

PROSPECTUS

SILVER BIRD

SILVER BIRD GROUP BERHAD

[Company No: 277977-R]

[Incorporated in Malaysia under the Companies Act, 1965]

PUBLIC ISSUE

OF 14,800,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 3,500,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC AND ELIGIBLE DIRECTORS AND EMPLOYEES OF SILVER BIRD GROUP BERHAD AND ITS SUBSIDIARIES; AND
- 11,300,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT

AND

OFFER FOR SALE

OF 5,300,000 ORDINARY SHARES OF RM0.50 EACH COMPRISING:-

- 1,250,000 ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS AND EMPLOYEES OF SILVER BIRD GROUP BERHAD AND ITS SUBSIDIARIES; AND
- 4,050,000 ORDINARY SHARES OF RM0.50 EACH RESERVED FOR BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AT AN ISSUE/OFFER PRICE OF RM0.50 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH ITS LISTING ON THE SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" SET OUT IN SECTION 4 OF THIS PROSPECTUS.

Adviser and Managing Underwriter



RHB Sakura Merchant Bankers Berhad
[Company No: 19663-P]

This Prospectus is dated 26 April 2007

All expressions used herein, shall have the same meanings as the expressions contained in the section entitled "Definitions" hereafter.

This Prospectus has been seen and approved by the Directors and Promoters of Silver Bird and the Offerors. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

RHB Sakura as the Adviser and Managing Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue and Offer for Sale and are satisfied that the consolidated profit forecast for the financial year ending 31 October 2002 (for which the Directors of Silver Bird are fully responsible) prepared for inclusion in this Prospectus has been stated by the Directors of Silver Bird after due and careful inquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the issue, offer or invitation in respect of the Public Issue and Offer for Sale but that approval shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale. The SC shall not be liable for any non-disclosure on the part of Silver Bird and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

A copy of this Prospectus has been registered by the SC and lodged with the CCM who takes no responsibility for its contents.

The Issue/Offer Price of RM0.90 per ordinary share was entirely determined and agreed upon by Silver Bird and Offerors, together with RHB Sakura as the Adviser and Managing Underwriter, based on various relevant factors. Investors should form their own views on the valuation of the ordinary shares in Silver Bird and the reasonableness of the bases used.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of Silver Bird or of its ordinary shares.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of the KLSE is set out below:-

Event	Tentative date
Opening date of the IPO	30 April 2002
Closing date of the IPO	14 May 2002
Tentative balloting date	21 May 2002
Tentative allotment date	30 May 2002
Tentative listing date	5 June 2002

Note:-

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The application for the IPO Shares will open and close at the time and date as stated above or such further period as the Directors of Silver Bird and the Offerors may mutually decide.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

DEFINITIONS

Except where the context otherwise indicates, the following definitions shall apply throughout this Prospectus:-

3i	:	3i Group plc
'A' Shares	:	Class 'A' ordinary shares of RM1.00 each in Silver Bird, which have been converted to Shares in Silver Bird pursuant to the "A" Shares Conversion
'A' Shares Conversion	:	The conversion of 2,513,280 'A' Shares into 5,026,560 new Shares at a conversion ratio of 1 'A' Share into 2 new Shares
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AFL	:	AFL Logistics Sdn. Bhd. <i>(Company No: 353540-W)</i>
Amble Appeal	:	Amble Appeal Sdn. Bhd. <i>(Company No: 366039-H)</i>
Application	:	The application of the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	:	The printed application form(s) for the application of the IPO Shares accompanying this Prospectus
Asia Food	:	Asia Food Link Sdn. Bhd. <i>(Company No: 298044-D)</i>
ATM	:	Automated Teller Machine
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
EGG	:	Eco General & Global Sdn. Bhd. <i>(Company No:330252-P)</i>
Electronic Share Application	:	The application for the IPO Shares through a Participating Financial Institution's ATM
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
Flotation Scheme / Scheme	:	The scheme for the flotation of Silver Bird on the Second Board of the KLSE as described in Section 5.2 of this Prospectus
G&G	:	General & Global Capital Corporation Sdn. Bhd. <i>(Company No:290946-D)</i>
GFI Marketing	:	Goodman Fielder International Sdn. Bhd. <i>(Company No: 194533-T)</i>
IPO	:	Initial public offering of Shares comprising the Public Issue and Offer for Sale
IPO Shares	:	The Public Issue Shares and Offer Shares collectively
Issue/Offer Price	:	RM0.90 per IPO Share issued pursuant to the IPO

DEFINITIONS (Cont'd)

KLSE	:	Kuala Lumpur Stock Exchange (<i>Company No: 30632-P</i>)
Market Day	:	A day on which the stock market of the KLSE is open for trading in securities
MBSB	:	Madeleine Bakery Sdn. Bhd. (<i>Company No: 368879-U</i>)
MCD	:	Malaysian Central Depository Sdn. Bhd. (<i>Company No: 165570-W</i>), a subsidiary of the KLSE
MCSB	:	Madeleine Cafe Sdn. Bhd. (<i>Company No: 470023-V</i>)
MFSB	:	Madeleine Foods Sdn. Bhd. (<i>Company No: 313352-D</i>)
MIDF/the Issuing House	:	MIDF Consultancy and Corporate Services Sendirian Berhad (<i>Company No. 11324-H</i>)
MITI	:	Ministry of International Trade and Industry
MPSB	:	Madeleine Property Sdn. Bhd. (<i>Company No: 465882-T</i>)
NTA	:	Net tangible assets
Offer for Sale	:	The offer for sale by the Offerors of the Offer Shares at the Offer Price to Bumiputera investors approved by MITI and eligible Directors and employees of the Silver Bird Group, subject to the terms and conditions of this Prospectus
Offer Shares	:	The 5,300,000 Shares which are the subject of the Offer for Sale
Offerors	:	The shareholders of Silver Bird making the Offer for Sale namely:-

