

**SILVER BIRD GROUP BERHAD**  
(Company No. 277977-X)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 Months Ended 31 Oct		Cumulative 12 Months Ended 31 Oct	
	2006	2005	2006	2005
	RM'000	Restated RM'000	RM'000	Restated RM'000
<b>Revenue</b>	150,121	134,768	597,991	484,712
Cost of sales	(149,664)	(112,509)	(549,774)	(416,436)
<b>Gross profit</b>	457	22,259	48,217	68,276
Operating income	(709)	133	2,009	943
Operating expenses	(44,244)	(17,165)	(76,603)	(42,940)
<b>Operating profit</b>	(44,496)	5,227	(26,377)	26,279
Interest expense	(2,020)	(1,513)	(8,303)	(7,363)
Interest and other income	92	0	200	500
Share of loss from jointly-controlled company	(6,235)	(1,760)	(14,991)	(1,760)
<b>Profit/(Loss) before taxation</b>	(52,659)	1,954	(49,471)	17,656
Taxation				
- Company	1,364	5,047	1,094	4,645
- Share of taxation in jointly-controlled company	150	(150)	150	(150)
<b>Profit/(Loss) after taxation</b>	(51,145)	6,851	(48,227)	22,151
Less: Minority Interest	0	0	0	0
<b>Profit/(Loss) after taxation and minority interest</b>	(51,145)	6,851	(48,227)	22,151
<b>Net profit/(loss) for the period</b>	(51,145)	6,851	(48,227)	22,151
<b>Basic earnings per share (sen)</b>	-24.28	3.25	-22.90	11.93
<b>Diluted earnings per share (sen)</b>	-24.28	3.25	-22.90	11.93
<b>Dividend per share (sen)</b>	0.00	0.00	0.00	0.00

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 October 2005 and the accompanying explanatory notes attached to the interim financial statements.

# SILVER BIRD

## SILVER BIRD GROUP BERHAD

(Company No. 277977-X)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2006

	AS AT END OF 4TH QUARTER 31/10/06 UNAUDITED RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/10/05 AUDITED (Restated) RM'000
Property, plant and equipment	152,188	239,248
Investment in a jointly controlled entity	0	2,888
Goodwill on consolidation	36,217	36,219
	188,405	278,355
<b>Current assets</b>		
Other investment	0	20
Inventories	14,950	11,520
Trade receivables	43,656	54,923
Other receivables, deposits and prepayments	23,711	11,746
Bank balance	59,983	5,661
	142,300	83,870
<b>Current Liabilities</b>		
Trade payables	22,613	22,279
Other payables and accruals	9,421	9,124
Amount owing to a jointly controlled entity	8,822	0
Short term borrowings	100,826	85,358
Provision for taxation	0	383
	141,682	117,144
<b>Net current assets</b>	618	(33,274)
	189,023	245,081
<b>Shareholders' funds</b>		
Share capital	105,319	105,261
<b>Reserves</b>		
Share premium	23,443	23,452
Merger deficit	(5,326)	(5,326)
Capital reserve	277	277
Retained profits	(14,676)	33,553
Warrants Reserve	7,363	7,368
5-Year 1% Irredeemable Convertible Unsecured Loan Stocks	3,408	3,410
Proposed dividend	0	3,032
	119,808	171,027
Treasury Shares	(1)	0
	119,807	171,027
Long term borrowings	66,306	70,124
Deferred taxation	2,910	3,930
	189,023	245,081
<b>Net assets per share (RM)</b>	0.56	0.79

