBO	1,841,596	1,787,791	1,825,281	1,979,585	656,292	616,722	520,435	1,007,484	737,558
Experience adjustments on plan liabilities	171,135	(464,910)	(288,029)	(188,259)	-	68,252	-	-	-

28. Dividends

	2014		2013	
	Dividend per share SGD/RM	Amount of dividend RM	Dividend per share SGD/RM	Amount of dividend RM
Declared and paid/payable during the financial year:				
Dividends on ordinary shares:				
In respect of financial year ended 30 June 2012:				
- Final dividend paid per share, tax exempt (1-tier)	-	-	0.008 / 0.020	42,462,193
In respect of financial year ended 30 June 2013:				
- First interim dividend paid per share, tax exempt (1-tier)	-	-	0.005 / 0.013	26,580,837
- Second interim dividend paid per share, tax exempt (1-tier)	-	-	0.007 / 0.018	37,153,890
- Third interim dividend paid per share, tax exempt (1-tier)	-	-	0.008 / 0.020	42,617,107
- Final dividend paid per share, tax exempt (1-tier)	0.011 / 0.029	64,738,092	-	-
In respect of financial year ended 30 June 2014:				
- First interim dividend paid per share, tax exempt (1-tier)	0.008 / 0.021	46,310,261	-	-
- Second interim dividend paid per share, tax exempt (1-tier)	0.009 / 0.024	53,587,773	-	-
- Third interim dividend paid per share, tax exempt (1-tier)	0.010 / 0.026	58,980,783	-	-
		223,616,909		148,814,027
Proposed but not recognised as a liability as at 30 June:				
Dividends on ordinary shares, subject to shareholders' approval at the AGM	0.018 / 0.046	103,874,418	0.011 / 0.028	61,894,306

29. Significant related party transactions

(a) Sale and purchase of goods and services

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

	Group	
	2014 RM	2013 RM
Sale of goods and rendering of services to related parties:		
- Software licensing	99,011,052	86,949,078
- Software project services	6,999,862	7,889,866
- Maintenance and enhancement services	13,870,221	10,778,040
- Sale of hardware products	604,822	1,115,426
Service fees paid to related parties	50,995,236	45,833,391
Accounting and administrative expenses paid to related parties	826,823	486,711
Rentals paid to related parties	312,468	227,332
Interest on receivables charged to related parties	51,025	171,439

Information regarding outstanding balances arising from related party transactions as at 30 June 2014 are disclosed in Note 17.

<u>The parent</u>
There were no transactions other than dividends paid, between the Group and Intelligentsia Holding Ltd. during the financial year (2013: Nil).

(b) Compensation of key management personnel

	Group	
	2014 RM	2013 RM
Salaries and other short-term employee benefits	7,605,887	6,673,124
Performance shares plan (Note 20(d))	768,540	1,601,125
Defined contribution plans	563,748	539,728
Benefits-in-kind	228,633	207,945
	9,166,808	9,021,922
Comprise amounts paid to:		
Directors of the Company	3,440,385	4,217,306
Other key management personnel	5,726,423	4,804,616
	9,166,808	9,021,922

30. Commitments and contingencies

(a) Capital commitments

There is no significant capital commitment as at financial year end.

(b) Operating lease commitments - Group as lessee

The Group leases certain land and building under non-cancellable lease agreements with varying terms and renewal rights. There are no restrictions placed upon the Group and the Company as a result of entering into these leases. Operating lease payments recognised in the income statement during the financial year amounted to RM3,071,244 (2013: RM2,420,995) (Note 7).

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

	Group	
	2014 RM	2013 RM
Not later than one year	439,552	572,499
Later than one year but not later than five years	102,354	250,003
	541,906	822,502

(c) Finance lease commitments

The Group has finance leases for its motor vehicles and office equipment (Note 11).

Future minimum lease payment under finance leases together with the present value of net minimum lease payments are disclosed in Note 24.

(d) Guarantees

At the reporting date, the Group has provided bank guarantees to third parties amounting to RM4,803,378 (2013: RM5,502,735). No liability is expected to arise.

At the reporting date, the Company has provided corporate guarantee to its subsidiaries amounting to RM37,990,219 (2013: RM36,000,000). No liability is expected to arise.

31. Financial risk management objectives and policies

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

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term loan and revolving credit with floating interest rate. The Group's policy is to manage its interest costs by obtaining the most favourable interest rates on its borrowings.

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

<u>Sensitivity analysis for interest rate risk</u>
The Group's term loan at variable rate is denominated in Ringgit Malaysia. At the reporting date, assuming the market interest rate increases/decreases by 1% (2013: 1%) with other variables including tax rate being held constant, the Group's profit before tax for the financial year would have been lower/higher by RM3,354 (2013: RM8,194) arising mainly as a result of higher/lower interest expense on this term loan.

