

SILVER RIDGE HOLDINGS BHD. (667785-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not being audited)

	CURRENT QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Dec-2014 RM'000	31-Dec-2013 RM'000	31-Dec-2014 RM'000	31-Dec-2013 RM'000
REVENUE	10,616	14,367	32,051	42,562
Cost of sales	(8,026)	(9,582)	(23,534)	(31,176)
GROSS PROFIT	<u>2,590</u>	<u>4,785</u>	<u>8,517</u>	<u>11,386</u>
Other operating Income	(80)	(173)	148	(53)
Administrative expenses	(400)	(290)	(2,175)	(1,887)
Other operating expenses	(1,922)	(2,681)	(6,157)	(7,051)
OPERATING PROFIT	<u>188</u>	<u>1,641</u>	<u>333</u>	<u>2,395</u>
Finance costs	(226)	(277)	(654)	(624)
Share of losses in associates	(1)	(3)	(1)	(3)
Share of profit/(losses) in jointly controlled entity	11	(27)	11	(27)
(LOSS)/PROFIT BEFORE TAXATION	<u>(28)</u>	<u>1,334</u>	<u>(311)</u>	<u>1,741</u>
Taxation	(73)	(848)	(151)	(1,178)
(LOSS)/PROFIT FOR THE PERIOD	<u>(101)</u>	<u>486</u>	<u>(462)</u>	<u>563</u>
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE FINANCIAL PERIOD	<u>(101)</u>	<u>486</u>	<u>(462)</u>	<u>563</u>
Attributable to:				
Equity holders of the Company	(101)	486	(462)	563
Minority interests	-	-	-	-
	<u>(101)</u>	<u>486</u>	<u>(462)</u>	<u>563</u>
Earnings per share				
- Basic (sen)	(0.08)	0.44	(0.38)	0.51
- Diluted (sen)	(0.02)	0.34	(0.09)	0.52
Dividend per share (sen)	NA	NA	NA	NA

Note:

This is prepared based on the consolidated results for the Group for the financial period ended 31 December 2014. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report.)

SILVER RIDGE HOLDINGS BHD. (667785-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31-Dec-2014

(The figures have not being audited)

	31-Dec-2014 RM'000 UNAUDITED	31-Dec-2013 RM'000 AUDITED
ASSETS		
Non Current Assets		
Property, plant and equipment	1,677	1,392
Intangible assets	23	49
Other investment	94	94
Investment in associates	4	5
Investment in jointly controlled entities	421	410
Other receivables	7,080	6,811
	9,299	8,761
Current Assets		
Inventories	801	1,402
Amount due from customers for contract works	15,993	14,942
Trade receivables	7,177	8,867
Other receivables, deposits and prepayments	5,989	5,606
Fixed deposits placed with licensed banks	6,286	5,682
Cash and bank balance	277	67
	36,524	36,566
Current Liabilities		
Trade payables	13,686	12,259
Other payables, deposits and accruals	2,825	1,106
Amount owing to associates	82	82
Hire purchase - within 12 months	577	591
Redeemable preference shares	1,600	1,600
Bank borrowings	5,415	6,380
Tax liabilities	(176)	394
	24,009	22,411
Net Current Assets	12,515	14,155
	21,814	22,916
Represented by:		
Issued capital	12,100	11,000
Reserves	5,811	5,557
Shareholders' Equity	17,911	16,557
Deferred tax liabilities		
Deferred tax liabilities	105	101
Redeemable preference shares	2,667	4,267
Hire-purchase payables	1,131	1,991
	3,903	6,359
	21,814	22,916
Net assets per share (RM)	0.15	0.15

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

SILVER RIDGE HOLDINGS BHD. (667785-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 4th Quarter Ended 31-Dec-14
(The figures have not being audited)

	Issued Capital (RM'000)	Non-Distributable Share Premium (RM'000)	Distributable Unappropriated Profit/(Loss) (RM'000)	Total (RM'000)
Balance as of 1 January 2014	11,000	6,040	(483)	16,557
Issuance of shares	1,100	715	-	1,815
Total comprehensive income for the period	-	-	(462)	(462)
Balance as of 31 Dec 2014	<u>12,100</u>	<u>6,756</u>	<u>(945)</u>	<u>17,911</u>
Balance as of 1 January 2013	11,000	6,040	(999)	16,041
Total comprehensive income for the period	-	-	516	516
Balance as of 31 Dec 2013	<u>11,000</u>	<u>6,040</u>	<u>(483)</u>	<u>16,557</u>

Note:-

The unaudited Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 4th Quarter Ended
(The figures have not being audited)