	No. of Offer Shares
Dato' Tan Han Kook	471,280
Datin Ong Hooi Siang	10,893
Ching Siew Cheong	162,297
Amble Appeal	1,421,100
Tahako	675,331
G&G	1,532,531
EGG	345,792
Tan Han Foong	174,279
Tan Sook Wah	168,833
Tan Sook Kean	84,416
Tan Sook Mee	84,416
Tan Sook Peng @ Annie Tan	84,416
Tan Sook Yin	84,416
Total	5,300,000

Option	:	The rights to subscribe for new Shares upon acceptance of an offer under the Proposed ESOS
Participating Financial Institution(s)	:	The participating financial institution(s) for Electronic Share Application as listed in Section 15.5 of this Prospectus

DEFINITIONS *(Cont'd)*

Placement	:	The placement of 11,250,000 of the Public Issue Shares at the Issue Price to parties identified by Silver Bird and the Placement Agent
Placement Agent	:	CIMB Securities Sdn. Bhd. <i>(Company No: 163712-V)</i>
Preference Share(s)	:	Convertible redeemable preference share(s) of RM1.00 each in Silver Bird which have been converted to Shares in Silver Bird pursuant to the Preference Shares Conversion
Preference Shares Conversion	:	The conversion of 3,000,000 Preference Shares into 4,000,000 new Shares at a conversion ratio of 3 Preference Shares into 4 new Shares
Proposed ESOS	:	Proposed establishment of an executive share option scheme by Silver Bird for the grant of options to eligible executives and Executive Directors of the Group to subscribe for Shares in the Company according to the terms set out in the By-Laws in Section 13 of this Prospectus
Public Issue	:	The public issue of 14,800,000 new Shares at the Issue Price to eligible Directors and employees of the Silver Bird Group, places pursuant to the Placement and Malaysian citizens, companies, societies, co-operatives and institutions, subject to the terms and conditions of this Prospectus
Public Issue Shares	:	The 14,800,000 new Shares to be issued pursuant to the Public Issue
RHB Sakura	:	RHB Sakura Merchant Bankers Berhad <i>(Company No: 19663-P)</i>
Rights Issue	:	Rights issue of 29,784,000 new Shares at par to the shareholders of Silver Bird after the Share Split and Shares Conversion on the basis of approximately 275 new Shares for every 327 existing Shares held
RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission
SC's Guidelines	:	Policies and Guidelines on the Issue/Offer of Securities issued by the SC
SCSB	:	Standard Confectionery Sdn. Bhd. <i>(Company No: 156524-M)</i>
Share(s)	:	Ordinary share(s) of RM0.50 each in Silver Bird
Shares Conversion	:	The 'A' Shares Conversion and Preference Shares Conversion collectively
Share Split	:	The split of one (1) ordinary share of RM1.00 per share in Silver Bird to two (2) ordinary shares of RM0.50 each
Silver Bird/the Company	:	Silver Bird Group Berhad <i>(Company No: 277977-X)</i>
Silver Bird Group/ the Group	:	Silver Bird and its subsidiary companies
Stanson Marketing	:	Stanson Marketing Sdn. Bhd. <i>(Company No: 481126-H)</i>
Tahako	:	Tahako Sdn. Bhd. <i>(Company No: 177642-U)</i>

CONTENTS

	PAGE
1. CORPORATE DIRECTORY	1
2. SUMMARY INFORMATION	
2.1 History and Business	4
2.2 Information on Promoters, Substantial Shareholders, Directors and Key Management	5
2.3 Financial Information	8
2.4 Proforma Consolidated Balance Sheet as at 31 October 2001	9
2.5 Consolidated Profit and Dividend Forecast	10
2.6 Proforma Consolidated NTA	11
2.7 Principal Statistics Relating to the IPO	11
2.8 Risks Factors	12
2.9 Utilisation of Proceeds	14
2.10 Material Litigation, Capital Commitments and Contingent Liabilities	15
3. PARTICULARS OF THE IPO	
3.1 Preliminary	16
3.2 Share Capital	17
3.3 Details of the IPO	18
3.4 Critical Dates for the IPO	19
3.5 Purposes of the IPO	19
3.6 Pricing of the IPO Shares	19
3.7 Utilisation of Proceeds	20
3.8 Underwriting Commission, Placement Fee and Brokerage	22
3.9 Salient Terms of the Underwriting Agreement	22
4. RISK FACTORS	27
5. INFORMATION ON THE SILVER BIRD GROUP	
5.1 History and Business	31
5.2 Flotation Scheme	32
5.3 Proposed ESOS	34
5.4 Share Capital	35
5.5 Business Overview	37
5.6 Subsidiary Companies	53
5.7 Industry Overview	65
5.8 Future Plans, Strategies and Prospects	71
6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT	
6.1 Promoters and Substantial Shareholders	72
6.2 Directors	78
6.3 Audit Committee	82
6.4 Key Management	82
6.5 Family Relationships	86
7. APPROVALS AND CONDITIONS	
7.1 Approvals	87
7.2 Moratorium on Sale of Shares	90

CONTENTS (Cont'd)

