



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 JANUARY 2011

	Note	3 months ended		3 months ended	
		31/01/2011	31/01/2010	31/01/2011	31/01/2010
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Continuing Operations					
Revenue	4	154,617	148,546	154,617	148,546
Cost of Sales		(135,258)	(129,828)	(135,258)	(129,828)
Gross profit		<u>19,359</u>	<u>18,718</u>	<u>19,359</u>	<u>18,718</u>
Other income		150	588	150	588
Administrative expenses		(5,098)	(5,540)	(5,098)	(5,540)
Selling and marketing expenses		(9,088)	(8,729)	(9,088)	(8,729)
Other expenses		(2,561)	(2,594)	(2,561)	(2,594)
Finance expenses		(1,835)	(1,656)	(1,835)	(1,656)
Profit before tax		<u>927</u>	<u>787</u>	<u>927</u>	<u>787</u>
Income tax expense	20	-	-	-	-
Profit for the period from continuing operations		<u>927</u>	<u>787</u>	<u>927</u>	<u>787</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(2)	-	(2)	-
Profit for the period		<u>925</u>	<u>787</u>	<u>925</u>	<u>787</u>
Attributable to :					
Equity holders of the parent		926	787	926	787
Minority interest		(1)	(1)	(1)	(1)
		<u>925</u>	<u>787</u>	<u>925</u>	<u>787</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for profit from continuing operations (sen)	29	0.24	0.24	0.24	0.24
Basic, for loss from discontinued operations (sen)	29	(0.00)	0.00	(0.00)	0.00
Basic, for profit for the period (sen)	29	<u>0.24</u>	<u>0.24</u>	<u>0.24</u>	<u>0.24</u>
Diluted, for profit from continuing operations (sen)	29	0.24	0.24	0.24	0.24
Diluted, for loss from discontinued operations (sen)	29	(0.00)	0.00	(0.00)	0.00
Diluted, for profit for the period (sen)	29	<u>0.24</u>	<u>0.24</u>	<u>0.24</u>	<u>0.24</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 October 2010 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 2011

	Note	As at 31/01/2011 Unaudited RM'000	As at 31/10/2010 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	181,959	185,199
Other receivable		7,546	7,546
Intangible assets		36,730	36,730
		<u>226,235</u>	<u>229,475</u>
Current Assets			
Inventories		17,739	17,777
Trade receivables		50,964	51,168
Other receivables		18,601	18,467
Tax refundable		1	1
Fixed deposits with licensed banks		2,639	5,627
Cash and bank balances		26,181	43,730
		<u>116,125</u>	<u>136,770</u>
TOTAL ASSETS		<u>342,360</u>	<u>366,245</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
Share capital	10	193,341	193,341
Share premium		52,453	52,453
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
Warrants reserve		6,059	6,059
Accumulated loss		(48,144)	(49,070)
Exchange Translation Reserve		(339)	(360)
SHAREHOLDERS' EQUITY		<u>198,321</u>	<u>197,374</u>
Minority Interest		<u>264</u>	<u>265</u>
		<u>198,585</u>	<u>197,639</u>
Non-current liabilities			
Borrowings	24	22,226	27,769
		<u>22,226</u>	<u>27,769</u>
Current liabilities			
Borrowings	24	101,160	113,671
Trade payables		13,346	19,423
Other payables		6,870	7,570
Current tax payable		173	173
		<u>121,549</u>	<u>140,837</u>
Total liabilities		<u>143,775</u>	<u>168,606</u>
TOTAL EQUITY AND LIABILITIES		<u>342,360</u>	<u>366,245</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>0.51</u>	<u>0.51</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 October 2010 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 JANUARY 2011**

	Share Capital RM'000	Share Premium Reserve RM'000	Merger Deficit RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Warrant Reserves RM'000	Foreign Exchange Reserve RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 31.10.2010/ 1.11.2010	193,341	52,453	(5,326)	277	(49,070)	6,059	(360)	197,374	265	197,639
Currency translation differences, representing net loss not recognised in Income Statement							21	21	(1)	20
Net profit for the period	-	-	-	-	926	-		926	-	926
Balance at 31.01.2011	193,341	52,453	(5,326)	277	(48,144)	6,059	(339)	198,321	264	198,585
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	-	-	-	-	-	-	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
Balance at 31.01.2010	172,778	41,852	(5,326)	277	(49,174)	7,363	(3,074)	164,696	270	164,966

