

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 2009

	Note	3 months ended		12 months ended	
		31/10/2009 RM'000 Unaudited	31/10/2008 RM'000 Unaudited	31/10/2009 RM'000 Unaudited	31/10/2008 RM'000 Unaudited
Continuing Operations					
Revenue	4	144,193	162,248	588,891	638,564
Cost of Sales		(126,656)	(145,404)	(518,776)	(595,224)
Gross profit		<u>17,537</u>	<u>16,844</u>	<u>70,115</u>	<u>43,340</u>
Other income		649	1,362	2,274	3,256
Administrative expenses		(5,593)	(4,499)	(20,307)	(18,662)
Selling and marketing expenses		(7,620)	(7,458)	(32,952)	(30,679)
Other expenses		(2,702)	(3,279)	(10,408)	(11,024)
Finance expenses		(1,659)	(2,895)	(7,274)	(8,703)
Profit/(Loss) before tax		<u>612</u>	<u>75</u>	<u>1,448</u>	<u>(22,472)</u>
Income tax expense	20	(3)	-	(3)	1,239
Profit/(Loss) for the period from continuing operations		<u>609</u>	<u>75</u>	<u>1,445</u>	<u>(21,233)</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(1)	(7)	(12)	(21)
Profit/(Loss) for the period		<u>608</u>	<u>68</u>	<u>1,433</u>	<u>(21,254)</u>
Attributable to :					
Equity holders of the parent		611	70	1,439	(21,188)
Minority interest		(3)	(2)	(6)	(66)
		<u>608</u>	<u>68</u>	<u>1,433</u>	<u>(21,254)</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for (loss)/profit from continuing operations (sen)	28	0.19	0.02	0.46	(7.35)
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>0.19</u>	<u>0.02</u>	<u>0.46</u>	<u>(7.35)</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.19	0.02	0.46	(4.96)
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>0.19</u>	<u>0.02</u>	<u>0.46</u>	<u>(4.97)</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 OCTOBER 2009

	Note	As at 31/10/2009 Unaudited RM'000	As at 31/10/2008 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	187,505	155,412
Other receivable		7,546	14,842
Intangible assets		36,732	36,733
		<u>231,783</u>	<u>206,987</u>
Current Assets			
Inventories		12,475	18,841
Trade receivables		47,024	45,826
Other receivables		10,010	35,533
Fixed deposits with licensed banks		2,435	1,109
Cash and bank balances		24,059	16,640
		<u>96,003</u>	<u>117,949</u>
TOTAL ASSETS		<u>327,786</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		(49,963)	(51,401)
Exchange Translation Reserve		(3,286)	(2,270)
Treasury shares		-	-
SHAREHOLDERS' EQUITY		<u>142,233</u>	<u>141,810</u>
Minority Interest		<u>271</u>	<u>277</u>
		<u>142,504</u>	<u>142,087</u>
Non-current liabilities			
Borrowings	24	14,906	27,429
		<u>14,906</u>	<u>27,429</u>
Current liabilities			
Borrowings	24	135,560	130,748
Trade payables		25,847	16,837
Other payables		8,796	7,662
Current tax payable		173	173
		<u>170,376</u>	<u>155,420</u>
Total liabilities		<u>185,282</u>	<u>182,849</u>
TOTAL EQUITY AND LIABILITIES		<u>327,786</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 TWELVE-MONTH PERIOD ENDED 31 OCT 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	(51,402)	42	7,363	(2,270)	-	141,809	277	142,086
Conversion of ICULS	31	11				(42)				-	-	-
Currency translation differences, representing net loss not recognised in Income Statement								(1,016)		(1,016)	-	(1,016)
Minority interest share of net assets in subsidiary company										-	(6)	(6)
Net profit for the period					1,439					1,439	-	1,439
Balance at 31.10.2009	157,090	36,078	(5,326)	277	(49,963)	-	7,363	(3,286)	-	142,233	271	142,504
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	39,265	12,564	-	-	-	-	-	-	-	51,829	-	51,829
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	-	-	-	-	-	-	-	(1,478)	-	(1,478)	-	(1,478)
Minority interest share of net assets in subsidiary company											(66)	(66)
Income and expenses recognised directly in equity					565					565		565
Net loss for the period	-	-	-	-	(21,209)	-	-	-	-	(21,209)	-	(21,209)
Balance at 31.10.2008	157,059	36,066	(5,326)	277	(51,401)	42	7,363	(2,270)	-	141,810	277	142,087

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 TWELVE-MONTH ENDED 31 OCTOBER 2009

	12 months ended	
	31/10/2009	31/10/2008
	RM'000	RM'000
	Unaudited	Unaudited
Net cash from/(used in) operating activities	49,208	(17,433)
Net cash used in investing activities	(39,032)	(27,576)
Net cash from financing activities	(415)	54,835
Net increase in cash and cash equivalents	9,761	9,826
Effects of exchange rate changes	(1,016)	(1,789)
Cash and cash equivalents at beginning of financial period	17,749	9,446
Cash and cash equivalents at end of financial period	26,494	17,483

