

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 have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 October 2006. 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 2006.

2. CHANGES IN ACCOUNTING POLICIES

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

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in 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
FES 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

Revised FRSs which would be adopted from the financial period beginning 1 January 2007 are:

FRS 117	Leases
FRS 124	Related Party Disclosures

2. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

The adoption of FRS 102, 108, 110, 116, 124, 127, 131, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

In addition, the useful lives of other intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Prior to 1 January 2006, intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Under the FRS 138, some of the intangible assets are regarded to have an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Intangible assets with indefinite useful lives are not amortised but instead, are tested for impairment annually. Accordingly, trademarks of the Group are considered to have indefinite life. In accordance with the transitional provisions of FRS 138, the change in the useful life assessment from finite to indefinite is made on a prospective basis. The carrying amount of trademark as at 1 November 2006 of RM 7,000 ceased to be amortised. This has the effect of reducing the amortisation charges by RM 500 in the current quarter and RM 1,000 in the financial period ended 30 April 2007. Other intangible assets of the Group with finite useful lives continue to be stated at cost less accumulated amortisation and impairment losses.

(b) FRS 5: Non-current Assets Held for Sale and Discontinued Operations

The Group has applied FRS 5 prospectively in accordance with its transitional provisions, which has resulted in a change in accounting policy on the recognition of a discontinued operation. Prior to 1 January 2006, under the previous FRS 135, the Group would have recognised a discontinued operation at the earlier of the date the Group enters into a binding sale agreement and the date the board of directors have approved and announced a formal disposal plan. FRS 5 requires a component of an entity to be classified as discontinued when the criteria to be classified as held for sale have been met or it has been disposed of. Such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of the component or is a subsidiary acquired exclusively with a view to resale. The result of this change

in accounting policy is that a discontinued operation is recognised by the Group at a later point than under the previous FRS 135 due to the stricter criteria in FRS 5.

An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The assets and liabilities of a discontinued operation (a disposal group) that are classified as held for sale are measured in accordance with FRS 5. Immediately before classification as held for sale, the carrying amount of all the assets and liabilities in the disposal group is measured in accordance with applicable FRSs. Then, on initial classification as held for sale, the disposal group is recognised at the lower of carrying amount and fair value less costs to sell.

(c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 October 2006 was not qualified.

4. SEGMENTAL INFORMATION

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	33,826	40,423	65,308	77,985
Telecommunication products	107,206	87,303	230,211	191,039
Total revenue from continuing operations	141,032	127,726	295,519	269,024
Revenue from discontinued operation	-	60	-	120
Total	141,032	127,786	295,519	269,144

Segment Results

Results from continuing operations:

Consumer food	(13,176)	680	(31,963)	1,264
Telecommunication products	441	613	1,166	1,281
Total results from continuing operations	(12,735)	1,293	(30,797)	2,545
Results from discontinued operation	(6)	(83)	(10)	(122)
Total	(12,741)	1,210	(30,807)	2,423

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 ended 30 April 2007.

6. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

7. COMMENTS ABOUT SEASONAL OR 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.

8. DIVIDENDS PAID

There was no dividend paid for the current quarter.

9. CARRYING AMOUNT OF REVALUED ASSETS

There had been no revaluation of property, plant and equipment during the current quarter.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities except for the following:

Share buybacks / Treasury shares

On 26 April 2007, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. During the current quarter, the Company repurchased 10,000 of its issued ordinary shares from the open market at an average price of RM 0.438 per share. The total consideration paid for the repurchase including transaction costs was RM 4,383 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter and financial year-to-date except for the following:

Signing of Shareholders Agreement with Widewin Capital Sdn Bhd in relation to Inforaire Sdn Bhd

On 18 April 2007, the Company entered into a Shareholders Agreement with Widewin Capital Sdn Bhd whereby the Company shall hold 51% of the total paid-up capital of Inforaire Sdn Bhd and Widewin Capital Sdn Bhd shall hold the remaining 49%.

12. DISCONTINUED OPERATION

The Group's investment in its five subsidiaries i.e. Madeleine Café Sdn Bhd, Madeleine Foods Sdn Bhd, Madeleine Bakery Sdn Bhd, Madeleine Property Sdn Bhd and Stanson Distribution Sdn Bhd which are dormant and classified as discontinued operation.

