

LONDON BISCUITS BERHAD

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

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

Quarterly report on consolidated results for the fourth quarter ended 30th June, 2009.
These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED 30TH JUNE 2009

| | Individual Period | | Cumulative Period | |
|---|---|--|---|---|
| | Current Year Quarter Ended 30.6.2009 (Unaudited) RM'000 | Preceding Year Corresponding Quarter Ended 30.6.2008 (Unaudited) RM'000 | Current Year-to- Date 30.6.2009 (Unaudited) RM'000 | Preceding Year Corresponding Year Ended 30.6.2008 (Audited) RM'000 |
| REVENUE | 55,119 | 40,244 | 186,918 | 138,163 |
| OPERATING EXPENSES | (46,712) | (38,612) | (165,361) | (122,826) |
| OTHER OPERATING INCOME | 1,386 | 664 | 3,591 | 2,709 |
| GROSS PROFIT | 9,793 | 2,296 | 25,148 | 18,046 |
| FINANCE COSTS | (3,168) | (2,532) | (10,521) | (10,007) |
| SHARE OF RESULT IN ASSOCIATED COMPANY | 731 | (252) | 2,735 | 1,217 |
| PROFIT BEFORE INCOME TAX | 7,356 | (488) | 17,362 | 9,256 |
| INCOME TAX EXPENSE | (246) | 3,652 | (258) | 1,247 |
| PROFIT AFTER INCOME TAX | 7,110 | 3,164 | 17,104 | 10,503 |
| ATTRIBUTABLE TO: | | | | |
| Equity holders of the Company | 6,693 | 3,164 | 16,015 | 10,503 |
| Minority interests | 417 | - | 1,089 | - |
| PROFIT AFTER INCOME TAX | 7,110 | 3,164 | 17,104 | 10,503 |
| Attributable to equity holders of the Company | | | | |
| EARNINGS PER SHARE (SEN) | | | | |
| - Basic | 8.58 | 4.07 | 20.52 | 13.49 |
| - Diluted | 8.02 | 3.79 | 19.18 | 12.58 |

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

LONDON BISCUITS BERHAD

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



CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30TH JUNE 2009

| | As at end of current year quarter ended 30.6.2009 (Unaudited) RM'000 | As at preceding financial year ended 30.6.2008 (Audited) RM'000 |
|---|---|--|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 314,517 | 227,617 |
| Prepaid lease payment | 6,419 | 6,374 |
| Interest in an associated company | 14,522 | 41,029 |
| Investment properties | 3,410 | - |
| Investments | 968 | 7,713 |
| Intangible assets | 12,660 | 4,205 |
| | 352,496 | 286,938 |
| Current Assets | | |
| Inventories | 33,055 | 18,029 |
| Trade receivables | 23,026 | 15,905 |
| Other receivables, deposits & prepayments | 24,489 | 22,613 |
| Deposits, cash and bank balances | 17,842 | 28,214 |
| | 98,412 | 84,761 |
| TOTAL ASSETS | 450,908 | 371,699 |
| EQUITY | | |
| Share Capital | 78,045 | 78,045 |
| Share application monies | 5,445 | - |
| Reserves | 90,605 | 74,590 |
| Total Equity | 174,095 | 152,635 |
| Minority interest | 46,817 | - |
| | 220,912 | 152,635 |
| LIABILITIES | | |
| Non-Current Liabilities | | |
| Hire-purchase creditors | 29,940 | 25,555 |
| Term loans | 38,697 | 45,422 |
| Deferred taxation | 3,519 | 2,116 |
| | 72,156 | 73,093 |
| Current Liabilities | | |
| Trade payables | 29,173 | 22,534 |
| Bankers' acceptances | 70,450 | 32,000 |
| Revolving credits | 26,000 | 21,502 |
| Other payables & accruals | 6,951 | 3,900 |
| Hire-purchase creditors | 11,509 | 7,353 |
| Term loans | 10,835 | 48,651 |
| Bank overdraft | 2,680 | 10,031 |
| Taxation | 242 | - |
| | 157,840 | 145,971 |
| Total Liabilities | 229,996 | 219,064 |
| TOTAL EQUITY AND LIABILITIES | 450,908 | 371,699 |
| Net Assets per share (sen) | 2.23 | 1.96 |

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

LONDON BISCUITS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Period ended 30th June 2009 | Share Capital RM'000 | Share Application Monies 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 |
| Share application monies received | - | 5,445 | - | - | - | - | 5,445 |
| Profit after income tax | - | - | - | - | 16,015 | 1,089 | 17,104 |
| At 30th June 2009 | 78,045 | 5,445 | 13,522 | 3,816 | 73,267 | 46,817 | 220,912 |

| Period ended 30th June 2008 | Share Capital RM'000 | Share Application Monies 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 | - | - | - | 2,177 | - | - | 2,177 |
| 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 | - | - | - | - | 10,503 | - | 10,503 |
| At 30th June 2008 | 78,045 | - | 13,522 | 3,816 | 57,252 | - | 152,635 |

