

**SILVERLAKE AXIS LTD**

**First Quarter Financial Statements And Dividend Announcement For The Financial Period Ended 30 September 2012**

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

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediate preceding financial year

**CONSOLIDATED INCOME STATEMENT**  
**For the first quarter ended 30 September 2012**

	First quarter ended 30 September		
	2012	2011	Change
	RM	RM	%
Revenue	80,068,265	94,611,950	(15)
Cost of sales	(28,950,959)	(54,618,312)	(47)
<b>Gross Profit</b>	<b>51,117,306</b>	<b>39,993,638</b>	28
<b>Other items of income</b>			
Interest income	238,251	156,585	52
Other income	2,524,083	3,369,738	(25)
<b>Other items of expenses</b>			
- Selling and distribution costs	(3,003,370)	(2,240,247)	34
- Administrative expenses	(8,313,528)	(8,306,217)	0
- Finance costs	(63,051)	(54,913)	15
Share of (loss)/profit of associates	(267,032)	307,782	>100
<b>Profit before tax</b>	<b>42,232,659</b>	<b>33,226,366</b>	27
Income tax expense	(2,714,188)	(5,393,174)	(50)
<b>Profit for the period</b>	<b>39,518,471</b>	<b>27,833,192</b>	42
<b>Profit for the period attributable to:</b>			
Owners of the Parent	39,518,471	27,833,192	42
<b>Earnings per share attributable to the equity holders of the Parent:</b>			
- Basic and diluted (sen)	1.88	1.32	42

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the first quarter ended 30 September 2012**

	First quarter ended 30 September		
	2012	2011	Change
	RM	RM	%
<b>Profit for the period</b>	39,518,471	27,833,192	42
<b>Other comprehensive (loss)/income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation (loss)/gain *	(4,260,820)	943,603	>100
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(4,260,820)</b>	<b>943,603</b>	>100
<b>Total comprehensive income for the period</b>	<b>35,257,651</b>	<b>28,776,795</b>	23
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Parent	35,257,651	28,776,795	23

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

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

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

	First quarter ended		
	30 September		
	2012	2011	Change
	RM	RM	%
Amortisation of intangible assets	(1,681,578)	(2,871,745)	(41)
Depreciation of property, plant and equipment	(347,626)	(467,556)	(26)
Net foreign exchange gain** / (loss)*:			
- realised	1,105,255	(1,690,870)	>100
- unrealised	1,310,823	3,153,629	(58)
Loss on disposal of property, plant and equipment *	-	(1,578)	(100)
Gain on disposal of property, plant and equipment **	62,000	-	N/M
Write off of property, plant and equipment	(1,624)	-	N/M
Allowance for unutilised leave	(246,615)	(292,605)	(16)
Allowance for defined benefit liabilities	(12,261)	-	N/M

