

**Notes on the quarterly report – 30 June 2021**

**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 for the 4<sup>th</sup> quarter ended 30 June 2021 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.

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 accounting policies and method of computation adopted in these unaudited condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020.

At the beginning of the financial year, the Group and the Company adopt the following Amendments to MFRS which mandatory for the financial period beginning on or after 1 January 2020:

- Amendments to MFRS 3 (Business Combinations)
- Amendments to MFRS 4 (Insurance Contracts)
- Amendments to MFRS 7 (Financial Instruments: Disclosure)
- Amendments to MFRS 9 (Financial Instruments)
- Amendments to MFRS 101 (Presentation of Financial Statements)
- Amendments to MFRS 108 (Accounting Policies, Changes in Accounting Estimates and Error)
- Amendments to MFRS 139 (Financial Instruments: Recognition and Measurement)
- Amendments to References to Conceptual Framework in IFRS Standards

The adoption of the above is not expected to have any significant effects on the interim financial report upon their initial application.

**A2. Seasonality or Cyclicity of Interim Operations**

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 30 June 2021.

**A4. Changes in Estimates**

There were no changes in the estimates of amounts reported in prior financial years that have a material effect on the results in the current quarter and financial period ended 30 June 2021.

**Notes on the quarterly report – 30 June 2021**

**A5. Issues, Repurchases and Repayments of Debts and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter 30 June 2021, other than the issuance of 601,300 new ordinary shares following the conversion of 601,300 warrants. The 601,300 new shares issued were listed on the ACE Market of Bursa Securities. As at 30 June 2021, the converted warrants of the Company stand at 18,680,550.

**A6. Dividends Paid**

There were no dividends paid during the current quarter and financial period ended 30 June 2021.

**A7. Segmental Information**

Segmental information is not presented as the Group is primarily engaged in the Information and Communication Technology (“ICT”) Industry.

**A8. Valuation of Property, Plant and Equipment**

There were no revaluations of property, plant and equipment during the current quarter and financial period ended 30 June 2021. As at 30 June 2021, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

**A9. Material Events Subsequent to the End of the Financial Period**

There were no material events subsequent to the end of the financial period up to the date of this report.

**A10. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter 30 June 2021.

**A11. Changes in Contingent Liabilities or Contingent Assets**

The 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.

**A12. Capital Commitments**

There was no material capital commitment for the purchase of property, plant and equipment that were not provided for in the interim financial statements as at 30 June 2021.

**SILVER RIDGE HOLDINGS BHD**  
**(Company No.: 200401029277 (667785-W))**  
**Incorporated in Malaysia**

**Notes on the quarterly report – 30 June 2021**

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

**B1. Review of the Group Performance:**

**Current Quarter**

	<b>30 Jun 2021 RM'000</b>	<b>30 Jun 2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	3,156	2,100	1,056	50%
Operating Loss	(574)	(574)	0	0%
Loss Before Tax	(670)	(694)	24	-3%
Loss After Tax	(702)	(609)	93	1%

For the current quarter ended 30 June 2021, the Group recorded a revenue of RM3.16 million and a loss before tax of RM0.7 million.

The revenue recorded for the current quarter ended 30 June 2021 is approximately 50% higher than that in the corresponding quarter ended 30 June 2020. The higher revenue recorded in the current quarter was mainly due to revenue recognized in respect of a particular new contract.

**Financial Year to Date**

	<b>30 Jun 2021 RM'000</b>	<b>30 Jun 2020 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	9,976	9,110	866	10%
Operating Loss	(2,483)	(2,697)	214	-8%
Loss Before Tax	(2,763)	(2,947)	184	-6%
Loss After Tax	(2,795)	(2,922)	127	-4%

For the financial year ended 30 June 2021, Group revenue increased by 10%, RM9.98 million against RM9.11 million recorded in 30 June 2020.

The lower loss was mainly due to higher revenue achieved during the current financial against the prior financial year ended 30 June 2020.

**Notes on the quarterly report – 30 June 2021**

**B2. Variation of Results Against Immediate Preceding Quarter**

	<b>30 Jun 2021</b>	<b>31 Mar 2021</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	3,156	2,172	984	45%
Operating Loss	(574)	(1,231)	657	-53%
Loss Before Tax	(670)	(1,291)	621	-48%
Loss After Tax	(702)	(1,291)	589	-46%

The revenue of RM3.16 million recorded during the current quarter was approximately 45% higher as compared to the RM2.17 million in the immediate preceding quarter due to higher recognition in a particular project.

The current quarter's loss after tax of RM0.7 million was lower than the immediate preceding quarter ended 31 March 2021 of RM1.29 million due to the unwinding discount on long term other receivables recognized under other operating income.

**B3. Prospects**

The government used the first quarter of 2021 to announce several initiatives with the goal of accelerating the digitisation of the Malaysian Economy on the back of 5G network deployment; the MyDIGITAL and the Malaysia Digital Economy Blueprint. The Ministry of Finance announced their Digital Nasional Berhad ("DNB") strategy for implementing, owning and managing 5G infrastructure and services to licensed telecommunication companies. The Group plans to leverage its core network management expertise and focus on procuring contracts in relation to the implementation of 5G services.

Whilst the Group strives to improve its financial performance, the COVID-19 pandemic situation remains an ongoing concern. Happily, vaccination uptake has been high among staff and we continue to work closely with our customers, subcontractors and suppliers in our efforts moving into the new post-pandemic phase. The situation still requires additional precautions and considerations which will affect the Groups plans and efforts moving forwards.

