



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
As at 31 Dec 2021

	Unaudited CURRENT PERIOD ENDED 31 Dec 2021 RM'000	Unaudited 31 Dec 2020 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 Dec 2021 RM'000	Unaudited 31 Dec 2020 RM'000
Revenue	4,227	2,502	5,853	4,648
Cost of sales	(3,123)	(1,755)	(4,096)	(3,090)
GROSS PROFIT	1,104	747	1,757	1,558
Other operating income	155	121	214	211
Administrative expenses	(643)	(426)	(826)	(1,027)
Other operating expenses	(981)	(742)	(1,884)	(1,421)
(LOSS)/PROFIT FROM OPERATIONS	(365)	(300)	(739)	(679)
Net gain/(loss) from disposal of subsidiary	-	-	-	-
Share of loss from associate	-	-	-	-
Finance costs	(43)	(99)	(94)	(121)
(LOSS)/PROFIT BEFORE TAXATION	(408)	(399)	(833)	(800)
Taxation	-	-	-	-
(LOSS)/PROFIT AFTER TAXATION	(408)	(399)	(833)	(800)
Other comprehensive income, net of tax	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(408)	(399)	(833)	(800)
Attributable to:				
Equity holders of the Company	(359)	(397)	(784)	(798)
Non-controlling interest	(49)	(2)	(49)	(2)
	(408)	(399)	(833)	(800)
Earnings per share				
- Basic loss per share attributable to owner of the company (sen)	(0.21)	(0.25)	(0.46)	(0.51)
- Diluted loss per share attributable to owner of the company (sen)	(0.21)	(0.23)	(0.45)	(0.46)
Dividend per share (sen)	N/A	N/A	N/A	N/A

Note:-

- The cumulative financial period ended 31 December 2021 is made up of 6 months result from 1 July 2021 to 31 December 2021.
- 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 2021 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 Dec 2021

	UNAUDITED As at end of Current Quarter 31 Dec 2021 RM'000	AUDITED As at Preceding Financial Year Ended 30 June 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	316	261
Right-of-use assets	609	845
Intangible assets	-	1
Investment in associate	-	96
Other investments	274	274
Other receivable	5,148	5,148
Total non-current assets	6,347	6,625
Current assets		
Inventories	546	646
Contract Asset	1,298	1,917
Trade receivable	2,566	1,258
Other receivable, deposits and prepayments	1,755	1,754
Amount due from an associated company	51	45
Tax recoverable	134	135
Fixed deposits with licensed banks	5,418	2,913
Cash and bank balances	3,976	4,705
Total current assets	15,744	13,373
TOTAL ASSETS	22,091	19,998
EQUITY AND LIABILITIES		
Share capital	27,280	22,156
Reserves	(13,948)	(13,164)
Share application money	-	-
Non-controlling interest	(40)	(137)
TOTAL EQUITY	13,292	8,855
Non-current liabilities		
Bank Borrowings	1,062	-
Lease Liabilities	815	815
Total non-current liabilities	1,877	815
Current liabilities		
Trade payables	4,598	5,037
Other payables and accruals	1,241	2,377
Amount due to an associated company	83	83
Loans and borrowings	803	2,445
Lease liabilities	197	386
Total current liabilities	6,922	10,328
TOTAL LIABILITIES	8,799	11,143
TOTAL EQUITY AND LIABILITIES	22,091	19,998
Net Assets per share (RM)	0.08	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 2021 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-21

(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 2021	22,156	-	(13,164)	-	8,992	(137)	8,855
Loss for the financial period			(784)		(784)	(49)	(833)
Acquisition of subsidiary	-	-	-	-	-	146	146
Conversion of warrants	1,134	-	-	-	1,134	-	1,134
Issue of shares	3,990	-	-	-	3,990	-	3,990
Balance as of 31 Dec 2021	27,280	-	(13,948)	-	13,332	(40)	13,292

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 2021 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 Dec 2021

