

# SILVER BIRD

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2007**

	Note	3 months ended		12 months ended	
		31/10/2007	31/10/2006	31/10/2007	31/10/2006
		RM'000	RM'000	RM'000	RM'000
		unaudited	unaudited	unaudited	unaudited
<b>Continuing Operations</b>					
Revenue	4	168,548	150,121	606,484	597,991
Cost of Sales		(147,425)	(149,664)	(545,878)	(549,774)
<b>Gross profit</b>		21,123	457	60,606	48,217
Other income		326	(617)	1,184	2,209
Administrative expenses		(7,034)	(4,711)	(22,268)	(15,370)
Selling and marketing expenses		(12,002)	(6,757)	(36,748)	(21,333)
Other expenses	5	(1,337)	(29,680)	5,058	(36,655)
Finance expenses		(2,261)	(2,020)	(7,513)	(8,303)
Share of loss of jointly controlled entities		1,217	(6,235)	(18,443)	(14,991)
<b>Profit/(Loss) before tax</b>		32	(49,563)	(18,124)	(46,226)
Income tax expense	20	353	1,514	-	1,244
<b>Profit/(Loss) for the period from continuing operations</b>		385	(48,049)	(18,124)	(44,982)
<b>Discontinued Operations</b>					
Loss for the period from discontinued operations	12	(12)	(3,240)	(25)	(3,389)
<b>Profit/(Loss) for the period</b>		373	(51,289)	(18,149)	(48,371)
Attributable to :					
Equity holders of the parent		387	(51,289)	(18,011)	(48,371)
Minority interest		(14)	-	(138)	-
		373	(51,289)	(18,149)	(48,371)
<b>Earnings per share attributable to equity holders of the parent :</b>					
Basic, for profit/(loss) from continuing operations (sen)	28	0.17	(22.81)	(8.47)	(21.36)
Basic, for loss from discontinued operations (sen)	28	(0.01)	(1.54)	(0.01)	(1.61)
Basic, for profit/(loss) for the period (sen)	28	0.17	(24.35)	(8.48)	(22.97)
Diluted, for profit/(loss) from continuing operations (sen)	28	0.12	(22.81)	(5.68)	(21.36)
Diluted, for loss from discontinued operations (sen)	28	(0.00)	(1.54)	(0.01)	(1.61)
Diluted, for profit/(loss) for the period (sen)	28	0.11	(24.35)	(5.68)	(22.97)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 October 2006 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 SHEETS**  
**AS AT 31 OCTOBER 2007**

	Note	As at 31/10/2007 Unaudited RM'000	As at 31/10/2006 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	182,083	152,189
Other receivable		14,842	14,842
Intangible assets		36,736	36,217
		233,661	203,248
<b>Current Assets</b>			
Inventories		16,631	14,949
Trade receivables		44,853	43,796
Other receivables		13,197	8,177
Tax refundable		251	501
Fixed deposits with licensed banks		219	10,636
Short-term deposits with licensed banks		-	26,000
Cash and bank balances		9,193	23,350
		84,344	127,409
<b>TOTAL ASSETS</b>		318,005	330,657
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holder of the parent</b>			
Share capital	10	117,769	105,319
Share premium		24,325	23,443
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
1% Irredeemable Convertible Unsecured Loan Stocks	10	77	3,408
Warrants reserve		7,363	7,363
Accumulated loss		(32,827)	(14,818)
Exchange Translation Reserve		(795)	-
Treasury shares	10	(323)	(1)
<b>SHAREHOLDERS' EQUITY</b>		110,540	119,665
<b>Minority Interest</b>		343	-
		110,883	119,665
<b>Non-current liabilities</b>			
Borrowings	24	26,708	66,032
Deferred tax liabilities		2,900	2,900
		29,608	68,932
<b>Current liabilities</b>			
Borrowings	24	134,006	101,100
Trade payables		26,819	22,620
Other payables		16,689	9,266
Amount owing to a jointly controlled entity		-	8,901
Current tax payable		-	173
		177,514	142,060
<b>Total liabilities</b>		207,122	210,992
<b>TOTAL EQUITY AND LIABILITIES</b>		318,005	330,657
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		0.47	0.55

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 October 2006 and the accompanying explanatory notes attached to the interim financial statements.

# SILVER BIRD

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2007

	Share Capital RM'000	Share Premium Reserve RM'000	Merger Deficit RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	5-Year 1% ICULS/ 1% RCULS RM'000	Warrant Reserves RM'000	Proposed Dividend RM'000	Foreign Exchange Reserve RM'000	Treasury Shares RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>Balance at 31.10.2006/ 01.11.2006 (as previously reported)</b>	105,319	23,443	(5,326)	277	(14,818)	3,408	7,363	-	-	(1)	119,665	-	119,665
Conversion of ICULS	2,450	881				(3,331)					-		-
Issuance of ordinary shares	10,000										10,000		10,000
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(322)	(322)	-	(322)
Currency translation differences, representing net loss not recognised in Income Statement	-	-	-	-	-	-	-	-	(795)	-	(795)	-	(795)
Minority interest share of net assets in subsidiary company											-	343	343
Net loss for the period	-	-	-	-	(18,011)	-	-	-	-	-	(18,011)	-	(18,011)
<b>Balance at 31.10.2007</b>	<b>117,769</b>	<b>24,325</b>	<b>(5,326)</b>	<b>277</b>	<b>(32,827)</b>	<b>77</b>	<b>7,363</b>	<b>-</b>	<b>(795)</b>	<b>(323)</b>	<b>110,540</b>	<b>343</b>	<b>110,883</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	-	-	171,027	-	179,309
Prior year adjustment	-	-	-	-	(8,282)	-	-	-	-	-	-	-	(8,282)
<b>Balance at 31.10.2005/ Balance at 31.10.2006/1.11.2006</b>	105,261	23,452	(5,326)	277	33,553	3,410	7,368	3,032	-	-	171,027	-	171,027
Exercise of ESOS	20	4	-	-	-	-	-	-	-	-	24	-	24
Realisation upon exercise of warrants	-	5	-	-	-	-	(5)	-	-	-	-	-	-
Dividend payable	-	-	-	-	-	-	-	(3,032)	-	-	(3,032)	-	(3,032)
Corporate exercise expense	-	(42)	-	-	-	-	-	-	-	-	(42)	-	(42)
Conversion of ICULS	1	1	-	-	-	(2)	-	-	-	-	-	-	-
Conversion of warrant	37	23	-	-	-	-	-	-	-	-	60	-	60
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Net profit for the period	-	-	-	-	(48,371)	-	-	-	-	-	(48,371)	-	(48,371)
<b>Balance at 31.10.2006</b>	<b>105,319</b>	<b>23,443</b>	<b>(5,326)</b>	<b>277</b>	<b>(14,818)</b>	<b>3,408</b>	<b>7,363</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>119,665</b>	<b>-</b>	<b>119,665</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 2006 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 CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2007**

	12 months ended	
	31/10/2007	31/10/2006
	RM'000	RM'000
	Unaudited	Audited
Net cash (used in)/from operating activities	(16,908)	13,883
Net cash (used in)/from investing operations	(36,131)	35,796
Net cash from financing activities	3,260	14,410
Net (decrease)/increase in cash and cash equivalents	(49,779)	64,089
Effects of exchange rate changes	(795)	-
Cash and cash equivalents at beginning of financial period	59,986	(4,103)
Cash and cash equivalents at end of financial period	9,412	59,986

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

	As at	As at
	31/10/2007	31/10/2006
	RM'000	RM'000
	Unaudited	Audited
Cash and bank balances	9,412	59,986
	9,412	59,986

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 October 2006 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 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 2,000 in the financial period ended 31 October 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

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

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		12 months ended	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Consumer food	44,353	29,301	146,893	151,978
Telecommunication products	124,195	120,820	459,591	445,833
Total revenue from continuing operations	168,548	150,121	606,484	597,811
Revenue from discontinued operation	-	-	-	180
Total	168,548	150,121	606,484	597,991
<b>Segment Results</b>				
Results from continuing operations:				
Consumer food	(639)	(50,766)	(20,338)	(49,586)
Telecommunication products	671	1,203	2,214	3,360
Total results from continuing operations	32	(49,563)	(18,124)	(46,226)
Results from discontinued operation	(12)	(3,240)	(25)	(3,389)
Total	20	(52,803)	(18,149)	(49,615)

#### 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 31 October 2007 except for the partial write back of impaired assets amounting to approximately RM4.6 million which was included in the Other Expenses. This write back was based on the future estimated income of previously impaired assets.

#### 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 during the current financial year as at 31 October 2007 except for the following:

**(a) Conversion of Irredeemable Convertible Unsecured Loan Stocks 2004/2009 (“ICULS”)**

A total of 4,842,205 new ordinary shares of RM0.50 each were listed pursuant to the conversion of RM 3,292,700 nominal value of ICULS.

**(b) Equity Securities**

The Company has issued 20,000,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise which was completed on 20 September 2007.

**(c) Share buybacks / Treasury shares**

Details of share buybacks as of 31 October 2007 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 2006	1,000	0.41	0.41	0.423	423.17
28 Dec 2006	300,000	0.375	0.385	0.386	115,807.02
29 Dec 2006	85,000	0.380	0.385	0.383	32,547.43
03 Jan 2007	283,400	0.385	0.415	0.394	111,790.10
08 Jan 2007	147,100	0.395	0.405	0.404	59,442.39
02 Apr 2007	10,000	0.435	0.435	0.438	4,382.84
04 May 2007	1,000	0.405	0.405	0.418	418.07
21 Nov 2007	1,000	0.910	0.910	0.913	913.36
<b>Total</b>	<b>828,500</b>				<b>325,724.38</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.

## 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 holds 51% of the total paid-up capital of Inforaire Sdn Bhd and Widewin Capital Sdn Bhd holds 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:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.10.2007</b>	<b>31.10.2006</b>	<b>31.10.2007</b>	<b>31.10.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	-	-	-	180
Loss before tax	(12)	(3,240)	(25)	(3,389)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(12)	(3,240)	(25)	(3,389)
Cash flows from operating activities	3	(4)	3	(25)
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Total cash flows	3	(4)	3	(25)

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 31 October 2007 are as follows:

**12. DISCONTINUED OPERATION (CONT'D.)**

	<b>RM'000</b>
Assets:	
Investment	4,800
Cash and bank balances	<u>32</u>
Assets of dormant group	<u>4,832</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,963)
Tax payable	<u>(168)</u>
Liabilities directly associated with the assets classified as dormant	<u>(5,131)</u>
Net liabilities attributable to discontinued operations	<u>(299)</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 31 October 2007 is as follows:

	<b>RM'000</b>
Approved and contracted for	<u>9,293</u>
	<u>9,293</u>

**14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

During the financial period ended 31 October 2007, the Company had given corporate guarantees amounting to approximately RM151 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 RM168.5 million compared with RM150.1 million in the corresponding period of previous year; marking its recovery of Consumer Food Division with improved revenue by 51%.

The Group registered a profit before taxation of RM2.4 million for the quarter but after adjustments for a loss of RM2.4 million due to the disposal of land and overprovision of tax in previous quarter of RM353 thousand resulted in a marginal profit after taxation of RM373 thousand. This was a very significant improvement in comparison with a loss of RM52.7 million in the corresponding period of previous year, attributable to significant improvements in the Group's operations.

**17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

The Group registered a profit before taxation of RM20 thousand for the current quarter compared with a profit of RM12.6 million in the preceding quarter. For the current quarter under review, the Group recognized a reversal of impairment loss of assets of RM4.6 million due to foreseeable income generation from the assets compared with a reversal of impairment loss of assets of RM12.2 million in the preceding quarter. The lower profit for the final quarter was also principally due to the loss of RM2.4 million from the disposal of land and a non recurring rationalization cost of approximately RM1.0 million.

**18. COMMENTARY ON PROSPECTS**

The Group has some success in reducing operating costs and will continue with this ongoing cost cutting measures to further contain and reduce costs to improve profitability.

However, the challenge in the coming quarter is the unprecedented increase in flour price beyond the Group's control that reduces the margin and profitability significantly.

There is a lagging effect to put up selling prices to match the cost increases. This price increase exercise is expected to complete by second quarter of next financial year.

**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		12 months ended	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(353)	(1,364)	-	(1,094)
Overprovision of Malaysian income tax in prior years	-	(150)	-	(150)
Total income tax expense	<u>(353)</u>	<u>(1,514)</u>	<u>-</u>	<u>(1,244)</u>

There was no tax liability for the current quarter due to sufficient unutilised tax losses and allowances carried forward to set off the taxable profit of the Company and its certain subsidiaries.

## 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:

- A. PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 113,610,657 NEW ORDINARY SHARES OF RM0.50 (“RIGHTS SHARE(S)”) IN SBGB AT AN INDICATIVE ISSUE PRICE OF RM0.50 ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM0.50 IN SBGB ON A DATE TO BE DETERMINED LATER TOGETHER WITH UP TO 42,603,996 FREE DETACHABLE WARRANTS OF RM0.50 EACH (“WARRANT(S)”) ON THE BASIS OF THREE (3) WARRANTS FOR EVERY EIGHT (8) RIGHTS SHARES SUBSCRIBED (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)**

MIDF Amanah Investment Bank Berhad (“MIDF Investment”), on behalf of the Board, had on 9 October 2007 announced to Bursa Malaysia Securities Berhad (“Bursa Securities”) that SBGB proposes to undertake the proposed renounceable rights issue of up to 75,740,438 new ordinary shares of RM0.50 in SBGB at an indicative issue price of RM0.50 on the basis of two (2) rights shares for every nine (9) existing ordinary shares of RM0.50 in SBGB together with up to 37,870,219 free

### **23. CORPORATE PROPOSALS (CONT'D.)**

detachable warrants of RM0.50 each on the basis of one (1) warrant for every two (2) rights shares subscribed.

Subsequently on 24 October 2007, MIDF Investment, on behalf of the Board, announced to Bursa Securities that SBGB proposes to revise the basis of the rights issue that was announced on 9 October 2007 and proposes to undertake the proposed renounceable rights issue of up to 113,610,657 new ordinary shares of RM0.50 in SBGB at an indicative issue price of RM0.50 on the basis of two (2) rights shares for every six (6) existing ordinary shares of RM0.50 in SBGB together with up to 42,603,996 free detachable warrants of RM0.50 each on the basis of three (3) warrants for every eight (8) rights shares subscribed (“Proposed Rights Issue With Warrants”).

MIDF Investment, on behalf of the Company, had on 6 November 2007, submitted an application to the Securities Commission (“SC”) and Bank Negara Malaysia (“BNM”) in relation to the Proposed Rights Issue With Warrants.

The SC had vide its letter dated 16 November 2007, approved the Proposed Rights Issue With Warrants.

The BNM had vide its letter dated 23 November 2007, approved SBGB’s issuance of up to 42,603,996 Warrants pursuant to the Proposed Rights Issue With Warrants to its non-resident shareholders.

The shareholders of the Company has approved on the Proposed Rights Issue With Warrants at the Extraordinary General Meeting held on 27 December 2007.

#### **B. PROPOSED ACQUISITION OF 8,000,000 IRREDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES (“ICCPs”) OF RM1.00 EACH IN SILVER BIRD INTERNATIONAL SDN BHD (“SBI”)**

- (i) On 4 May 2007, the Company announced that Employees Provident Fund Board (“EPF”) accepted the proposed acquisition by the Company of 6,000,000 ICCPS of RM1.00 each in SBI for a cash consideration of RM11.89 million (“Purchase Price EPF”) of which the Purchase Price EPF shall be paid over a twelve (12) months period. The first (1st) instalment commenced on 7 May 2007; and
- (ii) On 3 July 2007, the Company announced that Mayban Ventures Sdn Bhd (“MVSB”) accepted the proposed acquisition by the Company of 2,000,000 ICCPS of RM 1.00 each in SBI for a cash consideration of RM3.96 million (“Purchase Price MVSB”) of which the Purchase Price MVSB shall be paid over a twelve (12) months. The first (1st) instalment commenced on 7 May 2007.

**24. BORROWINGS**

	As at 31.10.2007 RM'000	As at 31.10.2006 RM'000
<b>Short term borrowings</b>		
Secured	84,006	76,100
Unsecured	50,000	25,000
	<u>134,006</u>	<u>101,100</u>
<b>Long term borrowings</b>		
Secured	1,437	1,863
Unsecured	25,271	64,169
	<u>26,708</u>	<u>66,032</u>
	<u>160,714</u>	<u>167,132</u>

**25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 21 December 2007.

**26. CHANGES IN MATERIAL LITIGATION**

As at 21 December 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 31 October 2007 (31 October 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.)**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.10.2007</b>	<b>31.10.2006</b>	<b>31.10.2007</b>	<b>31.10.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	385	(48,049)	(18,124)	(44,982)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(12)	(3,240)	(25)	(3,389)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>373</u>	<u>(51,289)</u>	<u>(18,149)</u>	<u>(48,371)</u>
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.10.2007</b>	<b>31.10.2006</b>	<b>31.10.2007</b>	<b>31.10.2006</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	<u>224,118</u>	<u>210,639</u>	<u>214,036</u>	<u>210,616</u>
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.10.2007</b>	<b>31.10.2006</b>	<b>31.10.2007</b>	<b>31.10.2006</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earnings per share for:				
Profit/(Loss) from continuing operations	0.17	(22.81)	(8.47)	(21.36)
Loss from discontinued operation	(0.01)	(1.54)	(0.01)	(1.61)
Profit/(Loss) for the period	<u>0.17</u>	<u>(24.35)</u>	<u>(8.48)</u>	<u>(22.97)</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		12 months ended	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	385	(48,049)	(18,124)	(44,982)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(12)	(3,240)	(25)	(3,389)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>373</u>	<u>(51,289)</u>	<u>(18,149)</u>	<u>(48,371)</u>
	3 months ended		12 months ended	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	224,118	210,639	214,036	210,616
Effects of dilution:				
ICULS	113	-	113	-
Share options	105,181	-	105,181	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>329,412</u>	<u>210,639</u>	<u>319,330</u>	<u>210,616</u>
	3 months ended		12 months ended	
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit/(Loss) from continuing operations	0.12	(22.81)	(5.68)	(21.36)
Loss from discontinued operation	(0.00)	(1.54)	(0.01)	(1.61)
Profit/(Loss) for the period	<u>0.11</u>	<u>(24.35)</u>	<u>(5.68)</u>	<u>(22.97)</u>

## 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 28 December 2007.

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