The Group's revolving credit at variable rate was denominated in Singapore Dollar. At the previous reporting date, assuming the market interest rate increases/decreases by 1% with other variables including tax rate being held constant, the Group's profit before tax for the previous financial year would have been lower/higher by RM225,657 arising mainly as a result of higher/lower interest expense on this revolving credit. This revolving credit was fully repaid during the financial year.

The assumed fluctuation in market interest rate sensitivity analysis is based on the currently observable market environment.

(b) Liquidity risk

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

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

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contracted undiscounted repayment obligations.

	Less than 1 year RM	Between 1 and 5 years RM	Over 5 years RM	Total RM
Group				
At 30 June 2014				
Trade and other payables	64,548,887	17,589,698	-	82,138,585
Amounts due to related parties (Note 17)	2,119,573	-	-	2,119,573
Term loan	344,011	-	-	344,011
Obligations under finance leases (Note 24)	1,051,808	2,647,407	45,536	3,744,751
	68,064,279	20,237,105	45,536	88,346,920
At 30 June 2013				
Trade and other payables	42,018,645	29,495,402	-	71,514,047
Amounts due to related parties (Note 17)	16,276,585	-	-	16,276,585
Revolving credit	9,602,578	13,895,639	-	23,498,217
Term loan	525,225	344,011	-	869,236
Obligations under finance leases (Note 24)	552,472	1,039,684	50,732	1,642,888
	68,975,505	44,774,736	50,732	113,800,973
Company				
At 30 June 2014				
Trade and other payables	14,381,899	17,589,698	-	31,971,597
Amounts due to subsidiaries (Note 17)	109,165	-	-	109,165
	14,491,064	17,589,698	-	32,080,762
At 30 June 2013				
Trade and other payables	11,906,780	29,495,402	-	41,402,182
Amounts due to subsidiaries (Note 17)	4,262,385	-	-	4,262,385
Revolving credit	9,602,578	13,895,639	-	23,498,217
	25,771,743	43,391,041	-	69,162,784

(c) Credit risk

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

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

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

(c) Credit risk (cont'd)

Exposure to credit risk profile

As at reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances due from 4 customers (2013: 5 customers), representing 68% (2013: 73%) of the Group's trade receivables.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the region of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date is as follows:

	Group			
	2014		2013	
By geographical areas	RM	%	RM	%
South East Asia	124,058,656	94%	84,993,836	67%
North East Asia	5,198,473	4%	39,503,288	32%
South Asia	2,070,901	2%	867,710	1%
Middle East	587,493	-*	498,853	-*
Europe	115,149	-*	81,565	-*
	132,030,672	100%	125,945,252	100%

* Less than 1%

	Group	
	2014 RM	2013 RM
Represented by:		
Trade receivables - third parties (Note 16)	93,527,834	92,970,481
Amounts due from related parties - trade (Note 17)	38,502,838	32,974,771
	132,030,672	125,945,252

Financial assets that are neither past due nor impaired

Trade and other receivables, amounts due from related parties and loan to an associate amounted to RM118,450,691 (2013: RM81,212,331) that are not past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered with reputable licensed banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

The Group has trade receivables amounting to RM22,777,336 (2013: RM53,593,362) that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:

	Group	
	2014 RM	2013 RM
Past due 0 to 2 months (31 - 90 days)	13,211,875	10,923,976
Past due 2 to 5 months (91 - 180 days)	6,477,851	2,924,773
Past due over 5 months (>180 days)	3,087,610	39,744,613
	22,777,336	53,593,362

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

(c) Credit risk (cont'd)

Financial assets that are past due but not impaired (cont'd)

Included in prior year's past due over 5 months balances were:

(i) amount totalling RM29,426,097 due from HNA Group Co., Ltd. in relation to two software services agreements which were aged more than 12 months; and

(ii) amount totalling RM5,341,863 due from Silver Peak Technology Integration Services (Beijing) Co. Ltd. in relation to four services agreements.

These amounts were fully collected in current financial year.

Financial assets that are impaired

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

	Group	
	2014 RM	2013 RM
Individually impaired		
Trade receivables, nominal amounts	1,236,601	1,136,348
Less: Allowance for impairment	(1,236,601)	(1,136,348)
	-	-

	Group	
	2014 RM	2013 RM
At beginning of the year	1,136,348	203,490
Charge for the year (Note 7)	110,721	951,300
Reversal (Note 5)	(7,167)	(17,187)
Currency translation differences	(3,301)	(1,255)
At end of the year (Note 16)	1,236,601	1,136,348

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The companies in the Group primarily transact in their respective functional currencies. The Group's business is exposed to foreign exchange risk arising from various currency exposures primarily with respect to sales and operating expenses denominated mainly in Singapore Dollar (SGD) and United States Dollar (USD).

