

# LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)

Financial Year End : 30/6/2009  
 Quarter : First quarter

Quarterly report on consolidated results for the first quarter ended 30th September, 2008.  
 These figures have not been audited.

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30.9.2008 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.9.2007 (Unaudited) RM'000	Current Year-to- Date 30.9.2008 (Unaudited) RM'000	Preceding Year Corresponding Period 30.9.2007 (Unaudited) RM'000
REVENUE	39,028	30,263	39,028	30,263
OPERATING EXPENSES	(34,650)	(25,518)	(34,650)	(25,518)
OTHER OPERATING INCOME	1,183	646	1,183	646
GROSS PROFIT	5,561	5,391	5,561	5,391
FINANCE COSTS	(2,662)	(1,776)	(2,662)	(1,776)
SHARE OF RESULT IN ASSOCIATED COMPANY	344	265	344	265
PROFIT BEFORE INCOME TAX	3,243	3,880	3,243	3,880
INCOME TAX EXPENSE	(752)	(932)	(752)	(932)
PROFIT AFTER INCOME TAX	2,491	2,948	2,491	2,948
ATTRIBUTABLE TO:				
Equity holders of the Company	2,491	2,948	2,491	2,948
Minority interests	-	-	-	-
PROFIT AFTER INCOME TAX	2,491	2,948	2,491	2,948
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	3.19	3.79	3.19	3.79
- Diluted	2.98	3.54	2.98	3.54

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008)

# LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)

## CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2008

	As at end of current year quarter ended 30.09.2008 (Unaudited) RM'000	As at preceding financial year ended 30.06.2008 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	226,577	227,617
Prepaid lease payment	6,330	6,374
Interest in an associated company	41,373	41,029
Investments	6,635	7,713
Goodwill on consolidation	4,205	4,205
	285,120	286,938
<b>Current Assets</b>		
Inventories	19,527	18,029
Trade receivables	16,147	15,905
Other receivables, deposits & prepayments	18,156	22,613
Deposits, cash and bank balances	34,937	28,214
	88,767	84,761
<b>TOTAL ASSETS</b>	373,887	371,699
<b>EQUITY</b>		
Share Capital	78,045	78,045
Reserves	77,081	74,590
<b>Total Equity</b>	155,126	152,635
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Hire-purchase creditors	27,472	25,555
Term loans	41,642	45,422
Deferred taxation	2,846	2,116
	71,960	73,093
<b>Current Liabilities</b>		
Trade payables	21,509	22,534
Bankers' acceptances	27,000	32,000
Revolving credits	25,000	21,502
Other payables & accruals	4,442	3,900
Hire-purchase creditors	8,593	7,353
Term loans	49,945	48,651
Bank overdraft	10,312	10,031
	146,801	145,971
<b>Total Liabilities</b>	218,761	219,064
<b>TOTAL EQUITY AND LIABILITIES</b>	373,887	371,699
Net Assets per share (sen)	1.99	1.96

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008)

# LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30th September 2008	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	Total RM'000
At 1st July 2008	78,045	13,522	3,816	57,252	-	152,635
Profit after income tax	-	-	-	2,491	-	2,491
At 30th September 2008	<u>78,045</u>	<u>13,522</u>	<u>3,816</u>	<u>59,743</u>	<u>-</u>	<u>155,126</u>

Period ended 30th September 2007	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	Total RM'000
At 1st July 2007-As restated	72,600	10,364	1,402	49,637	1,391	135,394
Employees share option scheme	5,445	3,158	-	-	-	8,603
Acquisition of additional investment from minority	-	-	-	-	(1,391)	(1,391)
Profit after income tax	-	-	-	2,491	-	2,491
At 30th September 2007	<u>78,045</u>	<u>13,522</u>	<u>1,402</u>	<u>52,128</u>	<u>-</u>	<u>145,097</u>

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008)

# LONDON BISCUITS BERHAD

(Incorporated in Malaysia-Co. No. 72057-H)

