

# LONDON BISCUITS BERHAD

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



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

Quarterly report on consolidated results for the third quarter ended 31st March, 2009.  
These figures have not been audited.

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THIRD QUARTER ENDED 31ST MARCH 2009

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 31.3.2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.3.2008 (Unaudited) RM'000	Current Year-to- Date 31.3.2009 (Unaudited) RM'000	Preceding Year Corresponding Year Ended 31.3.2008 (Unaudited) RM'000
REVENUE	47,764	35,893	131,799	97,919
OPERATING EXPENSES	(43,621)	(31,423)	(118,649)	(84,214)
OTHER OPERATING INCOME	1,083	1,214	2,205	2,045
GROSS PROFIT	5,226	5,684	15,355	15,750
FINANCE COSTS	(2,348)	(3,877)	(7,353)	(7,475)
SHARE OF RESULT IN ASSOCIATED COMPANY	1,139	27	2,004	1,469
PROFIT BEFORE INCOME TAX	4,017	1,834	10,006	9,744
INCOME TAX EXPENSE	683	(675)	(12)	(2,405)
PROFIT AFTER INCOME TAX	4,700	1,159	9,994	7,339
ATTRIBUTABLE TO:				
Equity holders of the Company	4,561	1,159	9,322	7,339
Minority interests	139	-	672	-
PROFIT AFTER INCOME TAX	4,700	1,159	9,994	7,339
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	5.84	1.49	11.94	9.43
- Diluted	5.46	1.39	11.17	8.81

(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

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## CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31ST MARCH 2009

	As at end of current year quarter ended 31.3.2009 (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	285,715	227,617
Prepaid lease payment	6,456	6,374
Interest in an associated company	13,790	41,029
Investment properties	3,410	-
Investments	2,000	7,713
Intangible assets	12,659	4,205
	324,030	286,938
<b>Current Assets</b>		
Inventories	29,919	18,029
Trade receivables	28,934	15,905
Other receivables, deposits & prepayments	34,300	22,613
Deposits, cash and bank balances	47,732	28,214
	140,885	84,761
<b>TOTAL ASSETS</b>	464,915	371,699
<b>EQUITY</b>		
Share Capital	78,045	78,045
Reserves	83,912	74,590
<b>Total Equity</b>	161,957	152,635
<b>Minority interest</b>	46,400	-
	208,357	152,635
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Hire-purchase creditors	30,655	25,555
Term loans	40,326	45,422
Deferred taxation	3,202	2,116
	74,183	73,093
<b>Current Liabilities</b>		
Trade payables	23,383	22,534
Bankers' acceptances	57,055	32,000
Revolving credits	26,000	21,502
Other payables & accruals	4,517	3,900
Hire-purchase creditors	10,789	7,353
Term loans	50,446	48,651
Bank overdraft	10,185	10,031
	182,375	145,971
<b>Total Liabilities</b>	256,558	219,064
<b>TOTAL EQUITY AND LIABILITIES</b>	464,915	371,699
Net Assets per share (sen)	2.08	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 31st March 2009	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
Minority share of net asset in subsidiary					45,728	45,728
Profit after income tax	-	-	-	9,322	672	9,994
At 31st March 2009	78,045	13,522	3,816	66,574	46,400	208,357

  

Period ended 31st March 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 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)
Revaluation during the year	-	-	2,098	-	-	2,098
Revaluation deficit realised upon disposal	-	-	237	-	-	237
First and final dividend paid of 5%, less 26% income tax on 26th March, 2008	-	-	-	(2,888)	-	(2,888)
Profit after income tax	-	-	-	7,339	-	7,339
At 31st March 2008	78,045	13,522	3,737	54,088	-	149,392

(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 SECOND QUARTER ENDED 31ST MARCH 2009