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

(d) Foreign currency risk (cont'd)

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

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

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax and equity to changes in the SGD, USD, Baht and Japanese Yen (JPY) exchange rates against the respective functional currencies of the Group entities and functional currency of the Company, with all other variables including tax rate being held constant.

	Group			
	Profit net of tax		Equity	
	2014 RM	2013 RM	2014 RM	2013 RM
SGD/RM				
- strengthened by 3% (2013: 1%)	6,647,995	2,720,382	7,388,353	3,050,438
- weakened by 3% (2013: 1%)	(6,647,995)	(2,720,382)	(7,388,353)	(3,050,438)
USD/RM				
- strengthened by 1% (2013: 1%)	583,642	357,989	1,336,031	1,168,293
- weakened by 1% (2013: 1%)	(583,642)	(357,989)	(1,336,031)	(1,168,293)
Baht/RM				
- strengthened by 3% (2013: 2%)	1,074,597	698,542	2,085,137	1,340,417
- weakened by 3% (2013: 2%)	(1,074,597)	(698,542)	(2,085,137)	(1,340,417)
JPY/RM				
- strengthened by 2% (2013: 20%)	(235)	347,069	(170,766)	(1,317,176)
- weakened by 2% (2013: 20%)	235	(347,069)	170,766	1,317,176

	Company			
	Profit net of tax		Equity	
	2014 RM	2013 RM	2014 RM	2013 RM
SGD/RM				
- strengthened by 3% (2013: 1%)	4,482,340	1,650,339	4,482,340	1,650,339
- weakened by 3% (2013: 1%)	(4,482,340)	(1,650,339)	(4,482,340)	(1,650,339)
JPY/RM				
- strengthened by 2% (2013: 20%)	277,117	2,416,242	277,117	2,416,242
- weakened by 2% (2013: 20%)	(277,117)	(2,416,242)	(277,117)	(2,416,242)

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

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows:

At 30 June 2014	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Hong Kong Dollar RM	Chinese Renminbi RM	Japanese Yen RM	Thailand Baht RM	Brunei Dollar RM	Sri Lanka Rupee RM	Indonesia Rupiah RM	Australian Dollar RM	Total RM
Financial assets													
Cash and bank balances	73,089,419	192,961,912	39,127,791	1,176,795	20,222	-	3,679,915	32,501,634	3,583,928	898	3,661,671	-	349,804,185
Trade receivables	57,256,755	7,894,353	17,375,580	21,502	-	1,874,626	1,378,545	7,027,175	141,470	-	557,828	-	93,527,834
Other receivables	1,445,734	330,728	5,951,801	187,024	-	-	581,092	467,377	31,692	-	92,872	-	9,088,320
Amounts due from related parties	2,777,206	27,003,042	8,831,625	-	-	-	-	-	-	-	-	-	38,611,873
	134,569,114	228,190,035	71,286,797	1,385,321	20,222	1,874,626	5,639,552	39,996,186	3,757,090	898	4,312,371	-	491,032,212
Financial liabilities													
Loans and borrowings	1,250,670	642,146	-	-	-	-	1,961,078	-	-	-	-	-	3,853,894
Trade payables	18,266,440	3,059,867	12,400,041	-	-	-	752,963	2,459,791	-	-	-	12,654	36,951,756
Other payables	35,650,395	2,876,966	522,563	563,166	3,315	-	2,732,058	890,826	37,001	-	161,161	-	43,437,451
Amounts due to related parties	1,077,510	11,209	-	-	-	-	205,194	825,660	-	-	-	-	2,119,573
	56,245,015	6,590,188	12,922,604	563,166	3,315	-	5,651,293	4,176,277	37,001	-	161,161	12,654	86,362,674
Net financial assets/ (liabilities)	78,324,099	221,599,847	58,364,193	822,155	16,907	1,874,626	(11,741)	35,819,909	3,720,089	898	4,151,210	(12,654)	404,669,538
Less: Net financial position denominated in the respective entities functional currencies	(78,059,262)	(26,081,415)	(13,244,609)	(822,155)	(16,907)	-	81,272	(35,819,909)	(3,720,089)	-	(4,048,878)	-	(161,731,952)
Currency exposure	264,837	195,518,432	45,119,584	-	-	1,874,626	69,531	-	-	898	102,332	(12,654)	242,937,586

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

(d) Foreign currency risk (cont'd)

