

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

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Second Quarter Ended 30 June 2009

(The figures have not being audited)

	CURRENT QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM'000	RM'000	RM'000	RM'000
Revenue	39,846	14,740	70,606	36,095
Cost of Sales	(36,760)	(13,120)	(63,599)	(32,573)
Operating Expenses	(1,852)	(2,392)	(4,580)	(4,729)
Other operating Income	53	10	177	57
Profit/(loss) from operations	<u>1,287</u>	<u>(762)</u>	<u>2,604</u>	<u>(1,150)</u>
Finance costs	(102)	(241)	(289)	(290)
Share of loss of associate	-	-	-	-
Profit/(loss) before tax	<u>1,185</u>	<u>(1,003)</u>	<u>2,315</u>	<u>(1,440)</u>
Income tax expense	(660)	-	(1,230)	-
Profit/(loss) after tax	<u><u>525</u></u>	<u><u>(1,003)</u></u>	<u><u>1,085</u></u>	<u><u>(1,440)</u></u>
Earnings / (loss) per share				
- Basic (sen)	0.52	(1.00)	1.08	(1.44)
- Diluted (sen)	NA	NA	NA	NA
Dividend per share (sen)	NA	NA	NA	NA

Note:

This is prepared based on the consolidated results for the Group for the financial period ended 30 June 2009. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim quarter financial statements.

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For The Second Quarter Ended 30 June 2009

(The figures have not being audited)

	Unaudited	Audited
	30-Jun-09	31-Dec-08
	(RM'000)	(RM'000)
Cash Flows From Operating Activities		
Profit/(loss) before tax (See notes below)	2,315	(3,956)
Adjustment for :-		
Depreciation and amortisation of property, plant and equipment	266	631
Amortisation Intangible Assets	169	182
Bad debts recoverables	-	(33)
Impairment loss on goodwill	-	19
Unrealised foreign exchange loss / (gain)	(33)	18
Share of losses of associates	-	4,460
Share of losses of jointly controlled entity	-	110
Net gain on disposal of property, plant and equipment	(7)	(40)
Interest Income	(108)	(76)
Finance costs	289	175
Operating Profit Before Working Capital Changes	<u>2,891</u>	<u>1,490</u>
(Increase)/Decrease in:		
Work In Progress & Inventories	(5,953)	(232)
Receivables	(11,744)	50
Increase/(Decrease) in:		
Payables	29,087	3,636
Cash Generated From / (Used In) Operations	<u>14,281</u>	<u>4,944</u>
Interest paid	(289)	(175)
Income tax paid	(546)	(1,469)
Net Cash Used In Operating Activities	<u>13,446</u>	<u>3,300</u>
Cash Flows From Investing Activities		
Acquisition of subsidiary net of cash acquired	-	22
Investment In Associates	-	(4,458)
Investment In jointly controlled entity	-	(350)
Proceed from disposal of plant & equipment	7	108
Interest received	108	76
Acquisition of fixed assets	(541)	(978)
Net Cash Used In Investing Activities	<u>(426)</u>	<u>(5,580)</u>
Cash Flow From Financing Activities		
Proceeds from other borrowings	-	5,803
Finance from hire purchase payable	551	-
Repayment of bank borrowings	(2,502)	(5,244)
Prepayment of hire purchase obligation & lease financing	(1,039)	(131)
Net Cash Generated From Financing Activity	<u>(2,990)</u>	<u>428</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>10,030</u>	<u>(1,852)</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>8,176</u>	<u>10,028</u>
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>18,206</u>	<u>8,176</u>
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	13,962	4,457
Deposits With Licensed Banks	6,067	6,072
Bank Overdraft	(1,823)	(2,353)
	<u>18,206</u>	<u>8,176</u>

Note :

The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the first quarter financial statements.

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial re

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Second Quarter Ended 30 June 2009***(The figures have not being audited)*

	Issued Capital (RM'000)	Non-Distributable Share Premium (RM'000)	Distributable Unappropriated Profit (RM'000)	Total (RM'000)
Balance as of 1 January 2009	10,000	4,910	(3,622)	11,288
Net profit during the period	-	-	1,085	1,085
Balance as of 30 June 2009	<u>10,000</u>	<u>4,910</u>	<u>(2,537)</u>	<u>12,373</u>
Balance as of 1 January 2008	10,000	4,910	3,676	18,586
Net loss during the year	-	-	(7,298)	(7,298)
Balance as of 31 December 2008	<u>10,000</u>	<u>4,910</u>	<u>(3,622)</u>	<u>11,288</u>

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 31 December 2008 and the accompanying explanatory notes attached to the interim quarter financial statements

(The accompanying notes form an integral part of, and should be read in conjunction with this interim financial report)

SILVER RIDGE HOLDINGS BHD. (667785-W)
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CONDENSED CONSOLIDATED BALANCE SHEET

