



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

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

	Note	3 months ended		12 months ended	
		10/31/2010 RM'000 Unaudited	10/31/2009 RM'000 Unaudited	10/31/2010 RM'000 Unaudited	10/31/2009 RM'000 Unaudited
Continuing Operations					
Revenue	4	153,918	144,193	593,507	588,891
Cost of Sales		(134,308)	(126,656)	(516,797)	(518,776)
Gross profit		<u>19,610</u>	<u>17,537</u>	<u>76,710</u>	<u>70,115</u>
Other income		290	649	1,245	2,274
Administrative expenses		(6,192)	(5,593)	(22,962)	(20,307)
Selling and marketing expenses		(8,462)	(7,620)	(34,324)	(32,952)
Other expenses		(2,507)	(2,702)	(10,168)	(10,408)
Finance expenses		(1,903)	(1,659)	(6,846)	(7,274)
Profit before tax		<u>836</u>	<u>612</u>	<u>3,655</u>	<u>1,448</u>
Income tax expense	20	-	(3)	-	(3)
Profit for the period from continuing operations		<u>836</u>	<u>609</u>	<u>3,655</u>	<u>1,445</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(3)	(1)	(11)	(12)
Profit for the period		<u>833</u>	<u>608</u>	<u>3,644</u>	<u>1,433</u>
Attributable to :					
Equity holders of the parent		835	611	3,650	1,439
Minority interest		(2)	(3)	(6)	(6)
		<u>833</u>	<u>608</u>	<u>3,644</u>	<u>1,433</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for profit from continuing operations (sen)	28	0.22	0.19	1.05	0.46
Basic, for loss from discontinued operations (sen)	28	(0.00)	0.00	(0.00)	0.00
Basic, for profit for the period (sen)	28	<u>0.22</u>	<u>0.19</u>	<u>1.05</u>	<u>0.46</u>
Diluted, for profit from continuing operations (sen)	28	0.22	0.19	1.05	0.46
Diluted, for loss from discontinued operations (sen)	28	(0.00)	0.00	(0.00)	0.00
Diluted, for profit for the period (sen)	28	<u>0.22</u>	<u>0.19</u>	<u>1.05</u>	<u>0.46</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 OCTOBER 2010

	Note	As at 10/31/2010 Unaudited RM'000	As at 10/31/2009 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	185,200	187,505
Other receivable		7,546	7,546
Intangible assets		36,730	36,731
		229,476	231,782
Current Assets			
Inventories		17,777	12,475
Trade receivables		51,167	47,024
Other receivables		18,353	10,730
Fixed deposits with licensed banks		2,627	14,959
Cash and bank balances		33,894	23,133
		123,818	108,321
TOTAL ASSETS		353,294	340,103
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
Share capital	10	193,341	157,090
Share premium		52,453	36,077
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
1% Irredeemable Convertible Unsecured Loan Stocks	10	-	-
Warrants reserve		6,059	7,363
Accumulated loss		(46,311)	(49,962)
Exchange Translation Reserve		(3,328)	(3,120)
SHAREHOLDERS' EQUITY		197,165	142,399
Minority Interest		265	271
		197,430	142,670
Non-current liabilities			
Borrowings	24	26,586	15,968
		26,586	15,968
Current liabilities			
Borrowings	24	102,160	147,423
Trade payables		19,422	25,851
Other payables		7,523	8,018
Current tax payable		173	173
		129,278	181,465
Total liabilities		155,864	197,433
TOTAL EQUITY AND LIABILITIES		353,294	340,103
Net assets per share attributable to equity holders of the Company (RM)		0.53	0.45

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)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE-MONTH PERIOD ENDED 31 OCTOBER 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								(208)	(208)	-	(208)
Minority interest share of net assets in subsidiary company									-	(6)	(6)
Issuance of ordinary shares	36,251	17,294					(1,304)		52,241		52,241
Corporate exercise expenses		(918)							(918)	-	(918)
Net profit for the period					3,650				3,650	-	3,650
Balance at 31.10.2010	193,341	52,453	(5,326)	277	(46,311)	-	6,059	(3,328)	197,165	265	197,430
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	-	-	-	-	-	-	-	(850)	(850)	-	(850)
Minority interest share of net assets in subsidiary company										(6)	(6)
Net loss for the period	-	-	-	-	1,439	-	-	-	1,439	-	1,439
Balance at 31.10.2009	157,090	36,077	(5,326)	277	(49,962)	-	7,363	(3,120)	142,399	271	142,670

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 TWELVE-MONTH ENDED 31 OCTOBER 2010**

	12 months ended	
	10/31/2010	10/31/2009
	RM'000	RM'000
	Unaudited	Audited
Net cash (used in)/from operating activities	1,956	56,848
Net cash used in investing activities	(19,997)	(30,167)
Net cash from financing activities	16,678	(5,030)
Net (decrease)/increase in cash and cash equivalents	(1,363)	21,651
Effects of exchange rate changes	(208)	(850)
Cash and cash equivalents at beginning of financial period	38,092	11,783
Cash and cash equivalents at end of financial period	36,521	32,584

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

	As at	As at
	10/31/2010	10/31/2009
	RM'000	RM'000
	Unaudited	Audited
Cash and bank balances	36,521	32,584
	36,521	32,584

