

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30-Sep-2019

(The figures have not being audited)

	30-Sep-2019	30-Jun-2019
	RM'000	RM'000
	UNAUDITED	AUDITED
Assets		
Non Current Assets		
Property, plant and equipment	1,363	1,471
Intangible assets	2	2
Other investment	274	274
Other receivables	6,011	5,880
	7,650	7,627
Current Assets		
Inventories	1,394	840
Accrued Income	1,566	1,873
Trade receivables	3,460	2,400
Other receivables, deposits and prepayments	3,399	2,792
Amount owing by subsidiary	36	23
Tax recoverable	131	164
Fixed deposits placed with licensed banks	4,187	4,146
Cash and bank balances	240	1,310
	14,413	13,548
Current Liabilities		
Trade payables	5,487	6,007
Other payables, deposits and accruals	5,177	2,259
Amount owing to subsidiary	83	83
Bank borrowings	2,912	2,653
Tax Provision	2	2
Hire purchase - within 12 months	220	172
	13,881	11,176
Net Current Assets	532	2,372
	8,183	10,000
Represented by:		
Issued capital	16,873	16,873
Reserves	(9,358)	(7,454)
Shareholders' Equity	7,514	9,418
Hire-purchase payables	669	583
Deferred tax liabilities	-	-
	669	583
	8,183	10,001
Net assets per share (RM)	0.02	0.03

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial period ended 30 June 2019 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 COMPREHENSIVE INCOME

(The figures have not being audited)

	Unaudited CURRENT QUARTER ENDED		Unaudited CUMULATIVE PERIOD ENDED	
	30-Sep-2019 RM'000	30-Sep-2018 RM'000	30-Sep-2019 RM'000	30-Sep-2018 RM'000
Revenue	1,615	3,308	1,615	3,308
Cost of sales	(1,600)	(2,264)	(1,600)	(2,264)
Gross profit	<u>15</u>	<u>1,044</u>	<u>15</u>	<u>1,044</u>
Other operating Income	2	1	2	1
Administrative expenses	(38)	(485)	(38)	(485)
Other operating expenses	(1,741)	(1,400)	(1,741)	(1,400)
Operating loss	<u>(1,762)</u>	<u>(843)</u>	<u>(1,762)</u>	<u>(843)</u>
Finance costs	(10)	(85)	(10)	(85)
Loss before taxation	<u>(1,772)</u>	<u>(927)</u>	<u>(1,772)</u>	<u>(927)</u>
Taxation	-	(8)	-	(8)
Loss for the period	<u>(1,772)</u>	<u>(935)</u>	<u>(1,772)</u>	<u>(935)</u>
Other comprehensive income	-	-	-	-
Total comprehensive loss for the financial period	<u>(1,772)</u>	<u>(935)</u>	<u>(1,772)</u>	<u>(935)</u>
Attributable to:				
Equity holders of the Company	(1,772)	(935)	(1,772)	(935)
Minority interests	(2)	-	(2)	-
	<u>(1,774)</u>	<u>(935)</u>	<u>(1,774)</u>	<u>(935)</u>
Earnings per share				
- Basic (sen)	(1.47)	(0.77)	(1.47)	(0.77)
- 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.

The financial period ended 30 September 2019 is made up of 3 months result from 1 July 2019 to 30 September 2019.

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statements for the year ended 30 June 2019 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 1st Quarter Ended

30-Sep-19

(The figures have not being audited)

	Issued Capital (RM)	Non-Distributable Share Premium (RM)	Distributable Unappropriated Profit/(Loss) (RM)	Total (RM)	Non-Controlling Interest (RM)	Total (RM)
Balance as of 30 June 2019	16,872,518	-	(7,454,170)	9,418,348	(129,414)	9,288,934
Total comprehensive loss for the period	-	-	(1,772,644)	(1,772,644)	(1,849)	(1,774,493)
Balance as of 30 September 2019	16,872,518	-	(9,226,814)	7,645,704	(131,263)	7,514,441

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 30 June 2019 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 1st Quarter Ended

30-Sep-19

(The figures have not being audited)