As At 30 June 2009

(The figures have not being audited)

	30-Jun-09	31-Dec-08
	RM'000	RM'000
	(Unaudited)	(Audited)
Assets		
Property, plant and equipment	2,060	1,832
Intangible Assets	1,837	1,959
Other Investment	94	93
Goodwill arising from consolidation	-	-
Investment In Subsidiaries / Associates	334	334
	4,325	4,218
Current Assets		
Work In Progress & Inventories	7,545	1,592
Trade receivables	78,776	68,257
Other receivables and prepayments	7,130	5,902
Cash and bank balance	20,029	10,530
Tax Recoverable	218	-
	113,698	86,281
Current Liabilities		
Trade payables	97,099	66,147
Other payables and accrued expenses	976	2,871
Hire purchase - within 12 months	1,651	2,067
Bank borrowings	2,113	5,145
Tax liabilities	1,230	327
	103,069	76,557
Net Current Assets/(Liabilities)	10,629	9,724
	14,954	13,942
Represented by:		
Issued capital	10,000	10,000
Share Premium	4,910	4,910
Unappropriated profit/(loss)	(2,537)	(3,622)
Shareholders' Equity	12,373	11,288
Deferred tax liabilities	46	46
Hire-purchase payables - more than 12 months	2,535	2,608
	2,581	2,654
Net Assets / (Liabilities)	14,954	13,942
 Net assets per share (RM)	0.12	0.11

Note :

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim quarter financial statements.

(The accompanying notes form an integral part of, and should be read in conjunction with, this interim financial report)

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Notes on the quarterly report – 30 June 2009

A. EXPLANATORY NOTES AS PER FRS134-INTERIM FINANCIAL REPORTING

A1. Basis of preparation

This second quarter financial statements are unaudited and have been prepared in accordance with FRS134-Interim Financial Reporting, and the requirements of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“Listing Requirements”).

This is the second quarterly financial statements on the consolidated results for the financial period ended 30 June 2009 announced by the Company.

There are no changes in the accounting policies and methods of computation adopted in this quarterly report.

A2. Audit report

The preceding year’s annual audited financial statements were not subject to any qualification.

A3. Seasonal or cyclical factors

The Group’s operations were not affected by any seasonal or cyclical factors.

A4. Unusual items

During the current quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Issuance, cancellations, repurchases, resale and repayments of debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. Dividends paid

There were no dividends paid during the current quarter under review.

A8. Segmental information

The Group currently operates predominantly in one industry, which is in the Information, Communication and Technology (“ICT”) Industry and accordingly, there is no segmental reporting to be presented.

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A9. Basis of consolidation

The subsidiary companies are consolidated using the merger accounting principles and whereas the associated companies are consolidated using the equity.

A10. Valuation of property, plant and equipment

The property, plant and equipment of the Group have not been revalued for the current quarter under review.

A11. Materials events subsequent to the balance sheet date

There were no material events subsequent to the end of the current quarter under review that has not been reflected in the financial statements.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13. Changes in contingent liabilities or contingent assets

As at the date of this report, our 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.

A14. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement consist of:

	RM'000
Cash and bank balances	13,962
Deposits with licensed banks	6,067
Bank overdraft	(1,823)
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Cash and Cash Equivalents	18,206
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A15. Provision for financial assistance

The financial assistance provided to Bernama TV Synergy Sdn Bhd as at 30 June 2009 is RM3,772.450.34 for its capital expenditure and working capital purposes.

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Notes on the quarterly report – 30 June 2009

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group results for the current quarter ended 30 June 2009

For the quarter under review, the Group recorded revenue of RM39.84 million and pre-tax profit of RM0.52 million as compared to revenue of RM14.74 million and pre-tax loss of RM1.00 million respectively for the preceding year's corresponding quarter ended 30 June 2008.

The main telecommunication projects that SRSB is undertaking in the current quarter are Multi Service Access Network ("MSAN") and Asymmetric Digital Subscriber Line System ("DSLAM") which were awarded by Telekom Malaysia.

The Company had on 9 July 2009 received a letter of award from Telekom Malaysia Berhad for RM23.4 million for the supply of multi service access node.

B2. Variation of results against immediate preceding quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	39,846	30,760
Profit before tax	1,185	1,130
Profit after tax	525	560

For the quarter under review, the Group recorded revenue of RM39.84 million representing an increase of 29% compared with RM30.76 million recorded in the immediate preceding quarter.

The Group achieved pre-tax profit of RM1.18 million in the current quarter as compared to pre-tax profit of RM1.13 million in the immediate preceding quarter. The improvement in the profit is mainly due to higher orders received from telecommunication projects and maintenance work in the current quarter.

B3. Prospects

The management foresees that the prospects of the Telecommunication Infrastructure Industry will focus mainly on cellular coverage and optimization, broadband as well as high speed data packet access.

