

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not being audited)

	CURRENT QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
REVENUE	6,447	10,603	6,447	10,603
Cost of sales	(4,189)	(8,337)	(4,189)	(8,337)
GROSS PROFIT	2,258	2,266	2,258	2,266
GP Margin (%)	35%	21%	35%	21%
Other operating Income	7	16	7	16
Administrative expenses	(657)	(308)	(657)	(308)
Other operating expenses	(1,578)	(1,731)	(1,578)	(1,731)
OPERATING PROFIT/(LOSS)	30	243	30	243
Finance costs	(116)	(133)	(116)	(133)
Share of losses in associates	-	-	-	-
Share of losses in jointly controlled entity	-	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	(86)	110	(86)	110
Taxation	(105)	(151)	(105)	(151)
PROFIT / (LOSS) FOR THE PERIOD	(191)	(41)	(191)	(41)
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	(191)	(41)	(191)	(41)
Attributable to:				
Equity holders of the Company	(191)	(41)	(191)	(41)
Minority interests	-	-	-	-
	(191)	(41)	(191)	(41)
Earnings per share				
- Basic (sen)	(0.17)	(0.04)	(0.17)	(0.04)
- 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 2013. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2012 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

(The figures have not being audited)

	Mar-13	Dec-12
	RM'000	RM'000
	UNAUDITED	AUDITED
ASSETS		
Non Current Assets		
Property, plant and equipment	1,381	1,464
Intangible assets	336	355
Other investment	94	94
Investment in associates	17	17
Investment in jointly controlled entities	451	451
Other receivables	6,491	6,491
	8,770	8,872
Current Assets		
Inventories	8,437	8,251
Amount due from customers for contract works	7,299	12,130
Trade receivables	11,387	10,081
Other receivables, deposits and prepayments	3,514	3,322
Amount owing by associates & jointly controlled entities	9	2
Tax recoverable	50	-
Fixed deposits placed with licensed banks	5,606	5,094
Cash and bank balance	2,040	730
Other financial assets	9	9
	38,351	39,619
Current Liabilities		
Trade payables	14,271	13,826
Other payables, deposits and accruals	2,672	2,026
Amount owing to associates	89	89
Hire purchase - within 12 months	180	184
Redeemable preference shares	1,600	1,600
Bank borrowings	6,428	7,402
Tax liabilities	-	105
	25,240	25,232
Net Current Assets	13,111	14,387
	21,881	23,259
Represented by:		
Issued capital	11,000	11,000
Reserves	4,850	5,041
Shareholders' Equity	15,850	16,041
Deferred tax liabilities	93	93
Redeemable preference shares	5,400	6,400
Hire-purchase payables - more than 12 months	538	725
	6,031	7,218
Net Assets	21,881	23,259
Net assets per share (RM)	0.14	0.15

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 2012 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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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 1st Quarter Ended 31-Mar-13
(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 2013	11,000	6,040	(999)	16,041
Total comprehensive income for the period	-	-	(191)	(191)
Balance as of 31 March 2013	<u>11,000</u>	<u>6,040</u>	<u>(1,190)</u>	<u>15,850</u>
Balance as of 1 January 2012	10,000	4,910	1,987	16,897
Issued & paid during the period	<u>1,000</u>	<u>1,130</u>	<u>-</u>	<u>2,098</u>
	11,000	6,040	1,987	18,995
Total comprehensive income for the period	-	-	(41)	(41)
Balance as of 31 March 2012	<u>11,000</u>	<u>6,040</u>	<u>1,946</u>	<u>18,954</u>

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 2012 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 1st Quarter Ended 31-Mar-13
(The figures have not being audited)

