

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	UNAUDITED As at end of Current Quarter 31 March 2020 RM'000	AUDITED As at Preceding Financial Year Ended 30 June 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,136	1,471
Intangible assets	2	2
Other investments	274	274
Other receivable	5,880	5,880
Total non-current assets	7,292	7,627
Current assets		
Inventories	973	840
Accrued income	1,643	1,875
Trade receivables	1,416	2,400
Other receivable, deposits and prepayments	2,340	2,792
Amount due from an associated company	31	23
Tax recoverable	134	165
Fixed deposits with licensed banks	4,278	4,146
Cash and bank balances	895	1,310
Total current assets	11,710	13,551
TOTAL ASSETS	19,002	21,178
EQUITY AND LIABILITIES		
Issued capital	17,765	16,873
Reserves	(9,814)	(7,454)
Non-controlling interest	(133)	(129)
TOTAL EQUITY	7,818	9,290
Non-current liabilities		
Hire purchase payables	870	870
Deferred tax liability	14	14
Total non-current liabilities	884	884
Current liabilities		
Trade payables	6,158	6,007
Other payables and accruals	1,597	2,259
Amount due to an associated company	83	83
Tax provision	-	2
Hire purchase payables	50	172
Bank borrowings	2,412	2,481
Total current liabilities	10,300	11,004
TOTAL LIABILITIES	11,184	11,888
TOTAL EQUITY AND LIABILITIES	19,002	21,178
Net Assets per share (RM)	0.06	0.07

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.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31 March 2020

	Unaudited CURRENT PERIOD ENDED 31 March 2020 RM'000	Unaudited CURRENT PERIOD ENDED 31 March 2019 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 March 2020 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 March 2019 RM'000
Revenue	2,371	2,773	6,972	11,713
Cost of sales	(1,610)	(1,732)	(5,579)	(8,883)
GROSS PROFIT	761	1,041	1,393	2,830
Other operating income	-	53	63	98
Administrative expenses	(289)	(554)	(913)	(1,615)
Other operating expenses	(1,052)	(1,331)	(2,777)	(4,124)
LOSS FROM OPERATIONS	(580)	(791)	(2,234)	(2,811)
Finance costs	(57)	(111)	(130)	(297)
LOSS BEFORE TAXATION	(637)	(902)	(2,364)	(3,108)
Taxation	-	-	-	-
LOSS AFTER TAXATION	(637)	(902)	(2,364)	(3,108)
Other comprehensive income, net of tax	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD	(637)	(902)	(2,364)	(3,108)
Attributable to:				
Equity holders of the Company	(636)	(902)	(2,360)	(3,108)
Non-controlling interest	(1)	-	(4)	-
	(637)	(902)	(2,364)	(3,108)
Earnings per share				
- Basic loss per share attributable to owner of the company (sen)	(0.45)	(0.07)	(1.67)	(0.23)
- Diluted loss per share attributable to owner of the company (sen)	(0.41)	N/A	(1.51)	N/A
Dividend per share (sen)	N/A	N/A	N/A	N/A

Note:-

- The financial period ended 31 March 2020 is made up of 9 months result from 1 July 2019 to 31 March 2020.
- Fully diluted earnings per share for the previous financial 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 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.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 March 2020

	UNAUDITED 31 March 2020 RM'000	AUDITED 30 June 2019 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,364)	(4,853)
Adjustment for :-		
Amortisation of intangible assets	1	1
Depreciation of property, plant and equipments	335	496
(Gain)/Loss disposal of property, plant and equipments	-	23
Loss on modification of financial asset	-	1,051
Allowance for impairment loss on trade receivables	-	504
Unwinding discount on other receivables	-	(819)
Inventories written off	-	174
Finance income	(61)	(137)
Finance cost	130	386
Operating loss before working capital changes	<u>(1,959)</u>	<u>(3,174)</u>
Changes in working capital		
Decrease/(increase) in inventories	(133)	778
Decrease in accrued income	232	484
Decrease in receivables	1,435	671
Increase in payables	(388)	(1,609)
Cash used in operations	<u>(813)</u>	<u>(2,850)</u>
Interest paid	(130)	(386)
Income tax paid	(14)	(48)
Income tax refund	45	202
Net cash used in operating activities	<u>(912)</u>	<u>(3,082)</u>
Cash Flows From Investing Activities		
Change in fixed deposit with maturity more than 3 months	-	561
Fixed deposit withdrawn from/(placed as) security value	(132)	1,351
Proceed from disposal of property, plant & equipment	-	538
Purchased of property, plant and equipments	-	(262)
Interest received	61	137
Net cash generated from investing activities	<u>(71)</u>	<u>2,325</u>
Cash Flow From Financing Activities		
Proceeds from issuance of shares	-	2,812
Conversion of warrants	892	1,177
Acquisition of NCI	-	49
(Repayment)/drawdown of loans and borrowings	-	(171)
Advance to an associate	(8)	(7)
Repayment of hire purchase	(121)	-
Net cash generated from financing activities	<u>763</u>	<u>3,860</u>
Net decrease/(increase) in cash and cash equivalents	(220)	3,103
Cash and cash equivalents as at beginning of the financial year/period	(1,138)	(4,241)
Cash and cash equivalents as at end of the financial year/period	<u>(1,358)</u>	<u>(1,138)</u>
Cash and cash equivalents comprises of:		
Fixed deposits placed with licensed banks	4,278	4,146
Cash and bank balances	895	1,310
	<u>5,173</u>	<u>5,456</u>
Fixed deposit with maturity of more than 3 months	(420)	(538)
Bank overdraft	(2,412)	(2,481)
Deposit held as security value	(3,699)	(3,575)
	<u>(6,531)</u>	<u>(6,594)</u>
	<u>(1,358)</u>	<u>(1,138)</u>

