

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

STATEMENT OF COMPREHENSIVE INCOME

(The figures have not being audited)

	CURRENT QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Mar-11 RM'000	31-Mar-10 RM'000	31-Mar-11 RM'000	31-Mar-10 RM'000
REVENUE	12,721	5,871	12,721	5,871
COST OF SALES	(7,577)	(4,341)	(7,577)	(4,341)
Gross margin	5,144	1,530	5,144	1,530
Operating Expenses	(2,256)	(1,691)	(2,256)	(1,691)
Other operating income / (expenses)	74	(212)	74	(212)
Operating Profit / (Loss)	<u>2,962</u>	<u>(373)</u>	<u>2,962</u>	<u>(373)</u>
Finance costs	(34)	(123)	(34)	(123)
(Loss) / gain on financial liabilities	(71)	780	(71)	780
Share of losses in jointly controlled entity	-	-	-	-
Profit Before Taxation	<u>2,857</u>	<u>284</u>	<u>2,857</u>	<u>284</u>
Taxation	(1,000)	(265)	(1,000)	(265)
PROFIT / (LOSS) FOR THE PERIOD	<u>1,857</u>	<u>19</u>	<u>1,857</u>	<u>19</u>
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>1,857</u>	<u>19</u>	<u>1,857</u>	<u>19</u>
Attributable to:				
Equity holders of the Company	1,857	19	1,857	19
Minority interests	-	-	-	-
	<u>1,857</u>	<u>19</u>	<u>1,857</u>	<u>19</u>
Earnings per share				
- Basic (sen)	1.86	0.02	1.86	0.02
- 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 31 March 2011. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2010 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 STATEMENT OF FINANCIAL POSITION

As At 31 MARCH 2011

(The figures have not being audited)

	Mar-11 RM'000 (Unaudited)	Dec-10 RM'000 AUDITED
Assets		
Property, plant and equipment	1,865	1,330
Intangible Assets	734	1,455
Other Investment	94	94
Investment In Subsidiaries / Associates	20	20
	2,713	2,899
Current Assets		
Contract work-in-progress	2,796	3,481
Trade receivables	11,950	11,745
Amt due from customers for contract works	-	9,183
Bernama TV Synergy Sdn Bhd	-	2,493
Other receivables and prepayments	4,188	2,130
Financial assets held for trading	11,308	258
Cash and bank balance	6,361	9,651
	36,603	38,941
Current Liabilities		
Trade payables	20,069	24,294
Other payables and accrued expenses	582	794
Financial liabilities held for trading	(187)	-
Hire purchase - within 12 months	453	697
Leasing - within 12 month	373	-
Bank borrowings	-	-
Tax liabilities	337	44
	21,627	25,829
Net Current Assets	14,976	13,112
	17,689	16,011
Represented by:		
Issued capital	10,000	10,000
Share Premium	4,910	4,910
Unappropriated profit/(loss)	2,397	540
Shareholders' Equity	17,307	15,450
Deferred tax liabilities	95	95
Long Term Borrowing	-	-
Hire-purchase payables - more than 12 months	287	466
	382	561
Net Assets	17,689	16,011
	-	-
Net assets per share (RM)	0.18	0.16

Note :

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010 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 STATEMENT OF CHANGES IN EQUITY

For the 1st Quarter Ended 31 March, 2011

(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 2011	10,000	4,910	540	15,450
Net profit during the year	-	-	1,857	1,857
Balance as of 31 March, 2011	10,000	4,910	2,397	17,307
Balance as of 1 January 2010	10,000	4,910	(1,856)	13,054
Net profit during the year	-	-	2,396	2,396
Balance as of 31 December 2010	10,000	4,910	540	15,450

SILVER RIDGE HOLDINGS BHD. (667785-W)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 1st Quarter Ended 31 March, 2011

(The figures have not being audited)

	Unaudited	AUDITED
	31-Mar-11 (RM'000)	31-Dec-10 (RM'000)
Cash Flows From Operating Activities		
Profit before tax (See notes below)	2,857	3,665
Adjustment for :-		
Depreciation and amortisation of property, plant and equipment	142	583
Amortisation Intangible Assets	73	256
(Gain) / Loss - fair value on derivatives	(71)	(258)
Inventory written off	-	111
Provision for doubtful debts	-	4
Realised foreign exchange loss / (gain)	-	26
Share of losses of associates	-	4
Net loss / (gain) on disposal of property, plant and equipment	-	(25)
Property, plant & equipment written off	-	60
Interest Income	(1)	(86)
Finance costs	34	296
Operating Profit Before Working Capital Changes	3,034	4,636
(Decrease) / Increase in :-		
Work In Progress & Inventories	(9,868)	(2,062)
Receivables	7,530	32,997
Increase/(Decrease) in:		
Payables	1,334	(38,425)
Amount owing by Associates	-	(3)
Amount owing by jointly controlled entity	-	(157)
Cash Generated From Operations	2,030	(3,013)
Interest paid	(34)	(296)
Income tax paid	707	(2,110)
Net Cash From Operating Activities	2,703	(5,420)
Cash Flows From Investing Activities		
Fixed deposits placed as security value	(235)	2,244
Proceed from disposal of plant & equipment	-	222
Decrease / (Increase) in Intangible assets	(721)	-
Interest received	1	86
Acquisition of property, plan & equipment	(677)	(70)
Net Cash Used In Investing Activities	(1,632)	2,481
Cash Flow From Financing Activities		
Finance from hire purchase payable	244	
Payment of hire purchase obligation & lease financing	(307)	(2,278)
Net Cash (Used In)/ Generated From Financing Activity	(63)	(2,278)
NET DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS	1,008	(5,216)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	5,353	10,570
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	6,361	5,353
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	1,763	276
Deposits With Licensed Banks	4,598	5,077
	6,361	5,353
	0	0

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 2010 and the accompanying explanatory notes attached to the fourth 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
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Notes on the quarterly report – 31 MARCH 2011

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 2011 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 method.

