

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

Notes on the quarterly report – 31 MARCH 2012

**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 2012 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 qualified for –

- (i) the recoverability of the trade receivable of RM1,641,141/- ; and
- (ii) the recoverability of the deposit for purchase of inventories of RM175,000/-.

The subsidiary of the Group is continues to pursue the recoverability of the said trade receivable of RM1,641,141/- working closely with the newly appointed liquidator who is ascertaining the current status of the case and the availability of assets to be disposed and the funds raised thereon for the settlement of its debts to its creditors.

Subsequent to end of the financial year, the purchase was cancelled and the deposit of RM175,000/- was recovered and was returned to the subsidiary.

**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.

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

Notes on the quarterly report – 31 MARCH 2012

**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.

**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**

During the current quarter under review, the Company issued a total of ten million (10,000,000) million ordinary shares of RM0.10 each via private placements.

The net proceeds from the above mentioned private placements available for utilisation of the Group are as follows –

				<u>RM</u>
Placement	13 Jan., 2012	4,000,000	RM0.210	840,000
Placement	21 Mar., 2012	6,000,000	RM0.215	1,290,000
				<u>2,130,000</u>

**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.

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

Notes on the quarterly report – 31 MARCH 2012

**A14. Cash and cash equivalents**

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

	<b>RM'000</b>
Cash and bank balances	1,067
Fixed deposits placed with licensed banks	<u>5,798</u>
	6,865
Bank overdrafts	<u>(6,519)</u>
	<u>346</u>

**A15. Provision for financial assistance**

The financial assistance provided to Bemama TV Synergy Sdn Bhd as at 31 March, 2012 is RM4,919,753 for its capital expenditure and working capital purposes. Nevertheless, the Company has ceased to provide any financial assistance to BTV since the date of the Annual General Meeting held on 29 June 2010.

**(The remaining section of this page has been intentionally left BLANK.)**

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

Notes on the quarterly report – 31 MARCH 2012

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

**B1. Review of the Group results for the current quarter ended 31 March 2012**

For the quarter under review and for the financial year to 31 March 2012, the Group recorded a total revenue of RM10.602 million and a pre-tax profit of RM110,000 as compared to RM12.721 million and pre-tax profit of RM2.849 million respectively for the preceding year's corresponding quarter ended 31 March 2011. The decrease in revenue is mainly due to the completion of some of the existing projects during this quarter under review and deferment of one of the projects. In addition, there were delays in the commencement of the new projects secured since the end of the immediately preceding financial year.

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 and sub-contracting works by mobile service providers.

**B2. Variation of results against immediate preceding quarter**

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	10,603	10,904
Profit / Loss) before tax	110	(2,097)
(Loss) / Profit after tax	(41)	(2,843)

For the quarter under review, the Group recorded revenue of RM10.603 million representing an decrease of 2.76% compared to RM10.904 million recorded in the immediate preceding quarter.

The Group achieved a pre-tax profit of RM110,000 in the current quarter compared to a pre-tax loss of RM2.097 million in the immediate preceding quarter. The pre-tax profit in the current quarter is mainly due to the lower costs of operations for the current quarter from the projects 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 the HSBB deployment is being extended beyond the Klang Valley with strong interest from several other states in Malaysia. There are plans of extending HSBB beyond the original target of 20 percent of total homes in Malaysia. Malaysian users of internet and broadband services are expected to continue to grow. In this connection, barring any unforeseen circumstances, the management foresees continued growth in this sector for the ensuring quarter. In addition, the Group is making inroads into the Government and other business sectors, other than telco providers, with our telecommunication solutions.

