



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
As at 30 Sept 2022

	Unaudited CURRENT PERIOD ENDED 30 Sept 2022 RM'000	Unaudited CURRENT PERIOD ENDED 30 Sep 2021 RM'000	Unaudited CUMULATIVE PERIOD ENDED 30 Sept 2022 RM'000	Unaudited CUMULATIVE PERIOD ENDED 30 Sep 2021 RM'000
Revenue	2,559	1,626	2,559	1,626
Cost of sales	(2,311)	(973)	(2,311)	(973)
GROSS PROFIT	248	653	248	653
Other operating income	-	65	-	65
Administrative expenses	(315)	(183)	(315)	(183)
Other operating expenses	(1,034)	(903)	(1,034)	(903)
(LOSS)/PROFIT FROM OPERATIONS	(1,101)	(368)	(1,101)	(368)
Net gain/(loss) from disposal of subsidiary	-	-	-	-
Share of loss from associate	-	(6)	-	(6)
Finance costs	(63)	(51)	(63)	(51)
(LOSS)/PROFIT BEFORE TAXATION	(1,164)	(425)	(1,164)	(425)
Taxation	-	-	-	-
(LOSS)/PROFIT AFTER TAXATION	(1,164)	(425)	(1,164)	(425)
Other comprehensive income, net of tax	-	-	-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(1,164)	(425)	(1,164)	(425)
Attributable to:				
Equity holders of the Company	(1,028)	(425)	(1,028)	(425)
Non-controlling interest	(136)	-	(136)	-
	(1,164)	(425)	(1,164)	(425)
Investment in associates company				
Earnings per share				
- Basic loss per share attributable to owner of the company (sen)	(0.53)	(0.25)	(0.53)	(0.25)
- Diluted loss per share attributable to owner of the company (sen)	(0.56)	(0.24)	(0.56)	(0.24)
Dividend per share (sen)	N/A	N/A	N/A	N/A

Note:-

- The financial period ended 30 Sep 2022 is made up of 3 months result from 1 July 2022 to 30 Sept 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 2022 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 30 Sept 2022

	UNAUDITED As at end of Current Quarter 30 Sep 2022 RM'000	AUDITED As at Preceding Financial Year Ended 30 Jun 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,989	1,635
Right-of-use assets	1,026	534
Intangible assets	130	139
Investment in associate	-	-
Investment in joint venture	45	-
Other investments	529	529
Other receivable	4,588	4,588
Total non-current assets	8,307	7,425
Current assets		
Inventories	937	1,552
Contract Asset	1,085	1,596
Trade receivable	1,978	1,794
Other receivable, deposits and prepayments	2,558	2,908
Amount due from an associated company	2	-
Tax recoverable	175	161
Fixed deposits with licensed banks	2,144	2,144
Cash and bank balances	1,383	1,892
Total current assets	10,262	12,047
TOTAL ASSETS	18,569	19,472
EQUITY AND LIABILITIES		
Share capital	27,280	27,280
Reserves	(16,555)	(15,264)
Non-controlling interest	(143)	(270)
TOTAL EQUITY	10,582	11,746
Non-current liabilities		
Lease Liabilities	1,156	693
Loans and borrowings	1,005	1,005
Total non-current liabilities	2,161	1,698
Current liabilities		
Trade payables	2,404	2,704
Other payables and accruals	1,542	1,270
Amount due to an associated company	83	83
Loans and borrowings	1,440	1,684
Lease liabilities	357	287
Total current liabilities	5,826	6,028
TOTAL LIABILITIES	7,987	7,726
TOTAL EQUITY AND LIABILITIES	18,569	19,472
Net Assets per share (RM)	0.05	0.06

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 1st Quarter Ended 30-Sep-22

(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 2022	27,280	-	(15,264)	-	12,016	(270)	11,746
Total comprehensive loss for the period	-	-	(1,028)	-	(1,028)	(136)	(1,164)
Conversion of warrants	-	-	-	-	-	-	-
Balance as of 30 Sept 2022	27,280	-	(16,292)	-	10,988	(406)	10,582

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 2022 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 30 Sept 2022

