

SILVER BIRD

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

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

	Note	3 months ended		12 months ended	
		31/10/2011 RM'000	31/10/2010 RM'000	31/10/2011 RM'000	31/10/2010 RM'000
Continuing Operations					
Revenue	4	166,635	153,918	612,746	593,507
Cost of Sales		(147,884)	(134,308)	(534,732)	(516,797)
Gross profit		<u>18,751</u>	<u>19,610</u>	<u>78,014</u>	<u>76,710</u>
Other income		700	290	2,531	1,245
Administrative expenses		(5,909)	(6,192)	(21,778)	(22,962)
Selling and marketing expenses		(8,272)	(8,462)	(35,654)	(34,324)
Other expenses		(1,806)	(2,507)	(9,483)	(10,168)
Finance expenses		(2,154)	(1,903)	(7,874)	(6,846)
Profit before tax		<u>1,310</u>	<u>836</u>	<u>5,756</u>	<u>3,655</u>
Income tax expense	20	(825)	-	(825)	-
Profit for the period from continuing operations		<u>485</u>	<u>836</u>	<u>4,931</u>	<u>3,655</u>
Discontinued Operations					
Loss for the period from discontinued operations	12	(1)	(3)	(7)	(11)
Profit for the period		<u>484</u>	<u>833</u>	<u>4,924</u>	<u>3,644</u>
Attributable to :					
Equity holders of the parent		487	835	4,931	3,650
Minority interest		(3)	(2)	(7)	(6)
		<u>484</u>	<u>833</u>	<u>4,924</u>	<u>3,644</u>
Earnings per share attributable to equity holders of the parent :					
Basic, for profit from continuing operations (sen)	29	0.12	0.22	1.24	1.05
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>0.12</u>	<u>0.22</u>	<u>1.24</u>	<u>1.05</u>
Diluted, for profit from continuing operations (sen)	29	0.12	0.22	1.24	1.05
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>0.12</u>	<u>0.22</u>	<u>1.24</u>	<u>1.05</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 OCTOBER 2011

	Note	As at 31/10/2011 Unaudited RM'000	As at 31/10/2010 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	169,311	185,199
Other receivable		7,546	7,546
Intangible assets		36,730	36,730
Other Investment		300	-
		<u>213,887</u>	<u>229,475</u>
Current Assets			
Inventories		15,016	17,777
Trade receivables		87,459	51,168
Other receivables		28,204	18,467
Tax refundable		1	1
Fixed deposits with licensed banks		3,704	5,627
Short-term deposits with licensed banks		-	-
Cash and bank balances		34,699	43,730
		<u>169,083</u>	<u>136,770</u>
TOTAL ASSETS		<u>382,970</u>	<u>366,245</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the parent			
Share capital	10	203,341	193,341
Share premium		53,622	52,453
Merger deficit		(5,326)	(5,326)
Capital reserves		277	277
Warrants reserve		6,059	6,059
Accumulated loss		(44,139)	(49,070)
Exchange Translation Reserve		(668)	(360)
SHAREHOLDERS' EQUITY		<u>213,166</u>	<u>197,374</u>
Minority Interest		<u>258</u>	<u>265</u>
		<u>213,424</u>	<u>197,639</u>
Non-current liabilities			
Borrowings	24	24,694	27,769
Deferred tax liabilities		764	-
		<u>25,458</u>	<u>27,769</u>
Current liabilities			
Borrowings	24	126,772	113,671
Trade payables		10,411	19,423
Other payables		6,732	7,570
Current tax payable		173	173
		<u>144,088</u>	<u>140,837</u>
Total liabilities		<u>169,546</u>	<u>168,606</u>
TOTAL EQUITY AND LIABILITIES		<u>382,970</u>	<u>366,245</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>0.52</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