The Group's currency exposure is as follows (cont'd):

At 30 June 2013	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Philippine Peso RM	Hong Kong Dollar RM	Chinese Renminbi RM	Japanese Yen RM	Thailand Baht RM	Brunei Dollar RM	Sri Lanka Rupee RM	Indonesia Rupiah RM	Total RM
Financial assets												
Cash and bank balances	72,976,785	237,804,454	7,511,136	2,940,701	3,315	-	1,680,352	34,144,130	3,109,851	70	2,246,473	362,417,267
Trade receivables	12,093,227	42,455,488	28,492,060	126,168	-	5,815,076	1,227,734	1,145,733	1,038,575	-	576,420	92,970,481
Other receivables	633,889	473,943	6,025,623	65,065	-	-	591,467	127,603	30,963	-	98,307	8,046,860
Amounts due from related parties	4,696,549	28,156,312	-	-	-	-	3,386	196,452	653	-	-	33,053,352
Loan to an associate	735,000	-	-	-	-	-	-	-	-	-	-	735,000
	91,135,450	308,890,197	42,028,819	3,131,934	3,315	5,815,076	3,502,939	35,613,918	4,180,042	70	2,921,200	497,222,960
Financial liabilities												
Loans and borrowings	1,842,915	22,886,954	-	-	-	-	179,310	-	-	-	-	24,909,179
Trade payables	13,422,278	3,945,630	2,920,814	-	-	-	797,627	313,711	-	-	-	21,400,060
Other payables	41,438,565	2,246,753	15,006	299,572	6,552	-	601,321	373,093	40,522	-	1,285,469	46,306,853
Amounts due to related parties	4,782,551	7,772,631	3,294,062	-	-	-	189,336	-	-	-	238,005	16,276,585
	61,486,309	36,851,968	6,229,882	299,572	6,552	-	1,767,594	686,804	40,522	-	1,523,474	108,892,677
Net financial assets/ (liabilities)	29,649,141	272,038,229	35,798,937	2,832,362	(3,237)	5,815,076	1,735,345	34,927,114	4,139,520	70	1,397,726	388,330,283
Less: Net financial position denominated in the respective entities functional currencies	(24,844,247)	(21,725,175)	(350,622)	(2,832,362)	3,237	-	(1,664,718)	(34,927,114)	(4,139,520)	-	(1,278,750)	(91,759,271)
Currency exposure	4,804,894	250,313,054	35,448,315	-	-	5,815,076	70,627	-	-	70	118,976	296,571,012

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

(d) Foreign currency risk (cont'd)

The Company's currency exposure is as follows:

At 30 June 2014	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Japanese Yen RM	Hong Kong Dollar RM	Total RM
Financial assets						
Cash and bank balances	2,295,923	150,098,401	608,393	69,530	-	153,072,247
Other receivables	1,971	49,654	12,963	-	-	64,588
Dividend receivable	4,150,798	-	-	-	-	4,150,798
Loan to subsidiaries	650,000	-	-	13,786,317	-	14,436,317
	7,098,692	150,148,055	621,356	13,855,847	-	171,723,950
Financial liabilities						
Other payables	29,402,261	718,804	101,154	-	-	30,222,219
Amounts due to subsidiaries	91,258	17,907	-	-	-	109,165
	29,493,519	736,711	101,154	-	-	30,331,384
Net financial (liabilities)/ assets	(22,394,827)	149,411,344	520,202	13,855,847	-	141,392,566
Less: Net financial position denominated in the functional currencies	22,394,827	-	-	-	-	22,394,827
Currency exposure	-	149,411,344	520,202	13,855,847	-	163,787,393

At 30 June 2013	Ringgit Malaysia RM	Singapore Dollar RM	United States Dollar RM	Japanese Yen RM	Hong Kong Dollar RM	Total RM
Financial assets						
Cash and bank balances	40,865,954	192,188,720	19,332	70,626	-	233,144,632
Other receivables	7,010	43,986	-	-	-	50,996
Amount due from a subsidiary	-	-	-	-	562,131	562,131
Loan to a subsidiary	-	-	-	12,010,586	-	12,010,586
Loan to an associate	735,000	-	-	-	-	735,000
	41,607,964	192,232,706	19,332	12,081,212	562,131	246,503,345
Financial liabilities						
Loans and borrowings	-	22,565,700	-	-	-	22,565,700
Other payables	37,197,412	384,536	13,100	-	-	37,595,048
Amounts due to subsidiaries	13,852	4,248,533	-	-	-	4,262,385
	37,211,264	27,198,769	13,100	-	-	64,423,133
Net financial assets	4,396,700	165,033,937	6,232	12,081,212	562,131	182,080,212
Less: Net financial position denominated in the functional currencies	(4,396,700)	-	-	-	-	(4,396,700)
Currency exposure	-	165,033,937	6,232	12,081,212	562,131	177,683,512

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

(e) Fair values of financial instruments

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

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

(i) Cash and cash equivalents, other receivables, other payables (current), amounts due from/to subsidiaries, related parties and loan to subsidiary/associate

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

(ii) Other payables (non-current)

The fair value of these financial liabilities are estimated by discounting the expected future cash flows at interest rate specific to the contractual arrangement at the reporting date. As at 30 June 2014, the carrying amounts of these financial instruments are not materially different from its calculated fair value.