	Current year to date 31.3.2009 (Unaudited) RM'000	Corresponding year ended 31.3.2008 (Unaudited) RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	10,006	9,744
Adjustments for:-		
Share of result in associated company	(2,004)	(1,469)
Gain on disposal of investments	-	(1,236)
Amortisation of prepaid lease payments	130	130
Impairment loss on investments	4,311	978
(Gain)/Loss on disposal of property, plant and equipment	(1,130)	506
Depreciation	6,496	5,140
Dividend income	(5)	(7)
Interest income	(93)	(3)
Interest expense	7,353	7,475
Operating profit before working capital changes	25,064	21,258
Increase in inventories	(507)	(197)
Increase in receivables	(9,955)	(8,506)
(Decrease)/Increase in payables	(9,364)	15,199
Cash generated from operations	5,238	27,754
Dividend received	4	5
Dividend paid	-	(2,888)
Interest paid	(7,353)	(7,475)
Tax paid	(662)	(1,560)
Interest received	93	3
<b>Net cash (used by)/provided by operating activities</b>	(2,680)	15,839
<b>Cash Flow From Investing Activities</b>		
^Net cash flow on additional investment in subsidiaries	-	(3,500)
<Net cash flow on acquisition of subsidiary companies	(2,271)	-
Investment in quoted shares	-	(2,200)
Net changes in investment in portfolio investments in quoted shares and in money markets	1,402	6,873
Investment in associated company	-	(28,207)
Proceed from disposal of property, plant and equipment	15,666	4,488
#Purchase of property, plant and equipment	(11,169)	(7,308)
<b>Net cash used in investing activities</b>	3,628	(29,854)

### Cash Flow From Financing Activities

Proceed from issue of shares	-	8,603
Net increase/(decrease) in bankers' acceptances	14,055	(16,500)
Net increase in revolving credits	4,498	986
Proceeds from term loans	4,158	18,200
Proceeds from hire-purchase	10,184	7,029
Repayment of term loans	(7,459)	(3,402)
Hire-purchase instalments paid	(7,020)	(2,642)
<b>Net cash provided by financing activities</b>	<b>18,416</b>	<b>12,274</b>
<b>Net changes in cash &amp; cash equivalents</b>	<b>19,364</b>	<b>(1,741)</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>37,547</b>	<b>14,701</b>

#Property, plant and equipment at aggregate cost of RM16,542,000 (2008-RM12,098,000) was acquired during the financial period of which RM5,373,000 (2008-RM4,790,000) was acquired by means of hire-purchase and term loan

### ^ Net cash flow on additional investment in subsidiaries

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

### <Net cash flow on acquisition of subsidiary companies

Net assets acquired	68,165	-
Goodwill on acquisition	6,854	-
Minority interests	(46,262)	-
Acquisition cost	28,757	-
Less:		
Amount previously disclosed as investment in associated company	(29,242)	-
Cash and cash equivalent acquired	2,756	-
Net cash flow on acquisition	2,271	-

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

Fixed deposits with licensed banks	2,691	26
Cash and bank balances	45,041	14,875
Bank overdrafts	(10,185)	(200)
	37,547	14,701

**(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 31ST MARCH 2009**

**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 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.

A limited review on this Quarterly Report has been undertaken by the Company’s External Auditors.

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

There were no other valuations of property, plant and equipment for the financial period ended 31<sup>st</sup> March, 2009 except for the revaluation of properties of Khee San Berhad.

The revaluation surplus taken up as is as follows:-

Properties	Net book value RM'000	Revaluation value RM'000	Revaluation surplus RM'000
Factory land and building			
- Seri Kembangan	11,594	22,000	10,406
- Teluk Panglima Garang	5,123	6,270	1,147
Workers' hostel			
- Seri Kembangan	456	1,005	549
			<u>12,102</u>

## 10. General and Subsequent Events

There were no material events subsequent to 31<sup>st</sup> March, 2009 to the date of this quarterly report.

## 11. Changes in the Composition of the Group

Khee San Berhad was consolidated as a subsidiary to the Group, with effect from 1<sup>st</sup> November, 2008. Accordingly, Khee San Berhad's results were also reflected as part of the Group's result from the same effective date.

