

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

Notes on the quarterly report – 31st March 2019

**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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2018 ~~31 March 2019~~ and the accompanying notes attached to this interim financial statements.

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

The Board of Directors of the Company had on 17 January 2018 approved the change of financial year end from 31 December to 30 June. Due to the change, the financial period ended 31 March 2019 is made up of 6 months results from 1 July 2018 to 31 March 2019. As such, no comparative figures are presented for the Statements of Comprehensive Income as there are no comparable interim periods (current and year-to-date) of the immediate preceding financial year.

**A2. Audit report**

The audited financial statements for the year ended 30 June 2018 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.

**A8. Segmental information**

The Group currently operates predominantly in the Information and Communication 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.

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Review of the Group results for the current quarter ended 31 March 2019**

For the current quarter ended 31 March 2019, the Group recorded the revenue of RM2.773 million and pre-tax loss of RM0.903million.

The lower revenue recorded in the current quarter was attributed to delays in completion of works during the quarter.

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

For the current quarter ended 31 March 2019, the Group recorded the revenue of RM2.773 million as compared to RM5.632 million in the immediate preceding quarter.

The Group recorded a pre-tax loss of RM0.903 million in the current quarter due to lower revenue. The compared to a pre-tax ploss of RM1.272 in the immediate preceding quarter mainly due to the lower direct costs.

**B3. Prospects**

The Group's business segment are expected to operate in a challenging environment in 2018/2019. However, the Group will strive to continue to improve its efficiency and focus on better margin product mix within our existing tele-communications business to improve the Group's profitability.

**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**

	<b>2018</b>	<b>2018</b>
	<b>Current period</b>	<b>6 months</b>
	<b>ended 31 December</b>	<b>Cumulative to date</b>
	<b>RM'000</b>	<b>RM'000</b>
Estimated current tax payable	-	-
Deferred tax	-	-
	-	-

**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**

The proposed private placement of new ordinary shares was approved by Bursa Malaysia Securities Berhad on 16 November 2018 and completed on 10 March 2019

The utilization of the funds raised from the private placement above are as follows -

	<b>Actual as at 31 March 19 (Q3 2019)</b>	<b>Fund Utilisation in Bursa Announcement</b>	<b>Balance to be used based on Announcement</b>
Operating Expenses	219,569.81	1,744,737.68	1,525,167.87
Staff Costs	617,077.72	906,095.74	289,018.02
Estimated Expenses	186,155.89	161,083.69	(25,072.20)
Money Market Deposit	1,500,000.00		
Unutilised Funds	289,113.68		
	<b>2,811,917.10</b>	<b>2,811,917.10</b>	<b>2,811,917.10</b>

**B8. Borrowings**

The Group's borrowings are as follows:-

	<b>31 March 2019</b>
	<b>RM'000</b>
Payable within 12 months:	
Overdraft	7,263
Hire purchase	23
	7,286
Payable after 12 months:	
Hire purchase	1,063
	8,349

The Group does not have any foreign currency borrowings for the quarter ended 31 March 2019.

**B9. Off balance sheet financial instruments**

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

**B10. Material litigation**

A wholly owned subsidiary has filed Summons & Statement of Claims against Revenue Records Sdn Bhd for RM1,369,270.09, for rendered service of maintenance, support and engineering services as well as equipment and local materials for Maju Nusa projects. On 30 May 2018, the Court has awarded judgement in favour the plaintiff together with the judgement sum of RM1,369,270.09. The Board is considering further action to recover this amount in due course.

**B11. Dividends**

There was no dividend declared during the quarter under review.

**B12 Earnings/ (Loss) per Share****a) Basic Loss per share**

	<b>2019 Current Quarter ended 31 March</b>	<b>2019 9 month Cumulative to date</b>
Profit attributable to ordinary shareholders (RM'000)	(902)	(3,108)
Weighted average number of ordinary shares on issue ('000)	138,131	138,131
Earnings/(Loss) per ordinary share (sen) - Basic	<b>(0.07)</b>	<b>(0.23)</b>

**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**

	<b>As at 31 March 2019 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(3,108)
- Unrealised	-
	(3,108)
Less: Consolidation adjustments	-
Total Group accumulated losses	<u>(3,108)</u>

**B14. Profit for the Period**

This is arrived at after crediting / (charging):

	<b>Current Quarter 31 March 2019 RM'000</b>	<b>Year To Date 9 Months to 31 March 2019 RM'000</b>
Interest income	45	98
Interest expenses	(111)	(297)
Depreciation of Property, Plant & Equipment	(117)	(251)
Amortisation of Intangible Asset	(0)	(0)

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.