

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

6.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

6.1.1 Promoters

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

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

6.1.2 Substantial Shareholders

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

Name	Nationality/ Country of incorporation	Designation in Silver Bird	Direct		Indirect	
			No. of Shares '000	%	No. of Shares '000	%
Dato' Tan Han Kook	Malaysian	Group Managing Director	3,593 ¹	4.49	21,010 ²	26.26
Datin Ong Hooi Siang	Malaysian	Director	82	0.10	24,521 ²	30.65
Tan Han Foong	Malaysian	Director	1,310	1.64	23,293 ²	29.11
Zarina binti Alias	Malaysian	Director	-	-	11,522 ³	14.40
Datuk Tengku Adnan bin Tengku Mansor	Malaysian	-	6,381	7.98	-	-
Amble Appeal	Malaysia	-	10,684	13.36	-	-
Tahako	Malaysia	-	5,077	6.35	-	-
3i	United Kingdom	-	13,672	17.09	-	-
G&G	Malaysia	-	11,522	14.40	-	-
Dato' Anuar bin Othman	Malaysian	-	-	-	14,122 ⁴	17.65

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Nationality/ Country of incorporation	Designation in Silver Bird	Direct		Indirect	
			No. of Shares '000	%	No. of Shares '000	%
Hamid bin Mohd Sidek	-	-	-	11,522 ³	14.40	
Tan Sook Wah	Malaysian	Outlet Manager of MBSB	1,317 ¹	1.65	23,286 ²	29.10
Tan Sock Kean	Malaysian	-	635	0.79	23,968 ²	29.96
Tan Sook Mee	Malaysian	-	635	0.79	23,968 ²	29.96
Tan Sook Peng @ Annic Tan	Malaysian	-	635	0.79	23,968 ²	29.96
Tan Sook Yin	Malaysian	-	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.

6.1.3 Background information on the promoters/substantial shareholders of Silver Bird

(i) Dato' Tan Han Kook

The profile of Dato' Tan Han Kook, who is the Group Managing Director of Silver Bird, is set out in Section 6.2 below.

(ii) Datuk Tengku Adnan bin Tengku Mansor

Datuk Tengku Adnan bin Tengku Mansor was appointed to the Cabinet as Deputy Minister in the Prime Minister's Office on 30 January 2001. Prior to that, Datuk Tengku Adnan bin Tengku Mansor was a well known and respected businessman in the local corporate environment. He previously sat on the Board of several public companies.

(iii) Amble Appeal

Amble Appeal was incorporated in Malaysia on 7 November 1995 under the Companies Act, 1965 as a private limited company. Amble Appeal has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 100,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Directors	Substantial shareholders	Direct (%)	Indirect (%)	Principal activities
Dato' Tan Han Kook	Dato' Tan Han Kook	50.0	50.0*	Investment Holding
Datin Ong Hooi Siang	Datin Ong Hooi Siang	50.0	50.0*	

* Deemed interested by virtue of their relationship as spouses.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iv) Tahako

Tahako was incorporated in Malaysia on 10 January 1989 under the Companies Act, 1965 as a private limited company. Tahako has an authorised share capital of RM500,000 comprising 500,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

Directors	Substantial shareholders	Direct (%)	Indirect (%)	Principal activities
Dato' Tan Han Kook Datin Ong Hooi Siang	Dato' Tan Han Kook Datin Ong Hooi Siang	50.0 50.0	50.0* 50.0*	Investment Holding

* Deemed interested by virtue of their relationship as spouses.

(v) 3i

3i is Europe's leading venture capital company, which focuses on businesses with high growth potential, including technology businesses. It is listed on the London Stock Exchange. Set out as follows are information relating to 3i as at 28 March 2002, as provided by the management of 3i:-

Directors	Substantial shareholders	Direct (%)	Indirect (%)	Principal activities
The Baroness Hogg Brian Larcombe The RT Hon The Lord Camoys Dr John Forrest Martin Gagen Rod Perry Michael Queen Danny Rosenkranz Fred Steingraber Olivia Stocken Dr Richard Summers Peter Williams	M&G Asset Management Deutsche Asset Management	5.93 5.34	-	Venture Capital Company

(vi) EGG

EGG was incorporated in Malaysia on 11 January 1995 under the Companies Act, 1965 as a private limited company. EGG has an authorised share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Directors	Substantial shareholders	Direct (%)	Indirect (%)	Principal activities
Dato' Anuar bin Othman Datin Rozana bt Khalid	Dato' Anuar bin Othman Datin Rozana bt Khalid	85.0 15.0	15.0* 85.0*	Investment holding

* Deemed interested by virtue of their relationship as spouses.

EGG is represented on Silver Bird's Board by Ong Chin Kok and Zarina binti Alias.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(vii) G&G

G&G was incorporated in Malaysia on 28 February 1994 under the Companies Act, 1965 as a private limited company. G&G has an authorised share capital of RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each, of which 10,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

Directors	Substantial shareholders	Direct (%)	Indirect (%)	Principal activities
Zarina binti Alias Dato' Anuar bin Othman	General & Global Holdings Sdn. Bhd. (formerly known as General & Global Enterprise Sdn. Bhd.) Zarina binti Alias Hamid bin Mohd Sidek Dato' Anuar bin Othman	100.0 - - -	- 100.0* 100.0* 100.0#	Investment Holding

* Deemed interested by virtue of their substantial shareholdings in General & Global Holdings Sdn. Bhd. (formerly known as General & Global Enterprise Sdn. Bhd.)

Deemed interested by virtue of Section 6A of the Companies Act, 1965.

G&G is represented on Silver Bird's Board by Ong Chin Kok and Zarina binti Alias.

6.1.4 Directorships and Substantial Shareholdings in all other public corporations for the past 2 years

Save as disclosed below, none of the promoters/substantial shareholders above has directorships or substantial shareholdings direct or indirect in other public corporations for the past two years:-

Directorships and substantial shareholdings for the past 2 years preceding the date of this Prospectus

Promoters/ Substantial Shareholders	Name of company	< ---Directorships--- >		< ---Substantial Shareholding--- >			
		Appointed	Resigned	Direct	%	Indirect	%
Dato' Tan Han Kook	Matrix International Berhad (formerly known as Gold Coin (Malaysia) Berhad)	27.02.01	14.08.01	-	-	-	-
Datuk Tengku Adnan bin Tengku Mansor	Bukit Tinggi Resort Berhad	30.11.89	30.01.01	63,859,375	15.92	-	-
	Cosway Corporation Berhad	10.07.95	30.01.01	-	-	-	-
	Dunham-Bush (Malaysia) Bhd	25.05.93	30.01.01	-	-	-	-
	Tanah Emas Corporation Berhad (formerly known as Isuta Holdings Berhad)	07.03.00	30.01.01	-	-	-	-
	Magni-Tech Industries Berhad	17.02.00	30.01.01	-	-	-	-
	MOL.com Berhad	12.07.96	30.01.01	-	-	-	-
	Tanco Holdings Berhad	07.10.99	30.01.01	-	-	-	-
	TT Resources Berhad	19.05.97	25.08.00	-	-	-	-

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Promoters/ Substantial Shareholders	Name of company	<---Directorships--->		<-----Substantial Shareholding----->			
		Appointed	Resigned	Direct	%	Indirect	%
	Unza Holdings Berhad	21.05.93	30.01.01	-	-	-	-
	Transwater Corporation Berhad	-	-	530,250	4.08	6,608,750	50.84 ¹

Note:-

1. Deemed interested by virtue of his interest in Angsana Embun Sdn Bhd.

3i

3i is Europe's leading venture capital company and has numerous investments world-wide. A list of its top ten investments as at 30 September 2001 (being the latest publicly available information), which has been extracted from 3i's Interim Report for the six months period ended 30 September 2001 is set out below:-

Investments	Proportion of equity shares held %
Go Fly Ltd	43.3
Beltpacker plc	35.6
Nordisk Renting AB	35.0
Mettis Group Ltd	40.0
Weston Medical Group plc	17.8
General London Construction Holdings Ltd	41.6
ERM plc	42.4
Target Express Holdings Ltd	33.8
Morse plc	21.5
Venture Production Company Ltd	23.3

A list of 3i's top ten investments as at 31 March 2002 will be announced together with their results for the financial year ended 31 March 2002 in mid-May 2002. Potential investors may in due course refer either to 3i's annual report or to 3i's website at www.3i.com for an updated list of 3i's top ten investments as at 31 March 2002.

