

**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	
	30-Jun-2015 RM'000	30-Jun-2014 RM'000	30-Jun-2015 RM'000	30-Jun-2014 RM'000
REVENUE	7,691	6,594	18,362	14,474
Cost of sales	(4,731)	(4,206)	(15,096)	(9,930)
GROSS PROFIT	<u>2,960</u>	<u>2,388</u>	<u>3,266</u>	<u>4,544</u>
Other operating Income	32	24	65	107
Administrative expenses	(666)	(701)	(1,180)	(1,222)
Other operating expenses	(1,713)	(1,507)	(3,274)	(2,760)
OPERATING PROFIT/(LOSS)	<u>613</u>	<u>204</u>	<u>(1,123)</u>	<u>669</u>
Finance costs	(293)	(144)	(303)	(257)
PROFIT/(LOSS) BEFORE TAXATION	<u>320</u>	<u>60</u>	<u>(1,426)</u>	<u>412</u>
Taxation	-	(76)	-	(230)
PROFIT/(LOSS) FOR THE PERIOD	<u>320</u>	<u>(16)</u>	<u>(1,426)</u>	<u>182</u>
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD	<u>320</u>	<u>(16)</u>	<u>(1,426)</u>	<u>182</u>
Attributable to:				
Equity holders of the Company	320	(16)	(1,426)	182
Minority interests	-	-	-	-
	<u>320</u>	<u>(16)</u>	<u>(1,426)</u>	<u>182</u>
Earnings per share				
- Basic (sen)	0.26	(0.01)	(1.18)	0.16
- Diluted (sen)	0.22	0.03	(0.73)	0.20
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 30 June 2015. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statements for the year ended 31 December 2014 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 30-Jun-2015

(The figures have not being audited)

	30-Jun-2015 RM'000 UNAUDITED	31-Dec-2014 RM'000 AUDITED
<b>ASSETS</b>		
Non Current Assets		
Property, plant and equipment	3,132	1,677
Intangible assets	19	23
Other investment	94	94
Investment in associates	4	4
Investment in jointly controlled entities	425	425
Other receivables	7,062	7,061
	10,736	9,284
Current Assets		
Inventories	1,441	801
Amount due from customers for contract works	16,016	16,002
Trade receivables	8,156	7,355
Other receivables, deposits and prepayments	2,811	5,821
Amount owing by associates	2	2
Tax recoverable	522	185
Fixed deposits placed with licensed banks	5,468	5,713
Cash and bank balance	354	662
	34,770	36,541
Current Liabilities		
Trade payables	11,056	13,179
Other payables, deposits and accruals	6,137	2,110
Amount owing to associates	83	83
Bank borrowings	5,952	5,871
Redeemable preference shares	1,600	1,600
Hire purchase - within 12 months	405	702
	25,233	23,545
Net Current Assets	9,537	12,996
	20,273	22,280
Represented by:		
Issued capital	12,100	12,100
Reserves	4,346	5,772
Shareholders' Equity	16,446	17,872
Redeemable preference shares		
Hire-purchase payables	1,867	2,667
Deferred tax liabilities	1,472	1,472
Other Payables	89	89
	399	180
	3,827	4,408
	20,273	22,280
Net assets per share (RM)	0.14	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 2014 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 CHANGES IN EQUITY**

For the 2nd Quarter Ended 30-Jun-15

(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 2015	12,100	6,757	(985)	17,872
Issuance of shares			-	0
Total comprehensive loss for the period	-	-	(1,426)	(1,426)
Balance as of 30 June 2015	<u>12,100</u>	<u>6,757</u>	<u>(2,411)</u>	<u>16,446</u>
Balance as of 1 January 2014	11,000	6,040	(483)	16,557
Issuance of shares	450	314	-	764
Total comprehensive income for the period	-	-	182	182
Balance as of 30 June 2014	<u>11,450</u>	<u>6,354</u>	<u>(301)</u>	<u>17,503</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 2014 and the accompanying explanatory notes attached to the interim financial statements

SILVER RIDGE HOLDINGS BHD. (667785-W)  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the 2nd Quarter Ended

30-Jun-15

(The figures have not being audited)

	Unaudited 30-Jun-15 (RM'000)	Audited 30-Jun-14 (RM'000)
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(1,426)	352
Adjustment for :-		
Amortisation of intangible assets	4	6
Depreciation of property, plant and equipments	208	97
Interest expense	303	97
Interest income	(65)	(3)
Operating (Loss)/Profit Before Working Capital Changes	(976)	549
Changes in working capital		
Inventories	(640)	352
Receivables	2,195	1,912
Payables	2,233	(1,612)
Cash Generated From Operations	2,812	1,201
Tax paid	(447)	(154)
<b>Net Cash From Operating Activities</b>	2,365	1,047
<b>Cash Flows From Investing Activities</b>		
Interest received	65	3
Acquisition of property, plan & equipment	(1,663)	(174)
<b>Net Cash Used In Investing Activities</b>	(1,598)	(171)
<b>Cash Flow From Financing Activities</b>		
Interest paid	(303)	(97)
Proceeds from issuance of shares	-	763
Redemption of redeemable preference shares	(800)	(400)
Repayment of hire purchase	(298)	(432)
<b>Net Cash Used In Financing Activity</b>	(1,401)	(166)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(634)	710
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD</b>	(3,425)	(5,014)
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	(4,059)	(4,304)
<b>Cash and Cash Equivalents Comprises:</b>		
Cash In Hand and At Banks	354	253
Deposits With Licensed Banks	5,468	5,686
Bank overdraft	(5,952)	(5,859)
	(129)	80
Deposits With Financial Institution as security for Facilities	(3,930)	(4,384)
	(4,059)	(4,304)

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 2014 and the accompanying explanatory notes attached to the financial statements for the current quarter.