	PAGE
8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST.....	91
9. LANDED PROPERTIES	
9.1 Summary of Landed Properties.....	94
10. FINANCIAL INFORMATION	
10.1 Historical Financial Information.....	95
10.2 Working Capital, Capital Commitments, Borrowings, Material Litigation and Contingent Liabilities.....	97
10.3 Future Financial Information.....	98
10.4 Proforma Consolidated Balance Sheet as at 31 October 2001 together with the Notes and Assumptions thereon.....	108
11. ACCOUNTANTS' REPORT.....	114
12. DIRECTORS' REPORT.....	140
13. BY-LAWS OF THE PROPOSED ESOS.....	141
14. STATUTORY AND GENERAL INFORMATION	
14.1 Share Capital.....	155
14.2 Articles of Association.....	156
14.3 Directors and Substantial Shareholders.....	160
14.4 General.....	163
14.5 Material Litigation.....	164
14.6 Material Contracts.....	164
14.7 Material Agreements.....	165
14.8 Consents.....	166
14.9 Documents Available for Inspection.....	167
14.10 Responsibility Statements.....	167
15. PROCEDURE FOR APPLICATION AND ACCEPTANCE	
15.1 Opening and Closing of Applications Lists.....	168
15.2 Methods of Application.....	168
15.3 Procedures for Application.....	168
15.4 Application Using Application Forms.....	168
15.5 Application Using Electronic Share Application.....	172
15.6 Application and Acceptances.....	178
15.7 CDS Accounts.....	179
15.8 Notices of Allotment.....	179
15.9 Formalising CDS Account.....	179
15.10 List of ADAs.....	180

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Tan Sri Dato' Hj Lamin bin Hj Mohd Yunus <i>(Chairman/Independent Non-executive Director)</i>	42, Jalan Bunga Melati 2/2 Kawasan 2 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Dato' Tan Han Kook <i>(Group Managing Director)</i>	11A, Lorong Kemaris Dua Bukit Bandaraya 59100 Kuala Lumpur	Businessman	Malaysian
Ching Siew Cheong <i>(Group Executive Director)</i>	10-11-7 Robson Condominium Persiaran Syed Putra 2 50460 Seputeh Kuala Lumpur	Company Director	Malaysian
Datin Ong Hooi Siang <i>(Non-executive Director)</i>	11A, Lorong Kemaris Dua Bukit Bandaraya 59100 Kuala Lumpur	Businesswoman	Malaysian
Ong Chin Kok <i>(Non-executive Director)</i>	B17-03 Menara Bangsar Jalan Maarof 59100 Kuala Lumpur	Company Director	Malaysian
Tan Han Foong <i>(Non-executive Director)</i>	77 Jalan Pudina Bukit Bandaraya 59100 Kuala Lumpur	Company Director	Malaysian
Zarina binti Alias <i>(Non-executive Director)</i>	51 Jalan PJS 9/18 Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Wong Hong Meng <i>(Independent Non-executive Director)</i>	19 Jalan SS22A/3 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Lim Hock Chye <i>(Independent Non-executive Director)</i>	No. 58, Jalan SS22/22 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Faizal bin Abdul Aziz <i>(Independent Non-executive Director)</i>	20-6-6 Angkasa Impian Condo Persiaran Raja Chulan 50200 Kuala Lumpur	Company Director	Malaysian

1. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Wong Hong Meng	Chairman	Independent Non-executive Director
Lim Hock Chye	Member	Independent Non-executive Director
Ching Siew Cheong	Member	Group Executive Director

COMPANY SECRETARIES : Mah Li Chen
(MAICSA 7022751)
No. 33, Jalan BRP 4/6
Bukit Rahman Putra
Section U20, 40160
Shah Alam, Selangor Darul Ehsan

Lee Ming Leong
(MAICSA 7006926)
101, Jalan 17/4
46400 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE : C15-1 Level 15 Tower C
Megan Phileo Avenue
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03 - 2166 2000
Fax: 03 - 2166 3000

HEAD OFFICE : Lot 20 Jalan E 1/4
Kawasan Perisahaan Ehsan
Batu 8 Jalan Kepong
52100 Kuala Lumpur
Tel: 03 - 6274 7711

E-MAIL : silverb@pd.jaring.my

WEBSITE : www.silverbird.com.my

PRINCIPAL BANKERS : RHB Bank Berhad
KL Main 1 Branch
Level 1, Tower 2
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur

Bumiputra-Commerce Bank Berhad
Ground Floor, Wisma Cosway
Jalan Raja Chulan
50200 Kuala Lumpur

HSBC Bank Malaysia Berhad
Main Office
2, Leboh Ampang
50100 Kuala Lumpur

1. CORPORATE DIRECTORY (Cont'd)

AUDITORS AND REPORTING ACCOUNTANTS :	Horwath Mok & Poon Level 16, Tower C Megan Phileo Avenue 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur
SOLICITORS FOR THE IPO :	Raja, Darryl & Loh 18th Floor, Wisma Sime Darby Jalan Raja Laut 50350 Kuala Lumpur
ISSUING HOUSE :	MIDF Consultancy and Corporate Services Sendirian Berhad Tingkat 12, Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur
REGISTRAR :	Berjaya Registration Services Sdn Bhd Lot C1-C3, Block C 2nd Floor, KL Plaza 179 Jalan Bukit Bintang 55100 Kuala Lumpur
ADVISER AND MANAGING UNDERWRITER :	RHB Sakura Merchant Bankers Berhad Level 8, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur
UNDERWRITERS FOR THE PUBLIC ISSUE :	RHB Sakura Merchant Bankers Berhad Level 8, Tower Three RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur
	Inter-Pacific Securities Sdn Bhd Level 7, Shahzan Insas Tower 30 Jalan Sultan Ismail 50250 Kuala Lumpur
	Southern Investment Bank Berhad <i>(formerly known as Perdana Merchant Bankers Berhad)</i> 16th Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
PLACEMENT AGENT :	CIMB Securities Sdn Bhd 9 th Floor Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur
LISTING SOUGHT :	Second Board of the KLSE