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 October 2005 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	Share Capital RM'000	Share Premium Reserve RM'000	Merger Deficit RM'000	Capital Reserves RM'000	Retained Profits RM'000	5-Year 1% ICULS/ 1% RCULS RM'000	Warrant Reserves RM'000	Proposed Dividend RM'000	Treasury Shares RM'000	Total RM'000
<b>Balance at 31.10.2004/ 1.11.2004 (as previously reported )</b>	70,798	7,510	(5,326)	277	26,796	36,700	-	2,832	-	139,587
<b>Prior year adjustment</b>	-	-	-	-	(11,024)	-	-	-	-	(11,024)
<b>Balance at 31.10.2004/ 1.11.2004 ( as restated )</b>	70,798	7,510	(5,326)	277	15,772	36,700	-	2,832	-	128,563
Exercise of ESOS	508	124	-	-	-	-	-	-	-	632
Conversion of ICULS	12,566	4,524	-	-	-	(17,090)	-	-	-	-
Conversion of RCULS	11,912	4,288	-	-	-	(16,200)	-	-	-	-
Private placement	9,477	8,719	-	-	-	-	-	-	-	18,196
Issuance of warrant	-	-	-	-	-	-	7,368	-	-	7,368
Corporate exercise expense	-	(1,713)	-	-	-	-	-	-	-	(1,713)
Net profit for the period (as previously reported)	-	-	-	-	19,409	-	-	-	-	19,409
Prior year adjustment	-	-	-	-	2,742	-	-	-	-	2,742
Net profit for the period (as restated)	-	-	-	-	22,151	-	-	-	-	22,151
Dividend paid	-	-	-	-	(1,338)	-	-	(2,832)	-	(4,170)
Proposed Dividend	-	-	-	-	(3,032)	-	-	3,032	-	-
<b>Balance at 31.10.2005</b>	<b>105,261</b>	<b>23,452</b>	<b>(5,326)</b>	<b>277</b>	<b>33,553</b>	<b>3,410</b>	<b>7,368</b>	<b>3,032</b>	<b>-</b>	<b>171,027</b>
<b>Balance at 31.10.2005/ 01.11.2005 (as previously reported)</b>	105,261	23,452	(5,326)	277	41,835	3,410	7,368	3,032	-	179,309
<b>Prior year adjustment</b>	-	-	-	-	(8,282)	-	-	-	-	(8,282)
<b>Balance at 31.10.2005/ 1.11.2005 ( as restated )</b>	105,261	23,452	(5,326)	277	33,553	3,410	7,368	3,032	-	171,027
Exercise of ESOS	20	4	-	-	-	-	-	-	-	24
Realisation upon exercise of warrants	-	5	-	-	-	-	(5)	-	-	-
Dividend payable	-	-	-	-	-	-	-	(3,032)	-	(3,032)
Corporate exercise expense	-	(42)	-	-	-	-	-	-	-	(42)
Conversion of ICULS	1	1	-	-	-	(2)	-	-	-	-
Conversion of warrant	37	23	-	-	-	-	-	-	-	60
Treasury shares acquired	-	-	-	-	-	-	-	-	(1)	(1)
Net profit for the period	-	-	-	-	(48,229)	-	-	-	-	(48,229)
<b>Balance at 31.10.2006</b>	<b>105,319</b>	<b>23,443</b>	<b>(5,326)</b>	<b>277</b>	<b>(14,676)</b>	<b>3,408</b>	<b>7,363</b>	<b>-</b>	<b>(1)</b>	<b>119,807</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2005 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	<b>12-month Ended 31 Oct 2006 RM'000</b>	<b>12-month Ended 31 Oct 2005 RM'000</b>
<b>Cash flows from operating activities</b>		
Net profit before tax	(49,471)	20,187
Adjustment		
Share of loss in jointly-controlled entity	14,991	1,760
Adjustments for non-cash flow: -		
Non-cash items	55,852	23,369
Non-operating items	(200)	(500)
Operating profit before changes in working capital	21,172	44,816
Changes in working capital		
Net change in current assets	(16,211)	(34,135)
Net change in current liabilities	9,293	(25)
Net cash (used in)/generated from operating activities	14,254	10,656
<b>Cash flows from investing activities</b>		
Dividend and interest income	200	500
Purchase of property, plant and equipment	(58,712)	(68,033)
Proceeds from disposal of properties	89,920	-
Investment in jointly controlled entity	-	(4,798)
Acquisition of subsidiaries cash inflow	-	-
Disposal of subsidiaries cash inflow	-	-
Net cash (used in)/generated from investing activities	31,408	(72,331)
<b>Cash flows from financing activities</b>		
Corporate exercise expenses	(42)	(1,713)
Bank borrowings	16,414	(46,598)
Dividends paid	(3,032)	-
Proceed from issuance of Serial Bond	-	62,289
Proceed from issuance of ordinary shares	60	-
Drawdown of "CPs"	65,000	30,000
Repayment of "CPs"	(60,000)	(10,000)
Private Placement	-	18,196
Proceed from issuance of Warrants	-	7,368
Proceeds from ESOS	24	632
Net cash (used in)/generated from financing activities	18,424	60,174
<b>Net change in Cash &amp; Cash equivalents</b>	64,086	(1,501)
<b>Cash &amp; Cash equivalents at beginning of the financial year</b>	(4,103)	(2,602)
<b>Cash &amp; Cash equivalents at end of the financial year*</b>	59,983	(4,103)

