



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31 March 2022

	Unaudited CURRENT PERIOD ENDED 31 March 2022 RM'000	Unaudited CURRENT PERIOD ENDED 31 March 2021 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 March 2022 RM'000	Unaudited CUMULATIVE PERIOD ENDED 31 March 2021 RM'000
Revenue	1,682	2,172	7,536	6,820
Cost of sales	(1,270)	(1,483)	(5,366)	(4,572)
GROSS PROFIT	<u>412</u>	<u>689</u>	<u>2,170</u>	<u>2,248</u>
Other operating income	7	11	221	223
Administrative expenses	(370)	(904)	(1,196)	(1,931)
Other operating expenses	(1,225)	(1,027)	(3,109)	(2,449)
(LOSS)/PROFIT FROM OPERATIONS	<u>(1,176)</u>	<u>(1,231)</u>	<u>(1,914)</u>	<u>(1,909)</u>
Net gain/(loss) from disposal of subsidiary	-	(24)	-	(24)
Share of loss from associate	-	15	-	15
Finance costs	(42)	(51)	(136)	(173)
(LOSS)/PROFIT BEFORE TAXATION	<u>(1,218)</u>	<u>(1,291)</u>	<u>(2,050)</u>	<u>(2,091)</u>
Taxation	-	-	-	-
(LOSS)/PROFIT AFTER TAXATION	<u>(1,218)</u>	<u>(1,291)</u>	<u>(2,050)</u>	<u>(2,091)</u>
Other comprehensive income, net of tax	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	<u>(1,218)</u>	<u>(1,291)</u>	<u>(2,050)</u>	<u>(2,091)</u>
Attributable to:				
Equity holders of the Company	(1,141)	(1,291)	(1,925)	(2,089)
Non-controlling interest	(77)	-	(125)	(2)
	<u>(1,218)</u>	<u>(1,291)</u>	<u>(2,050)</u>	<u>(2,091)</u>
Earnings per share				
- Basic loss per share attributable to owner of the company (sen)	(0.67)	(0.82)	(1.13)	(1.33)
- Diluted loss per share attributable to owner of the company (sen)	(0.66)	(0.75)	(1.11)	(1.22)
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 9 months result from 1 July 2021 to 31 March 2022.
- 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 March 2022

	UNAUDITED As at end of Current Quarter 31 March 2022 RM'000	AUDITED As at Preceding Financial Year Ended 30 June 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	521	261
Right-of-use assets	490	845
Intangible assets	-	1
Investment in associate	-	96
Other investments	274	274
Other receivable	5,148	5,148
Total non-current assets	<u>6,433</u>	<u>6,625</u>
Current assets		
Inventories	278	646
Contract Asset	1,213	1,917
Trade receivable	2,281	1,258
Other receivable, deposits and prepayments	1,800	1,754
Amount due from an associated company	58	45
Tax recoverable	139	135
Fixed deposits with licensed banks	3,418	2,913
Cash and bank balances	3,856	4,705
Total current assets	<u>13,043</u>	<u>13,373</u>
TOTAL ASSETS	<u><u>19,476</u></u>	<u><u>19,998</u></u>
EQUITY AND LIABILITIES		
Share capital	27,280	22,156
Reserves	(15,089)	(13,164)
Share application money	-	-
Non-controlling interest	(116)	(137)
TOTAL EQUITY	<u>12,075</u>	<u>8,855</u>
Non-current liabilities		
Bank Borrowings	1,051	-
Lease Liabilities	815	815
Total non-current liabilities	<u>1,866</u>	<u>815</u>
Current liabilities		
Trade payables	3,522	5,037
Other payables and accruals	1,171	2,377
Amount due to an associated company	83	83
Loans and borrowings	659	2,445
Lease liabilities	100	386
Total current liabilities	<u>5,535</u>	<u>10,328</u>
TOTAL LIABILITIES	<u>7,401</u>	<u>11,143</u>
TOTAL EQUITY AND LIABILITIES	<u><u>19,476</u></u>	<u><u>19,998</u></u>
Net Assets per share (RM)	0.07	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 3rd Quarter Ended 31 March 2022

(The figures have not been audited)

	← Attributable to the equity holders of the Company →					
	Issued Capital (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	-	(1,925)	-	(1,925)	(125)	(2,050)
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 Mar 2022	27,280	(15,089)	-	12,191	(116)	12,075

