

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	
	30-Sep-12 RM'000	30-Sep-11 RM'000	30-Sep-12 RM'000	30-Sep-11 RM'000
REVENUE	7,915	8,147	27,682	29,352
COST OF SALES	(5,152)	(3,551)	(20,204)	(14,895)
Gross margin	2,763	4,596	7,478	14,457
Administration & Other Expenses	(356)	(2,194)	(949)	(6,648)
Other operating (expenses) / income	(3,038)	177	(6,695)	239
Operating Profit / (Loss)	(631)	2,579	(166)	8,048
Finance costs	(129)	(5)	(413)	(74)
Gain / (Loss) on financial liabilities	0	184	79	116
Share of losses in associates	0	0	0	0
Share of losses in jointly controlled entity	0	0	0	0
Profit Before Taxation	(760)	2,758	(500)	8,090
Taxation	91	(772)	(132)	(2,465)
PROFIT / (LOSS) FOR THE PERIOD	(669)	1,986	(632)	5,625
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	(669)	1,986	(632)	5,625
Attributable to:				
Equity holders of the Company	(669)	1,986	(632)	5,625
Minority interests	-	-	-	-
	(669)	1,986	(632)	5,625
Earnings per share				
- Basic (sen)	(0.61)	1.99	(0.58)	5.63
- Diluted (sen) [BASED ON 110,000,000 issued shares]	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 September 2012. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2011 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)
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September, 2012

(The figures have not being audited)

	Sep-12 RM'000 UNAUDITED	Dec-11 RM'000 AUDITED
Assets		
Property, plant and equipment	3,262	1,100
Intangible Assets	1,124	1,211
Other Investment	94	94
Investment In Subsidiaries / Associates	868	868
	5,348	3,273
Current Assets		
Contract work in progress	9,059	216
Inventories	2,221	2,216
Trade receivables	12,112	11,789
Amt due from customers for contract works	6,895	9,064
Other receivables and prepayments	7,774	5,397
Fixed deposits placed with licensed banks	11,869	6,037
Cash and bank balance	1,199	1,295
	51,129	36,528
Current Liabilities		
Trade payables	21,238	13,670
Other payables and accrued expenses	1,141	1,936
Financial liabilities held for trading	45	124
Hire purchase - within 12 months	146	691
Bank borrowings	6,396	5,668
Tax liabilities	1	109
	28,967	22,198
Net Current Assets	22,162	14,330
	27,510	17,603
Represented by:		
Issued capital	11,000	10,000
Redeemable Preference Shares	8,000	-
Share Premium	6,040	4,910
Unappropriated profit/(loss)	1,355	1,987
Shareholders' Equity	26,395	16,897
Deferred tax liabilities	76	76
Long Term Borrowing	-	-
Hire-purchase payables - more than 12 months	1,038	630
	1,114	706
Net Assets	27,509	17,603
Net assets per share (RM)	0.25	0.18

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 2011 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 CASH FLOW STATEMENT

For the 3rd Quarter 30 September, 2012

(The figures have not being audited)