The Group intends to cement its existing telecommunication business focus by expanding into Network Facility Provider ("NFP") services by building, owning and leasing out network infrastructure facilities to generate recurring revenue (as opposed to the previous strategy of construction/management on behalf of the same mobile network operators).

Given the uncertainties of the post-pandemic experience, the Group considers it prudent not to anticipate a materials positive upswing the operational and financial performance in the short term. Above all else, the Group has to remain committed to protecting the safety of its employees, customers and suppliers key to its core operations.

**B4. Profit Forecast or Profit Guarantee**

Not applicable as the Group did not publish any profit forecast.

**B5. Auditors' Report on Preceding Annual Financial Statements**

The latest audited financial statements for the financial year ended 30 June 2020 were not subject to any qualification.

**Notes on the quarterly report – 30 June 2021**

**B6. Tax Expense**

	<b>2021</b> <b>Current period</b> <b>Ended</b> <b>30 June</b> <b>2021</b> <b>RM'000</b>	<b>2021</b> <b>12 months</b> <b>Cumulative to</b> <b>date</b> <b>30 June</b> <b>2021</b> <b>RM'000</b>
Estimated current tax payable	(32)	(32)
Deferred tax	-	-
	<u>(32)</u>	<u>(32)</u>

**B7 Quoted and Marketable Securities**

There was no purchase or disposal of quoted and marketable securities during the current quarter and financial period ended 30 June 2021.

**B8. Status of Corporate Proposals**

On 7 September 2021, the Company announced a proposed private placement of between 33,941,350 new ordinary shares (minimum scenario) and 37,677,460 new ordinary shares (maximum scenario), representing up to approximately 20% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement").

The additional listing application for the new ordinary shares to be issued pursuant to the Proposed Private Placement is subject to the approval of Bursa Malaysia Securities Berhad ("Bursa Securities").

Save for the Proposed Private Placement, the Group does not have any corporate exercises which have been announced but pending completion.

**Details of proposed utilisation of proceeds**

The Proposed Private Placement is expected to raise proceeds of between approximately RM6,958,000 (minimum scenario) and approximately RM7,724,000 (maximum scenario) is intended to be utilised as follows: -

Details	As at 28.9.2021		Timeframe for utilization from receipt of placement funds
	Minimum Scenario	Maximum Scenario	
	RM'000	RM'000	
Business expansion	3,261	3,614	Within 12 months
Working capital	3,627	4,040	Within 12 months
Estimated expenses	70	70	Upon receipt
	<u>6,958</u>	<u>7,724</u>	

**SILVER RIDGE HOLDINGS BHD**  
**(Company No.: 200401029277 (667785-W))**  
**Incorporated in Malaysia**

**Notes on the quarterly report – 30 June 2021**

The above should be read in conjunction with the Announcement of the Company dated 7 September 2021.

**B9. Borrowings**

The Group's borrowings are as follows: -

	<b>As at 30 June 2021 RM'000</b>
Payable within 12 months:	
Overdraft	2,445
Lease liabilities	386
	<hr/> 2,831
Payable after 12 months:	
Lease liabilities	815
	<hr/> 3,646

**B10. Off Balance Sheet Financial Instruments**

There was no off-balance sheet financial instrument as at the date of this report.

**B11. Material Litigation**

Silver Ridge Holdings Berhad ('Company') 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. During a hearing 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 ordered the Company to pay MSSB costs of RM15,000 for the discontinuance of Suit 362. There is no order as to cost for the discontinuance of Suit 362 against the remaining Defendants. The suit was discontinued and there are no further claims from both parties.

There was no new material litigation.

**B12. Dividends**

There was no dividend declared as at the date of this report.

**SILVER RIDGE HOLDINGS BHD**  
**(Company No.: 200401029277 (667785-W))**  
**Incorporated in Malaysia**

**Notes on the quarterly report – 30 June 2021**

**B13. Earnings / (Loss) per Share**

a) Basic Loss Per Share

	<b>Current Quarter Ended 30 June 2021</b>	<b>12 months Current Year To Date Ended 30 June 2021</b>
Profit/(loss) attributable to ordinary shareholders (RM'000)	(742)	(2,833)
Weighted average number of ordinary shares on issue ('000)	159,958	159,958
Earnings/(loss) per ordinary share (sen)	(0.47)	(1.77)

b) Diluted Loss Per Share

	<b>Current Quarter Ended 30 June 2021</b>	<b>12 months Current Year To Date Ended 30 June 2021</b>
Profit/(loss) attributable to ordinary shareholders (RM'000)	(742)	(2,833)
Weighted average number of ordinary shares on issue ('000)	159,958	159,958
Adjusted for: Assumed shares issued from the conversion of warrant 2013/2023	13,177	13,177
Adjusted weighted average number of ordinary shares on issue and issuable (units)	173,135	173,135
Fully diluted earnings/(loss) per ordinary share (sen)	(0.43)	(1.64)

**SILVER RIDGE HOLDINGS BHD**  
**(Company No.: 200401029277 (667785-W))**  
**Incorporated in Malaysia**

**Notes on the quarterly report – 30 June 2021**

**B14. Realised and Unrealised Profits/(Losses) Disclosure**

	<b>As at 30 June 2021 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(14,111)
- Unrealised	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(14,111)
Less:	
Consolidation adjustments	947
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(13,164)

**B15. Loss for the Period**

This is arrived at after crediting / (charging):

	<b>Current Quarter 30 June 2021 RM'000</b>	<b>Year to Date 12 months to 30 June 2021 RM'000</b>
Interest income	78	78
Interest expenses	(100)	(273)
Depreciation of property, plant and equipment	(39)	(107)
Depreciation of rights of use of asset	(195)	(380)
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.