

PROPERTY, PLANT AND EQUIPMENT (continued)

a) Details of independent professional valuation of freehold and leasehold properties owned by the Group at 30th June, 2007 are as follows:

<u>Year of Valuation</u>	<u>Description of Property</u>	<u>Location</u>	<u>Amount RM</u>	<u>Basis of Valuation</u>
2002	Industrial land with office and factory building for manufacturing of corn extruded products	H.S.(D) No. 191719 PTD No. 91908 and H.S.(D) No. 191720 PTD No. 91909 Mukim of Pelentung District of Johor Bahru State of Johor	2,300,000	Comparison Method and Income Approach
2002	Two units of adjoining one and a half storey terrace factory (a corner unit and an intermediate unit) for the manufacturing of bakery products	H.S.(D) No. 191403 PTD No. 89457 and H.S.(D) No. 191404 PTD No. 89458 Mukim of Pelentung District of Johor Bahru State of Johor	1,300,000	Comparison Method and Income Approach
2002	Industrial land with office and factory building for warehouse and manufacturing of bakery products	H.S.(D) No. 237253 Lot PTD No. 115209, H.S.(D) No. 237254 Lot PTD No. 115210, H.S.(D) No. 237255 Lot PTD No. 115211 and H.S.(D) No. 237256 Lot PTD No. 115212 Mukim of Plentong District of Johor Bahru State of Johor	6,600,000	Comparison Method and Income Approach
2002	Double storey semi-detached house	H.S.(D) No. 22041 Lot MLO 2485 Mukim of Plentong District of Johor Bahru State of Johor	450,000	Comparison Method and Cost Method
2002	Office lot within Megan Phileo Avenue	Unit No. B-06-09 Megan Phileo Avenue 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur	600,000	Comparison Method and Income Approach

b) Surplus arising from the valuation of properties of the Company amounted to RM1,402,487 (2006 - RM1,402,487).

c) Surplus arising from the valuation of the subsidiaries properties and plant and machinery totaling RM1,998,362 (2006 - RM2,208,362), net of disposals, have been incorporated in the consolidated financial statements, to restate these assets at fair value thereof to the Group.

d) Included herein for the year ended 30th June, 2007 are the following plant and equipment acquired under hire-purchase instalment plans:-

<u>Group & Company</u>	<u>Net Book Value</u>	
	<u>2007 RM</u>	<u>2006 RM</u>
Plant and machinery	6,664,436	36,228,386
Motor vehicles	2,807,475	2,800,706

PROPERTY, PLANT AND EQUIPMENT (continued)

- e) Had the revalued property, plant and equipment been carried at historical cost less accumulated depreciation, the net book value of each class of property, plant and equipment as at 30th June, 2007 would be as follows:-

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Freehold land and buildings	9,376,515	9,444,167	9,376,515	9,444,167
Plant and machinery	1,528,288	2,073,704	-	-

- f) Included in the cost of property, plant and equipment of the Group and of the Company are fully depreciated assets still in use of RM2,465,184 (2006 – RM2,442,610) and RM2,088,343 (2006 – RM1,706,878), respectively.

4. PREPAID LEASE PAYMENTS

Group	2007 RM	As restated 2006 RM
At group cost:		
At 1st July	6,576,554	6,538,391
Additions	89,724	211,679
Amortisation for the year	(174,739)	(173,516)
At 30th June	<u>6,491,539</u>	<u>6,576,554</u>

Year of Valuation	Description of Property	Location	Amount RM	Basis of Valuation
2005	Industrial land with a two-storey office with a single - storey factory for the manufacturing of bakery products	PN 6715 Lot No. 51709 Mukim of Plentong District of Johor Bahru Johor Darul Takzim	3,900,000	Comparison Method and Cost Method
2005	Industrial land with a two-storey office with a single - storey factory for the manufacturing of bakery products	H.S.(D) 124988 PTD No. 71051 Mukim of Plentong District of Johor Bahru Johor Darul Takzim	2,600,000	Comparison Method and Cost Method

The leasehold properties of the subsidiaries were revalued by a firm of professional valuers Messrs Colliers Jordan Lee & Jaafar on 29th March, 2005.