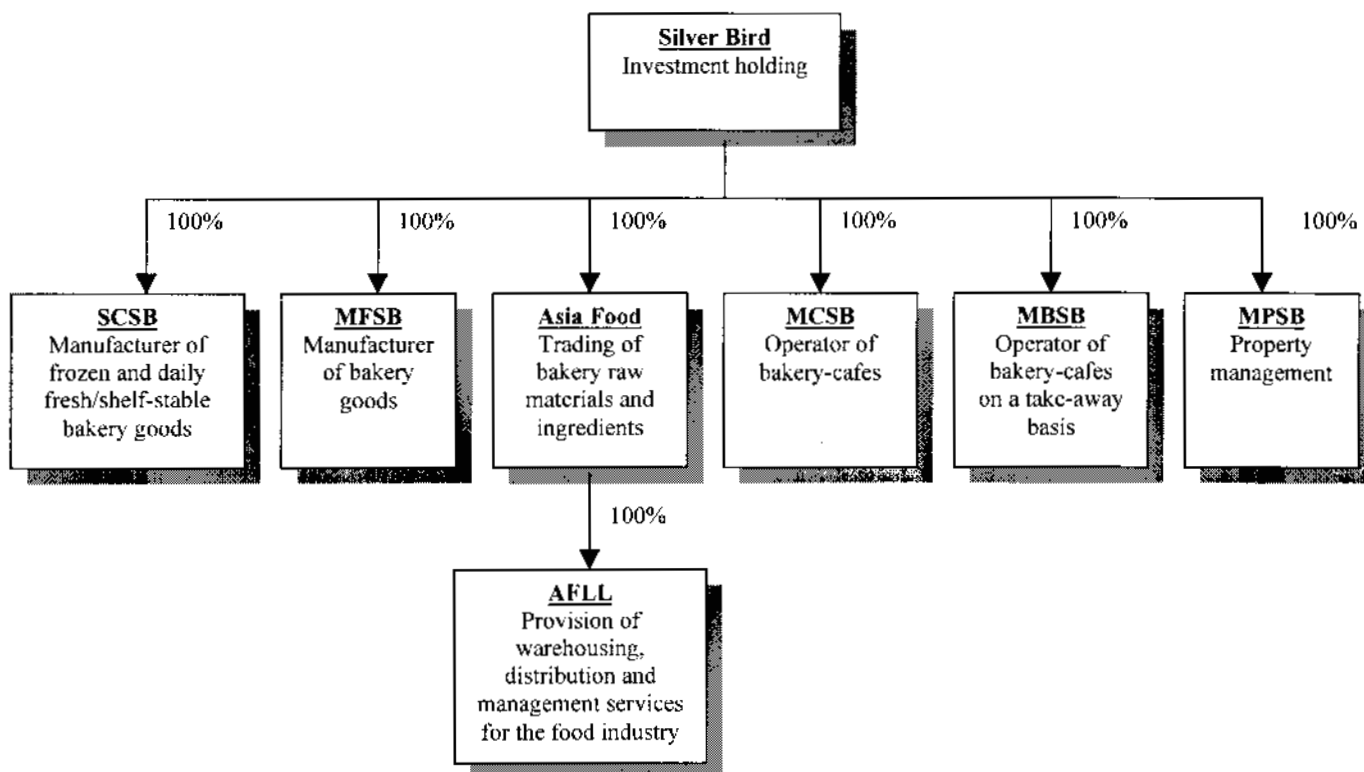
2. SUMMARY INFORMATION

THIS SECTION OF THE PROSPECTUS REPRESENTS ONLY A SUMMARY OF THE SALIENT INFORMATION IN RELATION TO THE SILVER BIRD GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

2.1 HISTORY AND BUSINESS

Silver Bird was incorporated in Malaysia under the Companies Act, 1965 on 5 October 1993 as a private limited company under the name of Madeleine Bakery Cafe Sdn. Bhd. Pursuant to a corporate restructuring exercise, the company changed its name to SilverBird Group Sdn. Bhd. on 21 August 1998 and subsequently to Silver Bird Group Sdn. Bhd. on 3 March 1999. On 21 August 2000, Silver Bird was converted into a public company and assumed its present name.

Silver Bird is an investment holding company, with subsidiaries which are principally involved in the bakery industry as follows:-



Further information on the business of the Silver Bird Group is set out in Section 5 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.2 INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

Promoters

The promoters of Silver Bird and their shareholdings in Silver Bird upon completion of the IPO would be as follows:-

Name	Designation in Silver Bird	No. of Shares			
		Direct '000	%	Indirect '000	%
Dato' Tan Han Kook	Group Managing Director	3,593 ¹	4.49	21,010 ²	26.26
Amble Appeal	-	10,684	13.36	-	-
Tahako	-	5,077	6.35	-	-
EGG	-	2,600	3.25	-	-
G&G	-	11,522	14.40	-	-

Notes:-

1. Includes the Shares allocated as part of the pink forms' allocation.
2. Deemed interested through family members as well as through his interest in Amble Appeal and Tahako by virtue of Section 6A of the Companies Act, 1965.