## CONSOLIDATED CASH FLOW STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008

	Current year to date 30.9.2008 (Unaudited) RM'000	Corresponding year ended 30.9.2007 (Unaudited) RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	3,243	3,880
Adjustments for:-		
Share of result in associated company	(344)	(265)
Gain on disposal of investments	-	(37)
Amortisation of prepaid lease payments	44	44
Impairment loss on investments no longer required	-	(1)
Impairment loss on investments	51	-
Gain on disposal of property, plant and equipment	-	(405)
Depreciation	2,296	1,901
Dividend income	(5)	-
Interest income	-	(1)
Interest expense	2,662	1,776
Operating profit before working capital changes	<u>7,947</u>	<u>6,892</u>
(Increase)/Decrease in inventories	(1,498)	512
Decrease/(Increase) in receivables	4,501	(3,775)
(Decrease)/Increase in payables	(483)	7,914
Cash generated from operations	<u>10,467</u>	<u>11,543</u>
Dividend received	4	-
Interest paid	(2,662)	(1,776)
Tax paid	(307)	(586)
Interest received	-	1
<b>Net cash provided by operating activities</b>	<u>7,502</u>	<u>9,182</u>
<b>Cash Flow From Investing Activities</b>		
^Net cash flow on additional investment in subsidiaries	-	(3,500)
Net changes in investment in portfolio investments in quoted shares and in money markets	1,027	653
Investment in associated company	-	(197)
Proceed from disposal of property, plant and equipment	-	5,000
Purchase of property, plant and equipment	(1,256)	(3,642)
<b>Net cash used in investing activities</b>	<u>(229)</u>	<u>(1,686)</u>

## Cash Flow From Financing Activities

Proceed from issue of shares	-	8,603
Net decrease in bankers' acceptances	(5,000)	(11,026)
Net increase/(decrease) in revolving credits	3,498	(14)
Proceeds from hire-purchase	5,000	-
Repayment of term loans	(2,486)	(7,954)
Hire-purchase instalments paid	(1,843)	(358)
<b>Net cash provided by financing activities</b>	<b>(831)</b>	<b>(10,749)</b>
<b>Net changes in cash &amp; cash equivalents</b>	<b>6,442</b>	<b>(3,253)</b>
<b>Cash &amp; cash equivalents brought forward</b>	<b>18,183</b>	<b>16,442</b>
<b>*Cash &amp; cash equivalents carried forward</b>	<b>24,625</b>	<b>13,189</b>

## ^ Net cash flow on additional investment in subsidiaries

Minority interest	-	2,119
Goodwill	-	1,381
Net cash flow on acquisition	-	3,500

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

Fixed deposits with licensed banks	27	26
Cash and bank balances	34,910	13,309
Bank overdrafts	(10,312)	(146)
	<b>24,625</b>	<b>13,189</b>

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 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 30<sup>th</sup> June 2008. 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 30<sup>th</sup> June 2008.

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 30<sup>th</sup> June 2008.

### 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

There were no issuances and repayment of debts and equity securities during the quarter under review.

### 7. Dividend paid

There were no dividend paid during the quarter under review.

## **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, which were revalued have been brought forward from the previous financial statements and there were no valuations of property, plant and equipment for the financial period ended 30<sup>th</sup> September, 2008.

## **10. General and Subsequent Events**

There were no material events subsequent to 30<sup>th</sup> September, 2008 to the date of this quarterly report.

## **11. Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the current quarter ended 30<sup>th</sup> September, 2008.

## **12. Contingent Liabilities or Contingent Assets**

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

## **13. Review of Performance**

The Group achieved a profit after income tax of RM2.49 million on the back of RM39.03 million in turnover. This represent an decrease of 15.50% and an increase of 28.96%, respectively, as compared with the profit after income tax of RM2.95 million and a turnover of RM30.26 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within expectation.

#### 14. Comparison with Immediate Preceding Quarter's Results

	<b>Current Year Quarter 30/9/2008 RM'000</b>	<b>Immediate Preceding Quarter 30/6/2008 RM'000</b>	<b>% +/-</b>
Turnover	39,028	38,557	+1.22
Profit before income tax	<u>3,243</u>	<u>1,530</u>	+111.96

The turnover of RM39.03 million for the current year quarter ended 30<sup>th</sup> September, 2008 as compared to a turnover of RM38.56 million achieved for the immediate preceding quarter, represent an approximate increase of 1.22%. Profit before income tax increased by 111.96% as compared to the result of the immediate preceding quarter. The results are in line with expectations. The variation of profit before income tax is due to year end adjustments in the immediate preceding quarter, being the last quarter of the financial year ended 30<sup>th</sup> June, 2008

#### 15. Current Year Prospects

The year ending 30 June 2009 shall be a challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30<sup>th</sup> June, 2009.