\* Cash and cash equivalents at end of financial period comprise the following: -

	<b>As at 31 Oct 2006 RM'000</b>	<b>As at 31 Oct 2005 RM'000</b>
Bank balance	59,983	5,661
Bank overdrafts (included in short term borrowings)	-	(9,764)
	59,983	(4,103)

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 October 2005 and the accompanying explanatory notes attached to the interim financial statements.

# SILVER BIRD

## SILVER BIRD GROUP BERHAD

(Company No. 277977-X)

(Incorporated in Malaysia)

### PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

#### 1 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134 (“FRS” 134) previously known as MASB 26 on Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Bhd.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 October 2005.

The accounting policies and methods of computation followed in this quarterly financial statement are the same as those in the audited financial statements for the financial year ended 31 October 2005.

#### 2 CHANGES IN ACCOUNTING POLICIES

The significant changes in accounting policies adopted are consistent with those of the audited financial statements for the financial period ended 31 October 2005 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial statements commencing 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of the FRSs mentioned above does not have any significant financial impact to the Group.

**3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited financial statements for the financial year ended 31 October 2005 was not qualified.

**4 COMMENTS ABOUT SEASONAL AND CYCLICAL FACTORS**

The demand for certain bakery products are seasonal in nature. On the other hand, the sales of telecommunication products are not significantly affected by seasonal and cyclical factors.

**5 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review except for the provision for the impairment of assets for RM 28 million and the written off of assets amounting to RM 7.8 million which was included in the operating expenses.

During the period under review and financial year ending 31 October 2006, our sales in cake and frozen products have declined significantly and trend is foreseeable not to reverse in the near future. The Board of Directors had assessed and is of the opinion to make provision of impairment loss of RM28 million as the budgeted net cashflow or operating profits from the cake and frozen products were significantly lower than expected.

The written off amount of RM 7.8 million due to the fixed assets from discontinued bakery café business.

**6 CHANGES IN ESTIMATES**

Not applicable as no estimates were published for the financial period under review.

**7 DEBT AND EQUITY SECURITIES**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year as at 31 October 2006: -

**a) Conversion of Warrants 2005/2010 into new ordinary shares of RM 0.50 each**

A total of 75,000 new ordinary shares of RM 0.50 each were issued pursuant to the conversion of Warrants 2005/2010 at an exercise price of RM 0.80 each.

**b) Executive Share Option Scheme ("ESOS")**

A total of 40,000 new ordinary shares of RM 0.50 each were allotted under ESOS at an exercise price of RM 0.60 per share.

**c) Conversion of 1% Irredeemable Convertible Unsecured Loan Stocks (ICULS) into new ordinary shares of RM 0.50 each**

A total of 2,646 new ordinary shares of RM 0.50 each were issued pursuant to the conversion of RM 1,799 nominal value of ICULS.