The revenue, results and cash flows of the subsidiaries were as follows:

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	-	60	-	120
Loss before tax	(6)	(83)	(10)	(122)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(6)	(83)	(10)	(122)
Cash flows from operating activities	(7)	(10)	(8)	(4)
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Total cash flows	(7)	(10)	(8)	(4)

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 30 April 2007 are as follows:

12. DISCONTINUED OPERATION (CONT'D.)

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	21
Assets of discontinued operations	<u>4,821</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,937)
Tax payable	(168)
Liabilities directly associated with the assets classified as discontinued operations	<u>(5,105)</u>
Net liabilities attributable to discontinued operations	<u>(284)</u>

13. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 April 2007 is as follows:

	RM'000
Approved and contracted for	8,411
	<u>8,411</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 30 April 2007, the Company had given corporate guarantees amounting to approximately RM 152 million to secure banking facilities granted to certain subsidiaries.

15. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

16. PERFORMANCE REVIEW

For the quarter under review, the Group registered revenues of RM 141.0 million compared with RM 127.8 million in the corresponding period of previous year mainly due to higher revenue by 23% from MultiCom Division. However, the Group incurred a loss before taxation of RM 12.7 million for this quarter compared with a profit of RM 1.2 million in the corresponding period of previous year as the Group was still in the midst of recovery in addition to the increase in the share of losses from the jointly controlled company amounting to RM 7.3 million.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group registered a loss before taxation of RM 12.7 million for the current quarter compared with a loss of RM 18.1 million in the preceding quarter. The improved results for the 2nd quarter were principally due to recovering sales and improvement from the cost cutting measures implemented in both the Malaysia and Singapore operations.

18. COMMENTARY ON PROSPECTS

The Group experienced recovery in sales in this quarter and this trend is anticipated to follow through strongly the next quarters. Measures are in place to mitigate the share of losses from the jointly controlled company to cap the impact on the Group's performance. In addition, the ongoing cost cutting measures will contain and reduce costs.

There will be the launching of a nationwide promotion campaign and expansion of route coverage which are expected to turnaround the Group in the coming quarters.

19. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

20. INCOME TAX EXPENSE

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	171	90	353	180
Overprovision of Malaysian income tax in prior years	-	-	-	-
Total income tax expense	<u>171</u>	<u>90</u>	<u>353</u>	<u>180</u>

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to the availability of capital and reinvestment allowances.

21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties for the current quarter and financial year-to-date.

22. QUOTED SECURITIES

There were no purchases and disposals of quoted securities for the current quarter and financial year-to-date.

23. CORPORATE PROPOSALS

Corporate proposals that have been announced but not completed as at the date of this report:

PROPOSED RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF UP TO 120,311,989 NEW ORDINARY SHARES OF RM0.50 EACH

On 16 May 2007, the Company announced a Proposed Renounceable Two-Call Rights Issue of up to 120,311,989 new ordinary shares of RM0.50 each ("Rights Shares") payable in two calls upon application on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares of RM0.50 each held together with up to 48,124,796 new free detachable warrants of RM0.50 each ("Warrants") on the basis of two (2) Warrants for every five (5) Rights Shares subscribed on a date to be determined later.

The indicative issue price of RM0.50 per Rights Shares will be payable in two (2) calls as follows:

- (i) the first call of RM0.35 per Rights Share will be payable in cash upon application; and
- (ii) the second call of RM0.15 per Rights Share will be capitalised from the Company's share premium account.

PROPOSED ACQUISITION OF 6,000,000 IRREDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES OF RM1.00 EACH

On 4 May 2007, the Company announced a Proposed Acquisition of 6,000,000 Irredeemable Convertible Cumulative Preference Shares of RM1.00 each in Silver Bird International Sdn Bhd ("SBI") from Employees Provident Fund Board ("EPF") for a cash consideration of RM11.89 million ("Purchase Price").

- (i) The Company shall pay to and settle with EPF a sum of RM3,000,000 by drawing a current-dated cheque for the said sum in favour of EPF; and

- (ii) the Company shall pay to and settle with EPF the remaining part of the Purchase Price, equivalent to RM8,890,000, in twelve (12) equal monthly instalments of RM740,833.33 each by way of twelve (12) post-dated cheques drawn in favour of EPF. The first (1st) instalment shall be paid on or before the 7th day of the month immediately following the month in which the sum stated in paragraph (i) above is payable. The first (1st) instalment commenced on 7 May 2007.