	UNAUDITED 31 Dec 2021 RM'000	AUDITED 30 June 2021 RM'000
Cash Flows From Operating Activities		
Loss before tax	(833)	(2,763)
Adjustment for :-		
Amortisation of intangible assets	-	1
Depreciation of property, plant and equipments	54	110
Depreciation of right-of-use assets	237	380
Loss/(gain) on disposal of subsidiary	-	27
Net gain on derecognition and change in shareholding of associates	45	-
Allowance for impairment loss on trade receivables	-	40
Unwinding discount on other receivables	-	(650)
Share of result of associate	-	(19)
Finance income	-	(78)
Finance cost	90	272
Operating loss before working capital changes	<u>(407)</u>	<u>(2,678)</u>
Changes in working capital		
Decrease/(increase) in inventories	100	382
Decrease/(increase) in contract asset	618	213
Decrease/(Increase) in receivables	(1,303)	1,293
(Decrease)/increase in payables	(1,312)	(919)
Cash used in operations	<u>(2,304)</u>	<u>(1,709)</u>
Interest paid	(90)	(273)
Income tax refund/(paid)	(15)	(18)
Net cash used in operating activities	<u>(2,409)</u>	<u>(2,000)</u>
Cash Flows From Investing Activities		
Change in fixed deposit with maturity more than 3 months	164	83
Fixed deposit withdrawn from/(placed as) security value	331	1,745
Purchased of property, plant and equipments	(109)	(107)
Net cash inflow on acquisition of subsidiary	(53)	-
Interest received	-	78
Investment in associates company	-	(75)
Net cash generated/(used in) from investing activities	<u>333</u>	<u>1,724</u>
Cash Flow From Financing Activities		
Proceeds from issuance of shares	3,990	-
Conversion of warrants	1,133	2,990
Share application money received	-	-
Addition/(repayment) of loans and borrowings	1,062	32
(Repayment)/Addition of lease liabilities	(189)	(369)
Repayment to an associate	(7)	(12)
Proceed from disposal of subsidiary	-	2
Net cash generated from financing activities	<u>5,989</u>	<u>2,643</u>
Net (increase)/decrease in cash and cash equivalents	<u>3,913</u>	<u>2,367</u>
Cash and cash equivalents as at beginning of the financial year/period	<u>2,260</u>	<u>(107)</u>
Cash and cash equivalents as at end of the financial year/period	<u><u>6,173</u></u>	<u><u>2,260</u></u>
Cash and cash equivalents comprises of:		
Fixed deposits placed with licensed banks	5,418	2,913
Cash and bank balances	3,976	4,705
	<u>9,394</u>	<u>7,619</u>
Fixed deposit with maturity of more than 3 months	(308)	(472)
Bank overdraft	(803)	(2,445)
Deposit held as security value	(2,110)	(2,441)
	<u>(3,221)</u>	<u>(5,358)</u>
	<u><u>6,173</u></u>	<u><u>2,260</u></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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Notes on the quarterly report – 31 December 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 2nd quarter ended 31 December 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 2021.

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 2021.

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 2022:

- Amendments to MFRS 1 (First-time Adoption of Malaysian Financial Reporting Standards)
- Amendments to MFRS 3 (Business Combinations)
- Amendments to MFRS 9 (Financial Instruments)
- Amendments to MFRS 116 (Property, Plant and Equipment)
- Amendments to MFRS 137 (Provisions, Contingent Liabilities and Contingent Assets)
- Amendments to MFRS 141 (Agriculture)
- Amendments to Annual Improvements to MFRS Standards 2018-2020

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 31 December 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 31 December 2021.

Notes on the quarterly report – 31 December 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 31 December 2021. As at 31 December 2021, the converted warrants of the Company stand at 6,296,000.

During the financial period to date, the Company issued new ordinary shares as follows:

Date	Description	Ordinary Shared Issued		
		Issued Price per share (RM)	No of Shares	Value (RM'000)
17 December 2021	1st Tranche Placement Shares	0.2050	3,500,000	718
28 December 2021	2nd Tranche Placement Shares	0.1950	14,218,206	2,773
31 December 2021	3 rd Tranche Placement Shares	0.2083	2,401,000	500

Aside from the above, there are no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities for the period ended 31 December 2021.