**d) Share buybacks / Treasury shares**

Details of shares buybacks as of 31 October 2006 is as follows:

	<b>Number of Silver Bird Shares Purchased</b>	<b>Highest price</b>	<b>Lowest price</b>	<b>Average price</b>	<b>Total amount paid*</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
As at 1 Nov 2005	0	-	-	-	0
October 2006	1,000	0.41	0.41	0.41	423.17
<b>Total</b>	<b>1,000</b>				<b>423.17</b>

\*Includes brokerage, commission, stamp duty and clearing fee

The shares repurchased are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965.

The outstanding debts are as disclosed in Note 24.

**8 DIVIDENDS PAID**

a) On 24 July 2006, the Company paid a final gross dividend of RM 0.02 per share on 210,638,765 ordinary shares amounting to RM 4,212,775 for the financial year ended 31 October 2005.

b) There was no dividend paid for the financial year under review.

**9 SEGMENTAL REPORTING – GROUP**

<b>Segment Revenue</b>	<b>3 Months Ended 31/10/2006 RM'000</b>	<b>3 Months Ended 31/10/2005 RM'000</b>	<b>Cumulative Period Ended 31/10/2006 RM'000</b>	<b>Cumulative Period Ended 31/10/2005 RM'000</b>
Consumer food	29,301	42,819	152,158	149,058
Telecommunication products	120,820	91,949	445,833	335,654
<b>Total</b>	<b>150,121</b>	<b>134,768</b>	<b>597,991</b>	<b>484,712</b>

<b>Segment Profit Before Income Tax</b>	<b>3 Months Ended 31/10/2006 RM'000</b>	<b>3 Months Ended 31/10/2005 RM'000</b>	<b>Cumulative Period Ended 31/10/2006 RM'000</b>	<b>Cumulative Period Ended 31/10/2005 RM'000</b>
Consumer food	(47,627)	3,303	(37,840)	17,667
Telecommunication products	1,203	411	3,360	1,749
Share of loss from jointly-controlled company	(6,235)	(1,760)	(14,991)	(1,760)
<b>Total</b>	<b>(52,659)</b>	<b>1,954</b>	<b>(49,471)</b>	<b>17,656</b>

Reporting by geographical segment was not applicable as the Group operates principally in Malaysia.

**10 REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There had been no revaluation of property, plant and equipment and other investment.

**11 SUBSEQUENT MATERIAL EVENTS**

There was no material event subsequent to the current quarter.

**12 CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current quarter and financial year to date.

**13 CHANGES IN CONTINGENT LIABILITIES**

During the financial year ended 31 October 2006, the Company had given corporate guarantees amounting to approximately RM 151 million to secure banking facilities granted to certain subsidiaries.

**14 CAPITAL COMMITMENTS**

	<b>As at 31 October 2006 RM'000</b>	<b>As at 31 October 2005 RM'000</b>
Approved capital commitment contracted but not provided for	8,411	10,257
Approved capital commitment not contracted for	-	-
	8,411	10,257

**15 PRIOR YEAR ADJUSTMENT**

During the current financial year, the Group changed its accounting policy in relation to the recognition of unutilised reinvestment allowance as deferred asset.

The Group had previously recognised unutilised reinvestment allowance as deferred asset to the extent of the amount of deferred liability recognised pursuant to FRS 112 - Income Taxes. The Group changed its policy to discontinue the recognition of unutilised reinvestment allowance as deferred asset in the current financial year. Correspondingly, all recognised deferred asset from prior years arising from the unutilised reinvestment allowance will be reversed.

There was error in the classification of property, plant and equipment in prior years which had been reclassified in current financial year. Due to the error in the classification, depreciation had been underprovided in the financial year ended 31 October 2004 and 2005.

