

SILVER BIRD

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2009

	Note	3 months ended		6 months ended	
		30/04/2009	30/04/2008	30/04/2009	30/04/2008
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Continuing Operations					
Revenue	4	146,009	159,867	305,154	316,937
Cost of Sales		(128,652)	(151,698)	(270,147)	(302,327)
Gross profit		<u>17,357</u>	<u>8,169</u>	<u>35,007</u>	<u>14,610</u>
Other income		633	679	920	1,277
Administrative expenses		(4,850)	(4,851)	(9,861)	(9,383)
Selling and marketing expenses		(8,345)	(7,701)	(16,415)	(15,760)
Other expenses	5	(2,568)	(2,780)	(5,176)	(3,994)
Finance expenses		(1,830)	(2,041)	(3,975)	(3,735)
Share of loss of jointly controlled entities		-	-	-	-
Profit/(Loss) before tax		<u>397</u>	<u>(8,525)</u>	<u>500</u>	<u>(16,985)</u>
Income tax expense	20	-	-	-	-
Profit/(Loss) for the period from continuing operations		<u>397</u>	<u>(8,525)</u>	<u>500</u>	<u>(16,985)</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(5)	(3)	(5)	(15)
Profit/(Loss) for the period		<u>392</u>	<u>(8,528)</u>	<u>495</u>	<u>(17,000)</u>
Attributable to :					
Equity holders of the parent		393	(8,517)	497	(16,944)
Minority interest		(1)	(11)	(2)	(56)
		<u>392</u>	<u>(8,528)</u>	<u>495</u>	<u>(17,000)</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for (loss)/profit from continuing operations (sen)	28	0.13	(2.92)	0.16	(6.44)
Basic, for loss from discontinued operations (sen)	28	(0.00)	(0.00)	(0.00)	(0.01)
Basic, for (loss)/profit for the period (sen)	28	<u>0.12</u>	<u>(2.92)</u>	<u>0.16</u>	<u>(6.45)</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.09	(2.12)	0.12	(4.55)
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>0.09</u>	<u>(2.12)</u>	<u>0.12</u>	<u>(4.56)</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
 (Company No. 277977-X)
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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 APRIL 2009

	Note	As at 30/04/2009 Unaudited RM'000	As at 31/10/2008 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	155,921	155,412
Other receivable		14,842	14,842
Intangible assets		36,733	36,733
		207,496	206,987
Current Assets			
Inventories		17,741	18,841
Trade receivables		46,207	45,826
Other receivables		30,940	35,533
Fixed deposits with licensed banks		5,771	1,109
Cash and bank balances		13,980	16,640
		114,639	117,949
TOTAL ASSETS		322,135	324,936
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
Share capital	10	157,090	157,059
Share premium		36,078	36,066
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
1% Irredeemable Convertible Unsecured Loan Stocks	10	-	42
Warrants reserve		7,363	7,363
Accumulated loss		(50,904)	(51,401)
Exchange Translation Reserve		(2,642)	(2,270)
SHAREHOLDERS' EQUITY		141,936	141,810
Minority Interest		275	277
		142,211	142,087
Non-current liabilities			
Borrowings	24	7,716	27,429
		7,716	27,429
Current liabilities			
Borrowings	24	151,379	130,748
Trade payables		15,218	16,837
Other payables		5,438	7,662
Current tax payable		173	173
		172,208	155,420
Total liabilities		179,924	182,849
TOTAL EQUITY AND LIABILITIES		322,135	324,936
Net assets per share attributable to equity holders of the Company (RM)		0.45	0.45

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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 APRIL 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	Treasury Shares 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	31	11				(42)				-	-	-
Currency translation differences, representing net loss not recognised in Income Statement								(372)		(372)	-	(372)
Minority interest share of net assets in subsidiary company										-	(2)	(2)
Net profit for the period					497					497	-	497
Balance at 31.04.2009	157,090	36,078	(5,326)	277	(50,904)	-	7,363	(2,642)	-	141,936	275	142,211

Balance at 31.10.2007/1.11.2007	117,769	24,325	(5,326)	277	(30,757)	76	7,363	(792)	(323)	112,612	343	112,955
Conversion of ICULS	24	9	-	-	-	(33)	-	-	-	-	-	-
Issuance of ordinary shares	39,264	12,564	-	-	-	-	-	-	-	51,828	-	51,828
Share issue expenses incurred		(832)								(832)		(832)
Disposal of treasury shares	-	-	-	-	-	-	-	-	323	323	-	323
Currency translation differences, representing net loss not recognised in Income Statement	-	-	-	-	-	-	-	(229)	-	(229)	-	(229)
Minority interest share of net assets in subsidiary company											(56)	(56)
Net loss for the period	-	-	-	-	(16,944)	-	-	-	-	(16,944)	-	(16,944)
Balance at 30.04.2008	157,057	36,066	(5,326)	277	(47,701)	44	7,363	(1,021)	-	146,759	287	147,046