6.1.5 Knowledge and experience of promoters

Amble Appeal and Tahako are owned by Dato' Tan Han Kook and his wife, Datin Ong Hooi Siang. G&G is represented on Silver Bird's Board by Ong Chin Kok and Zarina binti Alias. The profile of Dato' Tan Han Kook, Datin Ong Hooi Siang, Ong Chin Kok and Zarina binti Alias are set out in Section 6.2 below.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.1.6 Changes in shareholdings of Promoters/Substantial Shareholders of Silver Bird for the past 3 years

Save as disclosed below, there has been no changes in the shareholdings of promoters/substantial shareholders of Silver Bird for the past 3 years:-

Shares

Name	Date	Direct shareholdings in Silver Bird before changes	Shares acquired / (disposed)	Direct shareholdings in Silver Bird after changes	%
Dato' Tan Han Kook	01.11.98	255,000	-	255,000	1.8*
	01.05.99	255,000	1,043,000	1,298,000	8.3*
	27.08.99	1,298,000	(207,680)	1,090,320	6.9*
	18.03.02#	1,090,320	1,090,320	2,180,640	6.2
	11.04.02^	2,180,640	1,833,867	4,014,507	6.2
Datuk Tengku Adnan bin Tengku Mansor	22.08.00	-	1,733,000	1,733,000	11.0*
	18.03.02#	1,733,000	1,733,000	3,466,000	9.8
	03.04.02^	3,466,000	2,914,822	6,380,822	9.8
Amble Appeal	01.11.98	3,914,000	-	3,914,000	27.5*
	27.08.99	3,914,000	(626,240)	3,287,760	20.9*
	18.03.02#	3,287,760	3,287,760	6,575,520	18.6
	11.04.02^	6,575,520	5,529,853	12,105,373	18.6
Tahako	01.11.98	1,860,000	-	1,860,000	13.1*
	27.08.99	1,860,000	(297,600)	1,562,400	9.9*
	18.03.02#	1,562,400	1,562,400	3,124,800	8.8
	11.04.02^	3,124,800	2,627,881	5,752,681	8.8
G&G	20.08.99	-	6,284,000	6,284,000	40.0*
	27.08.99	6,284,000	(1,005,440)	5,278,560	33.6*
	22.08.00	5,278,560	(1,733,000)	3,545,560	22.6*
	18.03.02#	3,545,560	3,545,560	7,091,120	20.0
	03.04.02^	7,091,120	5,963,461	13,054,581	20.0
3i	18.03.02#	-	7,426,560	7,426,560	21.0
	22.04.02^	7,426,560	6,245,557	13,672,117	21.0
EGG	18.03.02#	-	1,600,000	1,600,000	4.5
	03.04.02^	1,600,000	1,345,561	2,945,561	4.5

* Inclusive of 'A' Shares

Pursuant to Share Split and Shares Conversion

^ Pursuant to Rights Issue

'A' Shares

Name	Date	Direct shareholdings in Silver Bird before changes	'A' Shares acquired / (converted)	Direct shareholdings in Silver Bird after changes	%
3i	27.08.99	-	2,513,280	2,513,280	16.0
	18.03.02	2,513,280	(2,513,280)	-	-

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Preference Shares

Name	Date	Direct shareholdings in Silver Bird before changes	Preference Shares acquired / (converted)	Direct shareholdings in Silver Bird after changes	%
Dato' Tan Han Kook	01.11.98	700,000	-	700,000	70.0
	01.05.99	700,000	(700,000)	-	-
Ching Siew Cheong	01.11.98	300,000	-	300,000	30.0
	01.05.99	300,000	(300,000)	-	-
3i	27.08.99	-	1,800,000	1,800,000	60.0
	18.03.02	1,800,000	(1,800,000)	-	-
EGG	27.08.99	-	1,200,000	1,200,000	40.0
	18.03.02	1,200,000	(1,200,000)	-	-

6.2 DIRECTORS

6.2.1 Profile

Tan Sri Dato' Hj Lamin bin Hj Mohd Yunus, PMN, PSM, SIMP, DSAP, DIMP, SAP, KMN, aged 67, is the Chairman/Independent Non-executive Director of Silver Bird. He was appointed to the Board as Chairman on 25 March 2002. Tan Sri Dato' Hj Lamin holds a Bachelor of Law (Hons) degree from the University of Singapore, Singapore and a Diploma in Socio-Legal Studies from University College, Cardiff, United Kingdom. Tan Sri Dato' Hj Lamin has had extensive experience in the judiciary in Malaysia having held various senior legal positions in the public sector. During his distinguished career, he has held positions such as Federal Counsel in the Ministry of Defence Department, Senior Assistant Registrar in the High Court, Kuala Lumpur, Deputy Head of the Prosecution Division, Attorney General's Chambers, Kuala Lumpur, Pahang's State Legal Adviser, Solicitor-General of Attorney's General's Chambers, Kuala Lumpur and Judge in the Federal and High Court of Malaysia. Tan Sri Dato' Hj Lamin was also the President of the Court of Appeal of Malaysia, a position that he held for almost 7 years until March 2001. Currently, Tan Sri Dato' Hj Lamin is still a member of the Judicial and Legal Services Commission. In recognition of his services and contribution to the public sector, Tan Sri Dato' Hj Lamin has been awarded with numerous awards, the latest being the "Panglima Mangku Negara Persekutuan" Award which carries the title "Tan Sri". He currently holds directorships in Golden Hope Plantations Berhad, Mycom Berhad and Europlus Berhad.

Dato' Tan Han Kook, aged 48, is the Group Managing Director of Silver Bird. He was appointed to the Board on 5 October 1993. He is the founder of SCSB and the prime-mover in formulating, nurturing and implementing SCSB's strategies since its incorporation in 1986. His exposure to and involvement in the manufacturing and trading of bakery and confectionery products since the 1970's assures Silver Bird Group of his experience in this field. The Silver Bird Group has grown from strength to strength under his leadership with his foresight and inherent expertise, and these have earned him a commendable standing in the local and international business communities in the bakery and confectionery industries. To keep abreast with current business skills, he has undergone the Harvard Business School Alumni Club of Malaysia's Senior Management Development Programme in 1994. In his continued efforts to contribute to Silver Bird Group's expansion plans, he is at the forefront of the Group's marketing plans for the penetration of the Group's products into the South East Asian countries. Dato' Tan is primarily responsible for the success of the Group and currently also holds directorships in several private limited companies.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Apart from the Group's business activities, his participation in and contribution to various organisations and charities respectively has earned him the "Young Outstanding Malaysians Award" given by Joycees Malaysia in 1992.

Datin Ong Hooi Siang, aged 48, is a Non-executive Director of Silver Bird. She was appointed to the Board on 22 November 1993. She has a London Chamber of Commerce and Industry (LCCI) certificate. She also holds directorships in several other private limited companies.

Ching Siew Cheong, aged 40, is the Group Executive Director of Silver Bird. He was appointed to the Board on 10 June 1997. He joined SCSB in 1990 as Finance and Administration Manager working closely with Dato' Tan Han Kook in transforming SCSB and other subsidiary companies into modern organisations with proper operating systems, budgets and controls. During his 12 years of service with the Group, he played an important and active role in formulating and implementing business strategies to expand the Group. He was appointed to the Board on 10 June 1997. Mr Ching graduated from Strathclyde Graduate Business School with a Master in Business Administration in 1996. He also holds directorships in several other private limited companies.

Ong Chin Kok, aged 42, is a Non-executive Director of Silver Bird. He was appointed to the Board on 20 May 2000. He graduated from Deakin University, Victoria, Australia with a Bachelor of Science degree. Upon completing his tertiary education in 1982, he joined Southern Bank Berhad ("SBB") as a bank officer. His last position held in SBB was Manager of Local Corporate Division, Corporate Headquarters before venturing into his own consultancy business under ML Consultants Sdn Bhd in 1996. During the tenure in SBB, he had gained extensive experience in all forms of credit lending ranging from consumer to corporate funding.

Tan Han Foong, aged 51, is a Non-executive Director of Silver Bird. He was appointed to the Board on 1 August 2000. He holds a Bachelor of Economics (Hons) degree from the University of Malaya. He spent his early working career at IBM Malaysia which he joined in 1975. His last position held in IBM Malaysia was Marketing Manager before joining Mesiniaga Berhad in 1982. He held various management positions at Mesiniaga Berhad and his last position held was Country Sales Manager before he left the company in 1994. He is currently a remisier with TA Securities Berhad.

Zarina binti Alias, aged 41, is a Non-executive Director of Silver Bird. She was appointed to the Board on 1 August 2000. She graduated with a Diploma in Secretarial Science from Stamford College, Kuala Lumpur in 1979. She joined United Engineers (M) Bhd. in 1987 as a Personal Assistant to the managing director before moving on to Kumpulan Pinang group of companies as a Special Assistant to the chief executive officer in 1994. During her working career, she was involved in the handling of corporate and financial matters. Currently, she also holds directorships in several other private limited companies.