The change in the above accounting policy and the under provision of depreciation have been effected retrospectively as a prior year adjustment and the comparative figures of Balance Sheet and Income Statement for the financial year ended 31 October 2005 will be as follows:



	As Previously Reported RM'000	Effect of Adjustment		As Restated RM'000
		Deferred tax RM'000	Under provision of depreciation RM'000	
Balance Sheet (extract):-				
Property, plant and equipment	243,620	-	(4,372)	239,248
Deferred asset	3,910	(3,910)	-	-
Retained profits	<u>41,835</u>	<u>(3,910)</u>	<u>(4,372)</u>	<u>33,553</u>
Income Statement (extract):-				
Profit before taxation	20,184	-	(2,528)	17,656
Taxation	(775)	5,270	-	4,495
Profit after taxation	<u>19,409</u>	<u>5,270</u>	<u>(2,528)</u>	<u>22,151</u>

## **PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

### **16 REVIEW OF PERFORMANCE**

For the quarter under review, the Group registered revenues of RM 150.1 million compared with RM 134.8 million in the preceding year corresponding period. The Group incurred a loss before taxation of RM 52.7 million for this quarter compared with a profit before taxation of RM 2.0 million in the preceding year corresponding period.

For the financial year under review, the Group's turnover was RM 598.0 million; a 23% increased from RM 484.7 million of preceding year. The higher turnover was attributable to the 33% increased in sales for Multicom Division and 2% increased in sales for Consumer Food Division.

For the financial year under review, the Group registered a loss before taxation of RM 49.5 million mainly due to the provision of impairment loss of RM28 million, the written off of assets amounting to RM 7.8 million and share of start up losses of the jointly controlled company amounting to RM 15.0 million.

### **17 MATERIAL CHANGES IN THE QUARTERLY RESULTS AGAINST THE IMMEDIATE PRECEDING QUARTERLY RESULTS**

The Group registered a loss before taxation of RM 52.7 million for the current quarter compared with a profit before taxation of RM 0.8 million in the preceding quarter. The unfavourable results for the this quarter were principally due to the provision of impairment loss of RM28 million, the written off of assets amounting to RM 7.8 million, share of start up losses of RM 6.2 million from the jointly controlled company and lower sales in Consumer Division.

**18 COMMENTARY ON PROSPECTS**

For the financial year ending 2007, given a challenging environment, the Group is focused on regaining market share based on an aggressive promotion and expansion campaign besides further pursuing effective cost reduction initiatives.

**19 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST/PROFIT GUARANTEE**

Not applicable as no profit forecast was published and no profit guarantee was provided for the financial period under review.

**20 TAXATION**

	<b>Current Year 4th Quarter Ended 31/10/06 RM'000</b>	<b>Cumulative Current Year To Date As At 31/10/06 RM'000</b>
Current Tax	(1,514)	(1,244)

The effective tax rate for the current quarter and year to date is lower than the statutory income tax rate mainly due to the availability of capital and reinvestment allowances.

**21 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

On 17 May 2006, Standard Confectionery Sdn Bhd ("SCSB"), a wholly owned subsidiary of Silver Bird, had entered into a Sale and Purchase Agreement with Amanah Raya Berhad ("ARB"), for SCSB to sell and ARB to purchase a freehold industrial property measuring approximately 59,337.11 square metre being a portion of the land held under the Master Title Geran No. 64178 Lot 62003 Pekan Baru Hicom, Daerah Petaling, Selangor Darul Ehsan ("the Property"), together with all the erected buildings/ structures on the site and all the fixtures and fixed equipment attached thereon for the Property. SCSB has realised a gain of RM1.2 million from the disposal of Property.

**22 QUOTED SECURITIES**

Save as disclosed below, there were no purchases or disposal of quoted securities during the current quarter and financial year to date.

Disposal of investment in quoted securities:-

	<b>12 months ended 31/10/2006 RM'000</b>
Sale proceeds	14
Purchase consideration	20
Loss on investment	(6)

No disposal of investment in quoted securities in the 4<sup>th</sup> quarter ended 31 October 2006.

