



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 JANUARY 2010**

	Note	3 months ended		3 months ended	
		31/01/2010	31/01/2009	31/01/2010	31/01/2009
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
<b>Continuing Operations</b>					
Revenue	4	148,546	159,145	148,546	159,145
Cost of Sales		(129,828)	(141,495)	(129,828)	(141,495)
<b>Gross profit</b>		<u>18,718</u>	<u>17,650</u>	<u>18,718</u>	<u>17,650</u>
Other income		588	287	588	287
Administrative expenses		(5,540)	(5,011)	(5,540)	(5,011)
Selling and marketing expenses		(8,729)	(8,070)	(8,729)	(8,070)
Other expenses		(2,594)	(2,608)	(2,594)	(2,608)
Finance expenses		(1,656)	(2,145)	(1,656)	(2,145)
<b>Profit before tax</b>		<u>787</u>	<u>103</u>	<u>787</u>	<u>103</u>
Income tax expense	20	-	-	-	-
<b>Profit for the period from continuing operations</b>		<u>787</u>	<u>103</u>	<u>787</u>	<u>103</u>
<b>Discontinued Operations</b>					
Loss for the period from discontinued operations	12	-	-	-	-
<b>Profit for the period</b>		<u>787</u>	<u>103</u>	<u>787</u>	<u>103</u>
Attributable to :					
Equity holders of the parent		788	104	788	104
Minority interest		(1)	(1)	(1)	(1)
		<u>787</u>	<u>103</u>	<u>787</u>	<u>103</u>
<b>Earnings per share attributable to equity holders of the parent :</b>					
Basic, for (loss)/profit from continuing operations (sen)	28	0.24	0.03	0.24	0.03
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>0.24</u>	<u>0.03</u>	<u>0.24</u>	<u>0.03</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.24	0.02	0.24	0.02
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>0.24</u>	<u>0.02</u>	<u>0.24</u>	<u>0.02</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 October 2009 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 JANUARY 2010**

	Note	As at 31/01/2010 Unaudited RM'000	As at 31/10/2009 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	185,540	187,505
Other receivable		7,546	7,546
Intangible assets		36,730	36,731
Other Investment - Corporate shares		75	-
		<u>229,891</u>	<u>231,782</u>
<b>Current Assets</b>			
Inventories		14,570	12,475
Trade receivables		48,959	47,024
Other receivables		11,150	10,730
Fixed deposits with licensed banks		2,444	14,959
Cash and bank balances		27,406	23,133
		<u>104,529</u>	<u>108,321</u>
<b>TOTAL ASSETS</b>		<u>334,420</u>	<u>340,103</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holder of the parent</b>			
Share capital	10	172,778	157,090
Share premium		41,852	36,077
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
Warrants reserve		7,363	7,363
Accumulated loss		(49,174)	(49,962)
Exchange Translation Reserve		(3,074)	(3,120)
<b>SHAREHOLDERS' EQUITY</b>		<u>164,696</u>	<u>142,399</u>
<b>Minority Interest</b>		<u>270</u>	<u>271</u>
		<u>164,966</u>	<u>142,670</u>
<b>Non-current liabilities</b>			
Borrowings	24	14,596	15,968
		<u>14,596</u>	<u>15,968</u>
<b>Current liabilities</b>			
Borrowings	24	131,691	147,423
Trade payables		15,954	25,851
Other payables		7,040	8,018
Current tax payable		173	173
		<u>154,858</u>	<u>181,465</u>
<b>Total liabilities</b>		<u>169,454</u>	<u>197,433</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>334,420</u>	<u>340,103</u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		<u>0.48</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 2009 and the accompanying explanatory notes attached to the interim financial statements.



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 JAN 2010**

	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
<b>Balance at 31.10.2009/ 1.11.2009</b>	157,090	36,077	(5,326)	277	(49,962)	-	7,363	(3,120)	142,399	271	142,670
Currency translation differences, representing net loss not recognised in Income Statement								46	46	-	46
Minority interest share of net assets in subsidiary company									-	(1)	(1)
Issuance of ordinary shares	15,688	6,276							21,964		21,964
Corporate exercise expenses		(501)							(501)	-	(501)
Net profit for the period					788				788	-	788
<b>Balance at 31.01.2010</b>	172,778	41,852	(5,326)	277	(49,174)	-	7,363	(3,074)	164,696	270	164,966
<b>Balance at 31.10.2008/1.11.2008</b>	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 loss for the period	-	-	-	-	104	-	-	-	104	-	104
<b>Balance at 31.01.2009</b>	157,060	36,067	(5,326)	277	(51,297)	41	7,363	(2,341)	141,844	276	142,120

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2009 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 THREE-MONTH ENDED 31 JANUARY 2010**

	3 months ended	
	31/01/2010	31/01/2009
	RM'000	RM'000
	Unaudited	Unaudited
Net cash from/(used in) operating activities	(9,053)	1,136
Net cash used in investing activities	(3,594)	(5,059)
Net cash from/(used in) financing activities	4,359	(3,602)
Net decrease in cash and cash equivalents	<u>(8,288)</u>	<u>(7,525)</u>
Effects of exchange rate changes	46	(71)
Cash and cash equivalents at beginning of financial period	<u>38,092</u>	<u>17,749</u>
Cash and cash equivalents at end of financial period	<u>29,850</u>	<u>10,153</u>

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

	As at	As at
	31/01/2010	31/01/2009
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	<u>29,850</u>	<u>10,153</u>
	<u>29,850</u>	<u>10,153</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 October 2009 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 2009. 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 2009.