Substantial Shareholders

The substantial shareholders of Silver Bird and their shareholdings in Silver Bird upon completion of the IPO would be as follows:-

Name	Designation in Silver Bird	No. of Shares			
		Direct '000	%	Indirect '000	%
Dato' Tan Han Kook	Group Managing Director	3,593 ¹	4.49	21,010 ²	26.26
Datin Ong Hooi Siang	Non-executive Director	82	0.10	24,521 ²	30.65
Tan Han Foong	Non-executive Director	1,310	1.64	23,293 ²	29.11
Zarina binti Alias	Non-executive Director	-	-	11,522 ³	14.40
Datuk Tengku Adnan bin Tengku Mansor	-	6,381	7.98	-	-
Amble Appeal	-	10,684	13.36	-	-
Tahako	-	5,077	6.35	-	-
3i	-	13,672	17.09	-	-
G&G	-	11,522	14.40	-	-
Dato' Anuar bin Othman	-	-	-	14,122 ⁴	17.65
Hamid bin Mohd Sidek	-	-	-	11,522 ³	14.40
Tan Sook Wah	Outlet Manager of MBSB	1,317 ¹	1.65	23,286 ²	29.10
Tan Sock Kean	-	635	0.79	23,968 ²	29.96

2. SUMMARY INFORMATION (Cont'd)

Name	Designation in Silver Bird	No. of Shares			
		Direct '000	%	Indirect '000	%
Tan Sook Mee	-	635	0.79	23,968 ²	29.96
Tan Sook Peng @ Annie Tan	-	635	0.79	23,968 ²	29.96
Tan Sook Yin	-	635	0.79	23,968 ²	29.96

Notes:-

1. Includes the Shares allocated as part of the pink forms' allocation.
2. Deemed interested through family members as well as through Dato' Tan Han Kook and Datin Ong Hooi Siang's interest in Amble Appeal and Tahako by virtue of Section 6A of the Companies Act, 1965.
3. Deemed interested through G&G's interest in Silver Bird by virtue of Section 6A of the Companies Act, 1965.
4. Deemed interested through EGG's (which owns 2,599,769 Shares in Silver Bird upon completion of the IPO) and G&G's interests in Silver Bird by virtue of Section 6A of the Companies Act, 1965.

Directors

The directors of Silver Bird and their shareholdings in Silver Bird upon completion of the IPO would be as follows:-

Name	Designation in Silver Bird	No. of Shares			
		Direct '000	%	Indirect '000	%
Tan Sri Dato' Hj Lamin bin Hj Mohd Yunus	Chairman/Independent Non-executive Director	-	-	-	-
Dato' Tan Han Kook	Group Managing Director	3,593 ¹	4.49	21,010 ²	26.26
Datin Ong Hooi Siang	Non-executive Director	82	0.10	24,521 ²	30.65
Ching Siew Cheong	Group Executive Director	1,270 ¹	1.59	-	-
Ong Chin Kok	Non-executive Director	-	-	-	-
Tan Han Foong	Non-executive Director	1,310	1.64	23,293 ²	29.11
Zarina binti Alias	Non-executive Director	-	-	11,522 ³	14.40
Wong Hong Meng	Independent Non-executive Director	-	-	-	-
Lim Hock Chye	Independent Non-executive Director	-	-	-	-
Faizal bin Abdul Aziz	Independent Non-executive Director	-	-	-	-

Notes:-

1. Includes the Shares allocated as part of the pink forms' allocation.
2. Deemed interested through family members as well as through Dato' Tan Han Kook and Datin Ong Hooi Siang's interest in Amble Appeal and Tahako by virtue of Section 6A of the Companies Act, 1965.
3. Deemed interested through G&G's interest in Silver Bird by virtue of Section 6A of the Companies Act, 1965.

2. SUMMARY INFORMATION (Cont'd)

Key Management

The key management of Silver Bird and their shareholdings in Silver Bird upon completion of the IPO would be as follows:-

Name	Designation in Silver Bird	No. of Shares			
		Direct '000	%	Indirect '000	%
Dato' Tan Han Kook	Group Managing Director	3,593 ¹	4.49	21,010 ²	26.26
Ching Siew Cheong	Group Executive Director	1,270 ¹	1.59	-	-
June Tan Li Ching	Marketing Manager of SCSB	48 ¹	0.06	-	-
Thomas Tan Hock Seng	Factory Manager of SCSB	40 ¹	0.05	-	-
Roslinda binti Abu	Research and Development Manager of SCSB	21 ¹	0.03	-	-
Wong Toon Chick	Head of Division of Asia Food and AFLL	48 ¹	0.06	-	-
Tsu Siah Wue	Head of Administration of Asia Food and AFLL	35 ¹	0.04	-	-
Eddie Han Meng Kwang	Divisional Manager of Asia Food	20 ¹	0.03	-	-
Wong Hong Wec	Production Manager of SCSB	25 ¹	0.03	-	-
Jackie Au Siew Ngor	Accounts and Administration Manager of SCSB	35 ¹	0.04	-	-
Shirley Yim Sook King	Accounts and Administration Manager of MFSB	48 ¹	0.06	-	-
Simon Low Wei Seng	Accounts and Administration Manager of Asia Food	35 ¹	0.04	-	-
Rajamani s/o Manikam	Warehouse and Distribution Manager of AFLL	35 ¹	0.04	-	-
Au Sheau Yen	Group Corporate Finance Manager	40 ¹	0.05	-	-

Notes:-

1. Includes the Shares allocated as part of the pink forms' allocation.
2. Deemed interested through family members as well as through his interest in Amble Appeal and Tahako.

