



SILVER RIDGE HOLDINGS BHD. (200401029277 (667785-W))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31 December 2020

	Unaudited CURRENT PERIOD ENDED 31 December 2020 RM'000	Unaudited CURRENT PERIOD ENDED 31 December 2019 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 December 2020 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 December 2019 RM'000
Revenue	2,502	2,987	4,648	4,602
Cost of sales	(1,755)	(2,368)	(3,090)	(3,968)
GROSS PROFIT	<u>747</u>	<u>619</u>	<u>1,558</u>	<u>634</u>
Other operating income	121	59	211	62
Administrative expenses	(426)	(3)	(1,027)	(41)
Other operating expenses	(742)	(621)	(1,421)	(2,362)
(LOSS)/PROFIT FROM OPERATIONS	<u>(300)</u>	<u>54</u>	<u>(679)</u>	<u>(1,707)</u>
Finance costs	(99)	(8)	(121)	(18)
(LOSS)/PROFIT BEFORE TAXATION	<u>(399)</u>	<u>46</u>	<u>(800)</u>	<u>(1,725)</u>
Taxation	-	-	-	-
(LOSS)/PROFIT AFTER TAXATION	<u>(399)</u>	<u>46</u>	<u>(800)</u>	<u>(1,725)</u>
Other comprehensive income, net of tax	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	<u>(399)</u>	<u>46</u>	<u>(800)</u>	<u>(1,725)</u>
Attributable to:				
Equity holders of the Company	(397)	44	(798)	(1,722)
Non-controlling interest	(2)	2	(2)	(3)
	<u>(399)</u>	<u>46</u>	<u>(800)</u>	<u>(1,725)</u>
Earnings per share				
- Basic loss per share attributable to owner of the company (sen)	(0.25)	0.03	(0.51)	(1.23)
- Diluted loss per share attributable to owner of the company (sen)	(0.23)	0.03	(0.46)	(1.13)
Dividend per share (sen)	N/A	N/A	N/A	N/A

Note:-

- The financial period ended 31 December 2020 is made up of 3 months result from 1 October 2020 to 31 December 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 2020 and the accompanying explanatory notes attached to the interim financial statements.

SILVER RIDGE HOLDINGS BHD. (200401029277 (667785-W))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	UNAUDITED As at end of Current Quarter 31 December 2020 RM'000	AUDITED As at Preceding Financial Year Ended 30 June 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	223	264
Right-of-use assets	644	768
Intangible assets	-	1
Investment in Associate	75	-
Other investments	274	274
Other receivable	5,326	5,326
Total non-current assets	6,542	6,633
Current assets		
Inventories	502	1,027
Contract cost	1,665	2,130
Trade receivable	1,480	730
Other receivable, deposits and prepayments	2,799	2,789
Amount due from an associated company	34	32
Tax recoverable	134	116
Fixed deposits with licensed banks	3,847	4,744
Cash and bank balances	1,912	2,303
Total current assets	12,373	13,871
TOTAL ASSETS	18,915	20,504
EQUITY AND LIABILITIES		
Share capital	19,867	19,165
Reserves	(11,171)	(10,373)
Share application money	-	100
Non-controlling interest	(135)	(133)
TOTAL EQUITY	8,561	8,759
Non-current liabilities		
Lease Liabilities	791	791
Total non-current liabilities	791	791
Current liabilities		
Trade payables	5,365	6,496
Other payables and accruals	1,560	1,836
Amount due to an associated company	83	84
Loans and borrowings	2,460	2,413
Lease liabilities	95	125
Total current liabilities	9,563	10,954
TOTAL LIABILITIES	10,354	11,745
TOTAL EQUITY AND LIABILITIES	18,915	20,504
Net Assets per share (RM)	0.05	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 2020 and the accompanying explanatory notes attached to the interim financial statements.

SILVER RIDGE HOLDINGS BHD. (200401029277 (667785-W))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2020