\* Included in other operating expenses

\*\* Included in other operating income

N/M = Not Meaningful

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

**STATEMENT OF FINANCIAL POSITIONS**

	As at 30-Sept-12		As at 30-Jun-12	
	Group RM	Company RM	Group RM	Company RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10,478,873	10,575	10,661,662	11,511
Intangible assets	68,766,911	-	70,834,358	-
Investments in subsidiaries	-	1,723,871,286	-	1,723,871,286
Investments in associates	64,200,830	9,027,000	64,467,863	9,027,000
Deferred tax assets	1,343,207	-	940,808	-
	<b>144,789,821</b>	<b>1,732,908,861</b>	<b>146,904,691</b>	<b>1,732,909,797</b>
<b>Current assets</b>				
Amounts due from customers for contract work-in-progress	8,564,711	-	6,481,691	-
Trade and other receivables	89,382,613	3,568	120,667,217	3,718
Advance maintenance cost	2,034,733	-	315,612	-
Prepayments	2,479,576	91,082	1,434,704	49,750
Amount due from a subsidiary	-	543,050	-	565,562
Amounts due from related parties	9,598,361	-	25,293,213	-
Loan to a subsidiary	-	12,910,558	-	11,459,288
Loan to an associate	735,000	735,000	735,000	735,000
Tax recoverable	964,871	-	886,243	-
Cash and bank balances	157,720,602	2,780,912	97,645,981	5,462,965
	<b>271,480,467</b>	<b>17,064,170</b>	<b>253,459,661</b>	<b>18,276,283</b>
<b>Total assets</b>	<b>416,270,288</b>	<b>1,749,973,031</b>	<b>400,364,352</b>	<b>1,751,186,080</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	151,271,159	151,271,159	151,271,159	151,271,159
Share premium	28,315,358	1,464,873,114	28,315,358	1,464,873,114
Treasury shares	(13,505,152)	(13,505,152)	(13,505,152)	(13,505,152)
Foreign currency translation reserve	(12,082,414)	-	(7,821,594)	-
Capital reserve	466,828	-	466,828	-
Merger deficit	(119,765,286)	-	(119,765,286)	-
Retained profits	298,148,292	117,621,435	258,629,821	118,995,990
<b>Total equity</b>	<b>332,848,785</b>	<b>1,720,260,556</b>	<b>297,591,134</b>	<b>1,721,635,111</b>
<b>Non-current liabilities</b>				
Loans and borrowings	2,188,287	-	2,461,470	-
Deferred tax liabilities	5,846,764	-	6,028,449	-
Other payable	-	-	11,171,684	11,171,684
Provision for defined benefit liabilities	2,145,401	-	2,189,886	-
	<b>10,180,452</b>	<b>-</b>	<b>21,851,489</b>	<b>11,171,684</b>

**STATEMENT OF FINANCIAL POSITIONS (Cont'd)**

	As at 30-Sept-12		As at 30-Jun-12	
	Group RM	Company RM	Group RM	Company RM
<b>Current liabilities</b>				
Amounts due to customers for contract work-in-progress	740,409	-	8,020,951	-
Trade and other payables	32,366,052	12,402,547	20,165,859	850,570
Provision for defined benefit liabilities	206,930	-	155,830	-
Advance maintenance fees	16,952,393	-	16,363,859	-
Loans and borrowings	1,014,875	-	997,430	-
Amounts due to subsidiaries	-	17,309,928	-	17,366,184
Amounts due to related parties	14,178,427	-	27,191,793	-
Income tax payable	7,781,965	-	8,026,007	162,531
	<b>73,241,051</b>	<b>29,712,475</b>	<b>80,921,729</b>	<b>18,379,285</b>
<b>Total liabilities</b>	<b>83,421,503</b>	<b>29,712,475</b>	<b>102,773,218</b>	<b>29,550,969</b>
<b>Net current assets/(liabilities)</b>	<b>198,239,416</b>	<b>(12,648,305)</b>	<b>172,537,932</b>	<b>(103,002)</b>
<b>Total equity and liabilities</b>	<b>416,270,288</b>	<b>1,749,973,031</b>	<b>400,364,352</b>	<b>1,751,186,080</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

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

As at 30-Sept-12	
Secured Group RM	Unsecured Group RM
1,014,875	-

As at 30-Jun-12	
Secured Group RM	Unsecured Group RM
997,430	-

**Amount repayable after one year**

As at 30-Sept-12	
Secured Group RM	Unsecured Group RM
2,188,287	-

As at 30-Jun-12	
Secured Group RM	Unsecured Group RM
2,461,470	-

**Details of any collateral**

The secured facilities of the Group comprise hire purchases, leased assets and term loan which are secured by certain property, plant and equipment of subsidiaries with a total net book value of RM9,376,824 as at 30 September 2012 (RM9,526,056 as at 30 June 2012).