A6. Dividends Paid

There were no dividends paid during the current quarter and financial period ended 31 December 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 31 December 2021. As at 31 December 2021, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

Notes on the quarterly report – 31 December 2021

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

Apart from the event listed below, there were no material events subsequent to the end of the financial period up to the date of this report.

The company's wholly-owned subsidiary, Silver Ridge Sdn Bhd, had accepted the Letter of Award (Ref No. (2) LPM/2021/T/01/A1M/NID on 20 May 2021 from Telekom Malaysia Berhad ("TM") for a contract no. K1130247/21 for the supply, delivery, testing, commissioning, maintenance and support services of Metro Ethernet Forum Carrier Ethernet 2.0 Complaint Network Interface Device (NID) with its associated accessories and Element Management System (EMS) ("the Contract") for a total contract sum of RM20,643,356.00. The Board is of the opinion that the Contract will contribute positively to the earnings per share and the future earnings of SRHB Group.

A10. Changes in the Composition of the Group

Apart from below, there are no material changes in the composition of the Group for the current quarter 31 December 2021.

Acquisition of SR Total Digital Sdn Bhd

On 30 November 2021, the Company acquired an additional 52,500 ordinary shares of RM1.00 each in SR Total Digital Sdn Bhd, representing a 21% of equity interest in SR Total Digital Sdn Bhd ("SR DIGITAL") for a total consideration of RM52,500. After the acquisition, the company now owns an additional 21% ownership in SR Total Digital Sdn Bhd on top of its existing 30%, this represents a total percentage of 51% in the SR DIGITAL. SR DIGITAL now becomes a partially owned subsidiary of the company.

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 31 December 2021.

Notes on the quarterly report – 31 December 2021

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group Performance:

Current Quarter

	31 December 2021 RM'000	31 December 2020 RM'000	Changes	
			RM'000	%
Revenue	4,227	2,502	1,725	69%
Operating Loss	(365)	(300)	-65	22%
Loss Before Tax	(408)	(399)	-9	2%
Loss After Tax	(408)	(399)	-9	2%

For the current quarter of 31 December 2021, the Group reported a revenue of RM4.23 million which is approximately 69% higher than in the corresponding quarter ended 31 December 2020 due to the renewal of existing contracts and the new contracts project (Network Interface) rolled out.

Financial Year to Date

	31 December 2021 RM'000	31 December 2020 RM'000	Changes	
			RM'000	%
Revenue	5,853	4,648	1,205	26%
Operating Loss	(739)	(679)	-60	9%
Loss Before Tax	(833)	(800)	-33	4%
Loss After Tax	(833)	(800)	-33	4%

For the current financial year ended 31 December 2021, the Group recorded a revenue of RM5.85 million is approximately 26% higher than in the corresponding quarter ended 31 December 2020 due to the renewal of existing contracts and the new contracts project commenced.

Despite having higher in revenue for the current quarter and financial year to-date, however both losses before tax during the current quarter marked at RM0.41 million and the financial year to-date at RM0.83 million were resulted by the private placement exercise and the increase in the operating costs.

Notes on the quarterly report – 31 December 2021

B2. Variation of Results Against Immediate Preceding Quarter

	31 December 2021 RM'000	30 September 2021 RM'000	Changes	
			RM'000	%
Revenue	4,227	1,626	2,601	160%
Operating Loss	(365)	(368)	3	-1%
Loss Before Tax	(408)	(425)	17	-4%
Loss After Tax	(408)	(425)	17	-4%

The revenue of RM4.23 million recorded during the current quarter was approximately 160% higher as compared to the RM1.63 million in the immediate-preceding quarter due to the renewal of existing contracts and the new contracts project commenced.

The current quarter's loss after tax of RM0.41 million is lower than the immediate-preceding of 30 September 2021 amounting to RM0.43 million due to the private placement exercise and the increase in the operating costs.

B3. Prospects

The Company is continuing to leverage the new Contract granted by Telekom Malaysia Berhad to further generate the revenue in a positive way. The Company will continue its effort in improving the efficiency and maintain its competitiveness in the market despite the intense competition within the telecommunication industry.

