

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31-Dec-2019

(The figures have not being audited)

	31-Dec-2019	30-Jun-2019
	RM'000	RM'000
	UNAUDITED	AUDITED
Assets		
Non Current Assets		
Property, plant and equipment	1,255	1,471
Intangible assets	1	2
Other investment	274	274
Other receivables	6,011	5,880
	7,543	7,627
Current Assets		
Inventories	1,167	840
Accrued Income	1,403	1,873
Trade receivables	4,003	2,400
Other receivables, deposits and prepayments	620	2,792
Amount owing by subsidiary	12	23
Tax recoverable	127	164
Fixed deposits placed with licensed banks	4,248	4,146
Cash and bank balances	357	1,310
	11,937	13,548
Current Liabilities		
Trade payables	5,234	6,007
Other payables, deposits and accruals	3,201	2,259
Amount owing to subsidiary	83	83
Bank borrowings	2,402	2,653
Tax Provision	16	2
Hire purchase - within 12 months	220	172
	11,155	11,176
Net Current Assets	782	2,372
	8,324	10,000
Represented by:		
Issued capital	16,873	16,873
Reserves attributable to owners of the Company	(9,177)	(7,454)
Non-controlling interest	(133)	(129)
Shareholders' Equity	7,563	9,289
Hire-purchase payables	761	583
Deferred tax liabilities	-	-
	761	583
	8,324	9,870
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	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Revenue	2,987	5,632	4,602	8,940
Cost of sales	(2,368)	(4,887)	(3,968)	(7,151)
Gross profit	<u>619</u>	<u>745</u>	<u>634</u>	<u>1,789</u>
Other operating income	0	44	2	45
Administrative expenses	(3)	(576)	(41)	(1,061)
Other operating expenses	(621)	(1,393)	(2,362)	(2,793)
Operating profit	<u>(6)</u>	<u>(1,180)</u>	<u>(1,768)</u>	<u>(2,021)</u>
Finance costs	(8)	(101)	(18)	(186)
Finance income	61	-	61	-
Profit before taxation	<u>46</u>	<u>(1,281)</u>	<u>(1,725)</u>	<u>(2,207)</u>
Taxation	0	8	-	0
Profit for the period	<u>46</u>	<u>(1,273)</u>	<u>(1,725)</u>	<u>(2,207)</u>
Other comprehensive income	0	-	-	-
Total comprehensive profit for the financial period	<u>46</u>	<u>(1,273)</u>	<u>(1,725)</u>	<u>(2,207)</u>
Attributable to:				
Equity holders of the Company	46	(1,273)	(1,722)	(2,207)
Minority interests	(2)	-	(3)	-
	<u>45</u>	<u>(1,273)</u>	<u>(1,725)</u>	<u>(2,207)</u>
Earnings per share				
- Basic (sen)	0.03	(1.01)	(1.23)	(1.78)
- Diluted (sen)	0.03	(0.90)	(1.13)	(1.63)
Dividend per share (sen)	NA	NA	NA	NA

Note:

The financial period ended 31 December 2019 is made up of 6 months result from 1 July 2019 to 31 December 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 2nd Quarter Ended

31-Dec-19

(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	Non-Controlling Interest RM'000	Total RM'000
Balance as of 30 June 2019	16,873	-	(7,454)	9,418	(129)	9,289
Total comprehensive loss for the period	-	-	(1,723)	(1,723)	(3)	(1,726)
Balance as of 31 December 2019	16,873	-	(9,177)	7,695	(133)	7,563

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 2nd Quarter Ended

31-Dec-19

(The figures have not being audited)

	Unaudited 31-Dec-19 RM'000	Audited 30-Jun-19 RM'000
Cash flows from operating activities		
Loss before tax	(1,726)	(4,853)
Adjustment for :-	-	-
Impairment of receivables	-	-
Amortisation of intangible assets	0	1
Depreciation of property, plant and equipments	216	496
(Gain) / Loss - disposal of PPE	-	23
Loss on modification of financial asset	-	1,051
Allowance for impairment loss of trade receivables	-	504
Unwinding discount on other receivables	-	(819)
Inventories written off	-	174
Finance income	(61)	(137)
Finance cost	18	386
Operating loss before changes in working capital	(1,552)	(3,175)
Changes in working capital		
Inventories	(326)	778
Accrued income	470	484
Receivables	570	671
Payables	(130)	(1,609)
Cash used in operations	(969)	(2,850)
Interest paid	(18)	(386)
Tax paid	-	(48)
Tax refund	7	202
Net Cash From Operating Activities	(980)	(3,082)
Cash flows from investment activities		
Change in fixed deposit with maturity more than 3 months	54	561
Fixed deposit withdrawn from/(placed as) security value	179	1,351
Proceed from disposal of property, plant & equipment	-	537
Purchased of PPE	-	(262)
Interest received	61	137
Net cash (used in)/from investing activities	294	2,325
Cash flow from financing activities		
Proceeds from issuance of shares	-	2,812
Conversion of warrants	0	1,177
Acquisition of NCI	-	49
(Repayment)/drawdown of loans and borrowings	-	(171)
Advance to an associate	-	(7)
Repayment of hire purchase	(61)	-
Net cash (used in)/from financing activities	(61)	3,860
Net (decrease)/increase in cash and cash equivalents	(747)	3,103
Cash and cash equivalents as at beginning of period	(1,138)	(4,241)
Cash and cash equivalents as end of period	(1,885)	(1,138)
Cash and cash equivalents comprises:		
Fixed deposits placed with licensed bank	4,248	4,146
Cash and bank balances	357	1,310
	4,605	5,456
Fixed deposit with maturity more than 3 months	(591)	(537)
Bank overdraft	(2,402)	(2,481)
Desposit held as security value	(3,498)	(3,575)
	(6,490)	(6,594)
	(1,885)	(1,138)

