

SILVER BIRD

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

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

	Note	3 months ended		9 months ended	
		31/07/2009 RM'000 Unaudited	31/07/2008 RM'000 Unaudited	31/07/2009 RM'000 Unaudited	31/07/2008 RM'000 Unaudited
Continuing Operations					
Revenue	4	139,544	159,379	444,698	476,316
Cost of Sales		(121,973)	(147,493)	(392,120)	(449,820)
Gross profit		<u>17,571</u>	<u>11,886</u>	<u>52,578</u>	<u>26,496</u>
Other income		705	617	1,625	1,894
Administrative expenses		(4,853)	(4,780)	(14,714)	(14,163)
Selling and marketing expenses		(8,917)	(7,461)	(25,332)	(23,221)
Other expenses		(2,530)	(3,751)	(7,706)	(7,745)
Finance expenses		(1,640)	(2,073)	(5,615)	(5,808)
Share of loss of jointly controlled entities		-	-	-	-
Profit/(Loss) before tax		<u>336</u>	<u>(5,562)</u>	<u>836</u>	<u>(22,547)</u>
Income tax expense	20	-	1,239	-	1,239
Profit/(Loss) for the period from continuing operations		<u>336</u>	<u>(4,323)</u>	<u>836</u>	<u>(21,308)</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(6)	1	(11)	(14)
Profit/(Loss) for the period		<u>330</u>	<u>(4,322)</u>	<u>825</u>	<u>(21,322)</u>
Attributable to :					
Equity holders of the parent		331	(4,314)	828	(21,258)
Minority interest		(1)	(8)	(3)	(64)
		<u>330</u>	<u>(4,322)</u>	<u>825</u>	<u>(21,322)</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for (loss)/profit from continuing operations (sen)	28	0.11	(1.38)	0.27	(7.59)
Basic, for loss from discontinued operations (sen)	28	(0.00)	0.00	(0.00)	0.00
Basic, for (loss)/profit for the period (sen)	28	<u>0.11</u>	<u>(1.38)</u>	<u>0.26</u>	<u>(7.60)</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.11	(0.95)	0.27	(5.08)
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>0.11</u>	<u>(0.95)</u>	<u>0.26</u>	<u>(5.09)</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.

SILVER BIRD

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 JULY 2009

	Note	As at 31/07/2009 Unaudited RM'000	As at 31/10/2008 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	160,520	155,412
Other receivable		14,842	14,842
Intangible assets		36,732	36,733
		<u>212,094</u>	<u>206,987</u>
Current Assets			
Inventories		16,406	18,841
Trade receivables		47,202	45,826
Other receivables		27,844	35,533
Fixed deposits with licensed banks		2,946	1,109
Cash and bank balances		17,148	16,640
		<u>111,546</u>	<u>117,949</u>
TOTAL ASSETS		<u>323,640</u>	<u>324,936</u>
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		(50,573)	(51,401)
Exchange Translation Reserve		(3,359)	(2,270)
SHAREHOLDERS' EQUITY		<u>141,550</u>	<u>141,810</u>
Minority Interest		<u>272</u>	<u>277</u>
		<u>141,822</u>	<u>142,087</u>
Non-current liabilities			
Borrowings	24	15,393	27,429
		<u>15,393</u>	<u>27,429</u>
Current liabilities			
Borrowings	24	145,716	130,748
Trade payables		15,196	16,837
Other payables		5,340	7,662
Current tax payable		173	173
		<u>166,425</u>	<u>155,420</u>
Total liabilities		<u>181,818</u>	<u>182,849</u>
TOTAL EQUITY AND LIABILITIES		<u>323,640</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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 31 JULY 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								(1,089)		(1,089)	-	(1,089)
Minority interest share of net assets in subsidiary company										-	(5)	(5)
Net profit for the period					828					828	-	828
Balance at 31.07.2009	157,090	36,078	(5,326)	277	(50,573)	-	7,363	(3,359)	-	141,550	272	141,822

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	25	9	-	-	-	(34)	-	-	-	-	-	-
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	-	-	-	-	-	-	-	(1,425)	-	(1,425)	-	(1,425)
Minority interest share of net assets in subsidiary company											(64)	(64)
Net loss for the period	-	-	-	-	(21,258)	-	-	-	-	(21,258)	-	(21,258)
Balance at 31.07.2008	157,058	36,066	(5,326)	277	(52,015)	43	7,363	(2,217)	-	141,249	279	141,528

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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SILVER BIRD GROUP BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE-MONTH ENDED 31 JULY 2009

	9 months ended	
	31/07/2009	31/07/2008
	RM'000	RM'000
	Unaudited	Unaudited
Net cash (used in)/from operating activities	21,322	(14,164)
Net cash used in investing activities	(20,820)	(16,697)
Net cash from financing activities	2,932	61,049
Net increase in cash and cash equivalents	3,434	30,188
Effects of exchange rate changes	(1,089)	(1,425)
Cash and cash equivalents at beginning of financial period	17,749	9,446
Cash and cash equivalents at end of financial period	20,094	38,209