	Unaudited 30-Sep-19 (RM)	Audited 30-Jun-19 (RM)
Cash flows from operating activities		
Loss before tax	(1,774,493)	(4,853,323)
Adjustment for :-		
Impairment of receivables		
Amortisation of intangible assets	176	1,068
Depreciation of property, plant and equipments	108,516	496,251
(Gain) / Loss - disposal of PPE	-	22,529
Loss on modification of financial asset	-	1,051,043
Allowance for impairment loss of trade receivables	-	504,124
Unwinding discount on other receivables	-	(818,936)
Inventories written off	-	174,228
Finance income	-	(137,250)
Finance cost	9,881	385,653
Operating loss before changes in working capital	<u>(1,655,920)</u>	<u>(3,174,613)</u>
Changes in working capital		
Inventories	(555,890)	778,346
Accrued income	(307,809)	483,999
Receivables	(939,491)	670,633
Payables	2,398,758	(1,608,538)
Cash used in operations	<u>(1,060,352)</u>	<u>(2,850,173)</u>
Interest paid	(9,881)	(385,653)
Tax paid	-	(47,947)
Tax refund	17,605	201,608
Net Cash From Operating Activities	<u>(1,052,628)</u>	<u>(3,082,165)</u>
Cash flows from investment activities		
Change in fixed deposit with maturity more than 3 months	(445,272)	561,104
Fixed deposit withdrawn from/(placed as) security value	40,765	1,351,249
Proceed from disposal of property, plant & equipment	-	537,471
Purchased of PPE	-	(261,997)
Interest received	-	137,250
Net cash (used in)/from investing activities	<u>(404,507)</u>	<u>2,325,077</u>
Cash flow from financing activities		
Proceeds from issuance of shares	-	2,811,917
Conversion of warrants	-	1,177,398
Acquisition of NCI	-	49,000
(Repayment)/drawdown of loans and borrowings	-	(171,057)
Advance to an associate	-	(6,978)
Repayment of hire purchase	(40,632)	-
Net cash (used in)/from financing activities	<u>(40,632)</u>	<u>3,860,280</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,497,767)</u>	<u>3,103,192</u>
Cash and cash equivalents as at beginning of period	<u>(1,137,817)</u>	<u>(4,241,009)</u>
Cash and cash equivalents as end of period	<u>(2,635,584)</u>	<u>(1,137,817)</u>
Cash and cash equivalents comprises:		
Fixed deposits placed with licensed bank	4,186,986	4,146,221
Cash and bank balances	239,705	1,309,786
	<u>4,426,691</u>	<u>5,456,007</u>
Fixed deposit with maturity more than 3 months	(534,020)	(537,219)
Bank overdraft	(2,912,159)	(2,481,275)
Desposit held as security value	(3,616,095)	(3,575,330)
	<u>(7,062,275)</u>	<u>(6,593,824)</u>
	<u>(2,635,584)</u>	<u>(1,137,817)</u>

The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the financial statements for the current quarter.

SILVER RIDGE HOLDINGS BHD
(Company No.: 667785-W)
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Notes on the quarterly report – 30th September 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 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.

A2. Audit report

The audited financial statements for the year ended 30 June 2019 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 30 September 2019

For the current quarter ended 30 September 2019, the Group recorded the revenue of RM1.615 million and pre-tax loss of RM1.772 million.

The lower revenue recorded in the current quarter was mainly attributed to no new contracts being secured. The higher pre-tax losses were attributed to realised losses accounted for several contracts in the past which were not profitable.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 30 September 2019, the Group recorded the revenue of RM1.615 million as compared to RM2.926 million in the immediate preceding quarter.

The Group recorded a pre-tax loss of RM1.772 million in the current quarter, as compared to a pre-tax loss of RM1.765 in the immediate preceding quarter, despite a much lower revenue during the current quarter.

B3. Prospects

The Group's business segments are expected to operate in a very challenging environment in 2019 /2020. In anticipation, the Group has been implementing cost reduction measures during the past few months and will strive to continue to improve its efficiency and productivity on all levels on better margin product mix within our existing tele-communications business to improve the Group's profitability. The Group also is focused now for the new financial period.

At the same time, the Group has been participating in several various tenders for exploring new contracts.

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

	2019	2018
	Current period	3 months
	ended 30 September	Cumulative to date
	RM'000	RM'000
Estimated current tax payable	0	8
Deferred tax	-	-
	<hr/>	<hr/>
	0	8
	<hr/>	<hr/>

B6. Quoted and marketable securities

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

B8. Borrowings

The Group's borrowings are as follows: -

	30 September
	2019
	RM'000
Payable within 12 months:	
Overdraft	2,912
Hire purchase	220
	<hr/>
	3,132
Payable after 12 months:	
Hire purchase	669
	<hr/>
	3,801
	<hr/>

The Group does not have any foreign currency borrowings for the quarter ended 30 September 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. On 13 June 2019, Silver Ridge Sdn Bhd's solicitor served Revenue Record Sdn Bhd with a Notice pursuant to Section 465 (1)(e) & Section 466 (1)(a) of Companies Act 2016 which stated that if Revenue Record Sdn Bhd fails or neglects to pay the plaintiff within 21 days from the Notice, they shall be deemed as unable to pay their debts within the meaning of Section 465 (1)(e) and winding up proceedings can be instituted against Revenue Record Sdn Bhd.

B11. Dividends

There was no dividend declared during the quarter under review.

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

	2019 Current Quarter ended 30 September	2019 3 months Cumulative to date
(Loss) attributable to ordinary shareholders (RM'000)	(1,774)	(1,774)
Weighted average number of ordinary shares on issue ('000)	140,354	140,354
(Loss) per ordinary share (sen) - Basic	(1.47)	(1.47)

b) Diluted Earnings / (Loss) per share

The diluted earnings per share for the current financial year has not been disclosed as the Company's EPS is negative and would have an anti-dilutive effect.

B14. Profit for the Period

This is arrived at after crediting / (charging):

	Current Quarter 30 September 2019 RM'000	Year To Date 3 Months to 30 September 2019 RM'000
Interest income	-	-
Interest expenses	(10)	(10)
Depreciation of Property, Plant & Equipment	(109)	(109)
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.