	Unaudited	AUDITED
	30-Sep-12	31-Dec-11
	(RM'000)	(RM'000)
Cash Flows From Operating Activities		
Profit before tax (See notes below)	(500)	3,029
Adjustment for :-		
Depreciation and amortisation of property, plant and equipment	298	624
Amortisation intangible assets	107	255
(Gain) / Loss on disposal of fixed assets	(186)	-
(Gain) / Loss - fair value on derivatives	(79)	382
Provision for doubtful debts	-	572
Unrealised foreign exchange loss / (gain)	(14)	(1)
Share of losses of associates & jointly controlled companies	-	18
Interest income	(56)	(87)
Interest expense	194	246
Operating Profit Before Working Capital Changes	<u>(236)</u>	<u>5,038</u>
Changes in working capital		
Contract work In progress	(8,843)	1,805
Inventories	(4)	(284)
Receivables	248	(1,475)
Payables	6,773	(9,483)
Amount owing by Associates	71	(159)
Amount owing by jointly controlled entity	(90)	(186)
Cash Generated From Operations	<u>(2,081)</u>	<u>(4,744)</u>
Finance costs paid	(194)	(246)
Income tax paid	(132)	(1,510)
Tax refund	(690)	312
Net Cash From Operating Activities	<u>(3,097)</u>	<u>(6,188)</u>
Cash Flows From Investing Activities		
(Decrease) / Increase in fixed deposits placed as security value	(5,814)	1,056
Proceed from disposal of plant & equipment	(1,458)	-
Decrease / (Increase) in intangible assets	87	(12)
Interest received	56	87
Investments in jointly controlled companies	0	(867)
Acquisition of property, plan & equipment	(870)	(194)
Proceeds from private placement of shares	2,130	-
Proceeds from issuance of redeemable preference shares	8,000	-
Net Cash Used In Investing Activities	<u>2,131</u>	<u>70</u>
Cash Flow From Financing Activities		
Proceeds / (Payment) of hire purchase obligation & lease financing	161	(814)
Net Cash (Used In)/ Generated From Financing Activity	<u>161</u>	<u>(814)</u>
NET DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS	<u>(805)</u>	<u>(6,932)</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>(1,579)</u>	<u>5,353</u>
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>(2,384)</u>	<u>(1,579)</u>
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	1,199	1,295
Deposits With Licensed Banks	11,869	6,036
Bank overdraft	(6,396)	(5,668)
Deposits With Licensed Banks as Security	6,672	1,663
	<u>(9,056)</u>	<u>(3,242)</u>
	<u>(2,384)</u>	<u>(1,579)</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 2011 and the accompanying explanatory notes attached to the financial statements for the current quarter.

(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 3rd Quarter 30 September, 2012

(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 2012	10,000	4,910	1,987	16,897
Issued & paid during the period	1,000	1,130	-	2,130
Redeemable Preference Shares	8,000	-	-	8,000
	19,000	6,040	1,987	27,027
Net profit during the year	-	-	(632)	(632)
Balance as of 30 September, 2012	19,000	6,040	1,355	26,395
Balance as of 1 January 2011	10,000	4,910	(1,856)	13,054
Net profit during the year	-	-	3,843	3,843
Balance as of 31 December 2011	10,000	4,910	1,987	16,897

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 31 December 2011 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 SEPTEMBER, 2012

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 September 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 continuing to pursue the recoverability of the said trade receivable of RM1,641,141/- working closely with the newly appointed liquidator who has held meetings with the creditors and with the Committee of Inspection. A tender exercise for the existing equipment including the I Burst equipment was carried out. However, the Committee of Inspection is considering other options for a better selling price.

With reference to the recoverability of the deposit for the purchase of inventories, the purchase was cancelled and the deposit of RM175,000/- was recovered and was returned to the subsidiary during the current financial year,.

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.

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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

There are no material events subsequent to the balance sheet date except for the issuance of ten million (10,000,000) million ordinary shares of RM0.10 each via private placements during the first quarter of this financial year.

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.

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A14. Cash and cash equivalents

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

	RM'000
Cash and bank balances	1,199
Fixed deposits placed with licensed banks	2,813
	<hr/>
	4,012
Bank overdraft	(6,396)
	<hr/>
	(2,384)

A15. Provision for financial assistance

The financial assistance provided to Bernama 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 BTM since the date of the Annual General Meeting held on 29 June 2010.

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Notes on the quarterly report – 30 SEPTEMBER, 2012

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of the Group results for the current quarter ended 30 September 2012**

For the quarter under review and for the financial year to 30 September 2012, the Group recorded a total revenue of RM17.079million million and a pre-tax loss of RM606,000 as compared to RM8.147 million and pre-tax profit of RM2.758million respectively for the preceding year's corresponding quarter ended 30 September 2011. The increase in revenue is mainly due to the commencement of the new projects secured since the end of the immediately preceding financial year. However, the contribution margins are lower resulting from the higher costs incurred in the initial stages of these projects.

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 multinational companies and mobile service providers.

B2. Variation of results against immediate preceding quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	7,915	9,164
Profit / Loss) before tax	(760)	150
(Loss) / Profit after tax	(669)	78

For the quarter under review, the Group recorded revenue of RM7.915 million representing a decrease of 14% compared to RM9.164 million recorded in the immediate preceding quarter.