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>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)</i>	1 Jan 2011
FRS 1, <i>Additional Exemptions for First-time Adopters (Amendments to FRS 1)</i>	1 Jan 2011
FRS 2, <i>Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)</i>	1 Jan 2011
FRS 7, <i>Improving Disclosures about Financial Instruments (Amendments to FRS 7)</i>	1 Jan 2011
IC Interpretation 4, <i>Determining whether an Arrangement contains a Lease</i>	1 Jan 2011
IC Interpretation 18, <i>Transfers of Assets from Customers</i>	1 Jan 2011

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		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	48,187	46,235	185,148	171,933
Telecommunication products	105,731	97,959	408,359	416,958
Total revenue from continuing operations	153,918	144,194	593,507	588,891
Revenue from discontinued operation	-	-	-	-
Total	153,918	144,194	593,507	588,891

Segment Results

Results from continuing operations:

Consumer food	675	481	2,702	598
Telecommunication products	161	131	953	850
Total results from continuing operations	836	612	3,655	1,448
Results from discontinued operation	(3)	(1)	(11)	(12)
Total	833	611	3,644	1,436

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 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 during the current financial year as at 31 October 2010 except for the following:

a) Equity Securities

The Company has issued a total of 18,625,547 new ordinary shares of RM0.50 each arising from the exercise of 18,625,547 Warrants 2005/2010.

The Company has also issued 19,500,000 new ordinary shares of RM0.50 each pursuant to the private placement exercise.

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		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(3)	(1)	(11)	(12)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(3)	(1)	(11)	(12)
Cash flows used in operating activities	(5)	-	(5)	(12)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	2	-	2
Total cash flows	(5)	2	(5)	(10)

12. DISCONTINUED OPERATION (CONT'D.)

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

	RM'000
Assets:	
Investment	4,800
Cash and bank balances	<u>6</u>
Assets of dormant group	<u>4,806</u>
Liabilities:	
Amount owing to Holding/Related companies	(4,985)
Tax payable	<u>(168)</u>
Liabilities directly associated with the assets classified as dormant	<u>(5,153)</u>
Net liabilities attributable to discontinued operations	<u>(347)</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 2010 is as follows:

	RM'000
Approved and contracted for	<u>14,612</u>
	<u>14,612</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 October 2010, the Company had given corporate guarantees amounting to approximately RM178 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 4th quarter under review, Group’s revenue of RM153.9 million was an increase of 7% over the corresponding period of the previous year.

The Consumer Food Division increased revenue by 4% from RM46.2 million in the corresponding period of the previous year to current quarter of RM48.2 million due to sales channel expansion. The MultiCom Division (telecommunication business) recorded an increase in revenue as well by 8% from RM98.0 million to RM105.7 million.

Group’s profit before taxation of RM833 thousand for the quarter compared favourably against the RM611 thousand in the corresponding period of previous year. This improvement was attributed to the sales growth 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 RM833 thousand for the current quarter; which was a 34% drop from the preceding quarter’s profit before taxation of RM1.3 million.

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

	3 months ended		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	3	-	3
Total income tax expense	-	3	-	3

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.

- (a) Proposed Private Placement of up to 19,500,000 New Ordinary Shares of RM0.50 each in Silver Bird Group Berhad ("Silver Bird") to Qualified Placeses Representing 5.3% of the Enlarged Issued and Paid-up Share Capital of Silver Bird at an Issue Price of RM0.70 per Share ("Proposed Private Placement")

On 3 September 2010, the Company had successfully placed out all the 19.5 million Placement Shares to identified investors and the said Placement Shares were granted listing and quotation on 7 September 2010.

The total proceeds raised by the Company from the Private Placement amounted to RM 13,650,000. The status of the utilisation of proceeds as at 24 December 2010 is as follow:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000
Repayment of borrowings	2,000	2,000	Within 12 months	-
Advertising and promotions	2,000	675	Within 12 months	1,325
Research and development	1,000	100	Within 12 months	900
Other general working capital	8,450	8,450	Within 12 months	-
Estimated expenses	200	200	Within 12 months	-
Total	13,650	11,425		2,225

24. BORROWINGS

	As at 31.10.2010 RM'000	As at 31.10.2009 RM'000
Short term borrowings		
Secured	21,592	20,381
Unsecured	80,568	127,042
	<u>102,160</u>	<u>147,423</u>
Long term borrowings		
Secured	23,011	7,392
Unsecured	3,575	8,576
	<u>26,586</u>	<u>15,968</u>
	<u>128,746</u>	<u>163,391</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 24 December 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 October 2010 (31 October 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		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	836	609	3,655	1,445
Loss from discontinued operation attributable to ordinary equity holders of the parent	(3)	(1)	(11)	(12)
Profit attributable to ordinary equity holders of the parent	833	608	3,644	1,433
	3 months ended		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	372,708	314,180	348,211	314,162
	3 months ended		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit from continuing operations	0.22	0.19	1.05	0.46
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.22	0.19	1.05	0.46

(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	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	836	609	3,655	1,445
Loss from discontinued operation attributable to ordinary equity holders of the parent	(3)	(1)	(11)	(12)
Profit attributable to ordinary equity holders of the parent	833	608	3,644	1,433
	3 months ended		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	372,708	314,180	348,211	314,162
Effects of dilution:				
ICULS	-	-	-	-
Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	372,708	314,180	348,211	314,162
	3 months ended		12 months ended	
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit from continuing operations	0.22	0.19	1.05	0.46
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.22	0.19	1.05	0.46

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