24. BORROWINGS

	As at 30.04.07 RM'000	As at 31.10.2006 RM'000
Short term borrowings		
Secured	44,450	76,100
Unsecured	35,000	25,000
	<u>79,450</u>	<u>101,100</u>
Long term borrowings		
Secured	1,653	1,863
Unsecured	44,715	64,169
	<u>46,368</u>	<u>66,032</u>
	<u>125,818</u>	<u>167,132</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 15 June 2007.

26. CHANGES IN MATERIAL LITIGATION

As at 15 June 2007, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 October 2006.

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 April 2007 (30 April 2006: Nil).

28. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

28. EARNINGS PER SHARE (CONT'D.)

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit from continuing operations attributable to ordinary equity holders of the parent	(12,906)	1,203	(31,150)	2,365
Loss from discontinued operation attributable to ordinary equity holders of the parent	(6)	(83)	(10)	(122)
(Loss)/Profit attributable to ordinary equity holders of the parent	(12,912)	1,120	(31,160)	2,243
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	210,639	210,610	210,639	210,594
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
(Loss)/Profit from continuing operations	(6.13)	0.57	(14.79)	1.12
Loss from discontinued operation	(0.00)	(0.04)	(0.00)	(0.06)
(Loss)/Profit for the period	(6.13)	0.53	(14.79)	1.07

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and share options granted to employees.

28. EARNINGS PER SHARE (CONT'D.)

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit from continuing operations attributable to ordinary equity holders of the parent	(12,906)	1,203	(31,150)	2,365
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	3 months ended		6 months ended	
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	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	210,639	210,610	210,639	210,594
Effects of dilution:				
ICULS	-	-	-	-
Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	210,639	210,610	210,639	210,594
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
(Loss)/Profit from continuing operations	(6.13)	0.57	(14.79)	1.12
Loss from discontinued operation	(0.00)	(0.04)	(0.00)	(0.06)
(Loss)/Profit for the period	(6.13)	0.53	(14.79)	1.07

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 22nd June 2007.

By order of the Board
Mah Li Chen
Tan Fong Shian @ Lim Fong Shian
Company Secretaries
Kuala Lumpur

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The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 30 April 2007 are as follows:

12. DISCONTINUED OPERATION (CONT'D.)

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	21
Assets of discontinued operations	<u>4,821</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,937)
Tax payable	(168)
Liabilities directly associated with the assets classified as discontinued operations	<u>(5,105)</u>
Net liabilities attributable to discontinued operations	<u>(284)</u>

13. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 April 2007 is as follows:

	RM'000
Approved and contracted for	8,411
	<u>8,411</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 30 April 2007, the Company had given corporate guarantees amounting to approximately RM 152 million to secure banking facilities granted to certain subsidiaries.

15. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

16. PERFORMANCE REVIEW

For the quarter under review, the Group registered revenues of RM 141.0 million compared with RM 127.8 million in the corresponding period of previous year mainly due to higher revenue by 23% from MultiCom Division. However, the Group incurred a loss before taxation of RM 12.7 million for this quarter compared with a profit of RM 1.2 million in the corresponding period of previous year as the Group was still in the midst of recovery in addition to the increase in the share of losses from the jointly controlled company amounting to RM 7.3 million.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group registered a loss before taxation of RM 12.7 million for the current quarter compared with a loss of RM 18.1 million in the preceding quarter. The improved results for the 2nd quarter were principally due to recovering sales and improvement from the cost cutting measures implemented in both the Malaysia and Singapore operations.

18. COMMENTARY ON PROSPECTS

The Group experienced recovery in sales in this quarter and this trend is anticipated to follow through strongly the next quarters. Measures are in place to mitigate the share of losses from the jointly controlled company to cap the impact on the Group's performance. In addition, the ongoing cost cutting measures will contain and reduce costs.

There will be the launching of a nationwide promotion campaign and expansion of route coverage which are expected to turnaround the Group in the coming quarters.

19. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

20. INCOME TAX EXPENSE

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	171	90	353	180
Overprovision of Malaysian income tax in prior years	-	-	-	-
Total income tax expense	<u>171</u>	<u>90</u>	<u>353</u>	<u>180</u>

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to the availability of capital and reinvestment allowances.

21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties for the current quarter and financial year-to-date.

22. QUOTED SECURITIES

There were no purchases and disposals of quoted securities for the current quarter and financial year-to-date.