The National ICT association Pikom, sees ICT growth in 2009 at 5 percent, compared to its forecast of 7 percent in 2008, also it views that public and telecommunications sectors will continue to lead in ICT investment and consumption activities through the rollout of High-Speed Broadband (HSBB) and WiMax services nationwide, as Malaysia aims to achieve 50 percent broadband penetration of households by 2010.

Despite the current economy condition, the Management believes that the Company can leverage on current projects and explores new opportunities, such as the Broadband Project announced by High Speed Broadband Technology Sdn Bhd with a projected investment of RM10 billion.

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B4. Profit forecast

There was no profit forecast or profit guarantee issued by the Group and the Company for the current quarter.

B5. Tax expense

Income tax expense comprises the following:-

	Current quarter ended 30 June 2009 RM'000	Current year-to-date 30 June 2009 RM'000
In respect of the current period		
Income tax	660	1,230
Deferred tax	-	-
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	660	1,230

B6. Sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties during the current quarter under review and the current financial year to date.

B7. Quoted and marketable securities

There were no purchase or disposal of quoted and marketable securities during the current quarter under review.

B8. Status of corporate proposals

The belowmentioned proposals were approved by the shareholders during the Extraordinary General Meeting held on 23 June 2009:-

- (a) Proposed Shareholders' Ratification for the Provision of financial assistance by Silver Ridge Holdings Berhad Group ("SRHB Group") in favour of Bernama TV Synergy Sdn Bhd ("BTV"); and
- (b) Proposed Provision of Financial Assistance by SRHB Group in favour of BTV.

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B9. Borrowings

The Group's unsecured borrowings are as follows:-

	30 June 2009
	RM'000
Payable within 12 months:	
Borrowings – Project financing	2,113
Hire purchase	1,651
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	3,764
Payable after 12 months:	
Hire purchase	2,535
	<hr/>
	<u>6,299</u>

The Group does not have any foreign currency borrowings for the second quarter ended 30 June 2009.

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

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Notes on the quarterly report – 30 June 2009

B11. Status of utilisation of proceeds**Listing and quotation**

On 21 July 2006, the entire enlarged and paid up share capital of the Company, comprising 100,000,000 ordinary shares of RM0.10 each, was listed and quoted on the ACE Market of Bursa Securities. The gross proceeds raised from the Public Issue of RM9.567 million is to be utilised in the following manner:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance Unutilized as at 30.06.2009		Intended Timeframe for Utilisation	Explanations
	RM'000	RM'000	RM'000	%		
Upgrading of information technology systems	250	250	-	-	Fully utilised	-
Marketing campaigns in promoting products	500	500	-	-	Fully utilised	-
Expansion of R&D activities and facilities	3,500	2,400	1,100	31%	To be utilised by July 2009	On schedule to be fully utilized by July 2009
Repayment of loans	1,500	1,500	-	-	Fully utilised	-
Estimated listing expenses	1,312	1,312	-	-	Fully utilised	-
Working capital	2,505	2,505	-	-	Fully utilised	-
	9,567	8,467	1,100	11%		

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B12. Material litigation

SRSB, a wholly owned subsidiary company through its solicitors has issued a statutory notice pursuant to Section 218(1)(e) of the Companies Act 1965 to Izzinet Sdn. Bhd. (Company No. 732916-D) dated 7 November 2008 claiming therewith a sum of RM1,555,322.22 being the outstanding sum for goods sold and delivered and services rendered to Izzinet Sdn. Bhd. Failing to comply to the notice within twenty-one (21) days, SRSB reserves its right(s) to present to court a Winding-up Petition against Izzinet Sdn. Bhd.

Izzinet Sdn. Bhd. in its effort to refrain and/or restrict SRSB from presenting the Winding-up petition, had filed to court an Injunction application in which an Ex-Parte Interim Injunction has been allowed by a court order dated 28 November 2008. The matter has fixed for Inter-Parte Hearing and due for decision by court on 4 March 2009 and subsequently postponed to 11 June 2009 for decision by the court. The Court has on 11 June 2009 allowed Izzinet's application for the Injunction. It is noted here however that the injunction does not restrict SRSB from filing a writ of summons against Izzinet in an attempt to obtain a court judgment in SRSB's favour. SRSB through its solicitors is currently pursuing the said matter vide writ of summons.

SRSB, upon being advised by its solicitors, is of the belief that it has a good case and/or claim against Izzinet Sdn. Bhd.

B13. Dividends

There were no dividends declared during the quarter under review.

B14. Earnings per share

	Current quarter ended	Current year to date
	30 June 2009	30 June 2009
Basic profit per share		
Net profit for the year (RM'000)	525	1,085
Number of shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	<u>0.52</u>	<u>1.08</u>

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