31-Dec-14

	Unaudited 31-Dec-14 (RM'000)	Audited 31-Dec-13 (RM'000)
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(311)	1,590
Adjustment for :-		
Amortisation of intangible assets	26	63
Depreciation of property, plant and equipments	471	344
Loss/(Gain) on disposal of property, plant and equipment	12	17
(Gain) / Loss - disposal of subsidiary	0	(10,803)
Impairment loss on investment in associates	0	9
(Reversal)/Impairment of receivables	(1,112)	11,177
Fair value (gain)/ loss on derivatives	0	9
Fair value (gain)/ loss on receivables	0	1,156
Share of losses of associates	1	3
Share of (profits)/losses of jointly controlled entities	(11)	41
Interest expense	654	(127)
Interest income	(125)	493
Operating Profit Before Working Capital Changes	<u>(395)</u>	<u>3,972</u>
Changes in working capital		
Inventories	601	6,849
Receivables	1,097	(16,534)
Payables	3,146	10,454
Amount owing by Associates	-	(5)
Amount owing by jointly controlled entity	-	(33)
Cash Generated From Operations	<u>4,449</u>	<u>4,703</u>
Tax paid	(718)	(796)
Tax refund	-	19
Net Cash From Operating Activities	<u>3,731</u>	<u>3,926</u>
Cash Flows From Investing Activities		
Fixed deposits placed as security value	(603)	(581)
Proceed from disposal of plant & equipment	21	108
Interest received	125	127
Acquisition of property, plan & equipment	(430)	(147)
Net cash outflow on disposal of subsidiary	-	1
Net Cash Used In Investing Activities	<u>(886)</u>	<u>(492)</u>
Cash Flow From Financing Activities		
Interest paid	(654)	(493)
Proceeds from issuance of shares	1,816	-
Redemption of redeemable preference shares	(1,600)	(2,133)
Repayment of short term borrowings	-	(1,502)
Repayment of hire purchase	(1,233)	(440)
Net Cash Used In Financing Activity	<u>(1,671)</u>	<u>(4,568)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,174	(1,134)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	(5,014)	(3,879)
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>(3,840)</u>	<u>(5,013)</u>
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	277	67
Deposits With Licensed Banks	6,286	5,683
Bank overdraft	(5,415)	(6,379)
	1,148	(629)
Deposits With Financial Institution as security for Facilities	(4,987)	(4,384)
	<u>(3,839)</u>	<u>(5,013)</u>

The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements for the current quarter.

Notes on the quarterly report – 31st December 2014

A. EXPLANATORY NOTES AS PER FRS134-INTERIM FINANCIAL REPORTING

A1. Basis of preparation & Changes in Accounting Policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

There are no changes in the accounting policies and methods of computation adopted in this quarterly report.

A2. Audit report

The auditors’ report of the Group’s most recent annual audited financial statements for the financial year ended 31 December 2013 was not qualified.

A3. Seasonal or cyclical factors

The Group’s operations were not affected by any seasonal or cyclical factors.

A4. Material and unusual items affecting assets, liabilities, equity, net income or cash flow

There were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Issuance, cancellations, repurchases, resale and repayments of debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. Dividends paid

There were no dividends paid during the current quarter under review.

A8. Segmental information

The Group currently operates predominantly in one industry, which is in the Information, Communication and Technology (“ICT”) Industry and accordingly, there is no segmental reporting to be presented.

A9. Basis of consolidation

The subsidiary companies are consolidated using the merger accounting principles and whereas the associated companies are consolidated using the equity method.

Notes on the quarterly report – 31st December 2014

A10. Valuation of property, plant and equipment

The property, plant and equipment of the Group have not been revalued for the current quarter under review.

A11. Materials events subsequent to the balance sheet date

There were no material events subsequent to the end of the current financial period under review that have not been reflected.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13. Changes in contingent liabilities or contingent assets

As at the date of this report, our Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

A14. Capital commitments

There were no material capital commitments for the purchase of property, plant and equipment that were not provided for in the interim financial statements as at the end of the financial period.

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31st December 2014

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of the Group results for the current quarter ended 31 December 2014**

For the current quarter ended 31 December 2014, the Group recorded revenue of RM10.62 million and pre-tax loss of RM0.03 million compared to revenue of RM14.37 million and pre-tax profit of RM1.33 million respectively, for the preceding year's corresponding quarter ended 31 December 2013.

The lower revenue recorded was due to the delay of the commencement of projects secured earlier this year.

The pre-tax loss of RM0.03 million in the current quarter was mainly attributable to the start-up cost in new business enterprise division.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 December 2014, the Group recorded revenue of RM10.62 million as compared to revenue of RM6.96 million recorded in the immediate preceding quarter.

The higher revenue recorded was due mainly to higher progress billings during the current quarter.

As announced previously, the Group had secured two (2) projects from Telekom Malaysia Berhad ("TM") with contract values of RM49.5 million (contract period of three (3) years) and RM10.5 million (contract period of five (5) years), which are expected to contribute positively to the Group. TM has only commenced issuing orders to the Group during the fourth quarter of year 2014.

The Group recorded a pre-tax loss of RM0.03 million in the current quarter compared to a pre-tax loss of RM0.54 million in the immediate preceding quarter.

B3. Prospects

The management expects the Telecommunications Industry to continue to grow due to strong expansion in the data, high speed broadband ("HSBB") and fourth-generation ("4G") segments.