Further information on the promoters, substantial shareholders, directors and key management team of the Silver Bird Group is set out in Section 6 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.3 FINANCIAL INFORMATION

The following, which has been extracted from the Accountants' Report in Section 11 of this Prospectus and should be read in conjunction with the notes thereto, is a summary of the audited consolidated results of the Silver Bird Group for the five financial years ended 31 October 2001:-

	←-----Audited-----→				
	←-----Year ended 31 October-----→				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	26,132	29,285	31,803	36,956	40,104
Earnings before interest, depreciation, tax and amortisation	4,508	6,808	7,447	9,039	10,835
Less:					
Depreciation	(1,500)	(1,530)	(1,524)	(1,930)	(2,175)
Interest	(605)	(734)	(542)	(538)	(691)
Amortisation	(74)	(49)	(64)	(64)	(64)
Pre-tax profit	2,329	4,495	5,317	6,507	7,905
Taxation	(150)	(601)	(72)	(621)	(1,097)
Profit after tax	2,179	3,894	5,245	5,886	6,808
Effective tax rate (%)	6.4	13.4	1.4	9.5	13.9
Proforma number of Shares in issue ('000)	22,602	31,416	32,083	35,416	35,416
Gross EPS (sen) - Proforma	10.3	14.3	16.6	18.4	22.3
Net EPS (sen) - Proforma	9.6	12.4	16.3	16.6	19.2
Tax-exempt dividend rate-ordinary shares(%)	-	4.9	3.7	19.2	21.7
Tax-exempt dividend rate-preference shares(%)	-	95.0	13.5	10.0	10.0

Notes:-

1. *There were no exceptional or extraordinary items in all the financial years under review. The results in all the financial years under review were not subject to any auditor's qualifications.*
2. *The proforma number of shares assumed in issue above is arrived at based on the weighted average number of shares in issue after Share Split and Shares Conversion.*
3. *In 1998, the Group recorded a substantial increase in the pre-tax profit mainly due to increase profit margin and lower operating overheads. The increase in the profit margin was mainly due to the introduction of a new frozen product, ie Speedzza. Operating overheads were also lower as a result of cost reduction measures taken by the management. Pre-tax profit and pre-tax profit margins for 1999, 2000 and 2001 continued to improve in line with the overall increase in the turnover. The increase in the pre-tax profit margins arose mainly from the improvement in the gross profit arising from higher sales and the benefits arising from the economies of scale.*
4. *The effective tax rate of the Group in respect of each of the above financial years is lower than the applicable statutory rate due to the tax incentives such as pioneer status and reinvestment allowances available to the manufacturing subsidiaries, namely SCSB and MFSB.*

Further information on the financial information of the Silver Bird Group is set out in Section 10 and 11 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.4 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2001

The proforma consolidated balance sheet of Silver Bird as set out below, have been prepared for illustrative purposes only to show the effects on the balance sheet of the Group as at 31 October 2001 had the Flotation Scheme been effected as of that date and the proceeds arising from the Rights Issue and Public Issue being utilised in the manner as set out in Section 3.7 of this Prospectus:

	(I)	(II)	(III)	
	(I)	(II)	(III)	
	Audited Group As at 31.10.2001 RM'000	After Share Split and Shares Conversion RM'000	After (I) and Rights Issue RM'000	After (II), Public Issue and the proposed utilisation of the proceeds RM'000
Property, plant and equipment	24,811	24,811	24,811	40,611
Other investment	4,000	4,000	4,000	4,000
Intangible assets	1,780	1,780	1,780	1,256
	<u>30,591</u>	<u>30,591</u>	<u>30,591</u>	<u>45,867</u>
Current assets				
Inventories	5,178	5,178	5,178	5,178
Trade debtors	18,773	18,773	18,773	18,773
Other debtors, deposits and prepayments	3,166	3,166	3,166	3,166
Fixed deposits	1,374	1,374	1,374	1,374
Cash and bank balances	532	532	15,424	2,568
Total current assets	<u>29,023</u>	<u>29,023</u>	<u>43,915</u>	<u>31,059</u>
Current liabilities				
Trade creditors	4,764	4,764	4,764	4,764
Other creditors and accruals	1,747	1,747	1,747	1,747
Amount owing to a director	58	58	58	58
Dividend payable	1,609	1,609	1,609	1,609
Proposed dividends	3,515	3,515	3,515	3,515
Provision for tax	764	764	764	764
Short term borrowings	11,743	11,743	11,743	2,743
Total current liabilities	<u>24,200</u>	<u>24,200</u>	<u>24,200</u>	<u>15,200</u>
Net Current Assets	<u>4,823</u>	<u>4,823</u>	<u>19,715</u>	<u>15,859</u>
	<u>35,414</u>	<u>35,414</u>	<u>50,306</u>	<u>61,726</u>
Financed by:				
Share capital	18,708	17,708	32,600	40,000
Merger deficit	(5,326)	(5,326)	(5,326)	(5,326)
Share premium reserve	-	1,000	1,000	5,020
Capital reserve	277	277	277	277
Retained profits	16,391	16,391	16,391	16,391
Shareholders' Equity	<u>30,050</u>	<u>30,050</u>	<u>44,942</u>	<u>56,362</u>
Long term and deferred liabilities				
Hire purchase creditors	214	214	214	214
Term loans	4,648	4,648	4,648	4,648
Deferred tax	502	502	502	502
	<u>35,414</u>	<u>35,414</u>	<u>50,306</u>	<u>61,726</u>
Number of ordinary shares in issue ('000)				
- par value of RM1.00	15,708	-	-	-
- par value of RM0.50	*35,416	*35,416	65,200	80,000
NTA per ordinary share (RM)				
- par value of RM1.00	1.61	-	-	-
- par value of RM0.50	0.80	0.80	0.66	0.69

* after Share Split and Shares Conversion

2. SUMMARY INFORMATION (Cont'd)

The financial effects of the Proposed ESOS on the Group NTA is set out in Section 10.4 of this Prospectus. The proforma consolidated balance sheet of the Silver Bird Group as at 31 October 2001, the notes thereto and the Reporting Accountants' Letter are also set out in Section 10.4 of this Prospectus.