Wong Hong Meng, aged 56, is an Independent Non-executive Director of Silver Bird. He was appointed to the Board on 25 March 2002. Mr Wong holds a Bachelor of Economics (Hons) degree and a Masters of Business Administration from the University of Malaya, Malaysia and the Cranfield Institute of Technology, England respectively. Throughout his extensive career with local financial institutions from 1983 to 1999, he held senior positions responsible for financial management, strategic planning, corporate finance, and operation management. Currently, Mr Wong is a director of Kota Bahrु Securities Berhad. Mr Wong is also a member of The Institute of Chartered Secretaries and Administrators, United Kingdom, The Malaysian Association of the Certified Public Accountants, The Malaysian Institute of Accountants and a fellow of The Institute of Chartered Accountants in England and Wales.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Lim Hock Chye aged 47, is an Independent Non-executive Director of Silver Bird. He was appointed to the Board on 20 April 2002. Mr Lim is currently a consultant with the Minority Shareholder Watchdog Group ("MSWG"), an initiative set up by the Government of Malaysia primarily to promote good corporate governance and practices and shareholder activism. Prior to joining MSWG, he was a Deputy Editor with the Star Newspaper, where he wrote for the Business Section. Mr Lim has 22 years of experience and exposure in journalism during which he had travelled extensively overseas to cover government functions and trade missions. Mr Lim is a law graduate with a LLB (Hons) from the University of London and holds a Certificate in Legal Practice.

Faizal bin Abdul Aziz, aged 34, is an Independent Non-executive Director of Silver Bird. He was appointed to the Board on 19 March 2002. Mr Faizal began his career as an articled clerk in Hanafiah Raslan Mohammad upon completion of his General Certificate of Education in 1985. From 1989 to 1994, Encik Faizal was involved in the engineering sector before joining TA Securities Berhad as an investment analyst. Mr Faizal was attached to TA Securities Sdn Bhd for 3 years before he left to venture into his own business. He is currently a chief executive director of Iras Petroleum (M) Sdn Bhd, a company that provides skilled manpower and equipment for oil and gas exploration and production.

Save for Ong Chin Kok and Zarina binti Alias who represent G&G and EGG on the Board of Silver Bird, none of the other directors are representatives of the corporate shareholders of Silver Bird.

6.2.2 Directors' Shareholdings in Silver Bird

The directors' 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	-	-	-	-

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

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.

6.2.3 Directors' Directorships and Substantial Shareholdings in all other public corporations for the past two years

Save as disclosed below and save for Dato' Tan Han Kook (whose directorships and substantial shareholdings in all other public corporations has been disclosed in Section 6.1.4 above), none of the other Directors has any other directorships and/or substantial shareholdings, direct or indirect, in other public corporations for the past two years:-

Directorships and substantial shareholdings for the past 2 years preceding the date of this Prospectus

Directors	Name of company	< ---Directorships--- >		< -----Substantial Shareholding----- >			
		Appointed	Resigned	Direct	%	Indirect	%
Tan Sri Dato'	Golden Hope Plantations Berhad	21.12.01	-	-	-	-	-
Hj Lamin bin							
Hj Mohd Yunus	Mycom Berhad	28.12.01	-	-	-	-	-
	Europlus Berhad	22.01.02	-	-	-	-	-
Wong Hong Meng	TA Enterprise Berhad	01.03.99	10.05.01	-	-	-	-
	TA Securities Berhad	01.03.01	19.05.01	-	-	-	-
	Kota Bahru Securities Berhad	22.11.96	-	-	-	-	-

6.2.4 Declaration from the Directors

None of the Directors is or was involved in the following events:-

- (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; and
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2.5 Service Contracts

None of the Directors of the Company has any existing or proposed service contract with the Company or any of its subsidiary companies, excluding contracts expiring or which are terminable by the employing company without payment or compensation (other than statutory compensation) within one (1) year.

6.2.6 Directors' Remuneration and Benefits

For the financial year ended 31 October 2001, the remuneration paid to the directors for services in all capacities to Silver Bird and its subsidiaries was RM224,224. For the current financial year ending 31 October 2002, the amount payable to the directors of Silver Bird and its subsidiaries is approximately RM500,000. Details of the aggregate remuneration are as follows:-

RM	←-----No. of directors-----→	
	Year ended 31 October 2001	Year ending 31 October 2002
0-100,000	1	8
100,001-200,000	1	2
Above 200,000	-	-
	<u>2</u>	<u>10</u>

6.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:-

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

6.4 KEY MANAGEMENT

6.4.1 Profile

The management of Silver Bird is headed by Dato' Tan Han Kook and Mr Ching Siew Cheong who are assisted by a team of experienced management comprising:-

June Tan Li Ching, aged 34, joined SCSB in 1995 and has a Bachelor degree in Music and Arts which was obtained from University of Melbourne, Australia in 1994. She is the Marketing Manager of SCSB and is responsible for the marketing and sales of Silver Bird products. Prior to joining SCSB, she was attached to Tai Wah Group as Marketing Manager for its Pacific Cosmetics range of products.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Thomas Tan Hock Seng, aged 38, is the Factory Manager of SCSB. He joined SCSB on 2 October 2000 and is principally responsible for the overall factory's operation from human resource planning to development and production of finished goods. He also oversees all engineering activities and projects implementation, and upkeep of all machinery and plant facilities in the company. Prior to joining SCSB, he was the Chief Operating Officer of Artal Restaurants International (Pvt) Ltd ("Artal") in Pakistan. Artal is a food group with businesses of fast food restaurants, bakery factory, poultry processing plant and supply of water. He was responsible for the overall operations of the fast food restaurants as well as market development of the restaurant business in Pakistan.

Roslinda binti Abu, aged 30, is the Research and Development Manager of SCSB. She joined SCSB in 1994 as a Production Supervisor and rose through rank and file to her current position in January 1999. She has a diploma in chef training from Institut Teknologi Mara. Her current responsibility includes product improvement and development of new products. During her tenure with SCSB, she has been closely involved in developing more than 20 new products that were subsequently successfully sold to the market.

Tsu Siah Wue, aged 39, is the Head of Administration of Asia Food and AFLL since 1995. He is responsible for the administration, accounting, finance and human resource of Asia Food and AFLL. Mr Tsu is a graduate with Bachelor degrees in Finance and Economics obtained from University New Brunswick and Carleton University respectively. Prior to joining Asia Food and AFLL, he was with Genting Berhad's treasury department.

Wong Toon Chick, aged 43, is the Head of Division of Asia Food and AFLL. Mr Wong is responsible for the management and development of Asia Food and AFLL. Prior to that, Mr Wong was the Managing Director of Asia Food. He joined Asia Food on 1 November 1995. He has a professional qualification in Hotel Management and a Diploma in Hotel and Catering from United Kingdom and has over 18 years of experience in the trading and distribution of bakery ingredients and food products.

Eddie Han Meng Kwang, aged 50, is the Divisional Manager of Asia Food. He graduated with a National Diploma in Hotel Catering and Business Studies from the South West London Technical College, United Kingdom in 1977. He has extensive sales and marketing experience having worked in the food industries from more than 20 years. Eddie Han joined Asia Food on 6 December 1999 and prior to joining Asia Food, he was attached to various corporations that range from food industries to tobacco industries namely, Cold Storage (M) Sdn. Bhd., J.L. Morison Sons & Jones (M) Sdn. Bhd. And EAC Tobacco Sdn. Bhd. During his career, he has moved up the ranks from a Marketing executive to a Regional Manager. He is currently overseeing Asia Food sales, marketing strategies and new business development.

Wong Hong Wee, aged 34, is the Production Manager of SCSB. He graduated with a Bachelor degree in Food Science and Technology from University Sains Malaysia in 1993. He has five years of experience in production quality control that he acquired from his previous employment with The Amoy Canning, Sydney Cake House Sdn. Bhd. and The Baker's Cottage Sdn. Bhd., before joining SCSB in 1997. He is responsible for the production planning and administration of the factory ensuring total quality is practised at all levels of production.

Jackie Au Siew Ngor, aged 45, is the Accounts and Administration Manager of SCSB since 1997. She obtained her Certificate in Accounting and Business Computing in 1983. In 1994, she joined SCSB as an administration and accounts executive and rose through rank and file to her present position in 1997. She is currently overseeing SCSB's overall accounting and administration functions. Prior to joining SCSB, she was attached to several firms in the property and manufacturing sectors.

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Shirley Yim Sook King, aged 40, is the Accounts and Administration Manager of the Madeleine group of companies since 1995. Upon completion of her Accounting Certificate in 1985, she joined SCSB as an accounts assistant and rose through rank and file to her current position. Since then she has been responsible for the overall administration (including personnel), accounting and financing functions of Silver Bird and Madeleine group of companies.

