

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

Financial Year End : **30/6/2008**
Quarter : **Third quarter**

Quarterly report on consolidated results for the third quarter ended 31st March, 2008.
These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31ST MARCH 2008

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER</u> <u>(UNAUDITED)</u> <u>31/3/2008</u> <u>RM</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER</u> <u>(UNAUDITED)</u> <u>31/3/2007</u> <u>RM</u>	<u>CURRENT YEAR TO DATE</u> <u>(UNAUDITED)</u> <u>31/3/2008</u> <u>RM</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD</u> <u>(UNAUDITED)</u> <u>31/3/2007</u> <u>RM</u>
Revenue	35,892,976	28,743,689	97,919,309	80,194,086
Operating expenses	(31,422,624)	(23,014,755)	(84,213,717)	(61,488,817)
Other operating income	1,214,808	1,349,742	2,045,162	1,912,927
Profits from operations	5,685,160	7,078,676	15,750,754	20,618,196
Finance costs	(3,877,628)	(2,607,999)	(7,475,631)	(5,705,602)
Share of profit in associated company	26,830	(189,558)	1,469,260	(179,012)
Profit before income tax	1,834,362	4,281,119	9,744,383	14,733,582
Income tax expense	(675,436)	(899,127)	(2,405,436)	(3,439,127)
Profit for the period	1,158,926	3,381,992	7,338,947	11,294,455
Attributable to:				
Equity holders of the Company	1,158,926	3,365,742	7,338,947	11,249,471
Minority interest	-	16,250	-	44,984
	1,158,926	3,381,992	7,338,947	11,294,455
Attributable to equity holders of the Company:-				
EPS – Basic (sen)	1.49	4.69	9.43	15.68
EPS – Fully diluted (sen)	1.39	4.68	8.81	15.64

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June, 2007)

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31ST MARCH 2008

	AS AT END OF CURRENT QUARTER (UNAUDITED)	AS AT PRECEDING FINANCIAL YEAR END (AUDITED)
	31/3/2008 RM	30/6/2007 RM
ASSETS		
Non-current Assets		
Property, Plant and Equipment	195,185,742	190,886,809
Prepaid lease payments	6,361,402	6,491,539
Interest in associated company	40,365,679	10,689,449
Other Investments	8,076,241	12,490,688
Goodwill on consolidation	4,214,941	2,096,369
	254,204,005	222,654,854
Current Assets		
Inventories	17,513,014	17,315,452
Trade receivables	30,526,365	13,678,640
Other receivables, deposits & prepayments	21,489,612	28,925,295
Deposit, cash & bank balances	14,901,489	16,442,442
	84,430,480	76,361,829
Total Assets	338,634,485	299,016,683
EQUITY		
Share capital	78,045,000	72,600,000
Reserves	56,746,816	46,802,628
Shareholders Equity	134,791,816	119,402,628
Minority Interest	-	1,381,428
Total Equity	134,791,816	120,784,056
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	10,559,483	3,554,720
Term loans	74,379,496	63,955,630
Deferred taxation	19,742,238	17,992,238
	104,681,217	85,502,588
Current Liabilities		
Trade payables	29,511,524	15,631,438
Bankers' acceptance	28,500,000	45,000,000
Revolving credits	24,000,000	23,014,255
Other payables & accruals	5,811,769	4,493,169
Hire-purchase creditors	3,353,060	1,180,185
Term loans	7,785,046	3,410,992
Bank overdraft	200,053	-
	99,161,452	92,730,039
Total Liabilities	203,842,669	178,232,627
Total Equity and Liabilities	338,634,485	299,016,683
Net assets per share (sen)	173	164

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30th June, 2007)

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE
QUARTER ENDED 31ST MARCH 2008**