2.5 CONSOLIDATED PROFIT AND DIVIDEND FORECAST

	Year ending 31 October 2002 RM'000
PROFIT	
Consolidated profit before taxation	10,518
Less: Taxation	(1,374)
Consolidated profit after taxation	9,144
Proforma weighted average number of Shares in issue ('000)	58,957 ¹
Enlarged issued and paid-up share capital ('000)	80,000
Gross EPS (sen)	17.84 ¹
Net EPS (sen)	15.51 ¹
Fully diluted gross EPS (sen)	13.15 ²
Fully diluted net EPS (sen)	11.43 ²
Gross PE multiple based on the Issue/Offer Price of RM0.90 per Share (times)	5.04 ¹
Net PE multiple based on the Issue/Offer Price of RM0.90 per Share (times)	5.80 ¹
Fully diluted gross PE Multiple based on the Issue/Offer Price of RM0.90 per Share (times)	6.84 ²
Fully diluted net PE Multiple based on the Issue/Offer Price of RM0.90 per Share (times)	7.87 ²
DIVIDEND	
Tax-exempt dividend per share (sen)	1.25
Tax-exempt dividend yield based on the Issue/Offer Price of RM0.90 per Share (%)	1.39
Net dividend cover (times)	9.14

Notes:-

1. On the assumption that the Public Issue is completed by end May 2002
2. Based on the enlarged share capital of 80,000,000 Shares

The financial effects of the Proposed ESOS on the EPS of the Group is set out in Section 10.3.1 of this Prospectus. The consolidated profit forecast of the Silver Bird Group for the financial year ending 31 October 2002 and the Reporting Accountants' Letter are set out in Section 10.3.5 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.6 PROFORMA CONSOLIDATED NTA

Proforma Consolidated NTA as at 31 October 2001 after Flotation Scheme and deducting estimated listing expenses of RM1,900,000 (RM'000)	<u>RM55,106</u>
Proforma Consolidated NTA per Share as at 31 October 2001 after Flotation Scheme	<u>RM0.69</u>

2.7 PRINCIPAL STATISTICS RELATING TO THE IPO

	RM
Authorised	
100,000,000 ordinary shares of RM0.50 each	<u>50,000,000</u>
Issued and fully paid-up	
65,200,000 ordinary shares of RM0.50 each	32,600,000
To be issued and credited as fully paid-up pursuant to the Public Issue	
14,800,000 new ordinary shares of RM0.50 each	7,400,000
	<u>40,000,000</u>
To be offered pursuant to the Offer for Sale	
5,300,000 ordinary shares of RM0.50 each	<u>2,650,000</u>

The Issue/Offer Price is RM0.90 per IPO Share.

The Company proposes to establish an executive share option scheme in order to retain and motivate eligible executives and Executive Directors who have contributed to the success of the Group. The Proposed ESOS will allow the granting of Options to eligible executives and Executive Directors of the Group to subscribe for new Shares up to a maximum of 10% of Silver Bird's issued and paid-up share capital at any point in time for the duration of the Proposed ESOS. Based on the enlarged share capital of Silver Bird of 80 million Shares upon listing, and assuming that the maximum number of Shares available under the Proposed ESOS are issued, the issued and paid-up share capital will increase to 88 million Shares after the listing. Please refer to Section 5.3 of this Prospectus for details of the Proposed ESOS.

There is only one class of shares in the Company, namely, ordinary shares of RM0.50 each. The Public Issue Shares will rank pari passu in all respects with the other existing issued ordinary shares of the Company including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of the whole of any surplus in the event of liquidation of the Company, in accordance with its Articles of Association.

At every general meeting of Silver Bird, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person who is present who is a shareholder or representative or proxy or attorney to a shareholder shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

2. SUMMARY INFORMATION *(Cont'd)*

2.8 RISK FACTORS

The following are some of the main risk factors (which may not be exhaustive) as extracted from Section 4 of this Prospectus which applicants for the IPO Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the IPO Shares. For a more detailed commentary, please refer to Section 4 of this Prospectus.

No Prior Market For Shares

Prior to the Public Issue and Offer for Sale, there has been no public market for Silver Bird's Shares. There can be no assurance that an active market for Silver Bird's Shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such a market will be sustained. There can also be no assurance that the Shares will be traded above the Issue/Offer Price of RM0.90 upon or subsequent to the listing of Silver Bird.

Capital Market Risks

As an investor of the Silver Bird Group, it is to be noted that the Group will be listed on the Second Board of the KLSE. The performance of the KLSE is dependent on various factors including external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on the KLSE, thus adding risk to the market price of the shares of Silver Bird.

Business Risks

The Silver Bird Group's future revenue is dependent on the continued product acceptance of the Group's daily fresh, shelf-stable and frozen bakery products. In addition, the Group is also subject to inherent risks of the industry such as raw material and labour shortages, increases in the cost of raw materials and labour, labour disputes, changes in government legislation and priorities, availability and rising cost of financing as well as changes in general economic, business and credit conditions within and outside Malaysia.

Borrowings

The Group's total borrowings as at 22 April 2002 amounted to approximately RM12.2 million and the applicable average interest rate was approximately 6% per annum. Any increase in interest rates will increase the burden of the Group with respect to interest payments of the loans depending on the total outstanding loans as at the point in time. There can be no assurance that the performance of the Group would remain favourable in the event of adverse changes in the interest rate.