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 March 2022

	UNAUDITED 31 March 2022 RM'000	AUDITED 30 June 2021 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,050)	(2,763)
Adjustment for :-		
Amortisation of intangible assets	-	1
Depreciation of property, plant and equipments	99	110
Depreciation of right-of-use assets	356	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	(5)	(78)
Finance cost	134	272
Operating loss before working capital changes	<u>(1,420)</u>	<u>(2,678)</u>
Changes in working capital		
Decrease/(increase) in inventories	368	382
Decrease/(increase) in contract asset	703	213
Decrease/(Increase) in receivables	(1,064)	1,293
(Decrease)/increase in payables	<u>(2,456)</u>	<u>(919)</u>
Cash used in operations	<u>(3,869)</u>	<u>(1,709)</u>
Interest paid	(134)	(272)
Income tax refund/(paid)	<u>(20)</u>	<u>(18)</u>
Net cash used in operating activities	<u>(4,024)</u>	<u>(1,999)</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	(360)	(107)
Net cash inflow on acquisition of subsidiary	(53)	-
Interest received	5	78
Investment in associates company	-	(75)
Net cash generated/(used in) from investing activities	<u>87</u>	<u>1,724</u>
Cash Flow From Financing Activities		
Proceeds from issuance of shares	3,990	-
Conversion of warrants	1,133	2,991
Share application money received	-	-
Addition/(repayment) of loans and borrowings	1,051	32
(Repayment)/Addition of lease liabilities	(286)	(369)
Repayment to an associate	(14)	(12)
Proceed from disposal of subsidiary	-	2
Net cash generated from financing activities	<u>5,874</u>	<u>2,641</u>
Net (increase)/decrease in cash and cash equivalents	1,937	2,367
Cash and cash equivalents as at beginning of the financial year/period	2,260	(107)
Cash and cash equivalents as at end of the financial year/period	<u>4,197</u>	<u>2,260</u>
Cash and cash equivalents comprises of:		
Fixed deposits placed with licensed banks	3,418	2,913
Cash and bank balances	3,856	4,704
	<u>7,274</u>	<u>7,618</u>
Fixed deposit with maturity of more than 3 months	(308)	(472)
Bank overdraft	(659)	(2,445)
Deposit held as security value	<u>(2,110)</u>	<u>(2,441)</u>
	<u>(3,077)</u>	<u>(5,358)</u>
	<u>4,197</u>	<u>2,260</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 March 2022

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 3rd quarter ended 31 March 2022 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 March 2022.

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 March 2022.

Notes on the quarterly report – 31 March 2022

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

Aside from the above, there are no other issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter 31 March 2022. As at 31 March 2022, the converted warrants of the Company stand at 6,296,000.

A6. Dividends Paid

There were no dividends paid during the current quarter and financial period ended 31 March 2022.

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 March 2022. As at 31 March 2022, 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

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

There were no material changes in the composition of the Group for the current quarter 31 March 2022.

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 March 2022.

Notes on the quarterly report – 31 March 2022

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group Performance:

Current Quarter

	31 March 2022	31 March 2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	1,682	2,172	-490	-23%
Operating loss	(1,176)	(1,231)	55	4%
Loss before tax	(1,218)	(1,291)	73	5%
Loss after tax	(1,218)	(1,291)	73	5%

For the current quarter of 31 March 2022, the Group reported a revenue of RM1.68 million which is approximately 23% lower than in the corresponding quarter ended 31 March 2021. This was due to our main customer has delayed in accepting the delivery as they have upgraded its software which has affected us in recognizing the revenue in the current quarter.

Despite having lower revenue and the higher in other operating expenses for the current quarter, the loss before tax during the current quarter marked at RM1.22 million. This was resulted by the reduction of administrative expenses in the current quarter.

Financial Year to Date

	31 March 2022	31 March 2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	7,536	6,820	716	10%
Operating loss	(1,914)	(1,909)	-5	0%
Loss before tax	(2,050)	(2,091)	41	2%
Loss after tax	(2,050)	(2,091)	41	2%

For the current quarter ended 31 March 2022, the Group recorded a revenue of RM7.54 million and a loss before tax of RM2.05 million. The revenue for the current quarter ended 31 March 2022 is approximately 10% higher than in the corresponding quarter ended 31 March 2021 was mainly due to the new contract has started to commence during the second quarter.

