

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

A. EXPLANATORY NOTES AS PER FRS134-INTERIM FINANCIAL REPORTING

A1. Basis of preparation

This first 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 first quarterly financial statements on the consolidated results for the financial period ended 31 March 2010 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.

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

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	6,726
Deposits with licensed banks	6,828
Bank overdraft	-
	<hr/>
Cash and Cash Equivalents	<u>13,554</u>

A15. Provision for financial assistance

The financial assistance provided to Bernama TV Synergy Sdn Bhd as at 31 March 2010 is RM4,969,836.89 for its capital expenditure and working capital purposes.

THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of the Group results for the current quarter ended 31 March 2010

For the quarter under review, the Group recorded revenue of RM5.87 million and pre-tax profit of RM0.284 million as compared to revenue of RM30.76 million and pre-tax profit of RM1.13 million respectively for the preceding year's corresponding quarter ended 31 March 2009.

The decrease in revenue is mainly due to slow ordering from Telekom Malaysia and subsidiaries companies has yet to achieve the economy of scales.

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

B2. Variation of results against immediate preceding quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	5,871	17,041
Profit before tax	284	(1,607)
Profit after tax	19	(427)

For the quarter under review, the Group recorded revenue of RM5.87 million representing a decrease of 66% compared with RM17.04 million recorded in the immediate preceding quarter.

The Group achieved pre-tax profit of RM0.284 million in the current quarter as compared to pre-tax loss of RM1.60 million in the immediate preceding quarter. The decrease in the loss is mainly due to provision of doubtful debts of RM2.81 million in the immediate preceding quarter and lower turnover.

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.

The Company managed to make in-roads to the HSBB project expected to be rolled out by Telekom Malaysia (TM) with an expected investment outlay of RM10 billion for the

SILVER RIDGE HOLDINGS BHD*(Company No.: 667785-W)*

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

next few years. SRSB is in the midst of finalization of the contracts with TM and equipment vendors.

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 31 March 2010 RM'000	Current year-to-date 31 March 2010 RM'000
In respect of the current period		
Income tax	265	265
Deferred tax	-	-
	<u>265</u>	<u>265</u>

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

There were no corporate proposals announced but not completed as at the date of this announcement.

B9. Borrowings

The Group's unsecured borrowings are as follows:-

	31 March 2010 RM'000
Payable within 12 months:	
Borrowings – Project financing	5,251
Hire purchase	<u>2,156</u>
	7,407
Payable after 12 months:	
Hire purchase	<u>731</u>
	<u><u>8,138</u></u>

The Group does not have any foreign currency borrowings for the first quarter ended 31 March 2010.

SILVER RIDGE HOLDINGS BHD

(Company No.: 667785-W)

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

B10. Off balance sheet financial instruments

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

B11. 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. Then SRSB has through its solicitors submitted the Writ Summon and Statement of Claim had been filed on 26 August 2009 and Izzinet had on 6 October 2009 filed in the Statement of Defence and Counter Claim. SRSB had on 11 November 2009 submitted a Reply to the Statement of Defence and Counter Claim, the Court has set for case management on 15 March 2010 to enable parties to file in bundle of pleading, bundle of documents, agreed facts and issued to be tried. On 15 March 2010, the court has fixed another case management date for both parties to file the necessary documents to court and also for Plaintiff to file Summary cases and the court also fixed on 24 March 2010 for Mediation session. On 24 March 2010, the judge has directed both parties to determine and very the site which has been completed done and handover to Izzinet Sdn Bhd after joint inspection and also to negotiate about the settlement. The next hearing date was held on 7 May 2010 for mediation and both parties have been entered into agreement of settlement by way of RM1.2 million spread into 12 posted dated cheque of RM100,000 each commencing on 31 July 2010. However the remaining balance of RM355,322.22 will remain as dispute together with the counter claim of defamation will be fixed for hearing on 7 January 2011.

On 11 May 2010, the court has recorded the Consent Judgement that have been agreed by both parties.

B12. Dividends

There were no dividends declared during the quarter under review.

THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK

SILVER RIDGE HOLDINGS BHD*(Company No.: 667785-W)*

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2010

B13. Earnings per share

	Current quarter ended	Current year to date
	31 March 2010	31 March 2010
Basic earnings per share		
Net earnings for the year (RM'000)	19	19
Number of shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	<u>0.02</u>	<u>0.02</u>

THE REST OF THE PAGE IS INTENTIONALLY LEFT BLANK