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 October 2010 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 THREE-MONTH ENDED 31 JANUARY 2011

	3 months ended	
	31/01/2011	31/01/2010
	RM'000	RM'000
	Unaudited	Unaudited
Net cash used in operating activities	7	(9,053)
Net cash used in investing activities	(2,511)	(3,594)
Net cash (used)/from financing activities	(18,054)	4,359
Net decrease in cash and cash equivalents	(20,558)	(8,288)
Effects of exchange rate changes	21	46
Cash and cash equivalents at beginning of financial period	49,357	38,092
Cash and cash equivalents at end of financial period	28,820	29,850

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

	As at	As at
	31/01/2011	31/01/2010
	RM'000	RM'000
	Unaudited	Unaudited
Cash and bank balances	28,820	29,850
	28,820	29,850

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 October 2010 and the accompanying explanatory notes attached to the interim financial statements.

SILVER BIRD

SILVER BIRD GROUP BERHAD

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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 2010. 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 2010.

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 2010 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 124, <i>(Revised) Related Party Disclosures</i>	1 Jan 2012
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 Jan 2012
IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 Jul 2011
Amendments to IC Interpretation 14, <i>Prepayments of a Minimum Funding Requirement</i>	1 Jul 2011

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 October 2010 was not qualified.

4. SEGMENTAL INFORMATION

	3 months ended	
	31.1.2011	31.1.2010
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations:		
Consumer food	46,688	44,842
Telecommunication products	107,929	103,704
Total revenue from continuing operations	154,617	148,546
Revenue from discontinued operation	-	-
Total	154,617	148,546

Segment Results

Results from continuing operations:		
Consumer food	614	534
Telecommunication products	313	253
Total results from continuing operations	927	787
Results from discontinued operation	(2)	-
Total	925	787

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 2011.

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 quarter under review.

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 seven subsidiaries i.e. Madeleine Café Sdn Bhd, Madeleine Foods Sdn Bhd, Madeleine Bakery Sdn Bhd, Madeleine Property Sdn Bhd, Standard Food R&D Lab Sdn Bhd, Stanson Distribution Sdn Bhd and Inforaire 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	
	31.1.2011	31.1.2010
	RM'000	RM'000
Revenue	-	-
Loss before tax	(2)	-
Income tax expense	-	-
Loss for the period from a discontinued operation	(2)	-
Cash flows used in operating activities	-	-
Cash flows used in investing activities	-	-
Cash flows used in financing activities	-	-
Total cash flows	-	-

12. DISCONTINUED OPERATION (CONT'D.)

The major classes of assets and liabilities of the seven subsidiaries classified as discontinued operations as at 31 January 2011 are as follows:

	RM'000
Assets:	
Investment	4,800
Fixed assets	12
Cash and bank balances	48
Assets of dormant group	<u>4,860</u>
Liabilities:	
Amount owing to Holding/Related companies	4,502
Other payables and accruals	14
Tax payable	168
Liabilities directly associated with the assets classified as dormant	<u>4,684</u>
Net assets attributable to discontinued operations	<u>176</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 2011 is as follows:

	RM'000
Approved and contracted for	<u>12,412</u>
	<u>12,412</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 January 2011, 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 first quarter under review, Group's revenue of RM154.6 million was an increase of 4% over the corresponding period of the previous year.

The Consumer Food Division increased revenue by 4% from RM44.8 million in the corresponding period of the previous year to current quarter of RM46.7 million due to sales channel expansion. The MultiCom Division (telecommunication business) recorded a 4% increase in revenue as well from RM103.7 million to RM107.9 million.

Group's profit before taxation of RM925 thousand for the quarter compared favourably against the RM787 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 RM925 thousand for the current quarter; an 11% improvement from the preceding quarter's profit before taxation of RM833 thousand. This was attributed mainly to cost reductions during the 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

	3 months ended	
	31.1.2011	31.1.2010
	RM'000	RM'000
Current tax:		
Malaysian income tax	-	-
Total income tax expense	<u>-</u>	<u>-</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.