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	1,763
Deposits with licensed banks	4,598
Cash and Cash Equivalents	<u>6,361</u>

A15. Provision for financial assistance

The financial assistance provided to Bernama TV Synergy Sdn Bhd as at 31 March 2011 is RM4,919,753 for its capital expenditure and working capital purposes. Nevertheless, the Company has ceased to provide any financial assistance to BTM since the date of the Annual General Meeting held on 29 June 2010.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of the Group results for the current quarter ended 31 March 2011**

For the quarter under review, the Group recorded a total revenue of RM12.721 million and pre-tax profit of RM2.857 million as compared to revenue of RM5.871 million and pre-tax profit of RM0.284 million respectively for the preceding year's corresponding quarter ended 31 March 2010. The increase in revenue is mainly due to the commencement of the new projects which went into "full swing" since the quarter ended 30 September 2010.

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

B2. Variation of results against immediate preceding quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	12,721	8,252
Profit / (loss) before tax	2,857	(353)
Profit after tax	1,857	924

For the quarter under review, the Group recorded revenue of RM12.721 million representing an increase of 52.3% compared to RM8.352 million recorded in the immediate preceding quarter.

The Group achieved a pre-tax profit of RM2.857 million in the current quarter compared to a pre-tax loss of RM0.353 million in the immediate preceding quarter. The substantial increase in pre-tax profits is contributed by the new HSBB projects with higher profit margin currently being undertaken by the Group. The Group is continuing to source for new projects whilst managing costs through optimization of resources.

B3. Prospects

The management foresees that the prospects of the Telecommunication Infrastructure Industry will focus mainly on cellular coverage, high speed broadband (HSBB) for this year as Malaysia continues with its aim to achieve 50 percent broadband penetration of households in 2011. Management also foresees continuing business and marketing prospects with the extension of the tax incentives to subscribers for broadband network facilities and import duty and sales tax exemption on broadband and consumer access devices.

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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 31 March 2011 RM'000	Current year-to-date 31 March 2011 RM'000
In respect of the current period		
Income tax	(1,000)	(1,000)
Deferred tax	-	-
	<u>(1,000)</u>	<u>(1,000)</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 2011 RM'000
Payable within 12 months:	
Borrowings – Project financing	-
Hire purchase and leasing	826
	<u>826</u>
Payable after 12 months:	
Hire purchase	288
	<u>1,114</u>

The Group does not have any foreign currency borrowings for the first quarter ended 31 March 2011.

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B10. Off balance sheet financial instruments

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

B11. Material litigation

There was no material litigation during the quarter under review, save for the following on-going case:-

1. Silver Ridge Sdn Bhd ("SRSB") has through its solicitors filed the Writ of Summons and Statement of Claim on 26 August 2009. On 6 October 2009, Izzinet Sdn Bhd filed their Statement of Defence and Counter Claim. Thereafter, on 11 November 2009, SRSB submitted a Reply to the Statement of Defence and Counter Claim. On 11 May 2010, SRSB obtained consent judgement whereby Izzinet Sdn Bhd was required to deposit with their solicitors, 12 post dated cheques of RM100,000 each, to be paid to SRSB commencing on 30 July 2010. To date, only the first payment of RM100,000 was received by SRSB. In view of the breach of the terms of the Consent Judgement, SRSB through its solicitors filed an application for Summary Judgement pursuant to Order 14 of the High Court Rules 1980 to demand for full settlement of the balance the judgement sums due on 22 November 2010. The Kuala Lumpur High Court granted "Order in Terms" against the Defendant for the breach of Consent Judgement for the outstanding RM200,000 as at 22 November 2010 on 7 January 2011. The fair copy of the Order 14 has been filed on 22 January 2011 pending extraction of the same from the Kuala Lumpur High Court's registry. The full trial for the disputed amount of RM355,322.22 has been scheduled in the Kuala Lumpur High Court on 30 and 31 March 2011 respectively was rescheduled in view of the petition to wind-up the defendant by a third party. On 6 May 2011, SRSB through its solicitors, filed "the proof of debt" for the total sum of RM1,641,141.28. A letter was also sent to Insolvency Department on 23 May 2011 to petition for a creditors meeting. As of the date of this report, the Insolvency Department has not scheduled the date of this creditors meeting.

B12. Dividends

There were no dividends declared during the quarter under review.

B13. Earnings per share

	Current quarter ended	Current year to date
	31 March 2011	31 March 2011
Basic earnings per share		
Net earnings for the year (RM'000)	1,857	1,857
Number of shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	<u>1.86</u>	<u>1.86</u>

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B14. Disclosure of realised and unrealised profits / (losses)

The breakdown of the retained profits of the Group into realised and unrealised profits is as follows:

	Group 31-Dec-10 RM'000	Group 31-Mar-11 RM'000
Total retained profits of Silver Ridge Holdings Berhad and its subsidiaries		
- realised	372	2,464
- unrealised	237	(67)
	<u>609</u>	<u>2,397</u>
Total share of retained profits from associate		
- realised	(69)	-
- unrealised	-	-
	<u>540</u>	<u>2,397</u>
LESS : Consolidation adjustments	-	-
Total retained profits as per Statement of Financial Position	<u>540</u>	<u>2,397</u>