Simon Low Wei Seng, aged 32, joined Asia Food as Administration and Accounts Manager in 1996. He has five years of working experience in a public accounting firm, Coopers & Lybrand, in which he was exposed to audits of businesses in trading, services, manufacturing and banking industries. Prior to joining Asia Food, he gained commercial experience as Assistant Accountant and Corporate Account Executive with a security firm and a management firm respectively. He is currently responsible for overall accounting and office administration functions of Asia Food and its subsidiary company, AFLL.

Rajamani s/o Manikam, aged 46, is the Warehouse and Distribution Manager of AFLL. He had 14 years of experience in warehousing and logistics. Before joining AFLL in 1995. His duties and responsibilities are overseeing, planning and organising the warehouse as well as logistics planning of a fleet of trucks.

Au Sheau Yen, aged 38, is the Group Corporate Finance Manager of Silver Bird since May 2000. Prior to that, he was attached to the Stanson Group Sdn. Bhd., which he has joined since July 1999. He completed his undergraduate school majoring in accounting from the University of Montevallo, Alabama in the United States of America in 1987. He worked in several local accounting firms since returning to Malaysia in 1988 before joining Horwath Mok & Poon, an internationally associated audit firm, in 1992. He was responsible for the audit of several multi-national companies. He is currently in charge of the corporate matters of Silver Bird Group.

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6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.4.2 Key Management's shareholdings in Silver Bird

The key management's 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 Wci 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.

6.4.3 Declaration from the Key Management

None of the key management is or was involved in the following events:-

- (a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; and

6. INFORMATION ON PROMOTERS, SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6.4.4 Service Contracts

None of the key management personnel has any existing or proposed service contract with the Company or any of its subsidiary companies, excluding contracts expiring or which are terminable by the employing company without payment or compensation (other than statutory compensation) within one (1) year.

6.5 FAMILY RELATIONSHIPS

Datin Ong Hooi Siang is the spouse of Dato' Tan Han Kook whilst Dato' Tan Han Kook, Tan Han Foong, Tan Sook Wah, Tan Sock Kean, Tan Sook Mee, Tan Sook Peng @ Annie Tan and Tan Sook Yin are siblings.

Save as disclosed above, there is no other family relationship between the substantial shareholders, promoters, Directors and key management staff of Silver Bird.

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7. APPROVALS AND CONDITIONS

7.1 APPROVALS

The Flotation Scheme of Silver Bird was approved by the following authorities:-

<u>Authorities</u>	<u>Date</u>
SC	30 August 2001, 14 December 2001 and 4 March 2002
MITI	6 December 2000, 18 December 2000, 28 December 2001 and 30 March 2002
FIC	19 October 2000, 7 November 2000 and 2 April 2002

The details of the conditions of the authorities' approvals and the status of compliance are set out below: -

	Conditions imposed by the SC vide its letters dated 30 August 2001, 14 December 2001 and 4 March 2002	Status of Compliance														
1.	<p>The proceed of the Rights issue and Public issue shall be utilised as follows:-</p> <table border="1"> <thead> <tr> <th>Utilisation of proceeds</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Cost of construction and acquisition of plant and machinery for new factory and corporate office</td> <td>15,800</td> </tr> <tr> <td>Repayment of bank borrowings</td> <td>9,000</td> </tr> <tr> <td>Working capital</td> <td>1,512</td> </tr> <tr> <td>Estimated listing expense</td> <td>1,900</td> </tr> <tr> <td></td> <td style="border-top: 1px dashed black;">28,212</td> </tr> <tr> <td></td> <td style="border-top: 3px double black;">28,212</td> </tr> </tbody> </table>	Utilisation of proceeds	RM'000	Cost of construction and acquisition of plant and machinery for new factory and corporate office	15,800	Repayment of bank borrowings	9,000	Working capital	1,512	Estimated listing expense	1,900		28,212		28,212	Will be complied by Silver Bird.
Utilisation of proceeds	RM'000															
Cost of construction and acquisition of plant and machinery for new factory and corporate office	15,800															
Repayment of bank borrowings	9,000															
Working capital	1,512															
Estimated listing expense	1,900															
	28,212															
	28,212															
2.	The conditions to be complied for the utilisation of proceeds are as follows:-															
(i)	SC's approval must be obtained for any changes to the original utilisation of proceeds if such changes involve any utilisation other than for the core business of Silver Bird Group.	Will be complied by Silver Bird.														
(ii)	Sufficient disclosures relating to the purpose and the time frame for utilisation of proceeds must be disclosed in Silver Bird's Prospectus.	Complied. Refer to Section 3.7 of this Prospectus.														
(iii)	The approval of the shareholders of Silver Bird must be obtained for any subsequent deviation amounting to 25% or more from the original utilisation of proceeds. In the event the deviation is less than 25%, appropriate disclosure would be required to be made to the shareholders of Silver Bird.	Will be complied by Silver Bird.														
(iv)	Any extension of time for the period which has been determined by Silver Bird for the utilisation of the said proceeds must be approved by a final resolution of the Board of Directors of Silver Bird and should be fully disclosed to the KLSE.	Will be complied by Silver Bird.														
(v)	Appropriate disclosures on the status of the said utilisation of proceeds is required to be made in the quarterly and annual reports of Silver Bird until all the proceeds are fully utilised.	Will be complied by Silver Bird.														

7. APPROVALS AND CONDITIONS

	Conditions imposed by the SC vide its letters dated 30 August 2001, 14 December 2001 and 4 March 2002	Status of Compliance
3.	A moratorium is imposed on 36,000,000 Shares held by the promoters/substantial shareholders of Silver Bird, representing 45% of the enlarged issued and paid-up share capital of Silver Bird, whereby they are not allowed to sell, transfer or assign their shareholdings for one (1) year from the date of admission of Silver Bird to the Second Board of the KLSE. and thereafter, they are allowed to sell, transfer or assign only up to a maximum of one-third (1/3) per annum of their respective shareholdings under moratorium.	Will be complied by the respective promoters/shareholders. Refer to Section 7.2 of this Prospectus.
4.	A moratorium is also imposed on every shareholder as well as the ultimate shareholders of the corporate shareholders of Silver Bird referred to in note 3 above namely Amble Appeal, Tahako, G&G and EGG. In this connection, each of the said shareholder must furnish an undertaking that they will not sell, transfer or assign their respective shareholdings in the private holding companies concerned for as long as the moratorium is in place.	Will be complied by the relevant parties. The respective undertaking letters have been furnished to the SC.
5.	All debts exceeding credit period owed by Stanson Marketing to the Silver Bird Group must be collected prior to the issuance of the Prospectus, and shall be confirmed by RHB Sakura and Silver Bird's auditors.	Complied. Written confirmation have been furnished to the SC by RHB Sakura and Silver Bird's auditors, Horwath Mok & Poon
6.	Future transactions between Stanson Group Sdn Bhd ("Stanson") and its subsidiaries ("Stanson Group") with Silver Bird must adhere to the approved credit period and monitored by Silver Bird's Audit Committee.	Will be complied by Silver Bird.
7.	Stanson is required to furnish an amended undertaking letter, addressed to the SC, stating that Stanson will not modify its manufacturing facilities nor undertake any manufacturing activities to produce bakery products which compete with the products of Silver Bird. In addition, the promoters and substantial shareholders of Silver Bird, who are also shareholders of Stanson, are required to furnish an undertaking letter stating that they will not establish other companies which have competing or similar business activities with that of Silver Bird.	Complied. The respective undertaking letters have been furnished to the SC.
8.	Silver Bird must make detailed disclosure in its listing prospectus in respect of the relationship between Silver Bird Group and Stanson Group and annual sales to-date to the Stanson Group.	Complied. Refer to SECTION 8 of this Prospectus
9.	Any future transactions between Silver Bird Group and companies related to the promoters, directors and substantial shareholders of Silver Bird must be carried out on "arms-length" basis. In this regard, the Audit Committee of Silver Bird must monitor and the Board of Directors of Silver Bird must report any such transactions in Silver Bird's Annual Reports.	Will be complied by Silver Bird.
10.	RHB Sakura/Silver Bird must fully comply with the requirements pertaining to the listing of the Company as provided for under the SC's Policies and Guidelines on Issue/Offer of Securities.	Will be complied.
11.	Silver Bird is exempted from appointing an independent placement agent in respect of the placement of 3,000,000 Public Issue Shares to Great Eastern and MNI, subject to RHB Sakura/Silver Bird ensuring that Shares that are not subscribed by Great Eastern and MNI will be underwritten before the issuance of Silver Bird's prospectus.	Complied.