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

	As at	As at
	31/10/2009	31/10/2008
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	26,494	17,483
	26,494	17,483

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		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	46,235	38,609	171,934	150,006
Telecommunication products	97,959	123,639	416,958	488,558
Total revenue from continuing operations	144,193	162,248	588,891	638,564
Revenue from discontinued operation	-	-	-	-
Total	144,193	162,248	588,891	638,564
Segment Results				
Results from continuing operations:				
Consumer food	481	(398)	598	(24,598)
Telecommunication products	131	473	850	2,126
Total results from continuing operations	612	75	1,448	(22,472)
Results from discontinued operation	(1)	(7)	(12)	(21)
Total	611	68	1,436	(22,493)

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 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 during the current financial year as at 31 October 2009 except for the following:

a) Equity Securities

The Company has issued 15,231,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise which was granted listing and quotation on 30 November 2009.

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:

12. DISCONTINUED OPERATION (CONT'D.)

	3 months ended		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(1)	(7)	(12)	(21)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(1)	(7)	(12)	(21)
Cash flows used in operating activities	-	-	(12)	(11)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	2	-	2	-
Total cash flows	2	-	(10)	(11)

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

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	11
Assets of dormant group	<u>4,811</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>(336)</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 2009 is as follows:

	RM'000
Approved and contracted for	17,183
	<u>17,183</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 October 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 RM144 million compared with RM162 million in the corresponding period of the previous year. The Consumer Food Division registered an increase in revenue by 20% from RM39 million in the corresponding period of the previous year to current quarter of RM46 million due to strong market demand.

However, the decrease in total revenue was due to a 21% decrease in revenue from MultiCom Division (telecommunication business) from RM124 million to RM98 million due to the slowdown in the prepaid telecommunication industry.

The Group registered profit before taxation of RM611 thousand for the current quarter compared with RM68 thousand in the corresponding period of the previous year. This significant improvement was attributed to a combination of 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 RM611 thousand for the current quarter; an 85% improvement from the preceding quarter's profit before taxation of RM330 thousand. This was attributed mainly to the improvement in consumer sales 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. The Company is also currently expanding aggressively in the institutional sales. 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		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	3	-	3	(1,239)
Total income tax expense	<u>3</u>	<u>-</u>	<u>3</u>	<u>(1,239)</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.

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 Silver Bird Group Berhad ("Silver Bird") 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.

The Bursa Malaysia Securities Berhad had, vide its letter dated 19 October 2009, approved the Proposed Private Placement of up to 45,280,188 new ordinary shares of RM0.50 each in Silver Bird subject to certain conditions. The Ministry of International Trade and Industry had, vide its letter dated 17 November 2009 stated that they have no objections to the Proposed Private Placement.

On 18 November 2009, the Board of Silver Bird has fixed an issue price of RM0.70 per placement share for the first tranche of the Proposed Private Placement. The issue price represents a discount of approximately 7.89% to the five (5)-day volume weighted average market price of Silver Bird's shares up to and including 17 November 2009, being the date immediately prior to the price-fixing date, of RM0.76.

On 25 November 2009, the Company had allotted 15,231,000 new ordinary shares of RM0.50 each to identified investors at the issue price of RM0.70 per share and the

said additional placement shares were granted listing and quotation on 30 November 2009.

24. BORROWINGS

	As at 31.10.2009 RM'000	As at 31.10.2008 RM'000
Short term borrowings		
Secured	20,342	18,100
Unsecured	115,218	112,648
	<u>135,560</u>	<u>130,748</u>
Long term borrowings		
Secured	7,432	1,056
Unsecured	7,474	26,373
	<u>14,906</u>	<u>27,429</u>
	<u>150,466</u>	<u>158,177</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 24 December 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 October 2009 (31 October 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		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	609	75	1,445	(21,233)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(1)	(7)	(12)	(21)
Profit/(Loss) attributable to ordinary equity holders of the parent	608	68	1,433	(21,254)
	3 months ended		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	314,180	314,117	314,162	289,004
	3 months ended		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit/(Loss) from continuing operations	0.19	0.02	0.46	(7.35)
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.01)
Profit/(Loss) for the period	0.19	0.02	0.46	(7.35)

(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		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from continuing operations attributable to ordinary equity holders of the parent	609	75	1,445	(21,233)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(1)	(7)	(12)	(21)
Profit/(Loss) attributable to ordinary equity holders of the parent	608	68	1,433	(21,254)
	3 months ended		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	314,180	314,117	314,162	289,004
Effects of dilution:				
ICULS	-	113	-	113
Warrants	-	138,623	-	138,623
Adjusted weighted average number of ordinary shares in issue and issuable	314,180	452,853	314,162	427,740
	3 months ended		12 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit/(Loss) from continuing operations	0.19	0.02	0.46	(4.96)
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit/(Loss) for the period	0.19	0.02	0.46	(4.97)

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