(iii) Trade receivables and trade payables

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

(iv) Loans and borrowings

The fair values of the obligations under finance leases are determined by the present value of minimum lease payments, which are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of finance leases at the reporting date.

The fair value of the term loan and revolving credit approximates its carrying amount as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

As at 30 June 2014, the Group and the Company have no financial instruments carried at fair value on the statement of financial positions.

(f) Collateral

Other than part of short-term deposits pledged with banks as disclosed in Note 19, the Group has no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral as at 30 June 2014 (2013: Nil).

32. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2014 and 2013.

The Group monitors capital using the net asset value of the Group, which is total assets less total liabilities of the Group. The net asset value of the Group as at 30 June 2014 is RM616,377,950 (2013: RM588,105,443).

The Group and the subsidiaries are not subject to any externally imposed capital requirements.

33. Segment information

For management purposes, the Group is organised into six business segments: software licensing; rendering of software project services; maintenance and enhancement services; sale of software and hardware products; credit and cards processing services and insurance processing services.

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

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

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

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to individual segments as they are managed on a group basis.

33. Segment information (cont'd)

(a) Business information

The following table presents the revenue and results information regarding the Group's business segments for the financial years ended 30 June 2014 and 2013 and assets, liabilities and other segment information regarding the Group's segments as at 30 June 2014 and 30 June 2013.

2014	Software licensing RM	Software project services RM	Maintenance and enhancement services RM	Sale of software and hardware products RM	Credit and cards processing RM	Insurance processing RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	147,685,409	71,778,927	210,330,551	32,358,689	19,535,360	19,038,579	226,027,865	(226,027,865)	A	500,727,515
Results:										
Finance income	306,442	278,971	1,201,085	57,992	257	12,421	1,006,478	-		2,863,646
Finance expense	(72,659)	(84,165)	(371,290)	(6,499)	(13,346)	-	(2,740,947)	-		(3,288,906)
Selling and distribution costs	(2,588,726)	(1,218,566)	(1,911,803)	(481,987)	(490,757)	(719,667)	-	-		(7,411,506)
Depreciation of property, plant and equipment	(310,908)	(224,658)	(579,237)	(38,611)	(270,343)	(206,687)	(3,582)	-		(1,634,026)
Amortisation of intangible assets	(7,399,491)	(414,250)	(238,595)	-	(1,479,757)	(2,344,900)	-	-		(11,876,993)
Share of profit of associates	-	-	-	-	-	-	7,449,383	-		7,449,383
Other non-cash income	(57,182)	(155,069)	(1,175,952)	2,384	(15,407)	14,857	4,603,285	-	B	3,216,916
Segment profit/(loss)	133,853,417	17,305,797	122,250,806	6,749,651	5,145,989	12,315,645	(28,233,354)	4,744,000	C	274,131,951
Assets:										
Investments in associates	-	-	-	-	-	-	74,121,788	-		74,121,788
Capital expenditure	22,457,242	4,702,670	16,287,522	1,994,050	4,663,134	229,904	-	-	D	50,334,522
Segment assets	166,269,642	88,558,805	176,437,112	10,165,853	13,648,128	76,467,159	232,951,580	2,243,499	E	766,741,778
Segment liabilities	17,985,077	11,864,947	52,690,090	3,180,611	5,651,294	3,176,546	30,237,402	25,577,861	F	150,363,828

33. Segment information (cont'd)

(a) Business information (cont'd)