Note:-

The unaudited Condensed Consolidated Statement Of Cash Flow 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 STATEMENT OF CHANGES IN EQUITY

For the 3rd Quarter Ended

31-Mar-20

(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 1 July 2019	16,873	-	(7,454)	9,419	(129)	9,290
Total comprehensive loss for the period	-	-	(2,360)	(2,360)	(4)	(2,364)
Conversion of warrants	892	-	-	892	-	892
Balance as of 31 March 2020	17,765	-	(9,814)	7,951	(133)	7,818

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

Notes on the quarterly report - 31st March 2020

A. EXPLANATORY NOTES AS PER MFRS134-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 statement. 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

During the quarter under review, 4,955,550 shares have been issued and listed on the ACE Market of Bursa Securities as a result of the exercise of warrants.

As at 31 March 2020, the outstanding warrants of the Company stands at 43,077,950.

Save as disclosed above, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

A7. Dividends paid

There were no dividends paid during the current quarter under review.

Notes on the quarterly report - 31st March 2020

**A. EXPLANATORY NOTES AS PER MFRS134-INTERIM FINANCIAL REPORTING
(CONTINUED)**

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.

Notes on the quarterly report - 31st March 2020

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group results for the current quarter ended 31 March 2020

For the current quarter ended 31 March 2020, the Group recorded the revenue of RM2.371 million and pre-tax losses of RM0.637 million.

The revenue recorded for the current quarter ended 31 March 2020 is approximately 15% lower than the revenue recorded in the corresponding quarter ended 31 March 2019. The lower revenue achieved in the current quarter was mainly due to lower recognition values of certain completed projects in-hand which was partly attributable to the Movement Control Order (MCO) implemented by the government as at 18 March 2020 during the quarter.

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 March 2020, the Group recorded the revenue of RM2.371 million as compared to RM2.987 million in the immediate preceding quarter, which represents approximately a 21% fall due to the reduced number of projects being completed partly attributable to the Movement Control Order (MCO).

The Group recorded a pre-tax loss of RM0.637 million in the current quarter, as compared to a pretax profit of RM46,000 in the immediate preceding quarter, which was contributed by higher administrative and other operating costs incurred during the period compared to the previous quarter where several cost reduction exercises were taken place.

B3. Prospects for the financial year ending 30 June 2020

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 several cost reduction measures during the past few months and will strive to continue improving its efficiency and streamline the Group operations. The Group is also focusing on wider margin product mix within the tele-communications industry to improve the Group's profitability. At the same time, the Group will be actively participating in new tenders and exploring new business opportunities in the telecommunication industry particularly in relation to 4G as well as 5G technology.

Whilst the Board expects the final quarter results of the current financial year to be impacted by the COVID-19 pandemic, the Group will continue to operate and undertake all necessary measures to mitigate the effects of COVID-19 on the Group's operating results and financial position.

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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Notes on the quarterly report - 31st March 2020

B5. Tax expense

	2020	2019
	Current period	9 months
	ended 31 March	Cumulative to date
	RM'000	RM'000
Estimated current tax payable	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
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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: -

	As at
	31 March 2020
	RM'000
Payable within 12 months:	
Overdraft	2,412
Hire purchase	50
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	2,462
Payable after 12 months:	
Hire Purchase	870
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	3,332
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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.

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Notes on the quarterly report - 31st March 2020

B12 Earnings / (Loss) per Share

a) Basic Loss Per Share

	Current Quarter Ended 31 March 2020	9 months Current Year to Date Ended 31 March 2020
Profit / (loss) attributable to ordinary shareholders (RM'000)	(637)	(2,360)
Weighted average number of ordinary shares on issue ('000)	141,123	141,123
Earnings/(loss) per ordinary share (sen)	(0.45)	(1.67)

b) Diluted Loss Per Share

	Current Quarter Ended 31 March 2020	9 months Current Year to Date Ended 31 March 2020
Profit / (loss) attributable to ordinary shareholders (RM'000)	(637)	(2,360)
Weighted average number of ordinary shares on issue ('000)	141,123	141,123
Adjusted for:		
Assumed shares issued from the conversion of warrant 2013/2023	14,986	14,986
Adjusted weighted average number of ordinary shares on issue and issuable (units)	156,109	156,109
Fully diluted earnings/(loss) per ordinary share (sen)	(0.41)	(1.51)

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Notes on the quarterly report - 31st March 2020

B13. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31 March 2020 RM'000	As at 31 March 2019 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(11,849)	(3,108)
- Unrealised	-	-
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	(11,849)	(3,108)
Less: Consolidation adjustments	2,031	-
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	(9,818)	(3,108)

B14. Loss for the Period

This is arrived at after crediting / (charging):

	Current Quarter 31 March 2020 RM'000	Year to Date 9 months to 31 March 2020 RM'000
Interest income	-	61
Interest expenses	(57)	(130)
Depreciation of Property, Plant and Equipment	(119)	(335)
Amortisation of Intangible Asset	-	(1)

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.