The Group achieved a pre-tax loss of RM760,000 in the current quarter compared to a pre-tax profit of RM150,000 in the immediate preceding quarter. The pre-loss profit in the current quarter is mainly due to "losses" incurred mainly by two subsidiaries of 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 in view of a strong broadband take up rate. 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.

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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 September 2012 RM'000	Current year-to-date 30 September 2012 RM'000
In respect of the current period		
Income tax	(91)	(132)
Deferred tax	-	-
	<u>(91)</u>	<u>(132)</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 –

				RM
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>

On 29 May 2012, the Company announced a proposed bonus issue of up to 55,000,000 free warrants in the Company on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each in the Company held on an entitlement date to be determined at a later date. On 30 July 2012, the Company announced that the applications to the relevant authorities for the proposed bonus issue of warrants shall be deferred for a further two (2) months.

On 19 November 2012, the Company announced that the Company had entered into a Sales and Purchase Agreement ("SPA") with Encik Rhymizafri bin Abd Ralim and YBhg Dato' Syed Hamzah bin Syed Bakar for the disposal of the entire equity interest in the shares of Silver Ridge Technologies Sdn Bhd, a wholly owned subsidiary of the Company ("SRT") for a total consideration of RM1.00 ("Sale Consideration") only. The Sale Consideration is arrived at on a willing buyer willing seller basis after considering the negative net tangible assets of SRT as at 30 June 2012. The disposal of the Sale Shares

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is completed on 26 November 2012 and a separate announcement to Bursa Malaysia Securities Berhad is made today. As such, upon completion of the disposal of the Sale shares, SRT will cease to be a subsidiary of the Company.

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

B8. Borrowings

The Group's unsecured borrowings are as follows:-

	30 September 2012 RM'000
Payable within 12 months:	
Borrowings – Project financing	-
Hire purchase and leasing	146
	<hr/> 146
Payable after 12 months:	
Hire purchase	1,038
	<hr/> <hr/> 1,184

The Group does not have any foreign currency borrowings for the quarter ended 30 September 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 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

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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, Liquidator has held the meeting with the creditors and has established the Committee of Inspection. A tender exercise for the sale of the assets had been completed. The Committee will be meeting again to discuss and consider other alternative ways to dispose of the assets for a better price.

2. On 13 March 2011, the Company, its 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 hearing fixed 1 August 2011 and 2 August 2011 for a full trial on this matter was postponed to a later date which has yet to be fixed. Our Solicitors have filed a Disjoinder Application to disjoin the Company and SRM as defendants since the Claimant was employed by the associate company. The Industrial Court has now fixed 7 December 2012 for a decision on this matter.

B11. Dividends

There were no dividends declared during the quarter under review.

B12. Earnings per share

	Current quarter ended 30 September 2012	Current year to date 30 September 2012
Basic earnings per share		
Net earnings for the year (RM'000)	(669)	(632)
Number of shares in issue ('000)	110,000	110,000
Basic earnings per share (sen)	<u>(0.61)</u>	<u>(0.58)</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.

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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 30-Sept-12 RM'000	Company 30-Sept-12 RM'000
Total retained profits of Silver Ridge Holdings Bhd and its subsidiaries		
- realised	1,374	(5,043)
- unrealised	(14)	0
	<u>1,360</u>	<u>(5,043)</u>
Total share of retained profits from		
- realised		
- unrealised		
	<u>1,360</u>	<u>(5,043)</u>
LESS : Consolidation adjustments		
Total retained profits as per Statement of Financial Position	<u>1,360</u>	<u>(5,043)</u>

B15. Profit for the Period

This is arrived at after crediting / (charging) :

	Current Quarter RM'000	Year To Date RM'000
Interest income	56	56
Interest expense	(194)	(304)
Depreciation	(149)	(295)
Provision for write off of receivables	0	0
Foreign Exchange Gain (realised / unrealised)	(1)	(1)
Foreign Exchange Loss (realised / unrealised)	1	(13)

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.