	UNAUDITED 30 Sept 2022 RM'000	AUDITED 30 June 2022 RM'000
Cash Flows From Operating Activities		
Loss before tax	(1,164)	(2,366)
Adjustment for :-		
Amortisation of intangible assets	9	35
Depreciation of property, plant and equipments	32	117
Depreciation of right-of-use assets	190	483
Reversal of deposit	-	(1)
Fair value gain on other investment	-	(255)
Gain on disposal of property, plant and equipment	-	(30)
Loss on property, plant and equipments written off	-	6
Allowance for impairment loss on financial asset	-	44
Unrealised gain on foreign exchange	-	(5)
Gain on bargain purchase on subsidiary company	-	(5)
Loss on deemed disposal of subsidiary	-	3
Allowance for impairment loss on trade receivables	-	54
Reversal of impairment losses on trade receivables	-	(62)
Unwinding discount on other receivables	-	(603)
Impairment losses on share of loss/ (profit) of associate	-	17
Finance income	-	(43)
Finance cost	63	186
Operating loss before working capital changes	<u>(870)</u>	<u>(2,426)</u>
Changes in working capital		
Decrease/(increase) in inventories	615	(906)
Decrease/(increase) in contract asset	511	321
Decrease/(Increase) in receivables	170	(560)
(Decrease)/increase in payables	<u>(27)</u>	<u>(3,449)</u>
Cash used in operations	399	(7,020)
Interest paid	(56)	(186)
Income tax refund/(paid)	<u>(13)</u>	<u>(26)</u>
Net cash used in operating activities	<u>330</u>	<u>(7,233)</u>
Cash Flows From Investing Activities		
Additional investment in joint ventures	(45)	(118)
Acquisition of non-controlling interest	-	(127)
Withdrawal of fixed deposit with licensed banks	-	1,241
Proceeds from disposal of property, plant and equipments	-	43
Purchase of intangible assets	-	(174)
Purchase of property, plant and equipment	(386)	(1,510)
Interest received	-	44
Net cash generated/(used in) from investing activities	<u>(431)</u>	<u>(601)</u>
Cash Flow From Financing Activities		
Conversion of warrants	-	1,133
Proceeds from private placement	-	3,990
Addition/(repayment) of loans and borrowings	-	1,721
(Repayment)/Addition of lease liabilities	(173)	(392)
Advance to associate	(2)	-
Proceed from disposal of subsidiary	-	45
Net cash generated from financing activities	<u>(175)</u>	<u>6,497</u>
Net (increase)/decrease in cash and cash equivalents	(276)	(1,336)
Cash and cash equivalents as at beginning of the financial year/period	924	2,260
Cash and cash equivalents as at end of the financial year/period	<u>648</u>	<u>924</u>
Cash and cash equivalents comprises of:		
Fixed deposits placed with licensed banks	2,144	2,144
Cash and bank balances	1,383	1,892
	<u>3,527</u>	<u>4,036</u>
Fixed deposit with maturity of more than 3 months	-	-
Bank overdraft	(735)	(968)
Deposit held as security value	(2,144)	(2,144)
	<u>(2,879)</u>	<u>(3,112)</u>
	<u>648</u>	<u>924</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 2022 and the accompanying explanatory notes attached to the interim financial statements.

Notes on the quarterly report – 30 September 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 2022.

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 2022.

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

Effective for financial periods beginning on or after 1 January 2023

- MFRS 17 (Insurance Contracts)
- Amendments to MFRS 101 (Presentation of Financial Statements)
- Amendments to MFRS 108 (Accounting Policies, Changes in Accounting Estimates and Errors)
- Amendments to MFRS 112 (Income taxes)

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 September 2022.

Notes on the quarterly report – 30 September 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 September 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 30 September 2022. As at 30 September 2022, the converted warrants of the Company stand at 6,296,000 at consideration of RM1,133,280.

A6. Dividends Paid

There were no dividends paid during the current quarter and financial period ended 30 September 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 September 2022. As at 30 September 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’).

The following transpired during the case management on 25 October 2022;

1. The Plaintiff mentioned that they will file a Notice of Application for the purpose of amending the Statement of Claim to change Defendant 1’s name to his estate by 4 November 2022;
2. Parties have reserved their right to file affidavits in reply before the exhaustion of the affidavits; and
3. Next Case Management has been fixed on 7 November 2022.

Further to the above, the following transpired during the case management on 7 November 2022;

1. The Plaintiff updated the Court on the deadlines for filing of affidavits in reply to the interlocutory applications filed by the Defendants;
2. Parties are at the final stages of exhausting affidavits at this stage;

Notes on the quarterly report – 30 September 2022

3. The Plaintiff will be filing its application to amend the Writ and Statement of Claim by 11 November 2022; and
4. The next case management is fixed on 22 November 2022 at 8.30 a.m.

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, which sum shall be financed through the Group's internally generated sources.

The 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 to the profit and loss accounts during the Group's results for its financial year end year ending 30 June 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 September 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 30 September 2022.