Had the leasehold land and buildings been carried at historical cost less accumulated amortisation the carrying amount of the revalued assets as at 30th June, 2007 would be as follows:

Group	2007 RM	As restated 2006 RM
Leasehold land and buildings	4,144,019	4,253,897

5. INTEREST IN SUBSIDIARY COMPANIES

Company	2007 RM	2006 RM
Unquoted shares, at cost	28,225,686	28,225,686
Amount due from a subsidiary company	4,056,090	4,382,605
	<u>32,281,776</u>	<u>32,608,291</u>

The subsidiary companies, incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest		Principal Activities
	2007 %	2006 %	
Kinos Food Industries (M) Sdn Bhd	95.49	95.49	Investment holding, manufacturing and trading of confectioneries and snack food
* Kim Choaw Sdn Bhd	95.49	95.49	Letting of property
* Kinos Food Trading Sdn Bhd	95.49	95.49	Trading of preserved foods and general food stuffs
*Ultimate Flora Sdn Bhd	-	95.49	Investment holding
+Variasi Selesa Sdn Bhd	-	95.49	Dormant
+Sasaran Irama Sdn Bhd	-	95.49	Dormant
+Desa Potensi Sdn Bhd	-	95.49	Dormant
* Wholly owned subsidiaries of Kinos Food Industries (M) Sdn Bhd.			
+ Wholly owned subsidiaries of Ultimate Flora Sdn Bhd.			

6. INTEREST IN AN ASSOCIATED COMPANY

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Quoted shares in Malaysia, at cost	11,550,388	-	11,550,388	-
Share of loss in associated company	(860,939)	-	-	-
	<u>10,689,449</u>	<u>-</u>	<u>11,550,388</u>	<u>-</u>
Market value	10,860,900	-	10,860,900	-

The associated company, incorporated in Malaysia, is as follows:-

Name of Company	Effective Equity Interest		Principal Activities
	2007 %	2006 %	
Lay Hong Berhad	23.49	-	Poultry farming and related activities and liquid eggs processing

7. INVESTMENTS

Group	2007		2006	
	<u>Cost RM</u>	<u>Market value RM</u>	<u>Cost RM</u>	<u>Market value RM</u>
Quoted (in Malaysia)				
Shares in corporations	301,596	274,505	301,596	156,078
Portfolio investment in quoted shares and in money markets	<u>8,222,918</u>	<u>9,957,451</u>	<u>8,466,920</u>	<u>8,262,541</u>
	8,524,514	10,231,956	8,768,516	8,418,619
Quoted (outside Malaysia)				
Shares in a corporation (At group cost)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	8,524,515	10,231,957	8,768,517	8,418,620
Less: Impairment loss on investments	<u>(33,827)</u>	<u>-</u>	<u>(349,897)</u>	<u>-</u>
	8,490,688	10,231,957	8,418,620	8,418,620
Unquoted (in Malaysia)				
Bonds	<u>4,000,000</u>		<u>4,000,000</u>	
Total	<u>12,490,688</u>		<u>12,418,620</u>	
Company				
	2007		2006	
	<u>Cost RM</u>	<u>Market value RM</u>	<u>Cost RM</u>	<u>Market value RM</u>
Quoted (in Malaysia)				
Shares in corporations	53,182	20,755	53,182	17,828
Portfolio investment in quoted shares and in money markets	<u>8,222,918</u>	<u>9,957,451</u>	<u>8,466,920</u>	<u>8,262,541</u>
	8,276,100	9,978,206	8,520,102	8,280,369
Less: Impairment loss on investments	<u>(33,827)</u>	<u>-</u>	<u>(239,733)</u>	<u>-</u>
	8,242,273	9,978,206	8,280,369	8,280,369
Unquoted (in Malaysia)				
Bonds	<u>4,000,000</u>		<u>4,000,000</u>	
	12,242,273		12,280,369	



8. GOODWILL ON CONSOLIDATION

Group	2007 RM	2006 RM
Goodwill on consolidation	2,703,607	3,399,918
Less: Accumulated amortisation	(508,627)	(283,327)
At 1st July	2,194,980	3,116,591
Add : Adjustment of net revaluation surplus upon revision of depreciation rate of plant and machinery of the subsidiary companies from 10% to 6 2/3%	-	1,051,163
Less: Proportion of minority interest share of the net assets released on additional investment in equity stake of the subsidiary companies	-	(1,747,474)
Less: Reversal of deferred income tax arising from revaluation of properties of certain subsidiaries acquired upon waiver of Real Property Gains Tax	(98,611)	-
	2,096,369	2,420,280
Less: Amortisation for the year	-	(225,300)
At 30th June	2,096,369	2,194,980