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

LONDON BISCUITS BERHAD

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



CONSOLIDATED CASH FLOW STATEMENTS FOR THE FOURTH QUARTER ENDED 30TH JUNE 2009

| | Current year to date 30.6.2009 (Unaudited) RM'000 | Corresponding year ended 30.6.2008 (Unaudited) RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | 17,362 | 9,256 |
| Adjustments for:- | | |
| Non-cash items | 19,163 | 18,907 |
| Operating profits before working capital changes | <u>36,525</u> | <u>28,163</u> |
| Net change in current assets | 1,404 | 5,405 |
| Net change in current liabilities | (1,014) | 6,310 |
| Cash generated from operations | <u>36,915</u> | <u>39,878</u> |
| Other operating activities | (10,050) | (14,928) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>26,865</u> | <u>24,950</u> |
| NET CASH USED IN INVESTING ACTIVITIES | (12,900) | (41,155) |
| NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES | (16,986) | 17,946 |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | <u>(3,021)</u> | <u>1,741</u> |
| EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | - | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 18,183 | 16,442 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | <u>15,162</u> | <u>18,183</u> |

Property, plant and equipment at aggregate cost of RM50,126,000 (2008-RM55,953,000) was acquired during the financial period of which RM18,379,000 (2008-RM31,024,000) 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 | <u>-</u> | <u>3,500</u> |

Net cash flow on acquisition of subsidiary companies

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

Cash & cash equivalents carried forward consists of:-

| | | |
|------------------------------------|----------------|-----------------|
| Fixed deposits with licensed banks | 27 | 27 |
| Cash and bank balances | 17,815 | 28,187 |
| Bank overdrafts | <u>(2,680)</u> | <u>(10,031)</u> |
| | <u>15,162</u> | <u>18,183</u> |

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 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 30th 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 30th 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 30th 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

Other than the revaluation of properties of Khee San Berhad in the previous quarter as disclosed in the previous quarter report, there were no other valuations of property, plant and equipment for the current quarter under review.

10. General and Subsequent Events

There were no material events subsequent to 30th June, 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 1st 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 RM7.356 million on the back of RM55.119 million in turnover, as compared with the loss before income tax of RM488,000 and a turnover of RM40.244 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

| | Current Year Quarter 30/6/2009 RM'000 | Immediate Preceding Quarter 31/3/2009 RM'000 | % +/- |
|--------------------------|--|---|------------------|
| Turnover | 55,119 | 47,764 | +15.40 |
| Profit before income tax | <u>7,356</u> | <u>4,017</u> | +83.12 |

The turnover (after incorporation of Khee San Berhad's result) of RM55.119 million for the current year quarter ended 30th June, 2009 as compared to a turnover of RM47.764 million achieved for the immediate preceding quarter, represent an approximate increase of 15.40%. Profit before income tax increased by 83.12% as compared to the result of the immediate preceding quarter. The results are in line with expectations.

15. Current Year Prospects

The year ended 30th June 2009 was a challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30th June, 2010.

16. Profit Forecast

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

17. Income tax expense

| | Current Year Quarter 30/6/2009 RM'000 | Current Year To Date 30/6/2009 RM'000 |
|------------------------------------|--|--|
| Income taxation: | | |
| Current period estimates | (134) | 484 |
| Overprovision in prior year | - | (29) |
| Deferred taxation: | | |
| Transferred from deferred taxation | <u>380</u> | <u>(197)</u> |
| | <u>246</u> | <u>258</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

Other than the property disposed as disclosed in the previous quarter, there were no sale of long term investments for the current financial quarter under review.

19. Securities

As at 30th June, 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 |
| Quoted (in Malaysia) | | | | | | |
| Shares in corporations | 2,252,992 | 845,707 | 248,414 | 122,500 | 2,501,406 | 968,207 |
| Unquoted (in Malaysia) | | | | | | |
| Bonds | 4,000,000 | - | - | - | 4,000,000 | - |
| | <u>6,252,992</u> | <u>845,707</u> | <u>248,414</u> | <u>122,500</u> | <u>6,501,406</u> | <u>968,207</u> |
| Unquoted (outside Malaysia) | | | | | | |
| Shares in corporation | - | - | 1 | 1 | 1 | 1 |
| | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| Less : Impairment loss on investments | <u>(5,407,285)</u> | - | <u>(125,914)</u> | - | <u>(5,533,199)</u> | - |
| | <u>845,707</u> | | <u>122,501</u> | | <u>968,208</u> | |

** Carried at lower of cost and market value.

20. Status of Corporate Proposals

Pursuant to an announcement dated 25th August, 2006 made to Bursa Malaysia, the Company in view of the present global financial crisis, has decided not to pursue for time being, the possibility of listing its principal subsidiary company, Kinos Food Industries (M) Sdn Bhd on the various Capital Market on the London Stock Exchange.



21. Group Borrowings

As at 30th June, 2009

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|------------------------------|-------------------|---------------------|-----------------|
| Short term borrowings | | | |
| Bankers' acceptance | 9,088 | 61,362 | 70,450 |
| Revolving credits | - | 26,000 | 26,000 |
| Hire-purchase creditors | 11,509 | - | 11,509 |
| Term loans | - | 10,835 | 10,835 |
| Bank overdraft | 583 | 2,097 | 2,680 |
| | 21,180 | 100,294 | 121,474 |
| Long term borrowings | | | |
| Hire-purchase creditors | 29,940 | - | 29,940 |
| Term loans | - | 38,697 | 38,697 |
| | 29,940 | 38,697 | 68,637 |
| Total | 51,120 | 138,991 | 190,111 |

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> | |
|---------------|---|---|---|---|
| | CURRENT YEAR QUARTER 30/6/2009 RM | PRECEDING YEAR CORRESPONDING QUARTER 30/6/2008 RM | CURRENT YEAR TO DATE 30/6/2009 RM | PRECEDING YEAR CORRESPONDING PERIOD 30/6/2008 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 83,490,000 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 :