	CUMULATIVE CURRENT YEAR QUARTER (UNAUDITED) 31/3/2008 RM	PRECEDING YEAR CORRESPONDING PERIOD (UNAUDITED) 31/3/2007 RM
Cash Flow From Operating Activities		
Profit before income tax	9,744,383	14,733,582
Adjustments for:-		
Share of (profit)/loss in associated company	(1,469,260)	179,012
Gain on disposal of investments	(1,236,391)	-
Amortisation of prepaid lease payments	130,137	130,137
Impairment loss on investments no longer required	-	(317,295)
Impairment loss on investments	977,845	-
Loss on disposal of property, plant and equipment	506,415	-
Depreciation	5,139,814	6,418,247
Dividend income	(7,000)	(25,875)
Interest income	(3,318)	(11,288)
Interest expense	7,475,631	5,705,602
Operating profit before working capital changes	<u>21,258,256</u>	<u>26,812,122</u>
Increase in inventories	(197,562)	(1,130,926)
Increase in receivables	(8,505,738)	(6,231,960)
Increase in payables	15,198,685	8,769,743
Cash generated from operations	<u>27,753,641</u>	<u>28,218,979</u>
Dividend paid	(2,887,665)	(7,995,988)
Dividend received	5,110	18,309
Interest paid	(7,475,631)	(5,705,602)
Tax paid	(1,559,850)	(566,625)
Interest received	3,318	11,288
Net cash provided by operating activities	<u>15,838,923</u>	<u>13,980,361</u>
Cash Flow From Investing Activities		
Investment in quoted shares	(2,199,811)	-
^Net cash flow on additional investment in subsidiaries	(3,500,000)	-
Net changes in investment in portfolio investments in quoted shares and in money markets	6,872,804	2,273,222
Investment in associated company	(28,206,970)	(11,464,763)
Proceed from disposal of property, plant and equipment	4,488,000	-
#Purchase of property, plant and equipment	(7,307,924)	(13,875,826)
Net cash used in investing activities	<u>(29,853,901)</u>	<u>(23,067,367)</u>

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

Cash Flow From Financing Activities

Proceed from issue of shares	8,603,100	2,319,340
Net (decrease)/increase in bankers' acceptances	(16,500,000)	2,000,000
Net increase/(decrease) in revolving credits	985,745	(1,018,417)
Proceeds from term loans	18,199,593	19,000,000
Proceeds from hire-purchase	7,028,979	-
Repayment of term loans	(3,401,673)	(5,109,102)
Hire-purchase instalments paid	(2,641,772)	(12,406,482)
Net cash provided by financing activities	12,273,972	4,785,339
Net changes in cash & cash equivalents	(1,741,006)	(4,301,667)
Cash & cash equivalents brought forward	16,442,442	17,266,693
*Cash & cash equivalents carried forward	14,701,436	12,965,026

Property, plant and equipment at aggregate cost of RM12,098,356 (2007 – RM16,732,156) was acquired during the financial period of which RM4,790,432 (2007 – RM2,856,330) was acquired by means of hire-purchase.

^ Net cash flow on additional investment in subsidiaries

Minority interest	2,118,572	-
Goodwill	1,381,428	-
Net cash flow on acquisition	3,500,000	-

***Cash & cash equivalents carried forward consists of:-**

Cash and bank balances	14,875,713	12,776,367
Fixed deposits with licensed banks	25,776	512,998
Bank overdrafts	(200,053)	(324,339)
	14,701,436	12,965,026

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June, 2007)

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profit RM	Minority interest RM	Total RM
9 months quarter ended 31st March, 2008						
At 1 st July, 2007	72,600,000	10,363,826	1,402,487	35,036,315	1,381,428	120,784,056
Employees share option scheme	5,445,000	3,158,100	-	-	-	8,603,100
Acquisition of additional investment from minority	-	-	-	-	(1,381,428)	(1,381,428)
Revaluation surplus during the period	-	-	2,098,190	-	-	2,098,190
Revaluation deficit realised upon disposal	-	-	236,616	-	-	236,616
First and final dividend paid of 5%, less 26% income tax on 26 th March, 2008	-	-	-	(2,887,665)	-	(2,887,665)
Profit after income tax	-	-	-	7,338,947	-	7,338,947
At 31 st March, 2008	78,045,000	13,521,926	3,737,293	39,487,597	-	134,791,816

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profit RM	Minority interest RM	Total RM
9 months quarter ended 31st March, 2007						
At 1 st July, 2006	71,031,000	9,353,226	1,402,487	31,206,838	1,350,421	114,343,972
Employees share option scheme	1,400,000	919,340	-	-	-	2,319,340
First and final dividend paid of 7%, less 28% income tax and 6% tax exempted on 28 th March, 2007	-	-	-	(7,995,988)	-	(7,995,988)
Profit after taxation	-	-	-	11,249,471	44,984	11,294,455
At 31 st March, 2007	72,431,000	10,272,566	1,402,487	34,460,321	1,395,405	119,961,779

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30th June, 2007)

NOTES

1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board (“MASB”) 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 financial year ended 30th June 2007. The 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 30th June 2007.