#### 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 2009 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:

<b>FRSs/Interpretations</b>	<b>Effective date</b>
FRS 1, <i>First-time Adoption of Financial Reporting Standards</i>	1 July 2010
FRS 3, <i>Business Combinations (Revised 2010)</i>	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements (Revised 2010)</i>	1 July 2010
Amendment to FRS 2, <i>Share-based Payment</i>	1 July 2010
Amendment to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendment to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 12, <i>Service Concession Arrangements</i>	1 July 2010
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 July 2010
IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010

**3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 October 2009 was not qualified.

**4. SEGMENTAL INFORMATION**

	<b>3 months ended</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Revenue from continuing operations:		
Consumer food	44,842	40,494
Telecommunication products	103,704	118,651
Total revenue from continuing operations	148,546	159,145
Revenue from discontinued operation	-	-
Total	148,546	159,145
<b>Segment Results</b>		
Results from continuing operations:		
Consumer food	534	(196)
Telecommunication products	253	299
Total results from continuing operations	787	103
Results from discontinued operation	-	-
Total	787	103

**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 2010.

**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) Equity Securities

The Company has issued 16,145,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise which was completed on 19 January 2010.

**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:

	<b>3 months ended</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	-	-
Loss before tax	-	-
Income tax expense	-	-
Loss for the period from a discontinued operation	-	-
Cash flows used in operating activities	-	(2)
Cash flows used in investing activities	-	-
Cash flows used in financing activities	-	-
Total cash flows	-	(2)

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

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 31 January 2010 are as follows:

	<b>RM'000</b>
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 January 2010 is as follows:

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

## 14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 January 2010, the Company had given corporate guarantees amounting to approximately RM156 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 first quarter under review, the Group registered revenue of RM149 million compared with RM159 million in the corresponding period of the previous year. The Consumer Food Division registered an increase in revenue by 11% from RM40 million in the corresponding period of the previous year to current quarter of RM45 million due to sales channel expansion.

However, the decrease in total revenue was due to a 13% decrease in revenue of MultiCom Division (telecommunication business) from RM119 million to RM104 million as a result of changes in sales channel and consumer preferences.

The Group registered profit before taxation of RM787 thousand for the current quarter compared with RM103 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 RM787 thousand for the current quarter; a 29% improvement from the preceding quarter's profit before taxation of RM611 thousand. This was attributed mainly to cost reductions during the 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**

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

The particulars of the purchase and disposal of quoted securities for the current quarter were as follows:

- (a) The total purchase consideration of quoted securities was RM 75,000.
- (b) There was no disposal of quoted securities.
- (c) Investments in quoted securities:-

	<b>As at 31.1.2010 RM'000</b>
At cost	75
At book value	75
At market value	<u>81</u>

## 23. CORPORATE PROPOSALS

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

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

On 6 January 2010 and 15 January 2010, the Company had allotted 2,085,000 and 14,060,000 new ordinary shares of RM0.50 each respectively to identified investors at the issue price of RM0.70 per share and the said additional placement shares were granted listing and quotation on 11 January 2010 and 19 January 2010.

The Private Placement was completed on 19 January 2010.

The total proceeds raised by the Company from the Private Placement amounted to RM 21,963,200. The status of the utilisation of proceeds as at 31 January 2010 is as follow:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000
Working Capital	21,263	12,046	Within 24 months	9,217
Proposed Expenses	700	501	Within 24 months	199

**24. BORROWINGS**

	<b>As at 31.1.2010 RM'000</b>	<b>As at 31.10.2009 RM'000</b>
<b>Short term borrowings</b>		
Secured	20,377	20,381
Unsecured	111,314	127,042
	<u>131,691</u>	<u>147,423</u>
<b>Long term borrowings</b>		
Secured	6,845	7,392
Unsecured	7,751	8,576
	<u>14,596</u>	<u>15,968</u>
	<u>146,287</u>	<u>163,391</u>

**25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 24 March 2010.

**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 2010 (31 January 2009: 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.

	<b>3 months ended</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit from continuing operations attributable to ordinary equity holders of the parent	787	103
Loss from discontinued operation attributable to ordinary equity holders of the parent	-	-
Profit attributable to ordinary equity holders of the parent	<u>787</u>	<u>103</u>

	<b>3 months ended</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	<u>328,284</u>	<u>314,144</u>

	<b>3 months ended</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>Sen</b>	<b>Sen</b>
Basic earnings per share for:		
Profit from continuing operations	0.24	0.03
Loss from discontinued operation	-	-
Profit for the period	<u>0.24</u>	<u>0.03</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	
	31.1.2010	31.1.2009
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	787	103
Loss from discontinued operation attributable to ordinary equity holders of the parent	-	-
Profit attributable to ordinary equity holders of the parent	<u>787</u>	<u>103</u>

	3 months ended	
	31.1.2010	31.1.2009
	'000	'000
Weighted average number of ordinary shares in issue	328,284	314,144
Effects of dilution:		
ICULS	-	82
Warrants	-	138,623
Adjusted weighted average number of ordinary shares in issue and issuable	<u>328,284</u>	<u>452,848</u>

	3 months ended	
	31.1.2010	31.1.2009
	Sen	Sen
Diluted earnings per share for:		
Profit from continuing operations	0.24	0.02
Loss from discontinued operation	-	-
Profit for the period	<u>0.24</u>	<u>0.02</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