**1(c) Cash flow statements (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	First quarter ended	
	30-Sep-12	30-Sep-11
	RM	RM
<b>Operating activities:</b>		
Profit before tax	42,232,659	33,226,366
Adjustments for :		
Amortisation of intangible assets	1,681,578	2,871,745
Depreciation of property, plant and equipment	347,626	467,556
Net (gain)/loss on disposal of property, plant and equipment	(62,000)	1,578
Write off of property, plant and equipment	1,624	-
Unrealised foreign currency exchange gain	(1,310,823)	(3,153,629)
Allowance for unutilised leave	246,615	292,605
Allowance for defined benefit liabilities	12,261	-
Share of loss/(profit) of associates	267,032	(307,782)
Interest expense	63,051	54,913
Interest income	(238,251)	(156,585)
<b>Operating cash flows before changes in working capital :</b>	<b>43,241,372</b>	<b>33,296,767</b>
<b>Changes in working capital:</b>		
Decrease in trade and other receivables	28,209,848	16,332,012
Net movement in amounts due from/to customers for contract work-in-progress	(9,404,400)	273,917
Net movement in amounts due from/to related parties	2,755,336	(21,770,957)
Increase/(Decrease) in trade and other payables	605,631	(6,753,081)
<b>Cash flows from operations</b>	<b>65,407,787</b>	<b>21,378,658</b>
Net placement of deposit pledged	30,222	-
Income tax paid	(3,625,976)	(1,276,493)
Interest paid	(46,214)	(54,913)
<b>Net cash flows from operating activities</b>	<b>61,765,819</b>	<b>20,047,252</b>
<b>Investing activities:</b>		
Purchases of property, plant and equipment	(181,548)	(176,257)
Payments for software development expenditure	-	(365,303)
Payments for other intangible assets	(8,710)	-
Acquisition of a subsidiary, net of cash acquired	-	(33,493,744)
Proceeds from disposal of property, plant and equipment	62,000	5,193
Interest received	238,251	156,585
Placement of short-term deposit	(995,336)	-
<b>Net cash flows used in investing activities</b>	<b>(885,343)</b>	<b>(33,873,526)</b>
<b>Financing activities:</b>		
Repayment of finance lease liabilities	(140,183)	(12,505)
Repayment of term loan	(109,975)	(102,648)
<b>Net cash flows used in financing activities</b>	<b>(250,158)</b>	<b>(115,153)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>60,630,318</b>	<b>(13,941,427)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(1,520,851)</b>	<b>2,433,605</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>92,374,594</b>	<b>72,184,377</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>151,484,061</b>	<b>60,676,555</b>

	First quarter ended	
	30-Sep-12	30-Sep-11
	RM	RM
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:		
Cash and bank balances per Statement of Financial Positions	157,720,602	61,935,247
Less: Short-term deposits with licensed banks with maturity more than 3 months	(5,007,336)	-
Less: Pledged deposits	(1,229,205)	(1,258,692)
<b>Cash and cash equivalents at end of the financial period</b>	<b>151,484,061</b>	<b>60,676,555</b>

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

**Consolidated Statement of changes in equity for the first quarter ended 30 September 2012**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Merger deficit	Retained profits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>								
<b>As at 1-Jul-2012</b>	151,271,159	28,315,358	(13,505,152)	(7,821,594)	466,828	(119,765,286)	258,629,821	297,591,134
Profit for the period	-	-	-	-	-	-	39,518,471	39,518,471
Other comprehensive loss for the period	-	-	-	(4,260,820)	-	-	-	(4,260,820)
<b>As at 30-Sep-2012</b>	151,271,159	28,315,358	(13,505,152)	(12,082,414)	466,828	(119,765,286)	298,148,292	332,848,785

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Merger deficit	Retained profits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>								
<b>As at 1-Jul-2012</b>	151,271,159	1,464,873,114	(13,505,152)	-	-	-	118,995,990	1,721,635,111
Loss for the period	-	-	-	-	-	-	(1,374,555)	(1,374,555)
<b>As at 30-Sep-2012</b>	151,271,159	1,464,873,114	(13,505,152)	-	-	-	117,621,435	1,720,260,556

**Consolidated Statement of changes in equity for the first quarter ended 30 September 2011**

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Merger deficit	Retained profits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>								
<b>As at 1-Jul-2011</b>	151,271,159	28,315,358	(10,397,498)	(11,266,146)	466,828	(119,765,286)	174,373,056	212,997,471
Profit for the period	-	-	-	-	-	-	27,833,192	27,833,192
Other comprehensive income for the period	-	-	-	943,603	-	-	-	943,603
<b>As at 30-Sep-2011</b>	151,271,159	28,315,358	(10,397,498)	(10,322,543)	466,828	(119,765,286)	202,206,248	241,774,266

	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Capital reserve	Merger deficit	Retained profits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Company</b>								
<b>As at 1-Jul-2011</b>	151,271,159	1,464,873,114	(10,397,498)	-	-	-	106,902,332	1,712,649,107
Profit for the period	-	-	-	-	-	-	622,372	622,372
<b>As at 30-Sep-2011</b>	151,271,159	1,464,873,114	(10,397,498)	-	-	-	107,524,704	1,713,271,479

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

There have been no changes in the Company's issued and paid-up share since the end of the previous financial year.