The accounting policies and methods of computation adopted in this quarterly financial statements of the Group are consistent with those adopted in the most recent annual audited financial statements for the year ended 30th June 2007.

2. Qualification of Financial Statements

The audited report of the preceding annual financial statements was not subjected to any qualification.

3. Seasonal or Cyclical Factors

The Group’s business is not materially affected by seasonal or cyclical factors.

4. Nature and Amount of Unusual Items

There were no unusual items in the quarterly financial statement under review.

5. Nature and Amount of Changes in Estimates

There were no changes in estimates reported for quarterly financial statement under review which will have material effect.

6. Debt and Equity Securities

Other than allotments of 2,398,000 new ordinary shares of RM1.00 each exercised on 6th July, 2007, 2,180,000 new ordinary shares of RM1.00 each exercised on 19th July, 2007 and 867,000 new ordinary shares of RM1.00 each exercised on 1st August, 2007 under Employees Share Option Scheme, there were no issuances and repayment of debts and equity securities during the quarter under review.

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

7. Dividend paid

A first and final dividend of 5% gross less 26% income tax per ordinary share amounting to RM2,887,665 in respect of the financial year ended 30th June, 2007 based on the enlarged share capital of RM78,045,000, was paid on 26th March, 2008.

A first and final dividend of 7% gross less 28% income tax and 6% tax exempted per ordinary share amounting to RM7,995,988 in respect of the financial year ended 30th June, 2006 based on the enlarged share capital of RM72,431,000, was paid on 28th March, 2007.

8. Segmental Reporting

The Group is principally involved in the business of manufacturing and trading of confectionery and other related foodstuffs. Accordingly, information by industry segment on the Group's operations is not presented.

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operations is also not presented.

9. Valuations of Property, Plant and Equipment

The properties of the Group were revalued during the quarter under review resulting in surplus arising from revaluation of RM2,098,190.03. A separate announcement will be made to Bursa Securities Malaysia Berhad in detailed in this matter.

10. General and Subsequent Events

As announced to Bursa Malaysia, on 25th April, 2008, the Company had on 23rd April, 2008 acquired an additional 1,300,000 ordinary shares of Khee San Berhad ("KHEESAN") for a total cash consideration of RM910,000. As at to-date, the Company now holds 32.97% of the issued and paid-up share capital of KHEESAN.

11. Changes in the Composition of the Group

- i) As announced to Bursa Malaysia on 17th September, 2007, the Company has proposed an acquisition of 18,420,000 ordinary shares of RM1.00 each in KHEESAN representing approximately 30.7% of the enlarged issued and fully paid-up share capital of KHEESAN for a total cash consideration of RM27,630,450 and has entered into a Sale and Purchase Agreement on the same date.

The acquisition was completed on 24th October, 2007.

- ii) Other than as disclosed, there were no material changes in the composition of the Group during the current quarter ended 31st December, 2007.

12. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

13. Capital Commitments

	RM'000
Capital expenditure authorised and contracted for but not provided in the financial statements as at 31 st March, 2008 in respect of purchase of property, plant and equipment, approximately	<u>5200</u>

14. Review of Performance

The Group achieved a profit after income tax and minority interest of RM1.16 million on the back of RM35.89 million in turnover. This represent a decrease of 65.58% and an increase of 24.88%, respectively, as compared with the profit after income tax and minority interest of RM3.37 million and a turnover of RM28.74 million, respectively, reported in the preceding year corresponding quarter. The lower results achieved for the current financial period under review is due to the effect of higher operational cost.

15. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31/3/2008 RM'000	Immediate Preceding Quarter 31/12/2007 RM'000	% +/-
Turnover	35,893	31,764	+13.00
Profit before income tax	<u>1,834</u>	<u>4,030</u>	-54.49

The turnover of RM35.89 million for the current year quarter ended 31st March, 2008 as compared to a turnover of RM31.76 million achieved for the immediate preceding quarter, represent an approximate increase of 13.00%. Profit before income tax decreased by 54.49% as compared to the result of the immediate preceding quarter due to the effect of higher operational cost.

16. Current Year Prospects

Current year prospect of the Group is good. The launch of new products range, the signing on of new distribution networks and the expected positive contributions from KHEESAN will augur well for the Group's financial performance for the year ending 30th June, 2008.

17. Profit Forecast

The Company did not issue any profit forecast during this financial quarter.