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

	As at	As at
	31/07/2009	31/07/2008
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	20,094	38,209
	20,094	38,209

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 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		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	42,906	38,560	125,699	111,397
Telecommunication products	96,638	120,819	318,999	364,919
Total revenue from continuing operations	139,544	159,379	444,698	476,316
Revenue from discontinued operation	-	-	-	-
Total	139,544	159,379	444,698	476,316
Segment Results				
Results from continuing operations:				
Consumer food	189	(6,076)	134	(24,200)
Telecommunication products	147	514	702	1,653
Total results from continuing operations	336	(5,562)	836	(22,547)
Results from discontinued operation	(6)	1	(11)	(14)
Total	330	(5,561)	825	(22,561)

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 July 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.

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		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(6)	1	(11)	(14)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(6)	1	(11)	(14)
Cash flows used in operating activities	(9)	(7)	(12)	(11)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	-	-	-
Total cash flows	(9)	(7)	(12)	(11)

12. DISCONTINUED OPERATION (CONT'D.)

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

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	<u>9</u>
Assets of dormant group	<u>4,809</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,976)
Tax payable	<u>(168)</u>
Liabilities directly associated with the assets classified as dormant	<u>(5,144)</u>
Net liabilities attributable to discontinued operations	<u>(335)</u>

13. CAPITAL COMMITMENTS

There were no capital commitments that have not been provided for in the interim financial statements as at 31 July 2009.

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 July 2009, the Company had given corporate guarantees amounting to approximately RM158 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 RM140 million compared with RM159 million in the corresponding period of the previous year. The Consumer Food Division registered an increase in revenue from RM38.6 million in the corresponding period of the previous year to current quarter of RM42.9 million due to strong market demand.

The decrease in total revenue was due to lower revenue from MultiCom Division (telecommunication business) by 20% from RM121 million to RM97 million due to the slowdown in the economy.

The Group registered profit before taxation of RM330 thousand for the current quarter in comparison with a loss of RM5.6 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 RM330 thousand for the current quarter; a decline of 16% from the preceding quarter's profit before taxation of RM392 thousand mainly due to the promotional activities undertaken during the current quarter.

18. COMMENTARY ON PROSPECTS

The prospects arising from the consolidation of the bakery market will improve market opportunities for the Company. In addition, the measures instituted by the Company will translate into better results for the next quarter. This trend augurs well for the capacity expansion plan of the Company.

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		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	(1,239)	-	(1,239)
Total income tax expense	-	(1,239)	-	(1,239)

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) Proposed Private Placement of up to Ten Percent (10%) of the Issued and Paid-up Share Capital of the Company

On 4 September 2009, the Board of Directors of the Company announced to undertake a Proposed Private Placement of new ordinary shares of RM0.50 each in the Company of up to 10% of the issued and paid-up share capital of the Company to be issued to investors to be identified and at an issue price to be fixed at a later stage.

24. BORROWINGS

	As at	As at
	31.7.2009	31.10.2008
	RM'000	RM'000
Short term borrowings		
Secured	20,306	18,100
Unsecured	125,410	112,648
	<u>145,716</u>	<u>130,748</u>
Long term borrowings		
Secured	8,197	1,056
Unsecured	7,196	26,373
	<u>15,393</u>	<u>27,429</u>
	<u>161,109</u>	<u>158,177</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 14 September 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 July 2009 (31 July 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		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	336	(4,323)	836	(21,308)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(6)	1	(11)	(14)
Profit/(Loss) attributable to ordinary equity holders of the parent	<u>330</u>	<u>(4,322)</u>	<u>825</u>	<u>(21,322)</u>
	3 months ended		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	<u>314,180</u>	<u>314,116</u>	<u>314,156</u>	<u>280,571</u>
	3 months ended		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit/(Loss) from continuing operations	0.11	(1.38)	0.27	(7.59)
Loss from discontinued operation	(0.00)	0.00	(0.00)	(0.00)
Profit/(Loss) for the period	<u>0.11</u>	<u>(1.38)</u>	<u>0.26</u>	<u>(7.60)</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 warrants.

28. EARNINGS PER SHARE (CONT'D.)

(b) Diluted (Cont'd.)

	3 months ended		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	336	(4,323)	836	(21,308)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(6)	1	(11)	(14)
Profit/(Loss) attributable to ordinary equity holders of the parent	330	(4,322)	825	(21,322)
	3 months ended		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	314,180	314,116	314,156	280,571
Effects of dilution:				
ICULS	-	111	-	111
Warrants	-	138,623	-	138,623
Adjusted weighted average number of ordinary shares in issue and issuable	314,180	452,850	314,156	419,305
	3 months ended		9 months ended	
	31.7.2009	31.7.2008	31.7.2009	31.7.2008
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit/(Loss) from continuing operations	0.11	(0.95)	0.27	(5.08)
Loss from discontinued operation	(0.00)	0.00	(0.00)	(0.00)
Profit/(Loss) for the period	0.11	(0.95)	0.26	(5.09)

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