9. INVENTORIES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At cost:				
Raw materials	9,230,601	9,426,290	7,985,994	8,081,972
Work-in-progress	3,558,546	1,327,694	2,928,746	1,149,999
Finished goods	4,379,966	5,895,546	2,899,400	4,651,145
Factory consummables	146,339	103,966	-	-
	17,315,452	16,753,496	13,814,140	13,883,116

10. TRADE RECEIVABLES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trade receivables	13,857,539	21,138,851	10,614,441	18,647,922
Less: Allowance for doubtful debts	(178,899)	(113,135)	(112,992)	(113,135)
	13,678,640	21,025,716	10,501,449	18,534,787

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other receivables	6,173,870	480,855	1,869,375	445,458
Tax recoverable	1,378,528	495,635	727,376	-
Sundry deposits	5,574,993	1,274,877	260,453	1,250,137
Deposits for purchase of property, plant and equipment	14,961,078	13,158,045	14,961,078	5,822,094
Prepayments	836,826	796,236	658,148	754,180
	28,925,295	16,205,648	18,476,430	8,271,869

Included in prepayments of the Group and of the Company is an amount of RM200,000 (2006 – RM400,000) being balance of up front amount for costs and reimbursements relating to an issue and placement of bonds in respect of the RM40 million term loan as disclosed in Note 16. This amount is amortised over the period of the tenure of the loan of 5 years.

12. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Fixed deposits with licensed banks	519,779	501,709	519,779	501,709
Cash and bank balances	<u>15,922,663</u>	<u>16,764,984</u>	<u>15,448,920</u>	<u>14,983,479</u>
	<u>16,442,442</u>	<u>17,266,693</u>	<u>15,968,699</u>	<u>15,485,188</u>

The average interest rate ranges and maturity periods of fixed deposits at the balance sheet date were as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Average interest rate ranges	3.7%	3.7%	3.7%	3.7%
Average maturity periods	<u>12 months</u>	<u>12 months</u>	<u>12 months</u>	<u>12 months</u>

13. SHARE CAPITAL

Company	2007		2006	
	Number of ordinary shares of RM1 each	RM	Number of ordinary shares of RM1 each	RM
Authorised:	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Issued and Fully Paid:				
At 1st July	71,031,000	71,031,000	68,209,000	68,209,000
ESOS I	<u>1,569,000</u>	<u>1,569,000</u>	<u>2,822,000</u>	<u>2,822,000</u>
At 30th June	<u>72,600,000</u>	<u>72,600,000</u>	<u>71,031,000</u>	<u>71,031,000</u>

- (i) **The Employees Share Option Scheme I ("ESOS I" or "Scheme I")** governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 6th May, 2003 had been terminated as approved by the shareholders at an Extraordinary General Meeting held on 29th May, 2007. The Company had on 4th May, 2007 obtained the approval of the Securities Commission for the termination.

The principal features of the ESOS I were as follows:

- Scheme I shall be in force for a period of five years from 20th November, 2003 (the date of the confirmation letter by the Adviser) expiring on 19th November, 2008 but subject to any extension or renewal for a further period of five years as may be approved by the shareholders in a general meeting and any other relevant regulating authority whose approval is necessary.
- Eligible persons are employees of the Company (including full time Executive Directors) who have been confirmed in the employment of the Company on the date of the offer. The eligibility for participation in ESOS I shall be at the discretion of the ESOS Committee appointed by the Board of Directors.
- The total number of shares to be issued under ESOS I shall not exceed 15% of the issued and paid-up share capital of the Company being, the maximum allowable allotment of shares, at any point of time during the duration of Scheme I.
- The option price for each new RM1.00 share to be offered shall be determined by the ESOS Committee in the following manner:
 - a price at a discount of not more than ten percent (10%) from the five (5) days weighted average market price of the Company's shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad immediately preceding the Date of Offer; or
 - the par value of the Company's shares of RM1.00 each,

whichever is the higher.