#### 16. Profit Forecast

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

#### 17. Income tax expense

	<b>Current Year Quarter 30/9/2008 RM</b>	<b>Current Year To Date 30/9/2008 RM</b>
Income taxation:		
Current period estimates	22,000	22,000
Deferred taxation:		
Transferred to deferred taxation	<u>730,000</u>	<u>730,000</u>
	<u>752,000</u>	<u>752,000</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.



## 18. Sale of Investments and/or Properties

There were no sale of long term investments and properties for the current financial quarter ended 30<sup>th</sup> September, 2008.

## 19. Securities

As at 30<sup>th</sup> September, 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
<b>Quoted (in Malaysia)</b>						
Shares in corporations	2,252,992	815,761	248,414	182,000	2,501,406	997,761
Portfolio investments in quoted shares and In money markets	1,636,765	1,636,765	-	-	1,636,765	1,636,765
	<u>3,889,757</u>	<u>2,452,526</u>	<u>248,414</u>	<u>182,000</u>	<u>4,138,171</u>	<u>2,634,526</u>
<b>Unquoted (outside Malaysia)</b>						
Shares in corporation	-	-	1	1	1	1
	<u>3,889,757</u>	<u>2,452,526</u>	<u>248,415</u>	<u>182,001</u>	<u>4,138,172</u>	<u>2,634,527</u>
Less : Impairment loss on investments	(1,437,231)	-	(66,414)	-	(1,503,645)	-
	<u>2,452,526</u>	<u>2,452,526</u>	<u>182,001</u>	<u>182,001</u>	<u>2,634,527</u>	<u>2,634,527</u>
<b>Unquoted Bonds</b>						
	<u>4,000,000</u>		<u>-</u>		<u>4,000,000</u>	
	<u>6,452,526</u>		<u>182,001</u>		<u>6,634,527</u>	

\*\* Carried at lower of cost and market value.

## 20. Status of Corporate Proposals

Pursuant to an announcement dated 25<sup>th</sup> August, 2006 made to Bursa Malaysia, the Company is still assessing the feasibility of listing its principal subsidiary company, Kinross 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.

## 21. Group Borrowings

As at 30<sup>th</sup> September, 2008

	Secured RM	Unsecured RM	Total RM
<b>Short term borrowings</b>			
Bankers' acceptance	-	27,000,000	27,000,000
Revolving credits	-	25,000,000	25,000,000
Hire-purchase creditors	8,593,277	-	8,593,277
Term loans	-	49,944,900	49,944,900
Bank overdraft	-	10,311,944	10,311,944
	<u>8,593,277</u>	<u>112,256,844</u>	<u>120,850,121</u>
<b>Long term borrowings</b>			
Hire-purchase creditors	27,472,321	-	27,472,321
Term loans	-	41,641,863	41,641,863
	<u>27,472,321</u>	<u>41,641,863</u>	<u>69,114,184</u>
Total	<u>36,065,598</u>	<u>153,898,707</u>	<u>189,964,305</u>

## 22. Off Balance Sheet Financial Instruments

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

## 23. Material Litigation

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

## 24. Proposed dividend

No interim dividend is proposed for this quarter under review.

## 25. Earnings per share

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<b>CURRENT YEAR QUARTER 30/9/2008</b> RM	<b>PRECEDING YEAR CORRESPONDING QUARTER 30/9/2007</b> RM	<b>CURRENT YEAR TO DATE 30/9/2008</b> RM	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/9/2007</b> RM
Basic	Number of 78,045,000 ordinary shares	Weighted number of 77,831,008 ordinary shares	Number of 78,045,000 ordinary shares	Weighted number of 77,831,008 ordinary shares
Fully diluted	Ordinary shares in issue and issueable of 83,490,000 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 83,490,000 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)

**BY ORDER OF THE BOARD**

**DATO' LIEW YEW CHUNG**  
**(MANAGING DIRECTOR)**  
**LONDON BISCUITS BERHAD**  
Dated : 28 November 2008