

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not being audited)

	Unaudited	Unaudited	Unaudited	Audited
	CURRENT QUARTER ENDED	CURRENT QUARTER ENDED	CUMULATIVE PERIOD ENDED	CUMULATIVE PERIOD ENDED
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	RM'000	RM'000	RM'000	RM'000
REVENUE	7,190	10,616	33,661	32,049
Cost of sales	(6,391)	(8,026)	(26,502)	(23,664)
GROSS PROFIT	<u>799</u>	<u>2,590</u>	<u>7,159</u>	<u>8,385</u>
Other operating Income	34	(80)	131	658
Administrative expenses	(1,754)	(400)	(3,581)	(2,225)
Other operating expenses	(2,502)	(1,922)	(7,666)	(6,569)
OPERATING (LOSS)/PROFIT	<u>(3,423)</u>	<u>188</u>	<u>(3,957)</u>	<u>249</u>
Finance costs	(27)	(226)	(502)	(638)
Share of losses in associates	(4)	(1)	(4)	(1)
Share of (losses)/profit in jointly controlled entity	(425)	15	(425)	15
LOSS BEFORE TAXATION	<u>(3,878)</u>	<u>(28)</u>	<u>(4,888)</u>	<u>(375)</u>
Taxation	(46)	(73)	(46)	(127)
LOSS FOR THE PERIOD	<u>(3,925)</u>	<u>(101)</u>	<u>(4,934)</u>	<u>(502)</u>
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD	<u>(3,925)</u>	<u>(101)</u>	<u>(4,934)</u>	<u>(502)</u>
Attributable to:				
Equity holders of the Company	(3,925)	(101)	(4,934)	(502)
Minority interests	-	-	-	-
	<u>(3,925)</u>	<u>(101)</u>	<u>(4,934)</u>	<u>(502)</u>
Earnings per share				
- Basic (sen)	(3.24)	(0.08)	(4.08)	(0.38)
- Diluted (sen)	Note	(0.08)	Note	(0.38)
Dividend per share (sen)	NA	NA	NA	NA

Note:

Fully diluted earnings per share for the current quarter has not been disclosed as the average exercise price of the share options granted pursuant to the warrant is above the average fair value of the Company's shares during the current quarter. The potential effect of the conversion of warrants would be anti-dilutive.

This is prepared based on the consolidated results for the Group for the financial period ended 31 December 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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31-Dec-2015

(The figures have not being audited)

	31-Dec-2015 RM'000 UNAUDITED	31-Dec-2014 RM'000 AUDITED
ASSETS		
Non Current Assets		
Property, plant and equipment	2,541	1,677
Intangible assets	73	23
Other investment	94	94
Investment in associates	-	4
Investment in jointly controlled entities	-	425
Other receivables	7,645	7,061
	<u>10,353</u>	<u>9,284</u>
Current Assets		
Inventories	2,759	801
Amount due from customers for contract works	14,264	16,002
Trade receivables	4,857	7,355
Other receivables, deposits and prepayments	1,326	5,821
Amount owing by associates	2	2
Tax recoverable	657	185
Fixed deposits placed with licensed banks	5,571	5,713
Cash and bank balances	158	662
	<u>29,594</u>	<u>36,541</u>
Current Liabilities		
Trade payables	16,456	13,179
Other payables, deposits and accruals	2,872	2,110
Amount owing to associates	83	83
Bank borrowings	3,026	5,871
Redeemable preference shares	1,600	1,600
Hire purchase - within 12 months	714	702
	<u>24,751</u>	<u>23,545</u>
Net Current Assets	4,843	12,996
	<u>15,196</u>	<u>22,280</u>
Represented by:		
Issued capital	12,100	12,100
Reserves	838	5,772
Shareholders' Equity	<u>12,938</u>	<u>17,872</u>
Redeemable preference shares	1,067	2,667
Hire-purchase payables	920	1,472
Deferred tax liabilities	91	89
Other Payables	180	180
	<u>2,258</u>	<u>4,408</u>
	<u>15,196</u>	<u>22,280</u>
Net assets per share (RM)	0.11	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 4th Quarter Ended 31-Dec-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
Total comprehensive loss for the period	-	-	(4,934)	(4,934)
Balance as of 31 December 2015	<u>12,100</u>	<u>6,757</u>	<u>(5,919)</u>	<u>12,938</u>
Balance as of 1 January 2014	11,000	6,040	(483)	16,557
Issuance of shares	1,100	717	-	1,817
Total comprehensive loss for the period	-	-	(502)	(502)
Balance as of 31 December 2014	<u>12,100</u>	<u>6,757</u>	<u>(985)</u>	<u>17,872</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 4th Quarter Ended

31-Dec-15

(The figures have not being audited)

