

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31st March 2015

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 annual audited accounts for the year ended 31 December 2014 of the Group’s was qualified because the Auditors were unable to obtain sufficient and appropriate audit evidence on the recoverability of the long outstanding balance of trade receivable amounted to RM890,627. Nevertheless, the subsidiary of the Group continues to pursue the recovery of the said trade receivable.

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.

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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.

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.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of the Group results for the current quarter ended 31 March 2015**

For the current quarter ended 31 March 2015, the Group recorded revenue of RM10.67 million and pre-tax loss of RM1.74 million compared to revenue of RM7.88 million and pre-tax profit of RM0.35 million respectively, for the preceding year's corresponding quarter ended 31 March 2014.

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

The pre-tax loss of RM1.74 million in the current quarter was mainly attributable to the costs overrun as well as higher than expected start-up costs in certain projects.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 March 2015, the Group recorded revenue of RM10.67 million as compared to revenue of RM10.62 million recorded in the immediate preceding quarter.

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

The Group recorded a pre-tax loss of RM1.74 million in the current quarter compared to a pre-tax loss of RM0.03 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.

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.

B5. Tax expense

There was no income tax expense during the quarter.

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B6. 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 March 2015
	RM'000
Payable within 12 months:	
Overdraft	4,993
Hire purchase	555
	<hr/> 5,548
Payable after 12 months:	
Hire purchase	1,472
	<hr/> 7,020

The Group does not have any foreign currency borrowings for the quarter ended 31 March 2015.

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.

B11. Dividends

There were no dividends declared during the quarter under review.

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Notes on the quarterly report – 31st March 2015**B12 Earnings/ (Loss) per Ordinary Share**

i) Basic Earnings Per share	2015 Current Quarter ended 31 Mar	2014 Comparative Quarter ended 31 Mar	2015 3 months Cumulative to date	2014 3 months Cumulative to date
a) (Loss)/Profit attributable to ordinary shareholders (RM'000)	(1,747)	198	(1,747)	198
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	-	4,500	-	4,500
No. of ordinary shares at end of period	121,000	114,500	121,000	114,500
c) (Losses)/Earnings per ordinary share (sen) - Basic	(1.44)	0.17	(1.44)	0.17
ii) Diluted Earnings Per share				
	2015 Current Quarter ended 31 Mar	2014 Comparative Quarter ended 31 Mar	2015 3 months Cumulative to date	2014 3 months Cumulative to date
a) (Loss)/Profit attributable to ordinary shareholders (RM'000)	(1,747)	198	(1,747)	198
Effects from exercise of warrants	74	74	74	74
(Loss)/Profit attributable to ordinary shareholders	(1,673)	272	(1,673)	272

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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	(0.95)	0.16	(0.95)	0.16

B13. Realised and Unrealised Profits/ (Losses) Disclosure

	As at 31 Mar 2015 RM'000	As at 31 Mar 2014 RM'000
Total accumulated profit/(losses) of the Company and its subsidiaries:		
- Realised	(2,732)	(332)
- Unrealised	0	0
Total Group accumulated losses	(2,732)	(332)

B14. Profit for the Period

This is arrived at after crediting / (charging):

	Current Quarter RM'000	Year To Date RM'000
Interest income	(33)	(33)
Interest Expenses	10	10
Depreciation of Property, Plant & Equipment	103	103
Amortisation of Intangible Asset	2	2

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.