	Unaudited 31-Mar-13 (RM'000)	AUDITED 31-Dec-12 (RM'000)
Cash Flows From Operating Activities		
Loss before tax	(86)	(1,833)
Adjustment for :-		
Impairment loss on jointly controlled entity	-	310
Impairment loss on amount owing by associates	-	2,488
Impairment of receivables	-	2,875
Goodwill written off	-	1,051
Depreciation and amortisation of property, plant and equipment	102	521
Reversal of impairment of receivables	-	(13)
Gain on disposal of subsidiaries	-	(7,756)
Gain on disposal of property, plant and equipment	-	(200)
(Gain) / Loss - fair value on derivatives	-	(133)
(Gain) / Loss - fair value on receivables	-	5,707
Inventory written off	-	43
Unrealised foreign exchange loss / (gain)	-	(1)
Share of losses of associates & jointly controlled companies	-	89
Interest income	(1)	(117)
Interest expense	117	560
Operating Profit Before Working Capital Changes	<u>132</u>	<u>3,591</u>
Changes in working capital		
Inventories	(186)	(8,040)
Receivables	3,332	(21,491)
Payables	1,092	13,959
Amount owing by Associates	(5)	252
Amount owing by jointly controlled entity	(2)	343
Cash Generated From Operations	<u>4,363</u>	<u>(11,386)</u>
Finance costs paid	(117)	(560)
Income tax paid	(260)	(1,137)
Net Cash From Operating Activities	<u>3,986</u>	<u>(13,083)</u>
Cash Flows From Investing Activities		
Fixed deposits placed as security value	(512)	(561)
Decrease / (Increase) in Intangible assets	-	(16)
Interest received	1	117
Investments in jointly controlled companies	-	-
Acquisition of property, plan & equipment	-	(381)
Proceeds from disposal of property, plant and equipment	-	273
Net cash inflow on disposal of subsidiaries	-	125
Net cash inflow on acquisition of subsidiaries	-	5
Net Cash Used In Investing Activities	<u>(511)</u>	<u>(438)</u>
Cash Flow From Financing Activities		
Proceeds from issuance of shares	-	2,130
Proceeds from issuance of redeemable preference shares	-	8,000
Redemption of redeemable preference shares	(1,000)	-
Drawdown of short term borrowings	(368)	1,502
Payment of hire purchase obligation & lease financing	(191)	(411)
Net Cash (Used In)/ Generated From Financing Activity	<u>(1,559)</u>	<u>11,221</u>
NET DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS	1,916	(2,300)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	(3,879)	(1,579)
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	<u>(1,963)</u>	<u>(3,879)</u>
Cash and Cash Equivalents Comprises:		
Cash In Hand and At Banks	2,040	730
Deposits With Licensed Banks	5,606	5,094
Bank overdraft	(5,293)	(5,900)
	<u>2,353</u>	<u>(76)</u>
Deposits With Licensed Banks as Security	(4,316)	(3,803)
	<u>(1,963)</u>	<u>(3,879)</u>

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 2012 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)

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Notes on the quarterly report – 31st MARCH 2013

A. EXPLANATORY NOTES AS PER FRS134-INTERIM FINANCIAL REPORTING

A1. Basis of preparation & Changes in Accounting Policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31st December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards has been applied.

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

This is the first quarterly financial statements on the consolidated results for the financial period ended 31 March, 2013 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 auditors' report of the Group's most recent annual audited financial statements for the financial year ended 31 December 2012 was not qualified.

A3. Seasonal or cyclical factors

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

A4. Material and unusual items affecting assets, liabilities, equity, net income or cash flow

There were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

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.

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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 were no material events subsequent to the end of the current financial period under review that have not been reflected.

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. Capital commitments

There were no material capital commitments for the purchase of property, plant and equipment that were not provided for in the interim financial statements as at the end of the financial period.

A15. Cash and cash equivalents

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

	RM'000
Cash and bank balances	2,040
Fixed deposits placed with licensed banks	5,606
	<hr/>
	7,646
Bank overdraft	(5,293)
	<hr/>
	2,353

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A16. 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 BTV 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 2013**

For the first quarter ended 31 March 2013, the Group recorded a total revenue of RM6.45 million and a pre-tax loss of RM86,000 as compared to RM10.60 million and pre-tax profit of RM110,000 respectively for the preceding year's corresponding quarter ended 31 March 2012.