7. APPROVALS AND CONDITIONS

	Conditions imposed by the SC vide its letters dated 30 August 2001, 14 December 2001 and 4 March 2002	Status of Compliance
12.	The establishment of the Proposed ESOS is subject to RHB Sakura/Silver Bird reviewing Clause 6.3(i) of Silver Bird's By-Laws for the Proposed ESOS and make the relevant amendments to comply with the requirements of the SC's guidelines on employees' share option scheme in relation to the definitions of "senior management" and "executive directors".	Complied. Clause 6.3(i) of the ESOS By-Laws amended.

	Conditions imposed by the MITI vide its letters dated 6 December 2000, 18 December 2000, 28 December 2001 and 30 March 2002	Status of Compliance
1.	The allocation of 4,050,000 Shares to Bumiputera parties to be nominated by MITI will be decided after the approval of the SC of the listing of Silver Bird.	Complied. MITI's approval has been given for the allocation of 4,050,000 Shares to Bumiputera investors.
2.	Silver Bird is to obtain the approval of the SC and FIC.	Complied
3.	The existing Bumiputera shareholders of Silver Bird namely G&G, EGG and Datuk Tengku Adnan bin Tengku Mansor are required to obtain the prior written approval from MITI for disposal or transfer of their Shares.	Will be complied by the respective shareholders.

	Conditions imposed by the FIC vide its letters dated 19 October 2000, 7 November 2000 and 2 April 2002	Status of Compliance
1.	Silver Bird is to have at least 30% direct Bumiputera equity interest upon listing and quotation of the Shares on the Second Board of KLSE	Will be complied. Bumiputera investors approved by MITI are expected to subscribe for the Shares after the issuance of the Prospectus.
2.	Silver Bird is to obtain the approval of MITI.	Complied

7. APPROVALS AND CONDITIONS

7.2 MORATORIUM ON SALE OF SHARES

The SC, in approving the listing of Silver Bird, stated that a moratorium shall be placed on the disposal of Shares by the following promoters/substantial shareholders. The moratorium has been imposed on the sale of 36,000,000 Shares representing 45% of the enlarged issued and paid-up capital of Silver Bird as set out below:

	No. of Shares under moratorium	% of enlarged share capital
Dato' Tan Han Kook	2,390,974	2.99
Amble Appeal	7,189,470	8.99
Tahako	3,416,560	4.27
3i	9,199,996	11.50
G&G	7,753,212	9.69
EGG	1,749,390	2.18
Datuk Tengku Adnan bin Tengku Mansor	4,300,398	5.38
	36,000,000	45.00

The aforementioned shareholders are not allowed to sell, transfer or assign their respective shareholdings in Silver Bird within 1 year from the date of admission of Silver Bird to the Official List of the Second Board of the KLSE. Thereafter, they are allowed to sell, transfer or assign, in every subsequent year, up to a maximum of 1/3 per annum (on a straight line basis) of their respective shareholdings in the Company which are placed under moratorium.

The restriction, which has been fully accepted by the shareholders, is specifically endorsed on the share certificates and notices of allotment representing the shareholdings of the shareholders in Silver Bird which are under moratorium. This is to ensure that the Company's registrar does not register any transfer which is not in compliance with the restriction imposed by the SC.

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8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

8.1 Save as disclosed below, there are no transactions between Silver Bird Group and the Directors and substantial shareholders of the Company:-

- (i) 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. SCSB's sales to Stanson Group accounted for approximately RM0.8 million or 2.6%, RM6.9 million or 18.7% and RM11.4 million or 28% of the Group's turnover for the financial year ended 31 October 1999, 2000 and 2001 respectively.

Set out below is information on Stanson Group Sdn. Bhd. :-

Related Party	Nature of business	Directors	Directors/shareholders of Silver Bird deemed interested	Equity interest held	
				Direct (%)	Indirect (%)
Stanson Group Sdn. Bhd.	Investment holding with subsidiaries engaged in manufacturing of bread and distribution of bread and other bakery products	Dato' Tan Han Kook Datin Ong Hooi Siang Ching Siew Chcong Dato' Anuar bin Othman Zarina binti Alias Ong Chin Kok (<i>Alternate to Zarina binti Alias</i>)	Dato' Tan Han Kook Datin Ong Hooi Siang Ching Siew Cheong Amble Appeal Tahako 3I EGG Tan Han Foong Tan Sook Wah Tan Sock Kean Tan Sock Mee Tan Sook Peng @ Annie Tan Tan Sook Yin	24.4 1.5 5.4 9.1 4.3 16.0 33.6 1.7 1.2 0.7 0.7 0.7 0.7	20.6* 43.5* - - - - - 43.3* 43.8* 44.3* 44.3* 44.3* 44.3*

* Deemed interested by virtue of their family relationships involving Dato' Tan Han Kook, Datin Ong Hooi Siang, Tan Han Foong, Tan Sock Kean, Tan Sook Mee, Tan Sook Peng (@ Annie Tan, Tan Sook Wah and Tan Sook Yin as well as through Dato' Tan Han Kook and Datin Ong Hooi Siang's interest in Amble Appeal and Tahako.

Note:-

Silver Bird currently holds 4 million 10% redeemable cumulative preference shares in Stanson Group Sdn Bhd.

The Directors of Silver Bird confirmed that the said bakery products produced by SCSB are sold to the Stanson Group on arms-length basis. In order to prevent any potential conflict of interest arising from the aforesaid transaction, Stanson Group Sdn. Bhd. has undertaken that it will not modify its manufacturing facilities nor undertake any manufacturing activities to produce bakery products which compete with the products of Silver Bird. In addition, the promoters and substantial shareholders of Silver Bird, who are also shareholders of Stanson have also undertaken that they will not establish other companies which have competing or similar business activities with that of Silver Bird.

8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

- (ii) A tenancy agreement dated 31 December 1999 between Dato' Tan Han Kook (landlord) and MBSB (tenant) in relation to the rental of a premise at a rental rate of RM3,000 per month for a duration of two years commencing 1 January 2000 and expiring 31 December 2001. On 31 December 2001, Dato' Tan Han Kook and MBSB renewed the said tenancy agreement for a further period of two years commencing 1 January 2002 and expiring 31 December 2003 at a revised rental rate of RM4,500 per month.
- (iii) A tenancy agreement dated 31 December 1999 between Tan Han Foong (landlord) and MBSB (tenant) in relation to the rental of a premise at a rental rate of RM3,000 per month for a duration of two years commencing 1 January 2000 and expiring 31 December 2001. On 31 December 2001, Tan Han Foong and MBSB renewed the said tenancy agreement for a further period of two years commencing 1 January 2002 and expiring 31 December 2003 at a revised rental rate of RM4,500 per month.
- (iv) A tenancy agreement dated 31 December 1999 between Tan Chin Suan Sdn Bhd (a company wholly owned by Dato' Tan Han Kook and his family members) (landlord) and MCSB (tenant) in relation to the rental of a premise at a rental rate of RM1,200 per month for a duration of two years commencing 1 January 2000 and expiring 31 December 2001. For the period commencing 1 January 2002 to 28 February 2002, MCSB occupied the said premise as a monthly tenant at a rate of RM1,200 per month.

The Directors of Silver Bird confirmed that the transactions mentioned in (ii), (iii) and (iv) above are on "arms-length" basis and on commercial terms not unfavourable to the Group.

The Audit Committee of Silver Bird will monitor the above related party transactions and future related party transactions to ensure that these transactions are carried out on an arms-length basis. The Directors of Silver Bird will report the above related party transactions and future related party transactions in the Company's Annual Reports.

- 8.2 Save for the following, there are no transactions, existing or potential, between Silver Bird Group with any of its key management personnel as at the date hereof:-

Tsu Siah Wue, the Head of Administration of Asia Food and AFLL, has an interest in Aik Seng Edar (M) Sdn Bhd ("Aik Seng"), which has the following transactions with Asia Food:-

	Transaction value in FY2001 RM'000
Sales by Asia Food to Aik Seng	87
Purchases by Asia Food from Aik Seng	5
Office and warehouse rental paid by Asia Food to Aik Seng	126

The Directors of Silver Bird confirmed that the above transactions are on arms-length basis.

- 8.3 Save as disclosed in Section 8.1(i) above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any company carrying on a similar trade as the Company or any of its subsidiaries.

8. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

- 8.4 Save as disclosed in Section 8.1(ii), (iii) and (iv) above, no other promoters, directors or substantial shareholders of Silver Bird was or is interested, directly or indirectly, in the promotion of or in any assets which have been, within the two years preceding the publication of this Prospectus, acquired, disposed of by or leased to the Company or its subsidiaries or are proposed to be acquired, disposed of by or leased to the Company or its subsidiaries.
- 8.5 Save as disclosed below, there is no conflict of interest between the Group and its Adviser, Auditors and Reporting Accountants and the Solicitors:-

RHB Bank Berhad, a company related to RHB Sakura, has extended credit facilities comprising term loans and trade lines to the Silver Bird Group, of which approximately RM4.4 million and RM0.3 million respectively are still outstanding as at 22 April 2002.