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

	As at 30-Sep-12	As at 30-Jun-12	As at 30-Sep-11
Total number of issued shares	2,147,543,108	2,147,543,108	2,147,543,108
Less: Treasury shares	(49,194,000)	(49,194,000)	(45,558,000)
Total number of issued shares excluding treasury shares	2,098,349,108	2,098,349,108	2,101,985,108

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

	As at 30-Sep-12	As at 30-Jun-12
Number of treasury shares at the beginning of the financial year	49,194,000	45,558,000
Purchase of treasury shares	-	3,636,000
Number of treasury shares at the end of the financial period/year	49,194,000	49,194,000

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

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

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

Not applicable.

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

The Group's audited annual financial statements for financial year ended 30 June 2012 were prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 30 June 2012 except that the Group has adopted the following new IFRS and interpretations which became effective for the period beginning on or after 1 July 2012.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income  
IAS 12 Income Taxes – Recovery of Underlying Assets

The adoption of the above standards affects presentation only and there is no impact on the financial performance or position of the Group.

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

	Effective for annual periods beginning on or after
IAS 19 Employee Benefits (Amendment)	1 January 2013
IAS 27 Separate Financial Statements (as revised in 2011)	1 January 2013
IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)	1 January 2013
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Involvement with Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013

The adoption of the above standards will have no material impact on the Group's financial position or performance.

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

Not applicable.

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

	Group	
	First quarter ended	
	30-Sep-12	30-Sep-11
Based on the weighted average number of ordinary shares on issue *	Sen 1.88	Sen 1.32

\* The weighted average number of ordinary shares on issue has taken into account the weighted average effect of changes in treasury shares transactions during the financial period ended 30 September 2012 of 2,098,349,108 (30 September 2011: 2,101,985,108) of USD0.02 each.

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

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

	As at 30-Sept-12		As at 30-Jun-12	
	Group Sen	Company Sen	Group Sen	Company Sen
Net asset value per ordinary share *	15.86	81.98	14.18	82.05

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

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

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

**(a) INCOME STATEMENT REVIEW – First quarter ended 30 September 2012 (“Q1 FY2013”) vs First quarter ended 30 September 2011 (“Q1 FY2012”)**

**Overview**

Silverlake Axis Ltd (SAL) is a leading provider of digital economy solutions and services for major organisations in Banking and Financial Services, Payments, Retail and Logistics businesses. The Group's Silverlake Axis Software and Services Solutions are delivering operational excellence and enabling business transformations at over 100 organisations across Asia including 40% of the top 20 largest banks in South East Asia.

In Q1 FY2013, the Group's revenue decreased by 15% to RM80.1 million due to a change in the revenue mix whereas profit attributable to shareholders increased by 42% to RM39.5 million compared with the previous corresponding period.

The acquisitions in FY2010 and FY2012 broadened the Group's suite of business enterprise software solutions and services offerings. The Group continued to benefit from these acquisitions.

**Revenue**

Revenue in Q1 FY2013 was RM80.1 million, about 15% lower compared with Q1 FY2012. The decrease in the Group's revenue was mainly due to lower sale of software and hardware products and software project services, and this was partially offset by the increase in the revenue contribution from software licensing and maintenance and enhancement services.

The sale of software and hardware products declined substantially in Q1 FY2013 due to two large sales of hardware products recorded in the previous corresponding period. Software project services recorded a lower revenue in Q1 FY2013 mainly due to the successful completion of the Thanachart-Siam City Bank and Hong Leong-EON Bank merger integration projects and the CIMB Thailand and CIMB Singapore SIBS core banking projects in FY2012. The progressive work performed on other ongoing software implementation services contracts contributed to the Q1 FY2013 revenue and will continue to be recognized progressively in the current and following financial years.