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX-MONTH ENDED 30 APRIL 2009

	6 months ended	
	30/04/2009	30/04/2008
	RM'000	RM'000
	Unaudited	Unaudited
Net cash (used in)/from operating activities	12,456	(9,658)
Net cash used in investing activities	(11,000)	(15,000)
Net cash from financing activities	918	24,833
Net increase in cash and cash equivalents	2,374	175
Effects of exchange rate changes	(372)	(229)
Cash and cash equivalents at beginning of financial period	17,749	9,446
Cash and cash equivalents at end of financial period	19,751	9,392

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

	As at	As at
	30/04/2009	30/04/2008
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	19,751	9,392
	19,751	9,392

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.

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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		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	42,299	37,009	82,793	72,837
Telecommunication products	103,710	122,858	222,361	244,100
Total revenue from continuing operations	146,009	159,867	305,154	316,937
Revenue from discontinued operation	-	-	-	-
Total	146,009	159,867	305,154	316,937
Segment Results				
Results from continuing operations:				
Consumer food	141	(9,216)	(55)	(18,124)
Telecommunication products	256	691	555	1,139
Total results from continuing operations	397	(8,525)	500	(16,985)
Results from discontinued operation	(5)	(3)	(5)	(15)
Total	392	(8,528)	495	(17,000)

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 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 60,075 new ordinary shares of RM0.50 each were issued and listed pursuant to the conversion of RM 40,890 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		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(5)	(3)	(5)	(15)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(5)	(3)	(5)	(15)
Cash flows used in operating activities	(1)	(4)	(3)	(4)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	-	-	-
Total cash flows	(1)	(4)	(3)	(4)

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 30 April 2009 are as follows:

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	18
Assets of dormant group	<u>4,818</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,979)
Tax payable	(168)
Liabilities directly associated with the assets classified as dormant	<u>(5,147)</u>
Net liabilities attributable to discontinued operations	<u>(329)</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 2009 is as follows:

	RM'000
Approved and contracted for	12,006
	<u>12,006</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 30 April 2009, the Company had given corporate guarantees amounting to approximately RM157 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 revenue of RM146 million compared with RM160 million in the corresponding period of the previous year. The Consumer Food Division registered an increase in revenue from RM33.8 million in the corresponding period of the previous year to RM38.6 million due to strong market demand.

The decrease in total revenue was due to lower revenue from MultiCom Division (telecommunication business) by 16% from RM123 million to RM104 million as a result of the economy slowdown.

The Group registered profit before taxation of RM392 thousand for the current quarter in comparison with a loss of RM8.5 million in the corresponding period of the previous year. This significant improvement was attributed to a combination of strong sales growth and lower costs in our core business of Consumer Food Division.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group recorded a profit before taxation of RM392 thousand for the current quarter; an improvement from the preceding quarter's profit before taxation of RM103 thousand mainly due to the sales growth of the Group's core business.

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		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	-
Total income tax expense	-	-	-	-

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

There was no corporate proposal announced but not completed as at the date of this report.

24. BORROWINGS

	As at	As at
	30.4.2009	31.10.2008
	RM'000	RM'000
Short term borrowings		
Secured	18,100	18,100
Unsecured	133,279	112,648
	<u>151,379</u>	<u>130,748</u>
Long term borrowings		
Secured	798	1,056
Unsecured	6,918	26,373
	<u>7,716</u>	<u>27,429</u>
	<u>159,095</u>	<u>158,177</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 18 June 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 30 April 2009 (30 April 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		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	397	(8,525)	500	(16,985)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(5)	(3)	(5)	(15)
Profit/(Loss) attributable to ordinary equity holders of the parent	392	(8,528)	495	(17,000)

	3 months ended		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	314,171	292,302	314,144	263,614

	3 months ended		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit/(Loss) from continuing operations	0.13	(2.92)	0.16	(6.44)
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.01)
Profit/(Loss) for the period	0.12	(2.92)	0.16	(6.45)

(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.

28. EARNINGS PER SHARE (CONT'D.)

(b) Diluted (Cont'd.)

	3 months ended		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	397	(8,525)	500	(16,985)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(5)	(3)	(5)	(15)
Profit/(Loss) attributable to ordinary equity holders of the parent	392	(8,528)	495	(17,000)
	3 months ended		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	314,171	292,302	314,144	263,614
Effects of dilution:				
ICULS	-	113	-	113
Warrants	109,174	109,174	109,174	109,174
Adjusted weighted average number of ordinary shares in issue and issuable	423,345	401,589	423,318	372,902
	3 months ended		6 months ended	
	30.4.2009	30.4.2008	30.4.2009	30.4.2008
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit/(Loss) from continuing operations	0.09	(2.12)	0.12	(4.55)
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit/(Loss) for the period	0.09	(2.12)	0.12	(4.56)

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