Notes on the quarterly report – 31 March 2022

B2. Variation of Results Against Immediate Preceding Quarter

	31 March 2022	31 December 2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	1,682	4,227	-2,545	-60%
Operating loss	(1,176)	(365)	-811	222%
Loss before tax	(1,218)	(408)	-810	198%
Loss after tax	(1,218)	(408)	-810	198%

The revenue of RM1.68 million recorded during the current quarter was approximately 60% lower as compared to the immediate preceding quarter. This was due to our main customer has delayed in accepting the delivery as they have upgraded its software which has affected in recognizing the revenue in the current quarter

The current quarter's loss after tax of RM1.22 million is higher than the quarter for 31 December 2021 due to the lower revenue and the higher in other operating expenses of new acquired subsidiary's company, the SR Total Digital in the current quarter.

B3. Prospects

Currently, the Group is focusing to capitalize on the Company's key strength, particularly the maintenance of network and infrastructure which will enhance the recurring income business model.

In order to achieve the objective, the Company is still in the finalizing for the necessary licenses from MCMC and more efforts will be made to invest in the infrastructure development that can be leased out the network infrastructure facilities to Telcos and other government agencies to generate recurring revenue as opposed to the previous strategy of management on behalf of the same mobile network operators.

The Company has always intensified its efforts in the software solutions market that involves deployment and maintenance of software solutions which could also provide the recurring revenue in annual licensing, maintenance and the feature customizations.

The Company has started working in the telecoms-related software solutions market since over the years and looking forward into higher levels of skill and high-technology solutions. Thus, the Company is looking 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.

In summary, the Group keep striving to continue in improving its efficiency and the Group profitability by focusing on better margin in product mix.

Notes on the quarterly report – 31 March 2022

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

	2022 Current period Ended 31 March 2022 RM'000	2022 9 months Cumulative to date 31 March 2022 RM'000
Estimated current tax payable	-	-
Deferred tax	-	-
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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 March 2022.

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.

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Notes on the quarterly report – 31 March 2022

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 RM3,990,178.47 which is intended to be utilised as follows: -

As at 31 March 2022					
Details	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilization	Deviation amount	Explanation (Deviation ≥ 5%)
	RM'000	RM'000		RM'000	
Business expansion	1,960	252	Within 12 months	1,708	Still approaching in getting the licenses
Working capital	1,960	1,960	Within 12 months	-	-
Estimated expenses	70	70	Upon receipt	-	-
	<u>3,990</u>	<u>2,480</u>			

B9. Borrowings

The Group's borrowings are as follows: -

	As at 31 March 2022 RM'000
Payable within 12 months:	
Bank overdraft	659
Lease liabilities	100
	<u>759</u>
Payable after 12 months:	
Bank borrowings	1,051
Lease liabilities	815
	<u>1,866</u>
Total	<u><u>2,625</u></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 during the period.

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Notes on the quarterly report – 31 March 2022

B12. Dividends

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

B13. Earnings / (Loss) per Share

a) Basic Loss Per Share

	Current Quarter Ended 31 March 2022	9 months Current Year To Date Ended 31 March 2022
Profit/(loss) attributable to ordinary shareholders (RM'000)	(1,141)	(1,925)
Weighted average number of ordinary shares on issue ('000)	170,924	170,924
Earnings/(loss) per ordinary share (sen)	(0.67)	(1.13)

b) Diluted Loss Per Share

	Current Quarter Ended 31 March 2022	9 months Current Year To Date Ended 31 March 2022
Profit/(loss) attributable to ordinary shareholders (RM'000)	(1,141)	(1,925)
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

Adjusted weighted average number of ordinary shares on issue and issuable (units)

170,924	170,924
2,443	2,443
173,366	173,366

Fully diluted earnings/(loss) per ordinary share (sen)	(0.66)	(1.12)
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Notes on the quarterly report – 31 March 2022

B14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31 March 2022 RM'000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(16,356)
- Unrealised	-
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	(16,356)
Less:	
Consolidation adjustments	(724)
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	(15,631)

B15. Loss for the Period

This is arrived at after crediting / (charging):

	Current Quarter 31 March 2022 RM'000	Year to Date 9 months to 31 March 2022 RM'000
Interest income	5	5
Interest expenses	(40)	(134)
Depreciation of property, plant and equipment	(45)	(99)
Depreciation of rights of use of asset	(119)	(356)

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.