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

Notes on the quarterly report – 31 MARCH 2012

**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:-

	<b>Current quarter ended 31 March 2012 RM'000</b>	<b>Current year-to-date 31 March 2012 RM'000</b>
In respect of the current period		
Income tax	(151)	(151)
Deferred tax	-	-
	<u>(151)</u>	<u>(151)</u>

**B6. Quoted and marketable securities**

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

**B7. Status of corporate proposals**

On 22 November 2011, the Company announced a proposal to undertake a private placement of up to ten percent (10%) of the Company's issued and paid-up share capital to investors to be identified. On 13 January 2012, a total of four million (4,000,000) ordinary shares of RM0.10 were issued via a private placement. The private placement for the remaining 6% or 6,000,000 ordinary shares was completed by 21 March 2012. The proceeds from the aforesaid private placement are as follows –

				<u>RM</u>
Placement	13 Jan., 2012	4,000,000	RM0.210	840,000
Placement	21 Mar., 2012	6,000,000	RM0.215	1,290,000
				<u>2,130,000</u>

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

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

Notes on the quarterly report – 31 MARCH 2012

**B8. Borrowings**

The Group's unsecured borrowings are as follows:-

	31 March 2012 RM'000
Payable within 12 months:	
Borrowings – Project financing	-
Hire purchase and leasing	767
	<hr/> 767
Payable after 12 months:	
Hire purchase	145
	<hr/> 912

The Group does not have any foreign currency borrowings for the first quarter ended 31 March 2012.

**B9. Off balance sheet financial instruments**

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

**B10. 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 (CHECK with Puan Zakhirah) filed the Writ of Summon 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. The creditors meeting was held on 13 October 2011 and agreed to appoint a new liquidator to replace the Official Assignee. On 18 October 2011, the appointment of the new liquidator was opposed via an Affidavit in Reply. On 6 January 2011, the Kuala Lumpur High Court granted the order to appoint the new liquidator and requires the new liquidator to call for a creditors and contributors meeting. As of today,

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

Notes on the quarterly report – 31 MARCH 2012

this meeting has not been held as the newly appointed liquidator is ascertaining the current status of the case and the availability of assets for the settlement of its debts to its creditors.

2. On 13 March 2011, a wholly-owned subsidiary, Silver Ridge (Multimedia) Sdn Bhd ("SRM") and its associate company, Bernama TV Synergy Sdn Bhd (hereinafter referred to as the "Companies") received a Statement of Case dated 9 March 2011 filed with the Industrial Court by Puan Haslinda binti Hamzah ("Claimant"). The Industrial Court has now fixed 1 August 2011 and 2 August 2011 for a full trial on this matter.

**B11. Dividends**

There were no dividends declared during the quarter under review.

**B12. Earnings per share**

	Current quarter ended 31 March 2012	Current year to date 31 March 2012
<b>Basic earnings per share</b>		
Net earnings for the year (RM'000)	(41)	(41)
Number of shares in issue ('000)	110,000	110,000
Basic earnings per share (sen)	<u>(0.04)</u>	<u>(0.04)</u>

**B13. Additional Disclosure Requirement – Update on Memorandum of Understanding ("MoU") pursuant to Rule 9.29, Chapter 9 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

1. The Company, through its jointly controlled company, Warrants Capital Sdn Bhd ("WCSB"), had on 30 November 2011 entered into a MoU with Huatai Financial Holdings (Hong Kong) Limited ("HTFH") to foster closer cooperation in exploring business opportunities to invest in Greater China and in Malaysia, in particular in the palm oil and iron ore industries. Matters concerning this MoU is ongoing.

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

Notes on the quarterly report – 31 MARCH 2012

**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:

	<b>Group 31-Mar-12 RM'000</b>	<b>Company 31-Mar-12 RM'000</b>
Total retained profits of Silver Ridge Holdings Bhd and its subsidiaries		
- realised	1,959	(5,234)
- unrealised	<u>(13)</u>	<u>(13)</u>
	<u>1,946</u>	<u>(5,247)</u>
 Total share of retained profits from associate		
- realised	-	-
- unrealised	<u>-</u>	<u>-</u>
	<u>1,946</u>	<u>(5,247)</u>
LESS : Consolidation adjustments	-	-
Total retained profits as per Statement of Financial Position	<u>1,946</u>	<u>(5,247)</u>

**B15. Profit for the Period**

This is arrived at after crediting / (charging) :

	<b>Current Quarter RM'000</b>	<b>Year To Date RM'000</b>
Interest income	10	10
Interest expense	110	110
Depreciation	59	59
Provision for write off of receivables	0	0
Foreign Exchange Gain (realised / unrealised)	0	0
Foreign Exchange Loss (realised / unrealised)	14	14

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.