SILVER BIRD GROUP BERHAD

(Company No. 277977-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE-MONTH PERIOD ENDED 31 OCTOBER 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
Exchange difference on retranslation of net assets of an oversea subsidiary	-	-	-	-	-	-	(308)	(308)	(7)	(315)
Issuance of ordinary shares	10,000	1,850	-	-	-	-	-	11,850	-	11,850
Corporate exercise expenses	-	(681)	-	-	-	-	-	(681)	-	(681)
Net profit for the period	-	-	-	-	4,931	-	-	4,931	-	4,931
Balance at 31.10.2011	203,341	53,622	(5,326)	277	(44,139)	6,059	(668)	213,166	258	213,424

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
Exchange difference on retranslation of net assets of an oversea subsidiary	-	-	-	-	(2,758)	-	2,760	2	-	2
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	(49,070)	6,059	(360)	197,374	265	197,639

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 TWELVE-MONTH ENDED 31 OCTOBER 2011

	12 months ended	
	31/10/2011	31/10/2010
	RM'000	RM'000
	Unaudited	Audited
Net cash from/(used) in operating activities	(25,582)	2,991
Net cash used in investing activities	(6,259)	(14,578)
Net cash (used)/from financing activities	21,125	25,869
Net decrease in cash and cash equivalents	(10,716)	14,282
Effects of exchange rate changes	(308)	2
Cash and cash equivalents at beginning of financial period	46,868	32,584
Cash and cash equivalents at end of financial period	35,844	46,868

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

	As at	As at
	31/10/2011	31/10/2010
	RM'000	RM'000
	Unaudited	Audited
Cash and bank balances	35,844	46,868
	35,844	46,868

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 (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 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

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		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Consumer food	80,163	48,187	228,603	185,148
Telecommunication products	86,472	105,731	384,143	408,359
Total revenue from continuing operations	166,635	153,918	612,746	593,507
Revenue from discontinued operation	-	-	-	-
Total	166,635	153,918	612,746	593,507
Segment Results				
Results from continuing operations:				
Consumer food	1,272	675	5,214	2,702
Telecommunication products	38	161	542	953
Total results from continuing operations	1,310	836	5,756	3,655
Results from discontinued operation	(1)	(3)	(7)	(11)
Total	1,309	833	5,749	3,644

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 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 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 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		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Loss before tax	(1)	(3)	(7)	(11)
Income tax expense	-	-	-	-
Loss for the period from a discontinued operation	(1)	(3)	(7)	(11)
Cash flows used in operating activities	-	(5)	-	(5)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	-	-	-
Total cash flows	-	(5)	-	(5)

12. DISCONTINUED OPERATION (CONT'D.)

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

	RM'000
Assets:	
Investment	4,800
Fixed assets	5
Cash and bank balances	51
Assets of dormant group	<u>4,856</u>
Liabilities:	
Amount owing to Holding/Related companies	4,486
Other payables and accruals	31
Tax payable	168
Liabilities directly associated with the assets classified as dormant	<u>4,685</u>
Net assets attributable to discontinued operations	<u>171</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 2011 is as follows:

	RM'000
Approved and contracted for	<u>4,530</u>
	<u>4,530</u>

14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

During the financial period ended 31 October 2011, the Company had given corporate guarantees amounting to approximately RM206 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 fourth quarter under review, the Group’s revenue increased by 8% to RM167 million from the corresponding period of previous year’s revenue of RM154 million.

The Consumer Food Division increased its revenue by 66% from RM48 million in the corresponding period of the previous year to current quarter of RM80 million due to sales channel expansion, increase in selling prices as well as the successful launch of new products. However, MultiCom Division (telecommunication business) recorded an 18% decline in revenue from RM106 million to RM86 million.

The Group’s profit before taxation of RM1.3 million for the quarter compared favourably against the RM0.8 million in the corresponding period of previous year. This improvement was attributed to the increase in selling prices.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group’s recorded profit before taxation of RM1.3 million for the current quarter was lower compared to the preceding quarter’s profit before taxation of RM1.6 million due to increase in raw material costs.

