

**Notes on the quarterly report – 30 June 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 4th quarter ended 30 June 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 30 June 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 30 June 2022.

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**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 30 June 2022. As at 30 June 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 30 June 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 30 June 2022.

As at 30 June 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**

Bank Pembangunan Malaysia Berhad (“Plaintiff”), has filed a Writ of Summons dated 15 June 2022, Statement of Claim (“Writ Action”) and Notice for Application (Ex-Parte) for Mareva Injunction (“Application”). The said writ action was filed and registered as Kuala Lumpur High Court Suit No.: WA-22NCC-264-06/2022 (‘Suit 264’). It is also important to note that Plaintiff and Silver Ridge Holdings Berhad and Silver Ridge Sdn Bhd have entered into a consent order to vary the terms of the Ex-Parte Mareva Injunction Order, strictly without prejudice to Silver Ridge Holdings Berhad and Silver Ridge Sdn Bhd to oppose the Mareva Application in its entirety.

There are no expected immediate potential financial liabilities to the Group as Suit 264 is in its preliminary stages of deliberations in the High Court. However, the Board estimate expenses will be incurred towards legal fees and the related expenses thereto in defending Suit 264.

Board is of the view that the financial impact to the group's finances shall be limited to the amount being spent on the expenses as those sums shall be expensed out of profit and loss accounts during the Group's results for its financial year end year ending 30.6.2023 and that there would be no operational impact to the Group.

**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 2022.

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**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 2022.

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

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

**Current Quarter**

	<b>30 Jun 2022 RM'000</b>	<b>30 Jun 2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	3,440	3,156	284	9
Operating loss	(359)	(574)	215	37
Loss before tax	(409)	(670)	261	39
Loss after tax	(419)	(702)	283	40

For the current quarter of 30 June 2022, the Group reported a revenue of RM3.44 million which is approximately 9% higher than in the corresponding quarter ended 30 June 2021 due to the renewal of existing contract and the new contract (Network Interface Development project) rolled out.

It is reported that the loss after tax during the current quarter marked at RM0.42 million. This was resulted by the reduction of administrative and other operating expenses in the current quarter compared to quarter ended 30 June 2021.

**Financial Year to Date**

	<b>30 Jun 2022 RM'000</b>	<b>30 Jun 2021 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	10,976	9,976	1,000	10
Operating loss	(2,273)	(2,483)	210	8
Loss before tax	(2,459)	(2,763)	304	11
Loss after tax	(2,469)	(2,795)	326	12

For the current quarter ended 30 June 2022, the Group recorded a revenue of RM10.98 million and a loss after tax of RM2.46 million. The revenue for the current quarter ended 30 June 2022 is approximately 10% higher than in the corresponding quarter ended 30 June 2021 was mainly due to the new contract has started to commence since the second quarter in this current financial year.

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

	<b>30 Jun 2022 RM'000</b>	<b>31 Mar 2022 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	3,440	1,682	1,758	104
Operating loss	(359)	(1,176)	817	69
Loss before tax	(409)	(1,218)	809	66
Loss after tax	(419)	(1,218)	799	66

The revenue of RM3.44 million recorded during the current quarter was approximately 104% higher as compared to the immediate preceding quarter. It also reported that the current quarter's loss after tax of RM0.42 million shown lower than the quarter of 31 Mar 2022.

It was mainly due to our main customer has accepted the delivery as they have upgraded its software which has affected in recognizing the revenue in the current quarter.

**B3. Prospects**

The Group intends to focus on capitalising their core strength, the management and maintenance of network infrastructure, by enhancing existing business models with the introduction of recurring revenue streams.

The Company has intensified its efforts in the software solutions market; with customer interest growing, it is hoped that this will generate recurring revenue in the form of annual licensing fees and feature customisation (based on customer requirement). The Company has completed its pioneer 'SAAS' product and is currently testing the capability/robustness of the system. Moving Forwards, the Company aim to implement a proof-of-concept to introduce the solution to the market. In addition to this, the Company aim to diversify further offering 'XAAS' solutions to harness further recurring revenue streams.

The Group is intensifying staff skill sets to provide further software solutions, 5G, IOT and Cloud Services to propel the company into this emerging market. Furthermore, the Group is exploring opportunities providing implementation/maintenance ICT solutions to utilities providers.

To summarise, the Group keep striving to improve its efficiency and increase profitability by focusing on increasing margins via a range of emerging market products and solutions.

**B4. Profit Forecast or Profit Guarantee**

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

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

The latest audited financial statements for the financial year ended 30 June 2021 were not subject to any qualification.

**B6. Tax Expense**

	<b>2022</b> <b>Current period</b> <b>Ended</b> <b>30 Jun</b> <b>2022</b> <b>RM'000</b>	<b>2022</b> <b>12 months</b> <b>Cumulative to</b> <b>date</b> <b>30 Jun</b> <b>2022</b> <b>RM'000</b>
Estimated current tax payable	10	10
Deferred tax	-	-
	<u>10</u>	<u>10</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 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.

**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: -

**SILVER RIDGE HOLDINGS BHD**  
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As at 30 June 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	435	Within 12 months	1,525	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>2,465</u>			

**B9. Borrowings**

The Group's borrowings are as follows: -

	As at 30 Jun 2022 RM'000
Payable within 12 months:	
Bank overdraft	968
Lease liabilities	287
	<u>1,255</u>
Payable after 12 months:	
Bank borrowings	1,005
Lease liabilities	693
	<u>1,698</u>
<b>Total</b>	<u><u>2,953</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.

**B12. Dividends**

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

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

a) Basic Loss Per Share

	<b>Current Quarter Ended 30 Jun 2022</b>	<b>12 months Current Year To Date Ended 30 Jun 2022</b>
Profit/(loss) attributable to ordinary shareholders (RM'000)	(298)	(2,224)
Weighted average number of ordinary shares on issue ('000)	182,885	182,885
Earnings/(loss) per ordinary share (sen)	(0.16)	(1.22)

b) Diluted Loss Per Share

	<b>Current Quarter Ended 30 Jun 2022</b>	<b>12 months Current Year To Date Ended 30 Jun 2022</b>
Profit/(loss) attributable to ordinary shareholders (RM'000)	(298)	(2,224)
Weighted average number of ordinary shares on issue ('000)	182,885	182,885
Adjusted for:		
Assumed shares issued from the conversion of warrant 2013/2023	953	953
Adjusted weighted average number of ordinary shares on issue and issuable (units)	183,838	183,838
Fully diluted earnings/(loss) per ordinary share (sen)	(0.16)	(1.21)



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

	<b>As at 30 Jun 2022 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(16,520)
- Unrealised	-
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	(16,356)
Less:	
Consolidation adjustments	(601)
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	(15,919)

**B15. Loss for the Period**

This is arrived at after crediting / (charging):

	<b>Current Quarter 30 Jun 2022 RM'000</b>	<b>Year to Date 12 months to 30 Jun 2022 RM'000</b>
Interest income	38	43
Interest expenses	(52)	(186)
Depreciation of property, plant and equipment	(18)	(117)
Depreciation of rights of use of asset	(127)	(483)

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.