- (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")

The total proceeds raised by the Company from the Private Placement of 19.5 million Placement Shares amounted to RM 13,650,000. The status of the utilisation of proceeds as at 30 March 2011 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	1,680	Within 12 months	320
Research and development	1,000	300	Within 12 months	700
Other general working capital	8,450	8,450	Within 12 months	-
Estimated expenses	200	200	Within 12 months	-
Total	13,650	12,630		1,020

- (b) Proposed Private Placement of up to 10% of the Issued and Paid-up Share Capital of Silver Bird

On 15 March 2011, AmInvestment Bank Berhad had, on behalf of the Company, announced that the Company proposes to undertake a proposed private placement of new ordinary shares of RM0.50 each in the Company ("Placement Shares") of up to 10% of the issued and paid-up share capital of SBGB ("Proposed Private Placement").

On 21 March 2011, the Company had allotted the first tranche of 10,000,000 Placement Shares to identified investor at the issue price of RM0.605 per share and the said additional placement shares were granted listing and quotation on 24 March 2011.

23. CORPORATE PROPOSALS (CONT'D.)

The total proceeds raised by the Company from the Proposed Private Placement amounted to RM 6,050,000. The status of the utilisation of proceeds as at 30 March 2011 is as follow:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000
Working Capital	3,650	-	Within 12 months	3,650
Repayment of borrowings	2,000	-	Within 6 months	2,000
Proposed Expenses	400	-	Within 6 months	400
Total	6,050	-		6,050

24. BORROWINGS

	As at 31.1.2011 RM'000	As at 31.10.2010 RM'000
Short term borrowings		
Secured	21,500	21,511
Unsecured	79,660	92,160
	<u>101,160</u>	<u>113,671</u>
Long term borrowings		
Secured	22,226	23,092
Unsecured	-	4,677
	<u>22,226</u>	<u>27,769</u>
	<u>123,386</u>	<u>141,440</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 March 2011.

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 2011 (31 January 2010: Nil).

28. REALISED AND UNREALISED PROFITS/LOSSES

	As at 31.1.2011 RM'000	As at 31.10.2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	(48,145)	(49,070)
- Unrealised	1,449	1,808
	<u>(46,696)</u>	<u>(47,262)</u>
Less: Consolidation adjustments	(1,449)	(1,808)
Total group retained profits/(accumulated losses) as per consolidated accounts	<u>(48,145)</u>	<u>(49,070)</u>

29. 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	
	31.1.2011	31.1.2010
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	927	787
Loss from discontinued operation attributable to ordinary equity holders of the parent	(2)	-
Profit attributable to ordinary equity holders of the parent	<u>925</u>	<u>787</u>

	3 months ended	
	31.1.2011	31.1.2010
	'000	'000
Weighted average number of ordinary shares in issue	<u>386,682</u>	<u>328,284</u>

	3 months ended	
	31.1.2011	31.1.2010
	Sen	Sen
Basic earnings per share for:		
Profit from continuing operations	0.24	0.24
Loss from discontinued operation	(0.00)	-
Profit for the period	<u>0.24</u>	<u>0.24</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.

29. EARNINGS PER SHARE (CONT'D.)

(b) Diluted (Cont'd.)

	3 months ended	
	31.1.2011	31.1.2010
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	927	787
Loss from discontinued operation attributable to ordinary equity holders of the parent	(2)	-
Profit attributable to ordinary equity holders of the parent	<u>925</u>	<u>787</u>

	3 months ended	
	31.1.2011	31.1.2010
	'000	'000
Weighted average number of ordinary shares in issue	386,682	328,284
Effects of dilution:		
ICULS	-	-
Warrants	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>386,682</u>	<u>328,284</u>

	3 months ended	
	31.1.2011	31.1.2010
	Sen	Sen
Diluted earnings per share for:		
Profit from continuing operations	0.24	0.24
Loss from discontinued operation	(0.00)	-
Profit for the period	<u>0.24</u>	<u>0.24</u>

30. 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