18. COMMENTARY ON PROSPECTS

The Group will continue to enhance the revenue of the core business of the Consumer Food Division 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	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	61	-	61	-
Deferred tax	764	-	764	-
Total income tax expense	<u>825</u>	<u>-</u>	<u>825</u>	<u>-</u>

The effective tax rate for the current quarter was lower than the statutory tax rate principally due to unutilised tax losses and allowances carried forward to set off the taxable profit of 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) Private Placement of up to 10% of the Issued and Paid-up Share Capital of Silver Bird (“Private Placement”)

The total proceeds raised by the Company from the previous Private Placement exercises amounted to RM19,700,000. The status of the utilisation of proceeds as at 23 December 2011 is as follow:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000
Repayment of borrowings	4,000	4,000	Within 12 months	-
Advertising and promotions	2,000	2,000	Within 12 months	-
Research and development	1,000	300	Within 12 months	700
Other general working capital	12,100	12,100	Within 12 months	-
Estimated expenses	600	600	Within 12 months	-
Total	19,700	19,000		700

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

On 28 June 2011, the Company had allotted the second tranche of 2,500,000 Placement Shares to identified investor at the issue price of RM0.58 per share and the said additional placement shares were granted listing and quotation on 30 June 2011.

The total proceeds raised by the Company from the Proposed Private Placement amounted to RM5,800,000. The status of the utilisation of proceeds as at 23 December 2011 is as follow:-

23. CORPORATE PROPOSALS (CONT'D.)

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000
Repayment of borrowings	5,500	5,500	Within 6 months	-
Proposed Expenses	300	300	Within 6 months	-
Total	5,800	5,800		-

24. BORROWINGS

	As at 31.10.2011 RM'000	As at 31.10.2010 RM'000
Short term borrowings		
Secured	21,378	21,511
Unsecured	105,394	92,160
	<u>126,772</u>	<u>113,671</u>
Long term borrowings		
Secured	24,694	23,092
Unsecured	-	4,677
	<u>24,694</u>	<u>27,769</u>
	<u>151,466</u>	<u>141,440</u>

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 23 December 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 October 2011 (31 October 2010: Nil).

28. REALISED AND UNREALISED PROFITS/(LOSSES)

	As at 31.10.2011 RM'000	As at 31.10.2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	(44,139)	(49,070)
- Unrealised	3,208	1,808
	<hr/>	<hr/>
	(40,931)	(47,262)
Less: Consolidation adjustments	(3,208)	(1,808)
	<hr/>	<hr/>
Total group retained profits/(accumulated losses) as per consolidated accounts	(44,139)	(49,070)

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		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	485	836	4,931	3,655
Loss from discontinued operation attributable to ordinary equity holders of the parent	(1)	(3)	(7)	(11)
Profit attributable to ordinary equity holders of the parent	484	833	4,924	3,644
	3 months ended		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	406,682	372,708	396,387	348,211
	3 months ended		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	Sen	Sen	Sen	Sen
Basic earnings per share for:				
Profit from continuing operations	0.12	0.22	1.24	1.05
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.12	0.22	1.24	1.05

(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		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	RM'000	RM'000	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	485	836	4,931	3,655
Loss from discontinued operation attributable to ordinary equity holders of the parent	(1)	(3)	(7)	(11)
Profit attributable to ordinary equity holders of the parent	484	833	4,924	3,644
	3 months ended		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	406,682	372,708	396,387	348,211
Effects of dilution:				
ICULS	-	-	-	-
Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	406,682	372,708	396,387	348,211
	3 months ended		12 months ended	
	31.10.2011	31.10.2010	31.10.2011	31.10.2010
	Sen	Sen	Sen	Sen
Diluted earnings per share for:				
Profit from continuing operations	0.12	0.22	1.24	1.05
Loss from discontinued operation	(0.00)	(0.00)	(0.00)	(0.00)
Profit for the period	0.12	0.22	1.24	1.05

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
Lee Suet Yin
Company Secretary
Shah Alam