

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not being audited)

	Unaudited CURRENT QUARTER ENDED 31-Dec-2016 RM'000	Unaudited CURRENT QUARTER ENDED 31-Dec-2015 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31-Dec-2016 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31-Dec-2015 RM'000
	REVENUE	7,054	7,190	27,533
Cost of sales	(3,985)	(6,391)	(19,800)	(26,502)
GROSS PROFIT	<u>3,069</u>	<u>799</u>	<u>7,733</u>	<u>7,159</u>
Other operating Income	408	34	506	131
Administrative expenses	(530)	(1,754)	(2,025)	(3,581)
Other operating expenses	(3,513)	(2,502)	(9,065)	(7,666)
OPERATING LOSS	<u>(566)</u>	<u>(3,423)</u>	<u>(2,851)</u>	<u>(3,957)</u>
Finance costs	(123)	(27)	(509)	(502)
Share of losses in associates	-	(4)	-	(4)
Share of (losses)/profit in jointly controlled entity	-	(425)	-	(425)
LOSS BEFORE TAXATION	<u>(689)</u>	<u>(3,879)</u>	<u>(3,360)</u>	<u>(4,888)</u>
Taxation	(84)	(46)	(84)	(46)
LOSS FOR THE PERIOD	<u>(773)</u>	<u>(3,925)</u>	<u>(3,444)</u>	<u>(4,934)</u>
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD	<u>(773)</u>	<u>(3,925)</u>	<u>(3,444)</u>	<u>(4,934)</u>
Attributable to:				
Equity holders of the Company	(773)	(3,925)	(3,444)	(4,934)
Minority interests	-	-	-	-
	<u>(773)</u>	<u>(3,925)</u>	<u>(3,444)</u>	<u>(4,934)</u>
Earnings per share				
- Basic (sen)	(0.64)	(3.24)	(2.85)	(4.08)
- Diluted (sen)	Note	Note	Note	Note
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 2015 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-2016

(The figures have not being audited)

	31-Dec-2016 RM'000 UNAUDITED	31-Dec-2015 RM'000 AUDITED
ASSETS		
Non Current Assets		
Property, plant and equipment	1,852	2,541
Intangible assets	7	73
Other investment	274	274
Investment in associates	3	3
Other receivables	5,515	7,225
	7,651	10,116
Current Assets		
Inventories	1,085	2,759
Accrued Income	5,270	14,264
Trade receivables	5,744	4,857
Other receivables, deposits and prepayments	1,298	1,286
Amount owing by associates	7	2
Tax recoverable	566	597
Fixed deposits placed with licensed banks	5,723	5,591
Cash and bank balances	922	956
	20,615	30,312
Current Liabilities		
Trade payables	9,956	16,456
Other payables, deposits and accruals	2,706	2,665
Amount owing to associates	83	83
Bank borrowings	3,948	4,002
Redeemable preference shares	1,067	1,600
Hire purchase - within 12 months	635	659
	18,395	25,465
Net Current Assets	2,220	4,847
	9,871	14,963
Represented by:		
Issued capital	6,050	12,100
Reserves	3,408	802
Shareholders' Equity	9,458	12,902
Redeemable preference shares	-	1,066
Hire-purchase payables	393	975
Deferred tax liabilities	20	20
	413	2,061
	9,871	14,963
Net assets per share (RM)	0.08	0.11

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 2015 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-16**

(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 2016	12,100	6,757	(5,955)	12,902
Par Value Reduction	(6,050)	-	6,050	-
Total comprehensive loss for the period	-	-	(3,444)	(3,444)
Balance as of 31 December 2016	<u>6,050</u>	<u>6,757</u>	<u>(3,349)</u>	<u>9,458</u>
Balance as of 1 January 2015	12,100	6,757	(985)	17,872
Total comprehensive loss for the period	-	-	(4,970)	(4,970)
Balance as of 31 December 2015	<u>12,100</u>	<u>6,757</u>	<u>(5,955)</u>	<u>12,902</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 2015 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-16

(The figures have not being audited)

	Unaudited 31-Dec-16 (RM'000)	Audited 31-Dec-15 (RM'000)
Cash Flows From Operating Activities		
Loss before tax	(3,360)	(4,934)
Adjustment for :-		
Amortisation of intangible assets	66	41
Depreciation of property, plant and equipments	579	544
Fair value (gain)/ loss on payables	21	55
Fair value (gain)/ loss on receivables	1,654	(1,106)
Impairment of jointly controlled entity	-	425
Impairment loss on goodwill	-	538
Impairment loss on receivables	-	2,226
Gain on disposal of property, plant and equipment	-	(7)
Share of losses of associates	-	1
Unrealised (gain)/loss on foreign exchange	(0)	(0)
Property, plant & equipment written off	115	-
Interest expense	509	517
Interest income	(131)	(128)
Operating Loss Before Working Capital Changes	(547)	(1,828)
Changes in working capital		
Inventories	1,674	(1,958)
Receivables	8,144	8,093
Payables	(6,480)	2,812
Cash Generated From Operations	2,791	7,119
Interest paid	(509)	(517)
Tax paid	(209)	(517)
Tax refund	157	-
Net Cash From Operating Activities	2,230	6,085
Cash Flows From Investing Activities		
Fixed deposits placed as security value	(83)	(91)
Proceed from disposal of property, plant & equipment	-	7
Purchased of club membership	-	(180)
Interest received	131	128
Acquisition of a subsidiary, net of cash acquired	-	(732)
Additions to property, plant and equipment	(3)	(1,048)
Net Cash From / (Used In) Investing Activities	45	(1,916)
Cash Flow From Financing Activities		
Redemption of redeemable preference shares	(1,600)	(1,600)
Repayment of hire purchase	(607)	(620)
Net Cash Used In Financing Activities	(2,207)	(2,220)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	68	1,949
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	(1,476)	(3,425)
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	(1,408)	(1,476)
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	922	956
Deposits With Licensed Banks	5,723	5,591
Bank overdraft	(3,948)	(4,002)
	2,698	2,545
Deposits With Financial Institutions as security for Facilities	(4,105)	(4,021)
	(1,408)	(1,476)