2013	Software licensing RM	Software project services RM	Maintenance and enhancement services RM	Sale of software and hardware products RM	Credit and cards processing RM	Insurance processing RM	Others RM	Adjustments and eliminations RM	Notes	Per consolidated financial statements RM
Revenue:										
External customers	119,602,102	77,436,493	173,565,199	6,634,862	16,644,388	4,692,211	168,844,070	(168,844,070)	A	398,575,255
Results:										
Finance income	341,145	256,358	769,148	14,619	280	200	236,542	-		1,618,292
Finance expense	(75,082)	(31,841)	(42,565)	(990)	(8,062)	-	(1,178,906)	-		(1,337,446)
Selling and distribution costs	(4,729,290)	(2,088,131)	(2,392,435)	(156,030)	(448,555)	(100,676)	-	-		(9,915,117)
Depreciation of property, plant and equipment	(301,887)	(155,007)	(501,643)	(6,241)	(376,869)	(46,518)	(3,746)	-		(1,391,911)
Amortisation of intangible assets	(5,415,020)	-	-	-	(1,189,256)	(586,225)	-	-		(7,190,501)
Share of profit of associates	-	-	-	-	-	-	2,204,542	-		2,204,542
Other non-cash expenses	(468,407)	(452,467)	(1,213,709)	4,084	(16,653)	1,016	(1,594,535)	-	B	(3,740,671)
Segment profit/(loss)	107,889,772	21,564,994	103,090,547	2,317,055	3,596,671	3,211,184	(31,748,341)	3,053,000	C	212,974,882
Assets:										
Investments in associates	-	-	-	-	-	-	66,672,405	-		66,672,405
Capital expenditure	2,652,122	64,312	217,016	991	372,207	60,920,465	-	-	D	64,227,113
Segment assets	145,280,034	81,255,410	133,407,125	877,210	5,222,629	69,345,635	306,030,202	2,522,967	E	743,941,212
Segment liabilities	16,929,906	22,063,099	34,987,008	909,233	1,767,593	1,824,742	60,373,940	16,980,248	F	155,835,769

33. Segment information (cont'd)

(a) Business information (cont'd)

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

A Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the financial year (2013: Nil).

B Other non-cash income/(expenses) consist of allowance for unutilised leave, defined benefits plans, bad debts written off, impairment of financial assets, gain on disposal of property, plant and equipment, write off of property, plant and equipment, performance shares issued, unrealised foreign currency exchange gain/(loss), fair value adjustment on contingent consideration for business combination and gain on sale of available-for-sale financial assets as presented in the respective notes to the financial statements.

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

	2014 RM	2013 RM
Reversal of impairment loss in investment in an associate	4,744,000	3,053,000

D Capital expenditure consists of additions to property, plant and equipment and intangible assets, including assets from the acquisition of subsidiaries.

E The following items are added to segment assets to arrive at total assets reported in consolidated statement of financial position:

	2014 RM	2013 RM
Loan to an associate	-	735,000
Tax recoverable	591,349	202,307
Deferred tax assets	1,652,150	1,585,660
	2,243,499	2,522,967

F The following items are added to segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2014 RM	2013 RM
Income tax payable	13,225,321	8,085,592
Deferred tax liabilities	12,352,540	8,894,656
	25,577,861	16,980,248

33. Segment information (cont'd)

(b) Geographical information

The Group's six main business segments operate in seven main geographical regions:

- South East Asia – the operations in this area are principally software licensing; rendering of software project services; maintenance and enhancement services; sale of software and hardware products; and insurance processing.
- North East Asia – the operations in this area are principally software licensing; rendering of software project services; and credit and cards processing.
- South Asia – the operations in this area are principally rendering of software project services; and maintenance and enhancement services.
- Middle East – the operations in this area are principally software licensing; rendering of software project services; and maintenance and enhancement services.
- North America – the operations in this area are principally software licensing; and rendering of software project services.
- Africa – the operations in this area are principally software licensing; and rendering of software project services.
- Europe – the operation in this area is principally rendering of maintenance and enhancement services.

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

	2014 RM	2013 RM
Revenue		
South East Asia	434,526,581	352,308,108
North East Asia	28,882,899	27,933,050
South Asia	17,015,303	6,122,260
Middle East	3,324,211	3,325,076
Africa	15,242,485	7,379,768
Europe	1,736,036	1,506,993
	500,727,515	398,575,255
Capital expenditure		
South East Asia	45,671,388	63,854,907
North East Asia	4,663,134	372,206
	50,334,522	64,227,113

33. Segment information (cont'd)

(b) Geographical information (cont'd)

	2014 RM	2013 RM
Segmental assets		
South East Asia	650,854,005	614,341,610
North East Asia	19,581,313	49,593,559
South Asia	12,390,226	2,646,840
Middle East	587,494	562,109
North America	8,265,278	10,031,998
Africa	806,585	-
Europe	135,089	92,691
	692,619,990	677,268,807
Investments in associates	74,121,788	66,672,405
	766,741,778	743,941,212

No other individual country contributed more than 10% of consolidated revenue and non-current assets, except for:

	2014 RM	2013 RM
Revenue		
Malaysia	295,608,440	194,586,304
Singapore	65,982,897	67,185,529
Non-current assets*		
Malaysia	98,120,688	60,155,472
Singapore	55,490,782	56,611,051

*Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

<u>Information about major customers</u>
Three major customers (2013: one major customer) contributed more than 10% of the total Group's revenue which amounting to RM181,932,058 (2013: RM69,152,922). Revenue from major customers arise from software licensing, software project services, maintenance and enhancement services and sale of software and hardware products.