As mentioned above, the Group had secured two (2) projects from TM with contract values of RM49.5 million (contract period of three (3) years) and RM10.5 million (contract period of five (5) years). Both projects have only recently commenced and started contributing to the Group from the fourth quarter of year 2014. The Group expects the orders from TM relating to the contracts to accelerate from year 2015. The Group has expanded into business enterprise system and expects the division to contribute in year 2015.

B4. Profit forecast

There was no profit forecast or profit guarantee issued by the Group and the Company for the current quarter.

SILVER RIDGE HOLDINGS BHD
 (Company No.: 667785-W)
 Incorporated in Malaysia

Notes on the quarterly report – 31st December 2014

B5. Tax expense

Income tax expense comprises the following:-

	Current quarter ended 31 Dec 2014 RM'000	12 months cumulative to date RM'000
In respect of the current period		
Income tax	69	147
Deferred tax	4	4
	<hr/>	<hr/>
	73	151
	<hr/>	<hr/>

6. Quoted and marketable securities

There were no purchases or disposals of quoted and marketable securities during the current quarter under review.

B7. Status of corporate proposals

There was no corporate proposal announced but not completed at the date of issuance of the interim financial statements.

B8. Borrowings

The Group's borrowings are as follows:-

	31 December 2014 RM'000
Payable within 12 months:	
Overdraft	5,415
Hire purchase	577
	<hr/>
	5,992
Payable after 12 months:	
Hire purchase	1,131
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	7,123
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The Group does not have any foreign currency borrowings for the quarter ended 31 December 2014.

B9. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B10. Material litigation

There was no material litigation during the quarter under review, save for the following on going case:-

In 2010, a Writ of Summon was filed by its fully owned subsidiary, Silver Ridge Sdn Bhd (SRSB) against Izzinet regarding Izzinet failing to remit the outstanding payment. In 2011, Izzinet has been wound up by the Kuala Lumpur High Court. On 6th January 2012, a liquidator was appointed. In 2012, the Company had made an allowance of impairment of the amount owing by Izzinet amounting to RM1,641,141/-.

SILVER RIDGE HOLDINGS BHD
 (Company No.: 667785-W)
 Incorporated in Malaysia

Notes on the quarterly report – 31st December 2014

B11. Dividends

There were no dividends declared during the quarter under review.

B12 Earnings/ (Loss) per Ordinary Share

i) **Basic Earnings Per share**

	2014 Current Quarter ended 31 Dec	2013 Comparative Quarter ended 31 Dec	2014 12 months Cumulative to date	2013 12 months Cumulative to date
a) (Loss)/Profit attributable to ordinary shareholders (RM'000)	(101)	486	(462)	563
b) Weighted average number of ordinary shares ('000)				
No. of ordinary shares at beginning of period	114,500	110,000	110,000	110,000
Shares issued during period	6,500	-	11,000	-
No. of ordinary shares at end of period	121,000	110,000	121,000	110,000
c) (Losses)/Earnings per ordinary share (sen)				
- Basic	(0.08)	0.44	(0.38)	0.51

ii) **Diluted Earnings Per share**

	2014 Current Quarter ended 31 Dec	2013 Comparative Quarter ended 31 Dec	2014 12 months Cumulative to date	2013 12 months Cumulative to date
a) (Loss)/Profit attributable to ordinary shareholders (RM'000)	(312)	486	(673)	563
Effects from exercise of warrants	74	74	297	297
(Loss)/Profit attributable to ordinary shareholders	(238)	560	(376)	860

SILVER RIDGE HOLDINGS BHD*(Company No.: 667785-W)*

Incorporated in Malaysia

Notes on the quarterly report – 31st December 2014

b) Weighted average number of ordinary shares ('000)				
No. of ordinary shares at beginning of period	121,000	110,000	121,000	110,000
Shares issued during period	55,000	55,000	55,000	55,000
No. of ordinary shares at end of period	176,000	165,000	176,000	165,000
c) (Losses)/Earnings per ordinary share (sen)				
- Diluted	(0.02)	0.34	(0.09)	0.52

B13. Realised and Unrealised Profits/ (Losses) Disclosure

	As at 31 Dec 2014 RM'000	As at 31 Dec 2013 RM'000
Total accumulated profit/(losses) of the Company and its subsidiaries:		
- Realised	(945)	(483)
- Unrealised	0	0
Total Group accumulated losses	(945)	(483)

B14. Profit for the Period

This is arrived at after crediting / (charging):

	Current Quarter RM'000	Year To Date RM'000
Reversal of impairment of receivables	(1,112)	(1,112)
Interest income	(2)	(125)
Share of loss of associates	1	1
Shares of profits of jointly controlled entity	(11)	(11)

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31st December 2014

Loss on disposal of Property, Plant & Equipment	8	12
Interest expense	225	654
Depreciation of Property, Plant & Equipment	145	407
Amortisation of Intangible Asset	6	26

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements for the ACE Market of Bursa Malaysia Securities Bhd are not applicable.