	UNAUDITED 31 December 2020 RM'000	AUDITED 30 June 2020 RM'000
Cash Flows From Operating Activities		
Loss before tax	(800)	(2,948)
Adjustment for :-		
Amortisation of intangible assets	1	1
Depreciation of property, plant and equipments	41	176
Depreciation of right-of-use assets	124	263
Loss on property, plant and equipments written off	-	1
Loss on modification of financial asset	-	661
Allowance for impairment loss on trade receivables	-	21
Reversal of impairment losses on trade receivables	-	(6)
Unwinding discount on other receivables	-	(697)
Finance income	(20)	(143)
Finance cost	117	250
Operating loss before working capital changes	<u>(537)</u>	<u>(2,421)</u>
Changes in working capital		
Decrease/(increase) in inventories	525	(188)
Decrease/(increase) in contract asset	465	(256)
(Increase)/decrease in receivables	(695)	2,250
(Decrease)/increase in payables	(1,409)	67
Cash used in operations	<u>(1,651)</u>	<u>(548)</u>
Interest paid	(117)	(250)
Income tax refund/(paid)	(24)	125
Net cash used in operating activities	<u>(1,792)</u>	<u>(673)</u>
Cash Flows From Investing Activities		
Change in fixed deposit with maturity more than 3 months	(30)	(17)
Fixed deposit withdrawn from/(placed as) security value	897	(611)
Interest received	20	143
Net cash outflow on incorporation of associate	(75)	-
	<u>812</u>	<u>(485)</u>
Net cash generated/(used in) from investing activities		
Cash Flow From Financing Activities		
Conversion of warrants	602	2,293
Share application money received	-	100
Repayment of loans and borrowings	-	(1,110)
(Repayment)/Addition of lease liabilities	(30)	916
Advance to an associate	-	(10)
Net cash generated from financing activities	<u>572</u>	<u>2,189</u>
Net (increase)/decrease in cash and cash equivalents	(408)	1,031
Cash and cash equivalents as at beginning of the financial year/period	(107)	(1,138)
Cash and cash equivalents as at end of the financial year/period	<u>(515)</u>	<u>(107)</u>
Cash and cash equivalents comprises of:		
Fixed deposits placed with licensed banks	3,847	4,744
Cash and bank balances	1,912	2,303
	<u>5,759</u>	<u>7,047</u>
Fixed deposit with maturity of more than 3 months	(525)	(555)
Bank overdraft	(2,460)	(2,413)
Deposit held as security value	(3,289)	(4,186)
	<u>(6,274)</u>	<u>(7,154)</u>
	<u>(515)</u>	<u>(107)</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

SILVER RIDGE HOLDINGS BHD. (200401029277 (667785-W))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 2nd Quarter Ended 31-Dec-20
(The figures have not been audited)

	← Attributable to the equity holders of the Company →						
Issued Capital (RM'000)	Share Premium (RM'000)	Distributable Unappropriated Profit/(Loss) (RM'000)	Share Application Money (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total (RM'000)	
Balance as of 1 July 2020	19,165	-	(10,373)	100	8,892	(133)	8,759
Total comprehensive loss for the period	-	-	(798)		(798)	(2)	(800)
Conversion of warrants	702	-	-	(100)	602	-	602
Balance as of 31 December 2020	19,867	-	(11,171)	-	8,696	(135)	8,561

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

Notes on the quarterly report – 31 December 2020

A. EXPLANATORY NOTES AS PER MFRS 134- 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 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year ended 30 June 2020.

A2. Audit report

The audited financial statements for the year ended 30 June 2020 of the Group was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group's operations were not affected by any seasonal or cyclical factors for the quarter under review.

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, a total of 2,516,900 shares have been issued and listed on the ACE Market of Bursa Securities as a result of the exercise of warrants. As at 31 December 2020, the outstanding warrants of the Company stands at 31,393,950. 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.

Notes on the quarterly report – 31 December 2020

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

Silver Ridge Holdings Berhad (‘Company’) has filed a Writ and Statement of Claim against Jonathan Chong Teik Cheh and 28 others for claims of fraudulent misrepresentations, breach of fiduciary duties and conspiracy to injure the Company by unlawful means. The said writ action was filed and registered as Kuala Lumpur High Court Suit No.: WA-22NCC-362-08/2020 (‘Suit 362’). The Company has discontinued Suit 362 against all of the Defendants in the action. A hearing was fixed on 19 February 2021 before Yang Arif Dato’ Khadijah Binti Idris on the question of Costs as sought by Mercury Securities Sdn. Bhd. (Company No.: 113193-W) (“MSSB”). The Court had ordered the Company to pay MSSB costs of RM15,000 for the discontinuance of Suit 362. However, no order as to cost for the discontinuance of Suit 362 against the remaining Defendants.

Notes on the quarterly report – 31 December 2020

A12. Changes in the composition of the Group

The Board of Directors of Silver Ridge Holding Berhad has on 1st December 2020 entered into a Shareholders' Agreement with Total Group Berhad ('TGB') for the incorporation of SR Total Digital Sdn Bhd ('SR Total Digital'), a private limited company with a paid-up capital of RM250,000 comprising 250,000 ordinary shares of RM1.00 each to carry out the business of Information technology (IT) Application Development, Marketing and Business Management.

