



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 30 APRIL 2010**

	Note	3 months ended		6 months ended	
		30/04/2010 RM'000 Unaudited	30/04/2009 RM'000 Unaudited	30/04/2010 RM'000 Unaudited	30/04/2009 RM'000 Unaudited
Continuing Operations					
Revenue	4	145,836	146,009	294,382	305,154
Cost of Sales		(127,126)	(128,652)	(256,954)	(270,147)
Gross profit		<u>18,710</u>	<u>17,357</u>	<u>37,428</u>	<u>35,007</u>
Other income		315	633	903	920
Administrative expenses		(5,888)	(4,850)	(11,428)	(9,861)
Selling and marketing expenses		(8,239)	(8,345)	(16,968)	(16,415)
Other expenses		(2,547)	(2,568)	(5,141)	(5,176)
Finance expenses		(1,588)	(1,830)	(3,244)	(3,975)
Profit before tax		<u>763</u>	<u>397</u>	<u>1,550</u>	<u>500</u>
Income tax expense	20	-	-	-	-
Profit for the period from continuing operations		<u>763</u>	<u>397</u>	<u>1,550</u>	<u>500</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(5)	(5)	(5)	(5)
Profit for the period		<u>758</u>	<u>392</u>	<u>1,545</u>	<u>495</u>
Attributable to :					
Equity holders of the parent		759	393	1,547	497
Minority interest		(1)	(1)	(2)	(2)
		<u>758</u>	<u>392</u>	<u>1,545</u>	<u>495</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for (loss)/profit from continuing operations (sen)	28	0.22	0.13	0.46	0.16
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>0.22</u>	<u>0.12</u>	<u>0.46</u>	<u>0.16</u>
Diluted, for (loss)/profit from continuing operations (sen)	28	0.22	0.09	0.46	0.12
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>0.22</u>	<u>0.09</u>	<u>0.46</u>	<u>0.12</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 30 APRIL 2010

	Note	As at 30/04/2010 Unaudited RM'000	As at 31/10/2009 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	187,033	187,505
Other receivable		7,546	7,546
Intangible assets		36,730	36,731
		<u>231,309</u>	<u>231,782</u>
Current Assets			
Inventories		14,391	12,475
Trade receivables		48,355	47,024
Other receivables		10,664	10,730
Fixed deposits with licensed banks		2,632	14,959
Cash and bank balances		27,365	23,133
		<u>103,407</u>	<u>108,321</u>
TOTAL ASSETS		<u>334,716</u>	<u>340,103</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
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		(48,416)	(49,962)
Exchange Translation Reserve		(3,255)	(3,120)
SHAREHOLDERS' EQUITY		<u>165,273</u>	<u>142,399</u>
Minority Interest		<u>269</u>	<u>271</u>
		<u>165,542</u>	<u>142,670</u>
Non-current liabilities			
Borrowings	24	12,909	15,968
		<u>12,909</u>	<u>15,968</u>
Current liabilities			
Borrowings	24	137,019	147,423
Trade payables		13,553	25,851
Other payables		5,520	8,018
Current tax payable		173	173
		<u>156,265</u>	<u>181,465</u>
Total liabilities		<u>169,174</u>	<u>197,433</u>
TOTAL EQUITY AND LIABILITIES		<u>334,716</u>	<u>340,103</u>
Net assets per share attributable to equity holders of the Company (RM)		<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
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 APR 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
Balance at 31.10.2009/ 1.11.2009	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								(135)	(135)	-	(135)
Minority interest share of net assets in subsidiary company									-	(2)	(2)
Issuance of ordinary shares	15,688	6,276							21,964		21,964
Corporate exercise expenses		(501)							(501)	-	(501)
Net profit for the period					1,547				1,547	-	1,547
Balance at 30.04.2010	172,778	41,852	(5,326)	277	(48,416)	-	7,363	(3,255)	165,274	269	165,542
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 loss for the period	-	-	-	-	497	-	-	-	497	-	497
Balance at 30.04.2009	157,090	36,078	(5,326)	277	(50,904)	-	7,363	(2,642)	141,936	275	142,211

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
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX-MONTH ENDED 30 APRIL 2010