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 2015 and the accompanying explanatory notes attached to the financial statements for the current quarter.

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Notes on the quarterly report – 31st December 2016

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 2015 of the Group’s was unqualified.

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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Notes on the quarterly report – 31st December 2016

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of the Group results for the current quarter ended 31 December 2016**

For the current quarter ended 31 December 2016, the Group recorded revenue of RM7.05 million and pre-tax loss of RM0.69 million compared to revenue of RM7.19 million and pre-tax loss of RM3.88 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 lower pre-tax loss albeit lower revenue was due to higher profit margin for certain project & better cost control in the current quarter.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 December 2016, the Group recorded revenue of RM7.05 million as compared to revenue of RM8.22 million recorded in the immediate preceding quarter.

The Group recorded a pre-tax loss of RM0.69 million in the current quarter compared to a pre-tax loss of RM0.71 million in the immediate preceding quarter mainly due to higher profit margin for certain project and better cost control in the quarter.

B3. Prospects

The Group's business segments are expected to operate in a challenging environment in 2017. However, the Group will strive to continue to improve its efficiency and focus on better margin product mix to improve the Group's profitability. The Group is also examining possible capital raising exercise to enhance its equity structure.

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.

B6. Quoted and marketable securities

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

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B7. Status of corporate proposals

There was no corporate proposal announced but not completed at the date of issuance of the interim financial statements save as disclosed below:

(i) proposed reduction of the issued and paid-up share capital of SRHB via the cancellation of RM0.05 of the par value of every existing ordinary share of RM0.10 each to RM0.05 each in SRHB pursuant to Section 64 of the Companies Act, 1965 ("**Proposed Par Value Reduction**"); and

(ii) proposed amendment to the Memorandum of Association of SRHB ("**Proposed Amendment**").

The Group undertake the above corporate exercise on 4 July 2016 and obtained shareholder's approval via Extraordinary Meeting on 8 September 2016.

The High Court of Malaya had on 15 November 2016 granted an order confirming the Par Value Reduction. The sealed order will be extracted and an office copy of the order will be lodged with the Companies Commission of Malaysia for the Par Value Reduction to take effect.

B8. Borrowings

The Group's borrowings are as follows:-

	31 December 2016
	RM'000
Payable within 12 months:	
Overdraft	3,948
Hire purchase	635
	<hr/> 4,583
Payable after 12 months:	
Hire purchase	393
	<hr/> <hr/> 4,976

The Group does not have any foreign currency borrowings for the quarter ended 31 December 2016.

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 was no dividend declared during the quarter under review.

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

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Notes on the quarterly report – 31st December 2016**B12 Earnings/ (Loss) per Share****a) Basic Loss per share**

	2016 Current Quarter ended 31 Dec	2015 Comparative Quarter ended 31 Dec	2016 12 months Cumulative to date	2015 12 months Cumulative to date
Loss attributable to ordinary shareholders (RM'000)	(773)	(3,927)	(3,444)	(4,934)
Weighted average number of ordinary shares on issue ('000)	121,000	121,000	121,000	121,000
Earnings/(Loss) per ordinary share (sen) - Basic	(0.64)	(3.24)	(2.85)	(4.08)

b) Diluted Loss per share

Diluted earnings per share amounts are calculated by dividing the Group's (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The diluted earnings per share for the current financial year 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 financial year. The potential effect of the conversion of warrants would be anti-dilutive.

B13. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31 Dec 2016 RM'000	As at 31 Dec 2015 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(9,224)	(5,780)
- Unrealised	6,030	(20)
	<u>(3,194)</u>	<u>(5,800)</u>
Less: Consolidation adjustments	(154)	(154)
Total Group accumulated losses	<u>(3,349)</u>	<u>(5,954)</u>

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Notes on the quarterly report – 31st December 2016**B14. Profit for the Period**

This is arrived at after crediting / (charging):

	Current Quarter	Year To Date
	RM'000	RM'000
Interest income	33	131
Interest expenses	(123)	(509)
Depreciation of Property, Plant & Equipment	(146)	(579)
Amortisation of Intangible Asset	(23)	(66)
Fair value loss on receivables	(1,654)	(1,654)
Fair value loss on payable	(21)	(21)
Property, plant & equipment written off	(115)	(115)

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.