Software licensing revenue doubled in Q1 FY2013 due to two software licensing contracts secured and delivered during the quarter. Maintenance and enhancement services revenue recorded strong growth in Q1 FY2013 due to the new maintenance and project enhancement contracts during the quarter.

**By Business Activities**

	1-7-12 to 30-9-12	1-7-11 to 30-9-11	Change
	Group RM	Group RM	%
<b>Revenue</b>			
Software licensing	20,445,406	10,302,263	98
Software project services	6,671,013	15,323,692	(56)
Maintenance and enhancement services	46,493,302	33,601,369	38
Sale of software and hardware products	2,385,453	31,603,890	(92)
Credit card processing	4,073,091	3,780,736	8
	80,068,265	94,611,950	(15)

### **Profitability**

Although overall revenue was lower, the Group achieved a higher gross profit of RM51.1 million in Q1 FY2013, a 28% increase over the gross profit of RM40.0 million recorded in the previous corresponding period. The Group's gross profit margin of 64% in Q1 FY2013 was higher compared with 42% in Q1 FY2012 due to the change in the revenue mix, with a higher proportion of revenue recorded from higher margin activities such as software licensing and maintenance and enhancement services compared with the previous corresponding period.

The increase in interest income by 52% is due to higher cash available for placement with financial institutions compared with Q1 FY2012. The other income decreased from RM3.4 million to RM2.5 million as realised and unrealised foreign exchange gains recorded in Q1 FY2013 was lower at RM2.4 million compared with RM3.2 million recorded in Q1 FY2012.

Compared with Q1 FY2012, the selling and distribution costs increased from RM2.2 million to RM3.0 million, mainly due to the increase in marketing and promotional expenses incurred to support expanded marketing activities.

The Group's share of loss of associates of RM0.3 million was mainly due to the share of loss from e-Petrol Silverswitch Sdn. Bhd. of RM0.4 million, which was partially offset by a small share of profit from GIT Info Tech Co. Ltd. of RM0.1 million.

Although profitability was higher, income tax expense declined from RM5.4 million in Q1 FY2012 to RM2.7 million in Q1 FY2013. Correspondingly, the effective tax rate of the Group decreased from 16% in Q1 FY2012 to 6% in Q1 FY2013. This decrease was mainly due to the higher tax-exempt income from software licensing and the lower taxable income in Q1 FY2013.

As a result of the 28% increase in gross profit, the Group recorded a profit before tax of RM42.2 million, 27% higher than RM33.2 million achieved in the previous corresponding period. With the increase in profit before tax, the Group achieved a 42% increase in profit after tax to RM39.5 million in Q1 FY2013 compared with Q1 FY2012 due to lower tax expense.

### **(b) STATEMENT OF FINANCIAL POSITIONS REVIEW**

#### **Intangible assets**

The decrease in intangible assets from RM70.8 million as at 30 June 2012 to RM68.8 million as at 30 September 2012 was mainly due to amortisation of intangible assets for the quarter.

#### **Trade and other receivables**

Trade and other receivables decreased from RM120.7 million as at 30 June 2012 to RM89.4 million as at 30 September 2012 mainly due to improved timing of collection from customers.

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

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

#### **Amounts due from/(to) customers for contract work-in-progress**

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

The net amount due from customers for contract work-in-progress as at 30 September 2012 was RM7.8 million compared with net amount due to customers for contract work-in progress of RM1.5 million as at 30 June 2012 due to the timing of billings and revenue recognition.

#### **Total current and non-current trade and other payables**

Trade and other payables increased slightly from RM31.3 million as at 30 June 2012 to RM32.4 million as at 30 September 2012. The non-current other payable as at 30 June 2012, comprised the remaining 25% cash consideration for the acquisition of ISIS and has been reclassified to current liabilities as it is payable on 1 July 2013.

#### **Cash and bank balances**

Cash and bank balances increased from RM97.6 million as at 30 June 2012 to RM157.7 million as at 30 September 2012 mainly due to the net cash inflow from operating activities of RM61.8 million.