The paid-up capital of SR Total Digital is RM250,000 comprising of 250,000 ordinary shares of RM1.00 each upon incorporation. The Group and TGB will each subscribe for the new ordinary shares of in the following proportions: -

Shareholders	No. of Shares	Proportion of shareholdings in SR Total Digital
Silver Ridge Holdings Berhad	75,000	30%
Total Group Berhad	175,000	70%
Total	250,000	100%

SR Total Digital is an associate of the Group.

Other than the above, 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.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

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

For the current quarter ended 31 December 2020, the Group recorded a revenue of RM2.5 million and pre-tax losses of RM399,000.

The revenue recorded for the current quarter ended 31 December 2020 is approximately 16% lower than the revenue recorded in the corresponding quarter ended 31 December 2019. The lower revenue achieved in the current quarter was mainly due to lower recognition values of certain projects in-hand.

Notes on the quarterly report – 31 December 2020

B2. Variation of results against immediate preceding quarter

For the current quarter ended 31 December 2020, the Group recorded a revenue of RM2.5 million as compared to RM2.15 million in the immediate preceding quarter, which represents approximately a 16% increase due to higher progress billing of certain projects.

The Group recorded a pre-tax loss RM399,000 in the current quarter, as compared to a pretax loss of RM401,000 million in the immediate preceding quarter, which was contributed by higher costs of sales.

B3. Prospects for the financial year ending 30 June 2021

As per Bank Negara Malaysia announcement (Economic and Financial Developments in Malaysia in the 4 Quarter of 2020) dated 11 February 2021 the Malaysian economy registered a negative growth of 3.4% in the fourth quarter of 2020 (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order (CMCO) on a number of states since mid-October 2020.

The restrictions on mobility, weighed on economic activity during the first and second quarter of the Group's current financial year. Nevertheless, continued improvement in external demand provided support to growth but moderating private consumption and public investment activities weighed on domestic demand.

Hence, the Group's business is expected to continue operating in a challenging environment in the quarters ahead despite the Group's efforts in streamlining its processes and operation to achieve better margins. Nonetheless, the Group continues to search for new business opportunities.

The Group will continue to formulate and implement plans to mitigate the effects of COVID-19 pandemic on its operations.

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

	2020	2020
	Current period	6 months
	ended	Cumulative to
	31 December	date
	RM'000	RM'000
Estimated current tax payable	-	-
Deferred tax	-	-
	-	-

Notes on the quarterly report – 31 December 2020

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 December 2020 RM'000
Payable within 12 months:	
Overdraft	2,460
Lease liabilities	95
	<hr/> 2,555
Payable after 12 months:	
Lease liabilities	791
	<hr/> 3,346

B9. Off balance sheet financial instruments

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

B10. Material litigation

Apart from Suit 362, Jonathan Chong Teik Cheh and co has filed an Originating Summons against the Company and its Board of Directors for a court convened meeting pursuant to Section 314 of the Companies Act 2016. The said Originating Summons was filed and registered as Kuala Lumpur High Court Suit No.: WA-24NCC-321-08/2020 ('OS 321'). The Board of Directors of the Company has announced that the Plaintiffs have withdrawn OS 321 against the Company and its Directors without liberty to file afresh and no order as to costs on 28 December 2020.

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 – 31 December 2020

B12 Earnings / (Loss) per Share

a) Basic Loss Per Share

	Current Quarter Ended 31 December 2020	6 months Current Year to Date Ended 31 December 2020
Profit/(loss) attributable to ordinary shareholders (RM'000)	(397)	(798)
Weighted average number of ordinary shares on issue ('000)	155,755	155,755
Earnings/(loss) per ordinary share (sen)	(0.25)	(0.51)

b) Diluted Loss Per Share

	Current Quarter Ended 31 December 2020	6 months Current Year to Date Ended 31 December 2020
Profit/(loss) attributable to ordinary shareholders (RM'000)	(397)	(798)
Weighted average number of ordinary shares on issue ('000)	155,755	155,755
Adjusted for:		
Assumed shares issued from the conversion of warrant 2013/2023	19,347	19,347
Adjusted weighted average number of ordinary shares on issue and issuable (units)	175,102	175,102
Fully diluted earnings/(loss) per ordinary share (sen)	(0.23)	(0.46)

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Incorporated in Malaysia

Notes on the quarterly report – 31 December 2020

B13. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31 December 2020 RM'000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(12,943)
- Unrealised	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(12,943)
Less: Consolidation adjustments	1,586
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	(11,357)

B14. Loss for the Period

This is arrived at after crediting / (charging):

	Current Quarter 31 December 2020 RM'000	Year to Date 6 months to 31 December 2020 RM'000
Interest income	20	20
Interest expenses	(99)	(121)
Depreciation of property, plant and equipment	(23)	(41)
Depreciation of rights of use of asset	(61)	(124)
Amortization of intangible asset	-	-

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.