The new business focus is to capitalize on the Company's key strength, to name a few; the maintenance of network and infrastructure which will help to enhance the recurring income business model. As for self-sustainable business models, more efforts will be made to invest in infrastructure development that can be leased/rented out network infrastructure facilities to Telcos and other government agencies to generate recurring revenue (as opposed to the previous strategy of construction/management on behalf of the same mobile network operators). Towards this ambition, the Company is in the process of applying for the necessary licenses from MCMC which will allow our developed infrastructure to be shared (leased) to the Telcos and MNOs.

The Company is also seeking to intensify its efforts in the software solutions market. This business model involves deployment and maintenance of software solutions (providing recurring revenue in annual licensing, maintenance and feature variations / customizations). The Company started working in the telecoms-related software solutions market 5 years ago and also planning to move into higher levels of skill and high-technology solutions. Thus, the Company's plans for "XaaS" (offering solutions as a service) business models for a more diversified market segments as well as intensifying our skills sets in software solutions, 5G, IOT and Cloud services will propel the company into the next generation. This will be a mega project and the Group's focus is to win services contracts and other system integration works.

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

Notes on the quarterly report – 31 December 2021

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.

B6. Tax Expense

	2021	2021
	Current period	6 months
	Ended	Cumulative to
	31 December	date
	2021	31 December
	RM'000	2021
	RM'000	RM'000
Estimated current tax payable	-	-
Deferred tax	-	-
	-	-

B7. Quoted and Marketable Securities

There was no purchase or disposal of quoted and marketable securities during the current quarter and financial period ended 31 December 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").

Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 1 October 2021, approved the Proposed Private Placement.

Notes on the quarterly report – 31 December 2021

Details of proposed utilisation of proceeds

This Proposed Private Placement was completed on 31 December 2021 and 20,119,206 new ordinary shares were issued from the Private Placement raising gross proceeds of RM 3,990,178.47 which is intended to be utilised as follows: -

Details	Proposed Utilization	Actual Utilization	Intended Timeframe for Utilization
	RM'000	RM'000	
Business expansion	1,960	-	Within 12 months
Working capital	1,960	-	Within 12 months
Estimated expenses	70	-	Upon receipt
	<u>3,990</u>	<u>-</u>	

B9. Borrowings

The Group's borrowings are as follows: -

	As at 31 December 2021
	RM'000
Payable within 12 months:	
Bank overdraft	803
Lease liabilities	142
	<u>945</u>
Payable after 12 months:	
Bank borrowings	1,062
Lease liabilities	123
	<u>1,185</u>

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

There was no new material litigation.

B12. Dividends

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

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Notes on the quarterly report – 31 December 2021

B13. Earnings / (Loss) per Share

a) Basic Loss Per Share

	Current Quarter Ended 31 December 2021	6 months Current Year To Date Ended 31 December 2021
Profit/(loss) attributable to ordinary shareholders (RM'000)	(359)	(784)
Weighted average number of ordinary shares on issue ('000)	170,924	170,924
Earnings/(loss) per ordinary share (sen)	(0.21)	(0.46)

b) Diluted Loss Per Share

	Current Quarter Ended 31 December 2021	6 months Current Year To Date Ended 31 December 2021
Profit/(loss) attributable to ordinary shareholders (RM'000)	(359)	(784)
Weighted average number of ordinary shares on issue ('000)	170,924	170,924
Adjusted for:		
Assumed shares issued from the conversion of warrant 2013/2023	3,170	5,002
Adjusted weighted average number of ordinary shares on issue and issuable (units)	174,094	174,094
Fully diluted earnings/(loss) per ordinary share (sen)	(0.21)	(0.45)

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Notes on the quarterly report – 31 December 2021

B14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31 December 2021 RM'000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(14,883)
- Unrealised	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(14,883)
Less:	
Consolidation adjustments	(724)
	<hr style="width: 100%; border: 0.5px solid black;"/>
	(14,159)

B15. Loss for the Period

This is arrived at after crediting / (charging):

	Current Quarter 31 December 2021 RM'000	Year to Date 6 months to 31 December 2021 RM'000
Interest income	-	-
Interest expenses	(43)	(94)
Depreciation of property, plant and equipment	(25)	(54)
Depreciation of rights of use of asset	(118)	(237)

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.