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

18. Income tax expense

	Current Year Quarter 31/3/2008 RM	Current Year To Date 31/3/2008 RM
Income taxation:		
Current period estimates	197,000	677,000
Overprovision in prior years	(21,564)	(21,564)
Deferred taxation:		
Transferred to deferred taxation	<u>500,000</u>	<u>1,750,000</u>
	<u>675,436</u>	<u>2,405,436</u>

The income tax provision for the period is disproportionate to the statutory tax rate principally due to claims for reinvestment allowances and capital allowances.

19. Sale of Investments and/or Properties

There were no sale of long term investments and properties for the current financial quarter ended 31st March, 2008.

20. Securities

As at 31st March, 2008, the Group has the following securities in Malaysia:-

	Company		Subsidiary		Group	
	Cost RM	**Market value/Cost RM	Cost RM	**Market value/Cost RM	Cost RM	**Market value/Cost RM
Quoted (in Malaysia)						
Shares in corporations	2,252,992	1,295,485	248,414	194,249	2,501,406	1,489,734
Portfolio investments in quoted shares and In money markets	<u>2,586,506</u>	<u>2,586,506</u>	-	-	<u>2,586,506</u>	<u>2,586,506</u>
	4,839,498	3,881,991	248,414	194,249	5,087,912	4,076,240
Unquoted (outside Malaysia)						
Shares in corporation	-	-	1	1	1	1
	<u>4,839,498</u>	<u>3,881,991</u>	<u>248,415</u>	<u>194,250</u>	<u>5,087,913</u>	<u>4,076,241</u>
Less : Impairment loss on investments	(957,507)	-	(54,165)	-	(1,011,672)	-
	<u>3,881,991</u>	<u>3,881,991</u>	<u>194,250</u>	<u>194,250</u>	<u>4,076,241</u>	<u>4,076,241</u>
Unquoted Bonds	<u>4,000,000</u>		-		<u>4,000,000</u>	
	<u>7,881,991</u>		<u>194,250</u>		<u>8,076,241</u>	

** Carried at lower of cost and market value.

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

21. Status of Corporate Proposals

Pursuant to an announcement dated 25th August, 2006 made to Bursa Malaysia, the Company is still assessing the feasibility of listing its principal subsidiary company, Kinoss Food Industries (M) Sdn Bhd on the various Capital Market on the London Stock Exchange.

Other than as abovementioned, there were no corporate proposals announced but not completed at the date of this quarterly report.

22. Group Borrowings

As at 31st March, 2008

	Company		Subsidiary		Group Total RM
	Secured RM	Unsecured RM	Secured RM	Unsecured RM	
Short term borrowings					
Bankers' acceptance	-	28,000,000	-	500,000	28,500,000
Revolving credits	-	20,000,000	-	4,000,000	24,000,000
Hire-purchase creditors	3,095,945	-	257,115	-	3,353,060
Term loans	-	7,785,046	-	-	7,785,046
Bank overdraft	-	-	-	200,053	200,053
	3,095,945	55,785,046	257,115	4,700,053	63,838,159
Long term borrowings					
Hire-purchase creditors	9,895,297	-	664,186	-	10,559,483
Term loans	-	74,379,496	-	-	74,379,496
	9,895,297	74,379,496	664,186	-	84,938,979
Total	12,991,242	130,164,542	921,301	4,700,053	148,777,138

23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

24. Material Litigation

There were no material litigation at the date of this quarterly report.

25. Proposed dividend

No interim dividend is proposed for this quarter under review, in respect of the financial year ending 30th June, 2008.

26. Earnings per share

Earnings per share is calculated by dividing the Group's profit after income tax by:-

LONDON BISCUITS BERHAD
(Incorporated in Malaysia – Co. No. 72057-H)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 31/3/2008 RM	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM	CURRENT YEAR TO DATE 31/3/2008 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2007 RM
Basic	Weighted number of 77,831,008 ordinary shares	Weighted number of 71,735,425 ordinary shares	Weighted number of 77,831,008 ordinary shares	Weighted number of 71,735,425 ordinary shares
Fully diluted	Ordinary shares in issue and issueable of 83,276,008 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 71,904,425 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 83,276,008 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)	Ordinary shares in issue and issueable of 71,904,425 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)

BY ORDER OF THE BOARD

DATO' LIEW YEW CHUNG
(MANAGING DIRECTOR)

Dated : 30 May 2008