## 23 STATUS OF CORPORATE PROPOSALS

**PROPOSED SALE AND LEASEBACK OF A FREEHOLD INDUSTRIAL PROPERTY MEASURING APPROXIMATELY 59,337.11 SQ METRE, BEING A PORTION OF THE LAND HELD UNDER THE MASTER TITLE GERAN NO. 64178, LOT 62003, PEKAN BARU HICOM, DAERAH PETALING, SELANGOR DARUL EHSAN, TOGETHER WITH ALL THE ERECTED BUILDINGS / STRUCTURES ON THE SITE AND ALL THE FIXTURES AND FIXED EQUIPMENT ATTACHED THEREON FOR THE SAID PROPERTY TO BE FULLY OPERATIONAL AS AN INDUSTRIAL WAREHOUSE COMPLEX ("PROPERTY") ("PROPOSED SALE AND LEASEBACK")**

On 27 March 2006, AmMerchant Bank Berhad (a member of the AmInvestment Group) ("AmMerchant Bank") had announced on behalf of the Board of Directors of Silver Bird, that Amanah Raya Berhad as Trustee for the Common Fund ("ARB") and Silver Bird had entered into a conditional sale and leaseback arrangement in relation to the above-mentioned Property upon the terms and conditions contained in the letter of confirmation to purchase issued by ARB to the Company on 22 March 2006.

On 17 May 2006, Standard Confectionery Sdn Bhd ("SCSB"), a wholly owned subsidiary of Silver Bird, had entered into a Sale and Purchase Agreement with ARB, for SCSB to sell and ARB to purchase the Property for a cash consideration of RM 91.2 million.

Pursuant to the above proposed disposal, a lease agreement was entered into concurrently between ARB and Silver Bird for the lease of the Property to Silver Bird for a period of ten (10) years commencing from the completion date of the proposed disposal. The lease term is extendable for a further five (5) years subject to the mutual agreement of both parties.

The Proposed Sale and Leaseback had been completed on 11 October 2006 and there was no corporate proposal announced but not completed as at the date of this report.

## 24 GROUP BORROWINGS

The Group borrowings are as follows: -

<b>Secured Borrowings</b>	<b>As at 31 October 2006 RM'000</b>	<b>As at 31 October 2005 RM'000</b>
Short term borrowings	75,826	65,358
Long term borrowings	2,137	7,057
	77,963	72,415

<b>Unsecured Borrowings</b>	<b>As at 31 October 2006 RM'000</b>	<b>As at 31 October 2005 RM'000</b>
Short term borrowings	25,000	20,000
Long term borrowings	64,169	63,067
	89,169	83,067

All of the above borrowings are denominated in Ringgit Malaysia.

**25 OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off Balance Sheet financial instruments entered into by the Group as at the date of this announcement.

**26 MATERIAL LITIGATION**

There was no material litigation involving the Group as at the date of this announcement.

**27 PROPOSED DIVIDEND**

There was no dividend proposed by the Board of Directors for the current financial year under review.

**28 EARNINGS PER SHARE****Basic**

The basic earnings per share is calculated by dividing the Group's net profit for the period by the weighted average number of ordinary shares in issue during the period as follows: -

	<b>CURRENT YEAR 4<sup>th</sup> QUARTER 31/10/06 RM'000</b>	<b>CURRENT YEAR TO DATE 31/10/06 RM'000</b>
Net profit attributable to members of the company	(51,145)	(48,229)
Weighted average number of ordinary shares outstanding ('000)	210,639	210,616
Basic earnings per share (RM)	(0.24)	(0.23)

**Diluted**

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares outstanding during the period have been adjusted for the effects of dilutive potential ordinary shares from the conversion of the ESOS and ICULS.

	<b>CURRENT YEAR 4<sup>th</sup> QUARTER 31/10/06 RM'000</b>	<b>CURRENT YEAR TO DATE 31/10/06 RM'000</b>
Net profit attributable to members of the company	(51,145)	(48,229)
Weighted average number of ordinary shares outstanding ('000)	210,639	210,616
Adjustment for assumed conversion of ESOS, ICULS and RCULS ('000)	0	0
Adjusted weighted average number of ordinary shares outstanding and issuable ('000)	210,639	210,616
Diluted earnings per share (RM)	(0.24)	(0.23)

**29      AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 December 2006.

By order of the Board

**Mah Li Chen**

**Tan Fong Shian @ Lim Fong Shian**

Company Secretaries

Kuala Lumpur