Decrease in revenue is mainly due to the successful completion of some of the existing projects. In addition to that, we expect the revenue contribution of new project to be materialised in the coming quarter.

Higher administrative expenses are mainly contributed by the professional fees incurred in relation to the corporate exercise of the Proposed Bonus Issue of Warrants. Pre-tax loss is mainly due to lower revenue recorded and higher expenses incurred during this quarter.

The main telecommunication projects that undertaken by the Group in the current quarter are Multi Service Access Network ("MSAN"), Digital Subscriber Line System ("DSLAM"), Rectifier System ("RECTIFIER"), High-Speed Broadband ("HSBB") and Next Generation Network ("NGN") projects. These projects were mainly secured from Telekom Malaysia Berhad, networking solution provider of multinational companies and other network service providers.

B2. Variation of results against immediate preceding quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000
Revenue	6,447	14,008
Profit / (Loss) before tax	(86)	578
Profit / (Loss) after tax	(191)	(615)

For the quarter under review, the Group recorded revenue of RM6.45 million representing a reduction of 54% compared to RM14.01 million recorded in the immediate preceding quarter.

The Group achieved a pre-tax loss of RM86,000 in the current quarter compared to a pre-tax profit of RM578,000 in the immediate preceding quarter.

B3. Prospects

The management foresees that the prospects of the Telecommunication Infrastructure Industry will continue to grow attributed to strong expansion in the cellular, high speed broadband ("HSBB") and fourth-generation ("4G") segments.

Meanwhile, with the ongoing extension of UniFi coverage and government initiatives to provide broadband connectivity nationwide, we also expect HSBB deployment to be extended beyond the Klang Valley area with strong interest from several other states in Malaysia.

In this connection, barring any unforeseen circumstances, the management foresees continued growth in this sector for the ensuring quarter. In addition, the Group is

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making inroads into the Government and other business sectors, other than telecommunication providers, with our telecommunication solutions.

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 2013 RM'000	Current year-to-date 31 March 2013 RM'000
In respect of the current period		
Income tax	105	105
Deferred tax	-	-
	<u>105</u>	<u>105</u>

B6. Quoted and marketable securities

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

B7. Status of corporate proposals

There were no corporate proposals proposed during the current quarter under review.

B8. Borrowings

The Group's borrowings are as follows:-

	31 March 2013 RM'000
Payable within 12 months:	
Overdraft	5,293
Trade bills	1,135
Hire purchase	<u>180</u>
	6,608
Payable after 12 months:	
Hire purchase	<u>538</u>
	<u>7,146</u>

The Group does not have any foreign currency borrowings for the quarter ended 31 March 2013.

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,

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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, 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. Liquidator notified that certain assets has been auctioned and successfully sold to a bidder. Solicitor is in the midst of obtaining information as to the details of the transaction.

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 Disjoinder Application was subsequently dismissed and The Industrial Court has now fixed 1 August 2013 for Case Management and 9 & 10 September 2013 for full trial.

B11. Dividends

There were no dividends declared during the quarter under review.

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B12. Earnings per share

	Current quarter ended 31 March 2013	Current year to date 31 March 2013
Basic earnings per share		
Profit/(Loss) for the year (RM'000)	(191)	(191)
Number of shares in issue ('000)	110,000	110,000
Basic earnings per share (sen)	<u>(0.17)</u>	<u>(0.17)</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. Matter 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 31-Mar-13 RM'000	Company 31-Mar-13 RM'000
Total retained profits of Silver Ridge Holdings Bhd and its subsidiaries		
- realised	(1,191)	(23,912)
- unrealised	<u>0</u>	<u>0</u>
Total retained profits as per Statement of Financial Position	<u>(1,191)</u>	<u>(23,912)</u>

B15. Profit for the Period

This is arrived at after crediting / (charging) :

	Current Quarter RM'000	Year To Date RM'000
Interest income	1	1
Interest expense	(116)	(116)
Depreciation & Amortisation	(102)	(102)
Foreign Exchange Loss - Realised	(1)	(1)
Foreign Exchange Gain - Realised	16	16

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.