23. CORPORATE PROPOSALS

Corporate proposals that have been announced but not completed as at the date of this report:

PROPOSED RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF UP TO 120,311,989 NEW ORDINARY SHARES OF RM0.50 EACH

On 16 May 2007, the Company announced a Proposed Renounceable Two-Call Rights Issue of up to 120,311,989 new ordinary shares of RM0.50 each ("Rights Shares") payable in two calls upon application on the basis of three (3) Rights Shares for every eight (8) existing ordinary shares of RM0.50 each held together with up to 48,124,796 new free detachable warrants of RM0.50 each ("Warrants") on the basis of two (2) Warrants for every five (5) Rights Shares subscribed on a date to be determined later.

The indicative issue price of RM0.50 per Rights Shares will be payable in two (2) calls as follows:

- (i) the first call of RM0.35 per Rights Share will be payable in cash upon application; and
- (ii) the second call of RM0.15 per Rights Share will be capitalised from the Company's share premium account.

PROPOSED ACQUISITION OF 6,000,000 IRREDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES OF RM1.00 EACH

On 4 May 2007, the Company announced a Proposed Acquisition of 6,000,000 Irredeemable Convertible Cumulative Preference Shares of RM1.00 each in Silver Bird International Sdn Bhd ("SBI") from Employees Provident Fund Board ("EPF") for a cash consideration of RM11.89 million ("Purchase Price").

- (i) The Company shall pay to and settle with EPF a sum of RM3,000,000 by drawing a current-dated cheque for the said sum in favour of EPF; and

- (ii) the Company shall pay to and settle with EPF the remaining part of the Purchase Price, equivalent to RM8,890,000, in twelve (12) equal monthly instalments of RM740,833.33 each by way of twelve (12) post-dated cheques drawn in favour of EPF. The first (1st) instalment shall be paid on or before the 7th day of the month immediately following the month in which the sum stated in paragraph (i) above is payable. The first (1st) instalment commenced on 7 May 2007.

24. BORROWINGS

	As at 30.04.07 RM'000	As at 31.10.2006 RM'000
Short term borrowings		
Secured	44,450	76,100
Unsecured	35,000	25,000
	<u>79,450</u>	<u>101,100</u>
Long term borrowings		
Secured	1,653	1,863
Unsecured	44,715	64,169
	<u>46,368</u>	<u>66,032</u>
	<u>125,818</u>	<u>167,132</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 15 June 2007.

26. CHANGES IN MATERIAL LITIGATION

As at 15 June 2007, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 October 2006.

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 April 2007 (30 April 2006: Nil).

28. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

28. EARNINGS PER SHARE (CONT'D.)

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit from continuing operations attributable to ordinary equity holders of the parent	(12,906)	1,203	(31,150)	2,365
Loss from discontinued operation attributable to ordinary equity holders of the parent	(6)	(83)	(10)	(122)
(Loss)/Profit attributable to ordinary equity holders of the parent	<u>(12,912)</u>	<u>1,120</u>	<u>(31,160)</u>	<u>2,243</u>
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	<u>210,639</u>	<u>210,610</u>	<u>210,639</u>	<u>210,594</u>
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
(Loss)/Profit from continuing operations	(6.13)	0.57	(14.79)	1.12
Loss from discontinued operation	(0.00)	(0.04)	(0.00)	(0.06)
(Loss)/Profit for the period	<u>(6.13)</u>	<u>0.53</u>	<u>(14.79)</u>	<u>1.07</u>

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and share options granted to employees.

28. EARNINGS PER SHARE (CONT'D.)

	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit from continuing operations attributable to ordinary equity holders of the parent	(12,906)	1,203	(31,150)	2,365
Loss from discontinued operation attributable to ordinary equity holders of the parent	(6)	(83)	(10)	(122)
(Loss)/Profit attributable to ordinary equity holders of the parent	(12,912)	1,120	(31,160)	2,243
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	210,639	210,610	210,639	210,594
Effects of dilution:				
ICULS	-	-	-	-
Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	210,639	210,610	210,639	210,594
	3 months ended		6 months ended	
	30.04.2007	30.04.2006	30.04.2007	30.04.2006
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
(Loss)/Profit from continuing operations	(6.13)	0.57	(14.79)	1.12
Loss from discontinued operation	(0.00)	(0.04)	(0.00)	(0.06)
(Loss)/Profit for the period	(6.13)	0.53	(14.79)	1.07

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 22nd June 2007.

By order of the Board
Mah Li Chen
Tan Fong Shian @ Lim Fong Shian
Company Secretaries
Kuala Lumpur