	6 months ended	
	30/04/2010	30/04/2009
	RM'000	RM'000
	Unaudited	Unaudited
Net cash (used in)/from operating activities	(5,399)	12,456
Net cash used in investing activities	(10,561)	(11,000)
Net cash from financing activities	8,000	918
Net (decrease)/increase in cash and cash equivalents	(7,960)	2,374
Effects of exchange rate changes	(135)	(372)
Cash and cash equivalents at beginning of financial period	38,092	17,749
Cash and cash equivalents at end of financial period	29,997	19,751

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

	As at	As at
	30/04/2010	30/04/2009
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	29,997	19,751
	29,997	19,751

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:

FRSs/Interpretations	Effective date
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

	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	45,180	42,299	90,022	82,793
Telecommunication products	100,656	103,710	204,360	222,361
Total revenue from continuing operations	145,836	146,009	294,382	305,154
Revenue from discontinued operation	-	-	-	-
Total	145,836	146,009	294,382	305,154

Segment Results

Results from continuing operations:

Consumer food	570	141	1,104	(55)
Telecommunication products	193	256	446	555
Total results from continuing operations	763	397	1,550	500
Results from discontinued operation	(5)	(5)	(5)	(5)
Total	758	392	1,545	495

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 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.

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	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(5)	(5)	(5)	(5)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(5)	(5)	(5)	(5)
Cash flows used in operating activities	-	(1)	-	(3)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	-	-	-
Total cash flows	-	(1)	-	(3)

12. DISCONTINUED OPERATION (CONT'D.)

The major classes of assets and liabilities of the five subsidiaries classified as discontinued operations as at 30 April 2010 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	(4,984)
Tax payable	(168)
Liabilities directly associated with the assets classified as dormant	<u>(5,152)</u>
Net liabilities attributable to discontinued operations	<u>(341)</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 2010 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 30 April 2010, the Company had given corporate guarantees amounting to approximately RM160 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 second quarter under review, the Group registered revenue of RM146 million which was comparable with the corresponding period of the previous year. Nevertheless, the Consumer Food Division registered an increase in revenue by 7% from RM42 million in the corresponding period of the previous year to current quarter of RM45 million due to sales channel expansion.

The Group registered profit before taxation of RM758 thousand for the current quarter compared with RM392 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

There are no material changes in the current quarterly results compared with that of the preceding quarter.

18. COMMENTARY ON PROSPECTS

The Group will continue to improve the revenue of the core business of Consumer Food Division whilst containing its costs in order to further improve the bottom line.

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) There was no purchase of quoted securities.
- (b) The disposals of quoted securities are as follows:
- | | |
|--|-----------|
| - Proceeds of quoted securities disposed | RM 80,700 |
| - Gain on disposal of quoted securities | RM 5,700 |
- (c) There is no investment in quoted securities at the end of 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.

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

On 27 May 2010, 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.

24. BORROWINGS

	As at 30.4.2010 RM'000	As at 31.10.2009 RM'000
Short term borrowings		
Secured	21,438	20,381
Unsecured	115,581	127,042
	<u>137,019</u>	<u>147,423</u>
Long term borrowings		
Secured	9,889	7,392
Unsecured	3,020	8,576
	<u>12,909</u>	<u>15,968</u>
	<u>149,928</u>	<u>163,391</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 23 June 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 30 April 2010 (30 April 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.

	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	763	397	1,550	500
Loss from discontinued operation attributable to ordinary equity holders of the parent	(5)	(5)	(5)	(5)
Profit attributable to ordinary equity holders of the parent	758	392	1,545	495
	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	345,556	314,171	336,777	314,144
	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit from continuing operations	0.22	0.13	0.46	0.16
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.22	0.12	0.46	0.16

(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	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	763	397	1,550	500
Loss from discontinued operation attributable to ordinary equity holders of the parent	(5)	(5)	(5)	(5)
Profit attributable to ordinary equity holders of the parent	758	392	1,545	495
	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	345,556	314,171	336,777	314,144
Effects of dilution:				
ICULS	-	-	-	-
Warrants	-	109,174	-	109,174
Adjusted weighted average number of ordinary shares in issue and issuable	345,556	423,345	336,777	423,318
	3 months ended		6 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit from continuing operations	0.22	0.09	0.46	0.12
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.22	0.09	0.46	0.12

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