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9. LANDED PROPERTIES

9.1 SUMMARY OF LANDED PROPERTIES

Registered owner	Location	Description/ existing use	Land area	Built-up area of building/ age of buildings	Tenure	Audited net book value as at 31 October 2001 RM
SCSB	H.S.(M) 6638, PT No. 8413 Mukim of Batu Selangor	Industrial lot/factory building, warehouse and office building	2,504 sq meters	1,867 sq meters /8 years	99 year lease (expiring 09.07.2078)	3,117,727
SCSB	H.S.(M) 6639, PT No. 8414 Mukim of Batu Selangor	Industrial lot/factory building, warehouse and office building	2,118 sq meters	2,610 sq meters /8 years	99 year lease (expiring 09.07.2078)	1,950,549
SCSB	H.S.(D) 111684, PT. No. 17510 Mukim of Setul Negeri Sembilan	Industrial lot/factory building, warehouse and office building	43,485 sq meters	*	Freehold	5,461,946
MFSB	H.S.(M) 19340, PT No. 30808 and H.S.(M) 19341, PT No. 30809, Mukim of Batu Selangor	Industrial lot/factory building, warehouse and office building	1,114 sq meters	372 sq meters /3years	Freehold	1,713,293

* Not applicable as building is yet to be completed.

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10. FINANCIAL INFORMATION

10.1 HISTORICAL FINANCIAL INFORMATION

10.1.1 Profit and Dividend Record

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.

10. FINANCIAL INFORMATION (Cont'd)**10.1.2 Segmental Analysis of Turnover and Profits After Tax**

Analysis of Turnover	← Financial year ended 31 October →				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Analysis by activities					
Bakery manufacturing	16,127	18,642	20,994	26,113	29,018
Operation of cafes and bakeries	4,896	5,292	4,651	4,604	4,142
Trading of bakery raw ingredients	3,853	4,021	4,744	4,496	5,209
Provision of warehousing and distribution services	1,256	1,330	1,415	1,744	1,736
Total	26,132	29,285	31,804	36,956	40,105

Analysis of Profit/(Loss) After Tax	← Financial year ended 31 October →				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Analysis by activities					
Bakery manufacturing	1,699	3,426	4,155	5,839	6,169
Operation of cafes and bakeries	144	159	271	(269)	482
Trading of bakery raw ingredients	147	107	503	140	56
Provision of warehousing and distribution services	190	203	317	176	101
Total	2,179	3,895	5,245	5,886	6,808

10.1.3 Directors' Declaration on Financial Performance

Save as disclosed in this Prospectus, the financial conditions and operations of the Group are not affected by any of the following as at 22 April 2002:-

- (i) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) material commitment for capital expenditure;
- (iii) unusual, infrequent events or transactions or any significant economic change that materially affected the financial performance, position and operations of the Group; and
- (iv) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

10. FINANCIAL INFORMATION (Cont'd)**10.2 WORKING CAPITAL, CAPITAL COMMITMENTS, BORROWINGS, MATERIAL LITIGATION AND CONTINGENT LIABILITIES****Working Capital**

The Directors of Silver Bird are of the opinion that, barring any unforeseen circumstances, after taking into consideration the Group's cashflow position, banking facilities available and proceeds from the Rights Issue and Public Issue, the Group would have adequate working capital for its present and foreseeable requirements.

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:-

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

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.

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.

Borrowings

As at 22 April 2002, the total outstanding bank borrowings of the Group, all of which are interest bearing, amounted to approximately RM12.2 million, of which approximately RM7.4 million are short term whilst the balance RM4.8 million are long term in nature.

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10. FINANCIAL INFORMATION (Cont'd)**10.3 FUTURE FINANCIAL INFORMATION****10.3.1 Consolidated Profit Forecast together with the Assumptions thereon**

The Directors of Silver Bird forecast that, barring unforeseen circumstances, the consolidated profit forecast of Silver Bird for the financial year ending 31 October 2002, which had been prepared based on bases and accounting policies consistent with those previously adopted in the preparation of the audited financial statements of the Group, are as follows :-

	Year ending 31 October 2002 RM'000
Turnover	50,290
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

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 Proposed ESOS is not expected to have any material effect on the EPS of the Group for the financial year ending 31 October 2002, until such time as the Options under the Proposed ESOS are exercised. Any potential effect on the EPS of the Group in future would depend on the number of Options granted and exercised at any point in time as well as the price payable upon the exercise of the Options and the actual utilisation of the exercise proceeds.

10. FINANCIAL INFORMATION (Cont'd)

As set out in Section 5.3 of this Prospectus, barring unforeseen circumstances, the Directors of Silver Bird intend to grant Options for up to a maximum of 7.2 million Shares prior to the Company being listed on the KLSE at an exercise price of RM0.90 per Share. However, such Options shall only be exercisable after Silver Bird has been listed on the Second Board of the KLSE. Subject to the decision of the Option Committee (as defined in the By-Laws of the Proposed ESOS), holders of Options may exercise up to a maximum of 50% of their Options in each year during the duration of the Proposed ESOS, ie. potentially a maximum of 3.6 million Options may be exercised each year.

For illustrative purposes only, assuming 3.6 million Options are exercised in the financial year ending 31 October 2002 at an exercise price of RM0.90 per Share and assuming the proceeds are utilised by Silver Bird to repay the Group's borrowings which bears interest rate of 6% per annum, the Directors of Silver Bird estimate that the gross EPS of the Group (based on proforma weighted average number of shares) will decrease marginally from 17.84 sen to 17.53 sen.

10.3.2 Sensitivity analysis

The sensitivity analysis is prepared based on the consolidated profit forecast assumptions set out in Section 10.3.5 herein and assuming all other things remain unchanged except for the variations in selling price, cost of sales and operating expenses.

Changes in selling price

(RM'000)	<-----Forecast for the financial year ending 31 October 2002----->				
	-10%	-5%	As forecasted	+5%	+10%
Profit before tax	5,497	8,011	10,518	13,040	15,555
Profit after tax	4,779	6,965	9,144	11,338	13,525

The principal bases and assumptions upon which the sensitivity analysis above have been made are as follows:

- The changes in the forecast selling price are constant throughout the financial year.
- Tax is calculated proportionately to the forecast tax.

Changes in cost of sales

(RM'000)	<-----Forecast for the financial year ending 31 October 2002----->				
	-10%	-5%	As forecasted	+5%	+10%
Profit before tax	13,912	12,219	10,518	8,833	7,140
Profit after tax	12,096	10,624	9,144	7,680	6,208

The principal bases and assumptions upon which the sensitivity analysis above have been made are as follows:

- The changes in the forecast cost of sales are constant throughout the financial year.
- Tax is calculated proportionately to the forecast tax.

10. FINANCIAL INFORMATION (Cont'd)**Changes in operating expenses**

(RM'000)	<-----Forecast for the financial year ending 31 October 2002----->				
	-10%	-5%	As forecasted	+5%	+10%
Profit before tax	11,154	10,840	10,518	10,212	9,898
Profit after tax	9,698	9,425	9,144	8,879	8,606

The principal bases and assumptions upon which the sensitivity analysis above have been made are as follows:

- (a) The changes in the forecast operating expenses are constant throughout the financial year.
- (b) Tax is calculated proportionately to the forecast tax.

10.3.3 Break-even Analysis

The break-even turnover for the Group's activities are as follows:-

Activities	Break-even turnover RM'000	Forecast turnover RM'000	Margin of safety
Bakery manufacturing	10,104	36,703	72.5%
Operation of cafes and bakeries	2,043	5,075	59.7%
Trading of bakery raw ingredients	4,178	6,205	32.7%
Provision of warehousing and distribution services	1,476	2,306	36.0%

10.3.4 Directors' Analysis and Commentary on the Consolidated Profit Forecast

The turnover of Silver Bird is expected to increase by 25.4% from RM40.1 million in the financial year ended 2001 to RM50.3 million in financial year ending 2002. The increase in turnover is mainly attributable to increase in the sales of filled buns and cream rolls by 30% as the Group has acquired an additional production line in the current financial year to increase production and also due to the Group's continuous effort to increase the distribution of its products.

Profit before taxation ("PBT") is expected to increase by 33.1% from RM7.9 million in the financial year ended 2001 to RM10.5 million in financial year ending 2002. The increase in PBT is mainly attributable to increase in sales whilst certain overheads remain relatively fixed. The increase in the expected sales has also enabled the Group to obtain further bulk discounts on its raw materials thus improving gross margin of 32.7% for financial year ending 2002 compared to 32.0% for financial year ended 2001.