Seasonal Sales

The demand for certain non-core bakery products of the Silver Bird Group are seasonal in nature. The sales of certain shelf-stable bakery products of the Silver Bird Group such as mooncakes and cookies are generally higher during festive seasons like Hari Raya, Chinese New Year and Christmas which are usually in the first and the fourth quarter of the year.

2. SUMMARY INFORMATION *(Cont'd)*

Dependencies on Major Suppliers and Customers

There is no formal contract entered into between the Group and its major suppliers. The normal course of dealings between the parties are such that the Group will issue a purchase order to its suppliers and the respective suppliers will deliver the goods within the time stipulated in the respective purchase order.

The Group does not have any formal contracts with its distributors/customers. The normal course of dealings between the parties are that the respective distributor/customer will issue a purchase order to the Group and the Group will confirm the same by issuing a sales order and subsequently deliver the goods within the time stipulated.

Dependence on Key Personnel

The Group believes that its continued success will depend significantly upon the abilities and continued efforts of its existing key management personnel. The loss of any key members of the Group could adversely affect the Group's continued ability to compete.

Competition

Silver Bird faces competition from various competitors which include private and public listed companies.

Political and Economic Considerations

The Silver Bird Group's future growth and level of profitability is expected to be linked to the political and economic conditions in Malaysia and other countries which serve as markets for the Group's products.

Ownership and Control of the Group

Upon the completion of the IPO, Dato' Tan Han Kook who is the Group Managing Director, through Amble Appeal, Tahako and his family members will effectively hold 30.75% of the equity interest in the Company. Being the single largest shareholder of the Company, it is likely that they will be able to influence the outcome of certain matters requiring the vote of the Company's shareholders unless they are required to abstain from voting by law, covenants and by the relevant authorities.

Government Regulation

The Malaysian government is promoting more local content and value added production and technological development in the food industry. This is done via policies and incentives including giving pioneer status and tax allowance and other incentives. There is no guarantee that the abovementioned government policies and incentives to promote the food industry will continue in the long run and there will not be any other changes in government policies or regulations that may be unfavourable to the Group.

2. SUMMARY INFORMATION (Cont'd)**Limit on Operating and Financial Flexibility**

The Group has entered into various credit facility agreements with banks or financiers to finance their operations and business activities. These agreements contain, inter-alia, covenants which may limit the Group's operating and financial flexibility. Any act by the Group falling within the ambit or scope of such covenants will require the consent of the relevant banks or financiers. Breach of such covenants may give rise to a right by the bank or financier to terminate the relevant credit facility and/or enforce any securities granted, in relation to that credit facility or may cause a cross default on other credit facilities.

Supply and Costs of Raw Materials

The main raw materials used for the Group's bakery products are margarine, flour, eggs and sugar. Although most of the major ingredients used in the Group's manufacturing process are staple goods whereby the prices and supply are regulated by Price Control Act 1946 and Control of Supplies Act 1961 respectively, no assurance can be given that any significant changes to the supply and prices of raw materials will not affect the future profitability of the Group.

Directors' and Substantial Shareholders' Interest in Similar Business

The existing shareholders of Silver Bird (apart from Datuk Tengku Adnan bin Tengku Mansor and G&G) collectively owns 100% equity interest in Stanson Group Sdn. Bhd. which through its subsidiaries, Stanson Marketing and Stanson Bakeries Sdn. Bhd. (collectively known as the "Stanson Group") is principally involved in the manufacturing and distribution of "High 5" bread. Currently, SCSB manufactures certain bakery products, which are sold by SCSB on consignment basis to the Stanson Group. Approximately RM11.4 million or 28% of the Group's turnover for the financial year ended 31 October 2001 are attributable to SCSB's sales to Stanson Group.

Disclosure Regarding Forward - Looking Statements

This Prospectus contains forward-looking statements including the consolidated profit forecast for the financial year 31 October 2002 for Silver Bird Group. Such forward-looking statements are based on assumptions, which the Directors of Silver Bird consider to be reasonable, but which nevertheless are subject to uncertainties and contingencies. Due to the subjective judgements and inherent uncertainties of forward-looking statements and because events and circumstances frequently do not occur as expected, there can be no assurance that the forward-looking statements contained herein will be realised and actual results may be materially different than those shown.

2.9 UTILISATION OF PROCEEDS

The gross amount receivable by the Company from the Rights Issue and Public Issue of RM28,212,000 will be utilised as follows:-

	RM
Cost of construction and acquisition of plant and machinery for new factory and corporate office	15,800,000
Repayment of bank borrowings	9,000,000
Working capital	1,512,000
Estimated listing expense	1,900,000

	28,212,000
	=====

2. SUMMARY INFORMATION (Cont'd)

Further information on the utilisation of proceeds is set out in Section 3 of this Prospectus.

No part of the proceeds of the Offer for Sale are receivable by Silver Bird. The gross proceeds of the Offer for Sale of RM4,770,000 will accrue entirely to the Offerors.

2.10 MATERIAL LITIGATION, CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

2.10.1 Material Litigation

Neither Silver Bird nor its subsidiary companies are engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors of Silver Bird do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially affect the financial position or business of the Group.

2.10.2 Capital Commitments

Save as disclosed below, as at 22 April 2002, the Directors are not aware of any capital commitments which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group:-

	RM
Purchase of new machinery	6,477,500
	=====

2.10.3 Contingent Liabilities

As at 22 April 2002, the 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. However, corporate guarantees amounting to RM37,378,000 have been given by Silver Bird to secure banking facilities granted to SCSB, MFSB and Asia Food.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK