

SILVER BIRD

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 JANUARY 2009

	Note	3 months ended		3 months ended	
		1/31/2009	1/31/2008	1/31/2009	1/31/2008
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Continuing Operations					
Revenue	4	159,145	157,070	159,145	157,070
Cost of Sales		(141,495)	(150,629)	(141,495)	(150,629)
Gross profit		<u>17,650</u>	<u>6,441</u>	<u>17,650</u>	<u>6,441</u>
Other income		287	598	287	598
Administrative expenses		(5,011)	(4,532)	(5,011)	(4,532)
Selling and marketing expenses		(8,070)	(8,059)	(8,070)	(8,059)
Other expenses	5	(2,608)	(1,214)	(2,608)	(1,214)
Finance expenses		(2,145)	(1,694)	(2,145)	(1,694)
Share of loss of jointly controlled entities		-	-	-	-
Profit/(Loss) before tax		<u>103</u>	<u>(8,460)</u>	<u>103</u>	<u>(8,460)</u>
Income tax expense	20	-	-	-	-
Profit/(Loss) for the period from continuing operations		<u>103</u>	<u>(8,460)</u>	<u>103</u>	<u>(8,460)</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	-	(12)	-	(12)
Profit/(Loss) for the period		<u>103</u>	<u>(8,472)</u>	<u>103</u>	<u>(8,472)</u>
Attributable to :					
Equity holders of the parent		104	(8,427)	104	(8,427)
Minority interest		(1)	(45)	(1)	(45)
		<u>103</u>	<u>(8,472)</u>	<u>103</u>	<u>(8,472)</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for (loss)/profit from continuing operations (sen)	28	0.03	(3.59)	0.03	(3.59)
Basic, for loss from discontinued operations (sen)	28	0.00	(0.01)	0.00	(0.01)
Basic, for (loss)/profit for the period (sen)	28	<u>0.03</u>	<u>(3.60)</u>	<u>0.03</u>	<u>(3.60)</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.02	(2.48)	0.02	(2.48)
Diluted, for loss from discontinued operations (sen)	28	0.00	0.00	0.00	0.00
Diluted, for (loss)/profit for the period (sen)	28	<u>0.02</u>	<u>(2.49)</u>	<u>0.02</u>	<u>(2.49)</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 October 2008 and the accompanying explanatory notes attached to the interim financial statements.

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SILVER BIRD GROUP BERHAD
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 JANUARY 2009

	Note	As at 1/31/2009 Unaudited RM'000	As at 10/31/2008 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	155,317	155,412
Other receivable		14,842	14,842
Intangible assets		36,733	36,733
		<u>206,892</u>	<u>206,987</u>
Current Assets			
Inventories		16,716	18,841
Trade receivables		45,656	45,826
Other receivables		37,863	35,533
Fixed deposits with licensed banks		1,111	1,109
Cash and bank balances		9,042	16,640
		<u>110,388</u>	<u>117,949</u>
TOTAL ASSETS		<u>317,280</u>	<u>324,936</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
Share capital	10	157,060	157,059
Share premium		36,067	36,066
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
1% Irredeemable Convertible Unsecured Loan Stocks	10	41	42
Warrants reserve		7,363	7,363
Accumulated loss		(51,297)	(51,401)
Exchange Translation Reserve		(2,341)	(2,270)
SHAREHOLDERS' EQUITY		<u>141,844</u>	<u>141,810</u>
Minority Interest		<u>276</u>	<u>277</u>
		<u>142,120</u>	<u>142,087</u>
Non-current liabilities			
Borrowings	24	27,578	27,429
		<u>27,578</u>	<u>27,429</u>
Current liabilities			
Borrowings	24	126,997	130,748
Trade payables		14,710	16,837
Other payables		5,702	7,662
Current tax payable		173	173
		<u>147,582</u>	<u>155,420</u>
Total liabilities		<u>175,160</u>	<u>182,849</u>
TOTAL EQUITY AND LIABILITIES		<u>317,280</u>	<u>324,936</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>0.45</u>	<u>0.45</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 October 2008 and the accompanying explanatory notes attached to the interim financial statements.



SILVER BIRD GROUP BERHAD
 (Company No. 277977-X)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE THREE MONTHS PERIOD ENDED 31 JANUARY 2009**

	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	Foreign Exchange Reserve RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 31.10.2008/ 1.11.2008	157,059	36,066	(5,326)	277	(51,401)	42	7,363	(2,270)	141,810	277	142,087
Conversion of ICULS	1	-				(1)			-	-	-
Currency translation differences, representing net loss not recognised in Income Statement								(71)	(71)	-	(71)
Minority interest share of net assets in subsidiary company									-	(1)	(1)
Net profit for the period					104				104	-	104
Balance at 31.01.2009	157,060	36,067	(5,326)	277	(51,297)	41	7,363	(2,341)	141,844	276	142,120
Balance at 31.10.2007/1.11.2007	117,769	24,325	(5,326)	277	(30,757)	76	7,363	(792)	112,612	343	112,955
Conversion of ICULS	53	19	-	-	-	(72)	-	-	-	-	-
Share issue expenses incurred		(366)							(366)		(366)
Disposal of treasury shares	-	-	-	-	-	-	-	-	205	-	205
Currency translation differences, representing net loss not recognised in Income Statement	-	-	-	-	-	-	-	429	429	-	429
Minority interest share of net assets in subsidiary company										(44)	(44)
Net profit for the period	-	-	-	-	(8,427)	-	-	-	(8,427)	-	(8,427)
Balance at 31.01.2008	117,822	23,978	(5,326)	277	(39,184)	5	7,363	(363)	104,452	299	104,751

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2008 and the accompanying explanatory notes attached to the interim financial statements.

SILVER BIRD

SILVER BIRD GROUP BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 JANUARY 2009

	3 months ended	
	1/31/2009	1/31/2008
	RM'000	RM'000
	Unaudited	Unaudited
Net cash (used in)/from operating activities	1,136	2,946
Net cash used in investing activities	(5,059)	(7,173)
Net cash from/(used) in financing activities	(3,602)	(2,926)
Net increase/(decrease) in cash and cash equivalents	(7,525)	(7,153)
Effects of exchange rate changes	(71)	429
Cash and cash equivalents at beginning of financial period	17,749	9,446
Cash and cash equivalents at end of financial period	10,153	2,722

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

	As at	As at
	1/31/2009	1/31/2008
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	10,153	2,722
	10,153	2,722

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 October 2008 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 2008. 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 2008.

2. CHANGES IN ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), accounting principles generally accepted in Malaysia and the provision of Companies Act, 1965.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 October 2008 except for the Company has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Company plans to apply the abovementioned FRSs / Interpretations from the annual period beginning 1 January 2010 except for FRS 4 and IC Interpretation 9 which are not relevant to the Group's operations.

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

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSS. The initial application of the other standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Company.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 October 2008 was not qualified.

4. SEGMENTAL INFORMATION

	3 months ended	
	31.1.2009	31.1.2008
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Consumer food	40,494	35,828
Telecommunication products	118,651	121,242
Total revenue from continuing operations	159,145	157,070
Revenue from discontinued operation	-	-
Total	159,145	157,070
Segment Results		
Results from continuing operations:		
Consumer food	(196)	(8,908)
Telecommunication products	299	448
Total results from continuing operations	103	(8,460)
Results from discontinued operation	-	(12)
Total	103	(8,472)

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 January 2009.

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 for the current quarter except for the following:

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

A total of 2,647 new ordinary shares of RM0.50 each were issued and listed pursuant to the conversion of RM 1,800 nominal value of ICULS.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter under review.

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	
	31.1.2009	31.1.2008
	RM'000	RM'000
Revenue	-	-
Loss before tax	-	(12)
Income tax expense	-	-
Loss for the period from a discontinued operation	-	(12)
Cash flows used in operating activities	(2)	-
Cash flows used in investing activities	-	-
Cash flows used in financing activities	-	-
Total cash flows	(2)	-

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 31 January 2009 are as follows:

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	19
Assets of dormant group	<u>4,819</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,975)
Tax payable	(168)
Liabilities directly associated with the assets classified as dormant	<u>(5,143)</u>
Net liabilities attributable to discontinued operations	<u>(324)</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 January 2009 is as follows:

	RM'000
Approved and contracted for	<u>2,921</u>
	<u>2,921</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 January 2009, the Company had given corporate guarantees amounting to approximately RM153 million to secure banking facilities granted to certain subsidiaries.

15. SUBSEQUENT EVENTS

There was no material event subsequent to the quarter under review.

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 RM159 million compared with RM157 million in the corresponding period of the previous year. This increase in revenue is attributed to the core business of the Consumer Food Division which registered revenue increase from RM35.8 million in the corresponding period of the previous year to RM40.5 million.

The Group registered profit before taxation for the current quarter of RM103 thousand in comparison with a loss of RM8.5 million in the corresponding period of the previous year. This significant improvement was due to a strong sales growth of daily fresh bakery products.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group recorded a profit before taxation of RM103 thousand for the current quarter; an improvement from the preceding quarter's profit before taxation of RM68 thousand mainly due to combination of sales growth, cost reduction exercise undertaken during the quarter and lower flour price.

18. COMMENTARY ON PROSPECTS

The prospects arising from the consolidation of the bakery market will improve market opportunities for the Company. In addition, the downward trend of major material costs and the cost reduction measures instituted by the Company will translate into better results for the coming quarters.

This trend augurs well for the capacity expansion plan to increase production significantly.

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	
	31.1.2009	31.1.2008
	RM'000	RM'000
Current tax:		
Malaysian income tax	-	-
Total income tax expense	<u>-</u>	<u>-</u>

20. INCOME TAX EXPENSE (CONT'D.)

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.

22. QUOTED SECURITIES

There were no purchases and disposals of quoted securities for the current quarter.

23. CORPORATE PROPOSALS

Save as disclosed, there was no corporate proposal announced but not completed as at the date of this report.

- (i) The total proceeds raised by the Company from the Rights Issue with Warrants amounted to RM 51,829,012.62. The status of the utilisation of proceeds is as follow:-

Purpose	Proposed Utilization RM'000	Actual Utilization (as at 31/1/09) RM'000	Intended timeframe for utilization	Deviation RM'000
Working Capital	50,829	50,997	Within 12 months	(168)
Proposed Expenses	1,000	832	Within 12 months	168

Note: Excess proposed expenses has been utilised for working capital purposes.

24. BORROWINGS

	As at 31.1.2009 RM'000	As at 31.10.2008 RM'000
Short term borrowings		
Secured	18,100	18,100
Unsecured	108,897	112,648
	<u>126,997</u>	<u>130,748</u>
Long term borrowings		
Secured	928	1,056
Unsecured	26,650	26,373
	<u>27,578</u>	<u>27,429</u>
	<u>154,575</u>	<u>158,177</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 18 March 2009.

26. CHANGES IN MATERIAL LITIGATION

There was no material litigation since the last annual balance sheet date up to the date of this report.

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 January 2009 (31 January 2008: 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.

	3 months ended	
	31.1.2009	31.1.2008
	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	103	(8,460)
Loss from discontinued operation attributable to ordinary equity holders of the parent	-	(12)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>103</u>	<u>(8,472)</u>
	3 months ended	
	31.1.2009	31.1.2008
	'000	'000
Weighted average number of ordinary shares in issue	<u>314,144</u>	<u>235,551</u>
	3 months ended	
	31.1.2009	31.1.2008
	Sen	Sen
Basic earnings per share for:		
Profit/(Loss) from continuing operations	0.03	(3.59)
Loss from discontinued operation	-	(0.01)
Profit/(Loss) for the period	<u>0.03</u>	<u>(3.60)</u>

28. EARNINGS PER SHARE (CONT'D.)

(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 warrants.

	3 months ended	
	31.1.2009	31.1.2008
	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	103	(8,460)
Loss from discontinued operation attributable to ordinary equity holders of the parent	-	(12)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>103</u>	<u>(8,472)</u>

	3 months ended	
	31.1.2009	31.1.2008
	'000	'000
Weighted average number of ordinary shares in issue	314,144	235,551
Effects of dilution:		
ICULS	82	20
Warrants	138,623	105,181
Adjusted weighted average number of ordinary shares in issue and issuable	<u>452,848</u>	<u>340,751</u>

	3 months ended	
	31.1.2009	31.1.2008
	Sen	Sen
Diluted earnings per share for:		
Profit/(Loss) from continuing operations	0.02	(2.48)
Loss from discontinued operation	-	(0.00)
Profit/(Loss) for the period	<u>0.02</u>	<u>(2.49)</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.

By order of the Board
Tan Fong Shian @ Lim Fong Shian
Company Secretary
Shah Alam