## 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 (after incorporation of Khee San Berhad's result) achieved a profit before income tax after minority interest of RM4.561 million on the back of RM47.764 million in turnover. This represent an increase of 293.53% and an increase of 33.07%, respectively, as compared with the profit after income tax of RM1.159 million and a turnover of RM35.893 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within management's expectation.

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

	<b>Current Year Quarter 31/3/2009 RM'000</b>	<b>Immediate Preceding Quarter 31/12/2008 RM'000</b>	<b>% +/-</b>
Turnover	47,764	45,007	+6.13
Profit before income tax	<u>4,017</u>	<u>2,746</u>	+46.29

The turnover (after incorporation of Khee San Berhad's result) of 47.76 million for the current year quarter ended 31<sup>st</sup> March, 2009 as compared to a turnover of RM45.01 million achieved for the immediate preceding quarter, represent an approximate increase of 6.13%. Profit before income tax increased by 46.29% as compared to the result of the immediate preceding quarter. The results are in line with expectations.

### 15. Current Year Prospects

The year ending 30 June 2009 shall be a challenging year. The Management will ensure that the Group with 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

	Current Year Quarter 31/3/2009 RM'000	Current Year To Date 31/3/2009 RM'000
Income taxation:		
Current period estimates	395	618
Overprovision in prior year	-	(29)
Deferred taxation:		
Transferred from deferred taxation	(1,078)	(577)
	<u>(683)</u>	<u>12</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 for the current financial quarter ended 31<sup>st</sup> March, 2009.

The Group disposed a non-core business property during the period under review as follows:-

PROPERTY	Cost RM	Disposal Price RM	Gain RM
Land and building-Bukit Indah PTD 92056	3,404,333	4,500,000	1,095,667

## 19. Securities

As at 31<sup>st</sup> March, 2009, the Group has the following securities in Malaysia:-

	Company		Subsidiary		Group	
	Cost RM	**Market value RM	Cost RM	**Market value/Cost RM	Cost RM	Market value RM
<b>Quoted (in Malaysia)</b>						
Shares in corporations	2,252,992	615,301	248,414	122,500	2,501,406	737,801
Portfolio investments in quoted shares and In money markets	1,262,002	1,262,002	-	-	1,262,002	1,262,002
Bonds	4,000,000	-	-	-	4,000,000	-
	<u>7,514,994</u>	<u>1,877,303</u>	<u>248,414</u>	<u>122,500</u>	<u>4,046,131</u>	<u>1,999,803</u>
<b>Unquoted (outside Malaysia)</b>						
Shares in corporation	-	-	1	1	1	1
	<u>7,514,994</u>	<u>1,877,303</u>	<u>248,415</u>	<u>122,501</u>	<u>4,046,132</u>	<u>1,999,804</u>
Less : Impairment loss on investments	(5,637,691)	-	(125,914)	-	(5,763,605)	-
	<u>1,877,303</u>	<u>-</u>	<u>122,501</u>	<u>-</u>	<u>1,999,804</u>	<u>-</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 31<sup>st</sup> March, 2009

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Bankers' acceptance	10,168	46,887	57,055
Revolving credits	-	26,000	26,000
Hire-purchase creditors	10,789	-	10,789
Term loans	-	50,446	50,446
Bank overdraft	-	10,185	10,185
	<u>20,957</u>	<u>133,518</u>	<u>154,475</u>
<b>Long term borrowings</b>			
Hire-purchase creditors	30,655	-	30,655
Term loans	-	40,326	40,326
	<u>30,655</u>	<u>40,326</u>	<u>70,981</u>
Total	<u>51,612</u>	<u>173,844</u>	<u>225,456</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 was no pending material litigation against the Group as 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 31/3/2009 RM</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008 RM</b>	<b>CURRENT YEAR TO DATE 31/3/2009 RM</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM</b>
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 83,490,000 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 83,490,000 ordinary shares (inclusive of adjustment for assumed full exercise of remaining share options)

**BY ORDER OF THE BOARD**  
**LONDON BISCUITS BERHAD**

**DATO' LIEW YEW CHUNG**  
**(MANAGING DIRECTOR)**  
Dated : 29 May 2009