34. Significant event during the financial year

Acquisition of a subsidiary

On 22 May 2013, the Company entered into a Sale and Purchase Agreement with Brightsphere Sdn. Bhd., and Shieh Yee Bing and Sua Shii Huey (as guarantors), to acquire the entire issued share capital in Cyber Village Sdn. Bhd. ("CVSB") at total cash consideration of RM42,296,000, of which RM39,296,000 was paid on 3 July 2013 and the remaining consideration of RM1,200,000 and RM1,800,000 to be paid within 21 days from 31 December 2014 and 31 December 2015 respectively.

The acquisition was completed on 3 July 2013 and CVSB becomes a wholly-owned subsidiary of the Company.

The impact of the acquisition is as disclosed in Note 13(a).

35. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 26 September 2014.

STATISTICS OF SHAREHOLDINGS

AS AT 22 SEPTEMBER 2014

Issued and fully paid-up capital	:	RM157,483,159
No. of shares issued	:	2,247,543,108 shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of treasury shares held	:	2,794,000
Percentage of treasury shares against total number of issued ordinary shares (excluding treasury shares)	:	0.1%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares (excluding treasury shares)	%
1 - 999	12	1.02	2,186	0.00
1,000 - 10,000	635	54.18	3,782,788	0.17
10,001 - 1,000,000	497	42.41	36,964,297	1.65
1,000,001 AND ABOVE	28	2.39	2,203,999,837	98.18
TOTAL	1,172	100.00	2,244,749,108	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	INTELLIGENTSIA HOLDING LTD	918,086,346	40.90
2	HSBC (SINGAPORE) NOMINEES PTE LTD	409,514,116	18.24
3	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	301,127,000	13.41
4	CITIBANK NOMINEES SINGAPORE PTE LTD	190,439,187	8.48
5	DBS NOMINEES (PRIVATE) LIMITED	77,034,777	3.43
6	CIMB SECURITIES (SINGAPORE) PTE LTD	66,968,000	2.98
7	DBSN SERVICES PTE LTD	57,571,663	2.56
8	SEE CHUANG THUAN OR LOI PEK KEAW	31,945,578	1.42
9	ROYAL BANK OF CANADA	27,288,000	1.22
10	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	23,402,392	1.04
11	RAFFLES NOMINEES (PTE) LIMITED	23,345,715	1.04
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,259,244	0.59
13	DB NOMINEES (SINGAPORE) PTE LTD	10,331,700	0.46
14	OCBC SECURITIES PRIVATE LIMITED	8,417,000	0.37
15	CHIN JIT PYNG	7,000,000	0.31
16	KWONG YONG SIN	6,810,000	0.30
17	PHILLIP SECURITIES PTE LTD	5,172,119	0.23
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,603,000	0.21
19	CITIBANK CONSUMER NOMINEES PTE LTD	3,573,000	0.16
20	MAYBANK KIM ENG SECURITIES PTE LTD	3,389,000	0.15
	TOTAL	2,189,277,837	97.50

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company as at 22 September 2014 are as follows:

	No. of Ordinary Shares of USD0.02 each			
	Direct interest	%	Indirect Interest	%
INTELLIGENTSIA HOLDING LTD	1,490,236,347	66.39	-	-
GOH PENG OOI	-	-	1,490,236,347	66.39

Note:

Intelligentsia Holding Ltd. is wholly-owned by Mr. Goh Peng Ooi. As such, Mr. Goh Peng Ooi is deemed to have an interest in the 1,490,236,347 shares held by Intelligentsia Holding Ltd. A total of 572,150,001 shares held by Intelligentsia Holding Ltd. are registered in the names of nominee companies.