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)

Incorporated in Malaysia

Notes on the quarterly report – 31st December 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 31 December 2019

For the current quarter ended 31 December 2019, the Group recorded the revenue of RM2.987 million and pre-tax profit of RM46,000.

The revenue recorded for the current quarter ended 31 December 2019 is approximately 49% lower than the revenue recorded in the corresponding quarter ended 31 December 2018. The lower revenue achieved in the current quarter was mainly due to lower recognition values of certain completed projects in-hand and there were no new substantial contracts being executed during the quarter. The higher pre-tax profit was attributed to some downsizing exercises and cost reduction measures being implemented in the Group's operating divisions.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 December 2019, the Group recorded the revenue of RM2.987 million as compared to RM1.615 million in the immediate preceding quarter, which represents approximately an 85% increase due to new projects and sites being secured and completed.

The Group recorded a pre-tax profit of RM46,000 in the current quarter, as compared to a pre-tax loss of RM1.772 million in the immediate preceding quarter, which was attributed to significant improvements in gross margins as well as the downsizing exercises and cost reduction measures being implemented in the Group.

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 downsizing exercises and cost reduction measures during the past few months and will strive to continue to improve its efficiency and productivity at all levels. The Group is also looking into better margin product mix within our existing tele-communications business to improve the Group's profitability.

The Group managed to secure a 2-year outsourcing contract to install communication poles which will facilitate the network for TNB-IT Sdn Bhd's Advanced Metering Infrastructure ("AMI"). TNB-IT Sdn Bhd is a wholly-owned subsidiary of Tenaga Nasional Berhad ("TNB"). TNB plans to deploy smart meters to a total of 9.1 million households across Peninsular Malaysia by 2026. The smart meter records and collects information on the consumption of electricity, then transmits this information to TNB for monitoring and billing.

Although works are currently at initial stages, an estimated 820 poles would need to be installed in the Klang Valley area. The Group is of the view that this contract will contribute greatly to its bottom line as well as provide regular and sustainable income moving forward.

At the same time, the Group has been participating in several various tenders to explore 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	6 months
	ended 31 December	Cumulative to date
	RM'000	RM'000
Estimated current tax payable	0	8
Deferred tax	-	-
	<hr/>	<hr/>
	0	8
	<hr/> <hr/>	<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

In December 2018, the Company undertook a private placement of up to 10% of the total number of issued shares. A total of 12,387,300 ordinary shares were issued at a price of RM 0.2270 per share. As at 31 December 2019, the placement funds were fully utilised. A summary of the utilisation of proceeds as at 31 December 2019 is tabled below:

Purpose	Proceeds raised	Balance of proceeds unutilised as at 31 December 2019	Actual utilised as at 31 December 2019
	RM	RM	RM
Operating Expenses	1,744,738	-	1,744,738
Staff Costs	906,096	-	906,096
Expenses relating to Private Placement	161,084	-	161,084
	<hr/>	<hr/>	<hr/>
Total	2,811,917		2,811,917

B8. Borrowings

The Group's borrowings are as follows: -

	31 December 2019 RM'000
Payable within 12 months:	
Overdraft	2,402
Hire purchase	220
	<hr/> 2,622
Payable after 12 months:	
Hire purchase	761
	<hr/> 3,382

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

There was no new material litigation other than those announced previously.

B11. Dividends

There was no dividend declared during the quarter under review.

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

	Current Quarter Ended 31 December 2019	6 months Current Year to Date Ended 31 December 2019
Profit / (loss) attributable to ordinary shareholders (RM'000)	<hr/> 46	<hr/> (1,722)
Weighted average number of ordinary shares on issue ('000)	<hr/> 140,354	<hr/> 140,354
Earnings / (loss) per ordinary share (sen) - Basic	<hr/> 0.03	<hr/> (1.23)

b) Diluted Earnings Per Share

	Current Quarter Ended 31 December 2019	6 months Current Year to Date Ended 31 December 2019
Profit / (loss) attributable to ordinary shareholders (RM'000)	46	(1,722)
Weighted average number of ordinary shares on issue ('000)	140,354	140,354
Adjusted for: Assumed shares issued from the conversion of Warrant 2013/2023	13,449	11,984
Adjusted weighted average number of ordinary shares on issue and issuable (units)	153,803	152,338
Fully diluted earnings/ (loss) per ordinary share (sen)	0.03	(1.13)

B14. Profit for the Period

This is arrived at after crediting / (charging):

	Current Quarter 31 December 2019 RM'000	Year To Date 6 Months to 31 December 2019 RM'000
Interest income	61	-
Interest expenses	(8)	(18)
Depreciation of Property, Plant & Equipment	(107)	(216)
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.