Silver Bird proposes to utilise RM9 million of the proceeds from the Rights Issue and Public Issue to repay part of its bank borrowings, which as at 22 April 2002 amount to approximately RM12.2 million. Assuming the proceeds from the Rights Issue and Public Issue is utilised in June 2002, the repayment is expected to contribute interest savings of approximately RM225,000 to the Silver Bird Group for the financial year ending 31 October 2002 (based on the current average interest rate applicable to the Group's borrowings of approximately 6% per annum).

10. FINANCIAL INFORMATION (Cont'd)

Silver Bird also intends to utilise RM15.8 million of the proceeds from the Rights Issue and Public Issue to finance the cost of construction and acquisition of plant and machinery for the new factory and corporate office. In the absence of the IPO, the Directors of Silver Bird intend to finance the said costs through bank borrowings. Hence, with the proceeds from the Rights Issue and Public Issue, the Directors of Silver Bird estimates interest savings to be approximately RM400,000 for the financial year ending 31 October 2002.

The Directors of Silver Bird have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of the Group for the financial year ending 31 October 2002 and are of the opinion that the consolidated profit forecast is fair and reasonable in light of the future prospects of the industry, future plans of the Group and the Group's gearing, liquidity and working capital requirements.

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10. FINANCIAL INFORMATION (Cont'd)

10.3.5 Reporting Accountants' Letter on the Consolidated Profit Forecast

HORWATH MOK & POON
Chartered Accountants
A member of Horwath International

22 April 2002

The Board of Directors
Silver Bird Group Berhad
No. 205 & 206 Jalan 1
Taman Perindustrian Ehsan Jaya
Taman Ehsan, Kepong
52100 Kuala Lumpur

Level 16 Tower C
Megan Philco Avenue
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50450 Kuala Lumpur

Tel (603) 2166 0000
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E-mail horwath@po.jaring.my
Website www.horwathkl.com



Dear Sirs

**SILVER BIRD GROUP BERHAD ("Silver Bird")
CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31
OCTOBER 2002**

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Silver Bird and its subsidiary companies ("the Group"), for the financial year ending 31 October 2002, for which the Directors are solely responsible, as set out in the Prospectus to be dated 30 April 2002 in connection with the following:-

- (i) the split of one (1) ordinary share of RM1.00 to two (2) ordinary shares of RM0.50 each. This resulted in the increase in the number of ordinary shares in issue from 13,194,720 ordinary shares of RM1.00 each to 26,389,440 ordinary shares of RM0.50 each;
- (ii) the conversion of 2,513,280 issued and fully paid-up "A" ordinary shares of RM1.00 each in Silver Bird into 5,026,560 new ordinary shares of RM0.50 each at a conversion ratio of 1 "A" ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each;
- (iii) the conversion of 3,000,000 issued and fully paid-up preference shares of RM1.00 each in Silver Bird into 4,000,000 new ordinary shares of RM0.50 each at a conversion ratio of 3 preference shares of RM1.00 each into 4 ordinary shares of RM0.50 each;
- (iv) a rights issue of 29,784,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.50 per share on the basis of approximately 275 new ordinary shares for every 327 existing ordinary shares held based on the enlarged share capital comprising 35,416,000 ordinary shares of RM0.50 each after the split of the par value of the ordinary shares, conversion of "A" shares and conversion of preference shares;
- (v) a public issue of 14,800,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.90 per share; and
- (vi) the listing of and quotation for its entire enlarged issued and fully paid-up share capital comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange.

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10. FINANCIAL INFORMATION (Cont'd)



In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the directors as set out in the Prospectus and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully

A handwritten signature in black ink, appearing to be "Mok & Poon".

HORWATH MOK & POON
Firm No : AF 0995
Chartered Accountants

A handwritten signature in black ink, appearing to be "Onn Kien Hoe".

ONN KIEN HOE
Approval No : 1772/11/02 (J)
Partner of Firm

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")



A. CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2002.

The directors of Silver Bird forecast that, barring unforeseen circumstances and on the bases and assumptions set out below, the consolidated profit after taxation of Silver Bird and its subsidiary companies ("the Group") for the financial year ending 31 October 2002, will be as follows:-

	Forecast For the Financial Year Ending 31 October 2002 RM'000
Consolidated profit after taxation	<u>9,144</u>
Proforma weighted average number of ordinary shares in issue ('000)	58,957
Net earnings per share (sen)	0.15

* - On the assumption that the public issue is completed by the end of May 2002.

B. PRINCIPAL BASES AND ASSUMPTIONS RELATING TO THE CONSOLIDATED PROFIT FORECAST

1. There will be no significant changes in the principal activities and the existing structure of the Group. There will be no significant changes in the key management and operating structure of the Group.
2. There will be no significant changes to the prevailing economic and political conditions in Malaysia that may have an adverse effect on the activities and performance of the Group.
3. There will be no significant changes in the present legislation or government regulations, direct or indirect taxes and duties, which will adversely affect the activities of the Group. The income tax rate will remain at 28% with no significant changes in the bases of taxation.
4. There will be no significant changes in the forecast selling prices for the Group's products and services, and there will be no major changes in the forecast market demand for the Group's products and services.
5. There will be no significant changes in the prices of major raw materials, labour and other operating costs other than those as provided. Any significant increase in the cost of products and services will be compensated through an equivalent increase in the selling prices.

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")



B. PRINCIPAL BASES AND ASSUMPTIONS RELATING TO THE CONSOLIDATED PROFIT FORECAST (CONT'D)

6. There will be sufficient manpower and there will be no industrial disputes or disruption in the supply of raw materials by the major suppliers or any other abnormal factors which will adversely affect the operations of the Group.
7. The Group will continue to enjoy the existing credit and financing facilities and that additional credit and financing facilities will be obtained as required. Interest rates on the existing and additional credit and financing facilities will not vary significantly from the present and forecast level.
8. Inflation and foreign currency exchange rates will not fluctuate significantly from the present and forecast level.
9. There will be no major proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the financial position or business of the Group.
10. There will be no significant changes in the accounting policies presently adopted by the Group.

11. The flotation scheme of Silver Bird is as follows:-

11.1 Corporate Restructuring

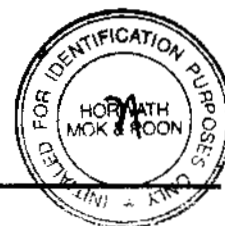
The corporate restructuring of Silver Bird comprises the following:-

- (i) the split of one (1) ordinary share of RM1.00 to two (2) ordinary shares of RM0.50 each. This resulted in the increase in the number of ordinary shares in issue from 13,194,720 ordinary shares of RM1.00 each to 26,389,440 ordinary shares of RM0.50 each;
- (ii) the conversion of 2,513,280 issued and fully paid-up "A" ordinary shares of RM1.00 each in Silver Bird into 5,026,560 new ordinary shares of RM0.50 each at a conversion ratio of 1 "A" ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each; and
- (iii) the conversion of 3,000,000 issued and fully paid-up preference shares of RM1.00 each in Silver Bird into 4,000,000 new ordinary shares of RM0.50 each at a conversion ratio of 3 preference shares of RM1.00 each into 4 ordinary shares of RM0.50 each.

11.2 Rights Issue

Silver Bird shall undertake a rights issue of 29,784,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.50 per share on the basis of approximately 275 new ordinary shares for every 327 existing ordinary shares held based on the enlarged share capital comprising 35,416,000 ordinary shares of RM0.50 each after the split of the par value of the ordinary shares, conversion of "A" shares and conversion of preference shares.

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")**B. PRINCIPAL BASES AND ASSUMPTIONS RELATING TO THE CONSOLIDATED PROFIT FORECAST (CONT'D)**

11.3 Public Issue

Silver Bird shall undertake a proposed public issue of 14,800,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.90 per share.

11.4 Flotation

The entire enlarged issued and fully paid-up share capital of Silver Bird comprising 80,000,000 ordinary shares of RM0.50 each, after the public issue, shall be listed and quoted on the Second Board of the Kuala Lumpur Stock Exchange. It is assumed that the public issue will be completed in April 2002.

12 The estimated listing expenses of RM1.9 million are charged against the share premium reserve.

13 The proceeds from the rights issue and public issue of RM14,892,000 and RM13,320,000 respectively are to be utilised as follows:-

	RM'000
Cost of construction and acquisition of plant and machinery for new factory	15,800
Repayment of bank borrowings	9,000
Working capital	1,512
Estimated listing expenses	1,900
	<u>28,212</u>

10. FINANCIAL INFORMATION (Cont'd)**10.3.6 Dividend Forecast**

It is the policy of the Company in recommending dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the consolidated profit forecast and on the present basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of the Company anticipate that the Company is in a position to propose a tax-exempt dividend of 1.25 sen for the financial year ending 31 October 2002.