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

Not applicable.



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

The global economy is likely to remain weak and uncertain for the rest of the current financial year. Fortunately for the Group, most of the Asian economies are still growing at a relatively healthy pace and it is in Asia that the Group derives most of its business. Financial institutions and corporations in Asia are continuing to make investments in technology to improve their competitive edge in a digital economy and the Group is actively pursuing some of these business opportunities.

The Group will continue to work on the software and implementation services contracts on hand in the new financial year FY2013. In addition, the substantial recurrent income from maintenance and enhancement services is expected to grow with the completion of ongoing software projects and new project enhancement contracts secured in the new financial year.

Notwithstanding the economic uncertainties and barring unforeseen circumstances, the Group is optimistic of its business prospects in FY2013.

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

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

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

Name of Dividend	First Interim
Dividend Type	Cash
Dividend Rate	Singapore cents 0.5 per ordinary share
Par value of shares	USD 0.02
Tax Rate	Tax exempt 1-tier

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

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

Name of Dividend	First Interim
Dividend Type	Cash
Dividend Rate	Singapore cents 0.2 per ordinary share
Par value of shares	USD 0.02
Tax Rate	Tax exempt 1-tier

**(c) Date payable**

The Directors have proposed a tax exempt (one-tier) interim dividend of Singapore cents 0.5 per ordinary share. The interim dividend will be payable on 14 December 2012.

**(d) Books closure date**

Notice is hereby given that the Transfer Book and Register of Member of the Company will be closed on 30 November 2012 for the purpose of determining shareholders' entitlements to the proposed interim dividend. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m., on 29 November 2012 will be registered before entitlements to the dividend are determined.

Shareholders (being depositors) whose securities accounts with the Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 29 November 2012 will be entitled to the proposed interim dividend.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

**15. A breakdown of sales**

Not applicable.

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

Not applicable.

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

The aggregate value of recurrent interested person transactions of revenue or trading nature conducted during the period ended 30 September 2012 by the Group in accordance with the shareholders' mandates were as follow:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions, conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1-7-12 to 30-9-12	1-7-12 to 30-9-12
Companies associated to Mr Goh Peng Ooi ("Silverlake Entities")		<b>RM</b>
- <b>Old Mandates</b> (1)		
Revenue from Silverlake Entities	-	187,176
- <b>New Mandates</b> (2)		
Revenue from Silverlake Entities	-	18,886,559
Service fees to Silverlake Entities	-	(7,520,357)
- <b>Ancillary Transactions</b> (3)		
Revenue from Silverlake Entities	-	1,664,021

(1) Old Mandates refers to the Master License Reseller Agreement ("MLRA"), Master Services Agreement ("MSA") and Master Reseller Agreement ("MRA") Shareholders' Mandates for Interested Person Transactions approved by the shareholders on 31 October 2007.

(2) New Mandates refers to the Master License Agreement ("MLA") and Master Services Agreement ("MSA") Shareholders' Mandates for Interested Person Transactions approved by the shareholders on 24 October 2008.

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

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

The ageing of amounts owing from the Silverlake Entities as at 30 September 2012 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
<u>Transactions conducted under the New Mandates:</u> - Silverlake Entities (1)	9,482,508	8,954,017	528,491	-	-	-
<u>Ancillary Transactions</u> Silverlake Entities (2)	111,593	111,593	-	-	-	-
<u>Non-trade Transactions</u> Silverlake Entities	4,260	4,260	-	-	-	-
	9,598,361	9,069,870	528,491	-	-	-
<b>Grand Total</b>	<b>9,598,361</b>	<b>9,069,870</b>	<b>528,491</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

(2) Under the Restructuring Arrangement, pending the novation and/or assignment of SSB Contracts to the SSB Group, Silverlake Entities and SIP Group are required to hold all monies and benefits arising under the applicable SSB Contracts as bare trustee for the SSB Group and to remit such monies and benefits to the SSB Group in accordance with the terms of the Restructuring Arrangements.

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

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the unaudited financial statements for the period ended 30 September 2012 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

KWONG YONG SIN  
Managing Director

12 November 2012