## **SILVER RIDGE HOLDINGS BHD**

*(Company No.: 667785-W)*

Incorporated in Malaysia

Notes on the quarterly report – 30<sup>th</sup> June 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 other than the following.

The Company had on 28th April, 2015 entered into a share purchase agreement (SPA) with YB Senator Dato' Mohd Suhaimi Bin Abdullah and Zakhirah @ Zamariah Binti Mohd Zabidi ("Vendor") for the proposed acquisition by SRHB of 500,000 ordinary shares of RM1.00 each in Silver Ridge Agricultural Informatics Sdn Bhd [Company no. 344797-M] ("SRAI"), representing 100% of the total issued and paid-up share capital of SRAI for a total cash consideration sum of RINGGIT MALAYSIA SEVEN HUNDRED THOUSAND (Ringgit Malaysia : 700,000 Only) ("Consideration") (hereinafter referred to as "Acquisition"). Pursuant to the Acquisition, SRAI shall be a wholly-owned subsidiary of SRHB. SRAI principally engaged in the business of operating a franchised "Gong Cha" outlet in KLIA2.

**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 30 June 2015**

For the current quarter ended 30 June 2015, the Group recorded revenue of RM7.69 million and pre-tax profit of RM0.32 million compared to revenue of RM6.59 million and pre-tax profit of RM0.06 million respectively, for the preceding year's corresponding quarter ended 30 June 2015.

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

**B2. Variation of results against immediate preceding quarter**

For the current quarter ended 30 June 2015, the Group recorded revenue of RM7.69 million as compared to revenue of RM10.67 million recorded in the immediate preceding quarter.

The Group recorded a pre-tax profit of RM0.32 million in the current quarter compared to a pre-tax loss of RM1.74 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 is expected to benefit from the increase projects coming out from the networks expansion undertaken by telecommunication companies.

Based on the projects in hand secured by the Group, the Board of Directors is cautiously optimistic of increased revenue in the second half of the year. Nevertheless, the Group's profitability may be affected by the continued weakness of Ringgit as some imported material cost is expected to increase thus affecting the margin of the projects

**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:-

	<b>30 June 2015</b>
	<b>RM'000</b>
Payable within 12 months:	
Overdraft	5,952
Hire purchase	405
	<hr/> 6,357
Payable after 12 months:	
Hire purchase	1,472
	<hr/> <hr/> 7,829

The Group does not have any foreign currency borrowings for the quarter ended 30 June 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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**B12 Earnings/ (Loss) per Ordinary Share**

**i) Basic Earnings Per Share**

	2015 Current Quarter ended 30 June	2014 Comparative Quarter ended 30 June	2015 6 months Cumulative to date	2014 6 months Cumulative to date
(Loss)/Profit attributable to ordinary shareholders (RM'000)	320	(16)	(1,426)	182
Weighted average number of ordinary shares ('000)				
No. of ordinary shares at beginning of period	121,000	114,500	121,000	114,500
Effect of shares issued	-	-	-	-
No. of ordinary shares at end of period	121,000	114,500	121,000	114,500
Earnings/(Losses) per ordinary share (sen)				
- Basic	0.26	(0.01)	1.18	0.16

**ii) Diluted Earnings Per share**

	2015 Current Quarter ended 30 June	2014 Comparative Quarter ended 30 June	2015 6 months Cumulative to date	2014 6 months Cumulative to date
a) (Loss)/Profit attributable to ordinary shareholders (RM'000)	320	(16)	(1,426)	182
Effects from exercise of warrants				
(Loss)/Profit attributable to ordinary shareholders	74	74	148	148
	394	58	(1,278)	330
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

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c) (Losses)/Earnings per ordinary share (sen)				
- Diluted	0.22	(0.03)	(0.73)	0.20

**B13. Realised and Unrealised Profits/ (Losses) Disclosure**

	As at 30 June 2015 RM'000	As at 31 June 2014 RM'000
Total accumulated profit/(losses) of the Company and its subsidiaries:		
- Realised	(2,411)	(301)
- Unrealised	0	0
	<u>(2,411)</u>	<u>(301)</u>
Total Group accumulated losses	<u>(2,411)</u>	<u>(301)</u>

**B14. Profit for the Period**

This is arrived at after crediting / (charging):

	Current Quarter RM'000	Year To Date RM'000
Interest income	(32)	(65)
Interest Expenses	293	303
Depreciation of Property, Plant & Equipment	105	208
Amortisation of Intangible Asset	2	4

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.