The intended appropriation of the profit forecast for the financial year ending 31 October 2002 would be as follows:-

	Year ending 31 October 2002 RM'000
Consolidated profit before taxation	10,518
Less: Taxation	<u>(1,374)</u>
Consolidated profit after taxation	9,144
Less: Proposed dividend	<u>(1,000)</u>
Retained profit for the year	<u><u>8,144</u></u>
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

Investors should note that future dividends may not be declared and paid if:-

- (a) the Group is in a loss position for the relevant financial year; or
- (b) the Group has insufficient cash flows to meet any dividend payments.

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10. FINANCIAL INFORMATION (Cont'd)

10.4 PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2001 TOGETHER WITH THE NOTES AND ASSUMPTIONS THEREON

The following proforma consolidated balance sheet of Silver Bird 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.

The Proposed ESOS is not expected to have any effect on the NTA per share of the Group, until such time as the Options under the Proposed ESOS are exercised. Any potential effect on the Group NTA in future would depend on the number of Options granted and exercised at any point in time as well as the price payable upon the exercise of the Options.

As set out in Section 5.3 of this Prospectus, barring unforeseen circumstances, the Directors of Silver Bird intend to grant Options for up to a maximum of 7.2 million Shares prior to the Company being listed on the KLSE at an exercise price of RM0.90 per Share. However, such Options shall only be exercisable after Silver Bird has been listed on the Second Board of the KLSE. Subject to the decision of the Option Committee (as defined in the By-Laws of the Proposed ESOS), holders of Options may exercise up to a maximum of 50% of their Options in each year during the duration of the Proposed ESOS, ie. potentially a maximum of 3.6 million Options may be exercised each year.

For illustrative purposes only, assuming full exercise of the maximum 8 million number of Options that may be granted pursuant to the Proposed ESOS (based on Silver Bird's enlarged share capital of 80 million Shares upon completion of the IPO) at an exercise price of RM0.90 per Share, the Directors of Silver Bird estimate that the NTA of the Group will increase marginally from RM0.69 per Share (upon completion of the IPO) to RM0.71 per Share.

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10. FINANCIAL INFORMATION (Cont'd)

22 April 2002

The Board of Directors
Silver Bird Group Berhad
No. 205 & 206 Jalan 1
Taman Perindustrian Ehsan Jaya
Taman Ehsan, Kepong
52100 Kuala Lumpur

HORWATH MOK & POON
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Website www.horwathkl.com



Dear Sirs

**SILVER BIRD GROUP BERHAD ("Silver Bird")
PROFORMA CONSOLIDATED BALANCE SHEETS**

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Silver Bird Group Berhad ("Silver Bird") and its subsidiaries ("the Group") as at 31 October 2001, as set out in the Prospectus to be dated 30 April 2002 in connection with the following:-

- (i) the split of one (1) ordinary share of RM1.00 to two (2) ordinary shares of RM0.50 each. This resulted in the increase in the number of ordinary shares in issue from 13,194,720 ordinary shares of RM1.00 each to 26,389,440 ordinary shares of RM0.50 each;
- (ii) the conversion of 2,513,280 issued and fully paid-up "A" ordinary shares of RM1.00 each in Silver Bird into 5,026,560 new ordinary shares of RM0.50 each at a conversion ratio of 1 "A" ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each;
- (iii) the conversion of 3,000,000 issued and fully paid-up preference shares of RM1.00 each in Silver Bird into 4,000,000 new ordinary shares of RM0.50 each at a conversion ratio of 3 preference shares of RM1.00 each into 4 ordinary shares of RM0.50 each;
- (iv) a rights issue of 29,784,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.50 per share on the basis of approximately 275 new ordinary shares for every 327 existing ordinary shares held based on the enlarged share capital comprising 35,416,000 ordinary shares of RM0.50 each after the split of the par value of the ordinary shares, conversion of "A" shares and conversion of preference shares;
- (v) a public issue of 14,800,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.90 per share; and
- (vi) the listing of and quotation for its entire enlarged issued and fully paid-up share capital comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange.

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10. FINANCIAL INFORMATION *(Cont'd)*



In our opinion, the above-mentioned Proforma Consolidated Balance Sheets, together with the notes thereto which are provided for illustrative purposes only, have been prepared on the basis consistent with the accounting policies normally adopted by the Group and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully

A handwritten signature in black ink, appearing to be "H. Mok & P.", written over a light blue horizontal line.

HORWATH MOK & POON
Firm No : AF 0995
Chartered Accountants

A handwritten signature in black ink, appearing to be "Onn Kien Hoe", written over a light blue horizontal line.

ONN KIEN HOE
Approval No : 1772/11/02 (J)
Partner of Firm

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")



PROFORMA CONSOLIDATED BALANCE SHEETS

	Audited Group As at 31.10.2001 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III 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 split of the par value of the ordinary shares conversion of 'A' ordinary shares and preference shares as set out in Note I (i) to (iii).

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")



NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. The proforma balance sheets of the Group have been prepared based on the audited financial statements of Silver Bird and its subsidiaries for the financial year ended 31 October 2001. The proforma balance sheets under the various scenarios incorporate the following transactions, on the assumption that the transactions had been effected as of that date:-

Proforma I

Proforma I incorporates the following transactions by Silver Bird:-

- (i) The split of one (1) ordinary share of RM1.00 to two (2) ordinary shares of RM0.50 each. This resulted in the increase in the number of ordinary shares in issue from 13,194,720 ordinary shares of RM1.00 each to 26,389,440 ordinary shares of RM0.50 each;
- (ii) The conversion of 2,513,280 issued and fully paid-up "A" ordinary shares of RM1.00 each in Silver Bird into 5,026,560 new ordinary shares of RM0.50 each at a conversion ratio of 1 "A" ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each; and
- (iii) The conversion of 3,000,000 issued and fully paid-up preference shares of RM1.00 each in Silver Bird into 4,000,000 new ordinary shares of RM0.50 each at a conversion ratio of 3 preference shares of RM1.00 each into 4 ordinary shares of RM0.50 each.

Proforma II

Proforma II incorporates the effects of Proforma I and the rights issue of 29,784,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.50 per share on the basis of approximately 275 new ordinary shares for every 327 existing ordinary shares held based on the enlarged share capital comprising 35,416,000 ordinary shares of RM0.50 each after the split of the par value of the ordinary shares, conversion of "A" shares and conversion of preference shares. The proceeds from the rights issue are shown as part of cash and bank balances pending utilisation.

Proforma III

Proforma III incorporates the effects of Proforma II, the public issue of 14,800,000 new ordinary shares of RM0.50 each in Silver Bird at an issue price of RM0.90 per share and the utilisation of proceeds from the rights issue and public issue of RM14,892,000 and RM13,320,000 respectively, as shown below.

	RM'000
Cost of construction and acquisition of plant and machinery for new factory	15,800
Repayment of bank borrowings	9,000
Working capital	1,512
Estimated listing expense	1,900
	<u>28,212</u>

10. FINANCIAL INFORMATION (Cont'd)

SILVER BIRD GROUP BERHAD ("Silver Bird")



2. The movements in the issued and paid-up share capital of the Group in the various scenarios are as follows:-

	Ordinary Shares '000 units	'A' Ordinary Shares '000 units	Preference Shares '000 units	Total '000 units
Audited Group As at 31 October 2001	13,195	2,513	3,000	18,708
Split of par value	13,195	-	-	13,195
Conversion of shares	9,026	(2,513)	(3,000)	3,513
Proforma I	35,416	-	-	35,416
Rights issue	29,784	-	-	29,784
Proforma II	65,200	-	-	65,200
Public issue	14,800	-	-	14,800
Proforma III	80,000	-	-	80,000

	Ordinary Shares RM'000	'A' Ordinary Shares RM'000	Preference Shares RM'000	Total RM'000
Audited Group As at 31 October 2001	13,195	2,513	3,000	18,708
Split of par value	-	-	-	-
Conversion of shares	4,513	(2,513)	(3,000)	(1,000)
Proforma I	17,708	-	-	17,708
Rights issue	14,892	-	-	14,892
Proforma II	32,600	-	-	32,600
Public issue	7,400	-	-	7,400
Proforma III	40,000	-	-	40,000

3. The estimated listing expenses of RM1,900,000 (of which RM524,000 has been accounted for under the Intangible Assets in Proforma III), have been debited against the share premium reserve as follows:-

	Amount RM'000
Balance as at 31 October 2001	-
Reserve arising on conversion of preference shares	1,000
As per Proforma I/II	1,000
Reserve arising on public issue	5,920
Less: Listing expenses	1,900
As per Proforma III	5,020

4. The Proforma Group as at 31 October 2001 are consolidated using the merger method and all intra-group balances have been eliminated on consolidation in Proforma III.