	Unaudited 31-Dec-15 (RM'000)	Audited 31-Dec-14 (RM'000)
Cash Flows From Operating Activities		
Loss before tax	(4,888)	(375)
Adjustment for :-		
Impairment of receivables	2,052	-
Amortisation of intangible assets	50	26
Deposit written off	-	60
Depreciation of property, plant and equipments	584	397
Fair value (gain)/ loss on payables	-	(76)
Fair value (gain)/ loss on receivables	(1,105)	(1,114)
Gain on disposal of property, plant and equipment	(6)	17
Receivables written off	-	10
Share of losses of associates	4	1
Share of losses of jointly controlled entities	425	(15)
Unrealised (gain)/loss on foreign exchange	-	(2)
Interest expense	501	638
Interest income	(132)	(120)
Operating Loss Before Working Capital Changes	(2,515)	(553)
Changes in working capital		
Inventories	(1,958)	601
Receivables	7,202	1,131
Payables	4,081	2,178
Cash Generated From Operations	6,810	3,357
Interest paid	(501)	(638)
Tax paid	(560)	(718)
Net Cash From Operating Activities	5,749	2,001
Cash Flows From Investing Activities		
Fixed deposits placed as security value	-	454
Proceed from disposal of property, plant & equipment	7	(482)
Interest received	132	121
Additions to Intangible Assets	(101)	-
Additions to property, plant and equipment	(1,369)	118
Net Cash Used In Investing Activities	(1,331)	211
Cash Flow From Financing Activities		
Proceeds from issuance of shares	-	1,816
Redemption of redeemable preference shares	(1,600)	(1,600)
Repayment of hire purchase	(620)	(840)
Net Cash Used In Financing Activities	(2,220)	(624)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	2,198	1,588
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	(3,425)	(5,014)
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	(1,227)	(3,426)
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	158	662
Deposits With Licensed Banks	5,571	5,713
Bank overdraft	(3,026)	(5,871)
Deposits With Financial Institutions as security for Facilities	2,703	504
	(3,930)	(3,930)
	(1,227)	(3,426)

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.

Notes on the quarterly report – 31st December 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.

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.

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A8. Segmental information

The Group currently operates predominantly 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 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 December 2015

For the current quarter ended 31 December 2015, the Group recorded revenue of RM7.19 million and pre-tax loss of RM3.88 million compared to revenue of RM10.62 million and pre-tax loss of RM0.03 million respectively, for the preceding year's corresponding quarter ended 31 December 2015.

The lower revenue recorded in the quarter was attributed to lower progress billing of certain projects.

The pre-tax loss of RM3.88 million in the current quarter was mainly due to both the impairment loss of receivables amounted to RM2.22 million and investment on jointly-controlled entities amounted to RM0.43 million.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 December 2015, the Group recorded revenue of RM7.19 million as compared to revenue of RM8.10 million recorded in the immediate preceding quarter.

The Group recorded a pre-tax loss of RM3.88 million in the current quarter compared to a pre-tax profit of RM0.42 million in the immediate preceding quarter mainly due to the above-mentioned provisions.

B3. Prospects

In the financial year ended 31 December 2015, the Group adopted prudent measures to provide for impairments of receivables and investments which resulted in higher net loss. However, the Group actually generated better cash flow with net cash generated from operating activities improving to RM5.75 million in 2015 compared against RM2.00 million in the previous year.

Despite challenging economic conditions, the Group is cautiously optimistic of improving results in the coming financial year due to its healthy order book from the telecommunication sector. The Group has also expanded its products and services offerings to the education and SME sectors and is hopeful to start generating some income from these segments.

B4. Profit forecast

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

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B5. Tax expense

Income tax expense comprises the following:-

	Current quarter ended 31 Dec 2015 RM'000	12 months cumulative to date RM'000
In respect of the current period		
Income tax	48	48
Deferred tax	(2)	(2)
	<hr/>	<hr/>
	46	46
	<hr/>	<hr/>

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 December 2015 RM'000
Payable within 12 months:	
Overdraft	5,393
Hire purchase	714
	<hr/>
	6,107
Payable after 12 months:	
Hire purchase	920
	<hr/>
	7,027
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The Group does not have any foreign currency borrowings for the quarter ended 31 December 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 December 2015

B12 Earnings/ (Loss) per Share

a) Basic Loss per share

	2015 Current Quarter ended 31 Dec	2014 Comparative Quarter ended 31 Dec	2015 12 months Cumulative to date	2014 12 months Cumulative to date
Loss attributable to ordinary shareholders (RM'000)	(3,925)	(28)	(4,934)	(375)
Weighted average number of ordinary shares on issue ('000)	121,000	114,537	121,000	114,537
Earnings/(Losses) per ordinary share (sen) - Basic	(3.24)	(0.08)	(4.08)	(0.38)

b) Diluted Loss per share

	2015 Current Quarter ended 31 Dec	2014 Comparative Quarter ended 31 Dec	2015 12 months Cumulative to date	2014 12 months Cumulative to date
Loss attributable to ordinary shareholders (RM'000)	(3,925)	(28)	(4,934)	(375)
Weighted average number of ordinary shares on issue ('000)	121,000	114,537	121,000	114,537
Effect of shares issued	-	2,895	-	2,895
No. of ordinary shares at end of period	121,000	117,432	121,000	117,432

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

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Notes on the quarterly report – 31st December 2015

Losses per ordinary share (sen)				
- Diluted	Note	(0.08)	Note	(0.38)

Note:

Fully diluted earnings per share for the current quarter has not been disclosed as the average exercise price of the share options granted pursuant to the warrant is above the average fair value of the Company's shares during the current quarter. The potential effect of the conversion of warrants would be anti-dilutive.

B13. Realised and Unrealised Profits/ (Losses) Disclosure

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Total accumulated profit/(losses) of the Company and its subsidiaries:		
- Realised	(5,424)	(985)
- Unrealised	0	0
Total Group accumulated losses	<u>(5,424)</u>	<u>(985)</u>

B14. Profit for the Period

This is arrived at after crediting / (charging):

	Current Quarter RM'000	Year To Date RM'000
Interest income	31	132
Fair value Gain on receivables	1,105	1,105
Gain on disposal of property, plant & equipment	6	6
Impairment loss of receivables	(2,052)	(2,052)
Interest Expenses	(26)	(501)

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Notes on the quarterly report – 31st December 2015

Share of losses in jointly-controlled entity	(425)	(425)
Share of losses in associates	(4)	(4)
Depreciation of Property, Plant & Equipment	(240)	(584)
Amortisation of Intangible Asset	(48)	(50)

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.