Notes on the quarterly report – 30 September 2022

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group Performance:

Current Quarter and Financial Year to Date

	30 Sep 2022	30 Sep 2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	2,559	1,626	933	57
Operating loss	(1,101)	(368)	733	199
Loss before tax	(1,164)	(425)	739	173
Loss after tax	(1,164)	(425)	739	173

For the current quarter and the financial year to date of 30 September 2022, the Group reported a revenue of RM2.56 million which is approximately 57% higher than quarter ended 30 September 2021 which was resulted to the main new contract Network Interface Development has been executed in the current quarter.

The current quarter's loss after tax of RM1.16 million reported higher than the quarter for 30 September 2021 due to the higher costs of materials in several existing projects which causes lower margins and the administrative expenses of new acquired subsidiary's company which was not recorded in the 30 September 2021 quarter.

B2. Variation of Results Against Immediate Preceding Quarter

	30 Sep 2022	30 Jun 2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	2,559	3,440	881	26
Operating loss	(1,101)	(359)	742	206
Loss before tax	(1,164)	(409)	755	184
Loss after tax	(1,164)	(419)	745	178

The revenue for the current quarter, was recorded at RM2.56 million approximately 26% lower compared to the immediate preceding quarter, 30 June 2022 which was mainly due to no new substantial contract being secured.

Despite having lower revenue, the loss before tax during the current quarter marked at RM1.16 million, higher than the preceding quarter ended 30 June 2022. This was resulted by the higher in administrative and other operating expenses incurred in the new subsidiary company.

Notes on the quarterly report – 30 September 2022

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.

To achieve the objective, the Company has identified and evaluated the necessary licenses from various government agencies. To keep momentum in strategies, the company has an interest to invest in the network infrastructure facilities for future generating income.

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

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

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 2022 were not subject to any qualification.

B6. Tax Expense

	2022 3 months Current period Ended 30 Sep 2022 RM'000	2022 3 months Cumulative to date 30 Sep 2022 RM'000
Estimated current tax payable	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-

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 September 2022.

Notes on the quarterly report – 30 September 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: -

As at 30 September 2022					
Details	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilization	Deviation Amount RM'000	Explanation (Deviation ≥ 5%)
Business expansion	1,960	1,115	Within 12 months	845	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 Sep 2022 RM'000
Payable within 12 months:	
Bank borrowings	<u>1,440</u>
Payable after 12 months:	
Bank borrowings	<u>1,005</u>
Total	<u><u>2,445</u></u>

B10. Off Balance Sheet Financial Instruments

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

Notes on the quarterly report – 30 September 2022

B11. Material Litigation

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’).

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, which sum shall be financed through the Group’s internally generated sources.

The 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 to the profit and loss accounts during the Group’s results for its financial year end year ending 30 June 2023 and that there would be no operational impact to the Group.

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 30 Sep 2022	3 months Current Year To Date Ended 30 Sep 2022
Profit/(loss) attributable to ordinary shareholders (RM’000)	(1,028)	(1,028)
Weighted average number of ordinary shares on issue (‘000)	193,990	193,990
Earnings/(loss) per ordinary share (sen)	(0.53)	(0.53)

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Notes on the quarterly report – 30 September 2022

b) Diluted Loss Per Share

	Current Quarter Ended 30 Sep 2022	3 months Current Year To Date Ended 30 Sep 2022
Profit/(loss) attributable to ordinary shareholders (RM'000)	(1,028)	(1,028)
Weighted average number of ordinary shares on issue ('000)	193,990	193,990
Adjusted for:		
Assumed shares issued from the conversion of warrant 2013/2023	(9,699)	(9,699)
Adjusted weighted average number of ordinary shares on issue and issuable (units)	184,291	184,291
Fully diluted earnings/(loss) per ordinary share (sen)	(0.56)	(0.56)

B14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 30 Sep 2022 RM'000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(16,645)
- Unrealised	-
	<u>(16,645)</u>
Less:	
Consolidation adjustments	(27)
	<u>(16,618)</u>

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Notes on the quarterly report – 30 September 2022

B15. Loss for the Period

This is arrived at after crediting / (charging):

	Current Quarter 30 Sep 2022 RM'000	Year to Date 3 months to 30 Sep 2022 RM'000
Interest income	-	-
Interest expenses	(63)	(63)
Amortisation of intangible asset	(9)	(9)
Depreciation of property, plant and equipment	(32)	(32)
Depreciation of rights of use of asset	(190)	(190)

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.