FREE FLOAT

As at 22 September 2014, approximately 33.20% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SILVERLAKE AXIS LTD will be held at The Fullerton Hotel Singapore, 1 Fullerton Square, Singapore 049178 on 27 October 2014, Monday at 11.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2014 together with the Directors' Report and Auditors' Report thereon. **Resolution 1**

2. To declare a final and a special tax exempt 1-Tier dividend of Singapore cents 1.2 and Singapore cents 0.6 per share respectively, for the financial year ended 30 June 2014 as recommended by the Directors. **Resolution 2**

3. To approve the payment of Directors' Fees of S$506,000 (2014: S$460,000) for the financial year ending 30 June 2015, to be paid quarterly in arrears. **Resolution 3**

4. To re-elect Mr. Ong Kian Min who is retiring under Bye-Law 86(1) of the Company's Bye-Laws. **Resolution 4**

   [See Explanatory Note (i)]

5. To re-elect YBhg. Datuk Sulaiman bin Daud who is retiring under Bye-Law 86(1) of the Company's Bye-Laws. **Resolution 5**

   [See Explanatory Note (ii)]

6. To re-appoint Messrs Ernst & Young, as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

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

AS SPECIAL BUSINESS

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

8. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES** **Resolution 7**

   "That pursuant to Rule 806 of the Listing Manual (**"Listing Manual"**) of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**), the Directors be empowered to allot and issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit,

   PROVIDED ALWAYS THAT the aggregate number of shares and convertible securities to be issued pursuant to this resolution shall not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than twenty percent (20%) of the total number of issued shares excluding treasury shares, and that such authority shall continue in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. For the purpose of Rule 806(2), the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time of passing of this resolution approving the mandate after adjusting for:

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

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

   (c) any subsequent bonus issue, consolidation or subdivision of shares."

   [See Explanatory Note (iii)]

9. **AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES UNDER SILVERLAKE AXIS LTD PERFORMANCE SHARE PLAN 2010** **Resolution 8**

"That authority be and is hereby given to the Directors of the Company to grant awards from time to time in accordance with the provisions of the Silverlake Axis Ltd Performance Share Plan (the "PSP"), and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the release of awards granted under the PSP, provided always that the aggregate number of shares to be issued pursuant to the PSP shall not exceed 5% of the total number of issued shares excluding treasury shares from time to time, as determined in accordance with the provisions of the PSP."

[See Explanatory Note (iv)]

10. **RENEWAL OF SHARE PURCHASE MANDATE** **Resolution 9**

"That:

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

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

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

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

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

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

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

(c) In this Resolution:

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

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

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

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

where:

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

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

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

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

[See Explanatory Note (v)]

11. **RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS** **Resolution 10**

"THAT:

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

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

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

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

[See Explanatory Note (vi)]

BY ORDER OF THE BOARD

Tan Min-Li
Hoong Lai Ling
Joint Company Secretaries
Singapore

Date: 10 October 2014

Explanatory Notes:

(i) If re-elected under Resolution 4 above, Mr. Ong Kian Min will remain as an Independent Director of the Company, the Chairman of the Audit Committee and Nominating Committee and a member of the Remuneration Committee. He will be considered as independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There is no relationship including immediate family relationships between Mr. Ong Kian Min and the other Directors, the Company, or its 10% shareholders (as defined in the Code of Corporate Governance 2012 (the **"Code"**)). The detailed information of Mr. Ong Kian Min can be found at page 16 of the Annual Report.

(ii) If re-elected under Resolution 5 above, YBhg. Datuk Sulaiman bin Daud will remain as a Non-Executive Director of the Company and a member of the Nominating Committee. There is no relationship including immediate family relationships between YBhg. Datuk Sulaiman bin Daud and the other Directors or the Company. The detailed information of YBhg. Datuk Sulaiman bin Daud can be found at page 19 of the Annual Report.

(iii) Resolution 7 above, if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to a maximum of fifty percent (50%) of the issued share capital of the Company (of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall not exceed twenty percent (20%) of the issued share capital of the Company) for such purposes as they consider would be in the interests of the Company. This authority will continue in force until the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. Subject to the provisos in Ordinary Resolution 7, the Directors may issue shares notwithstanding that authority pursuant to Ordinary Resolution 7 has ceased to be in force if the shares are issued in pursuance of an offer, agreement or option made or granted by the Directors while the authority pursuant to this Resolution was in force and if such offer, agreement or option which would or might require shares to be issued after the expiration of the authority.

(iv) Resolution 8 proposed above, if passed, will empower the Directors of the Company, to grant awards and to allot and issue shares in accordance with the PSP.

(v) Resolution 9 proposed above, if passed, will be effective until the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. Please refer to the Letter to Shareholders on (I) Proposed Renewal of Share Purchase Mandate and (II) Proposed Renewal of Interested Persons Transactions (**"IPT"**) General Mandate dated 10 October 2014.

(vi) Please refer to the Letter to Shareholders on (I) Proposed Renewal of Share Purchase Mandate and (II) Proposed Renewal of Interested Persons Transactions (**"IPT"**) General Mandate dated 10 October 2014.

Notes:

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

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

(iii) A proxy need not be a shareholder.

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

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

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Silverlake Axis Ltd (32447)

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