SHARE CAPITAL (continued)

- e) No option shall be granted for less than 1,000 shares and shall always be in multiples of 1,000 shares.
- f) An offer made by the ESOS Committee to a selected employee shall be valid for a period of twenty one days from the date of offer and may be accepted within this prescribed period by the selected employee to whom the offer is made by written notice to the ESOS Committee. Upon acceptance of an offer, the Grantee may during the option period exercise his options in full or in part in such manner as stipulated in the offer letter.
- g) All new ordinary shares issued upon exercise of the options granted under ESOS I will rank pari-passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not be entitled to any dividends, rights allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.
- h) The by-laws do not prevent the persons to whom options have been granted no right to participate by virtue of the options in any share issue of any other company.

During the financial year, the number of options over the ordinary shares of RM1.00 each of the Company granted and exercised under the ESOS are as follows:

Number of options over ordinary shares of RM1.00 each						
<u>Option date</u>	<u>Option price per share RM</u>	<u>Balance at 1.7.2006</u>	<u>Granted</u>	<u>Exercised</u>	<u>Lapsed and available for reallocation</u>	<u>Balance at 30.6.2007</u>
12.7.2004	1.87	997,000	-	-	(997,000)	-
27.11.2006	1.65	-	466,000	(466,000)	-	-
7.12.2006	1.66	-	934,000	(934,000)	-	-
30.3.2007	1.54	-	169,000	(169,000)	-	-
		<u>997,000</u>	<u>1,569,000</u>	<u>(1,569,000)</u>	<u>(997,000)</u>	<u>-</u>

Details relating to options exercised during the financial year are as follows:

Number of shares issued			
<u>Exercise date</u>	<u>Fair value of shares at share issue date RM/share</u>	<u>Exercise price RM/share</u>	<u>2007</u>
11.12.2006	1.87	1.65	466,000
5.1.2007	1.85	1.66	467,000
10.1.2007	1.90	1.66	467,000
4.4.2007	1.70	1.54	169,000
			<u>1,569,000</u>
			2007 RM
Proceeds received on exercise of the above share options			<u>2,579,600</u>

(ii) **The Employees Share Option Scheme II ("ESOS II" or "Scheme II")**, is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 29th May, 2007.

The principal features of ESOS II are as follows:

- a) Scheme II shall be in force for a period of five years from 3rd July, 2007 (the date of the first offer made) expiring on 2nd July, 2012 but subject to any extension or renewal for a further period of five years as may be approved by the shareholders in a general meeting and any other relevant regulatory authority whose approval is necessary.

SHARE CAPITAL (continued)

- b) Eligible persons are employees of the Group, who is a Malaysian citizen who has attained eighteen (18) years of age (including full time Executive Directors) and have been confirmed and has served at least six (6) months in the employment of the Group on the date of the offer or where the Executive Director or employee is under an employment contract, the contract is for a duration of at least one (1) year and has not expired within three (3) months from the date of offer. The eligibility for participation in ESOS II shall be at the discretion of the ESOS Committee appointed by the Board of Directors.
- c) The total number of shares to be issued under ESOS II shall not exceed 15% of the issued and paid-up share capital of the Company being, the maximum allowable allotment of shares, at any point of time during the duration of Scheme II.
- d) The option price for each new RM1.00 share to be offered shall be determined by the ESOS Committee in the following manner:
- i) a price at a discount of not more than ten percent (10%) from the five (5) days weighted average market price of the Company's shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad immediately preceding the Date of Offer; or
 - ii) the par value of the Company's shares of RM1.00 each,
- whichever is the higher.
- e) No option shall be granted for less than 100 shares and shall always be in multiples of 100 shares.
- f) An offer made by the ESOS Committee to a selected employee shall be valid for a period of forty-five days from the date of offer and may be accepted within this prescribed period by the selected employee to whom the offer is made by written notice to the ESOS Committee. Upon acceptance of an offer, the Grantee may during the option period exercise his options in full or in part in such manner as stipulated in the offer letter.
- g) All new ordinary shares issued upon exercise of the options granted under ESOS II will rank pari-passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not be entitled to any dividends, rights allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

14. RESERVES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Non-distributable:-				
Share premium	10,363,826	9,353,226	10,363,826	9,353,226
Revaluation reserve	1,402,487	1,402,487	1,402,487	1,402,487
Distributable:-				
Retained profits	<u>35,036,315</u>	<u>31,206,838</u>	<u>32,636,754</u>	<u>28,484,622</u>
	<u>46,802,628</u>	<u>41,962,551</u>	<u>44,403,067</u>	<u>39,240,335</u>

15. HIRE-PURCHASE CREDITORS

Group & Company	2007 RM	2006 RM
Minimum payments:		
- not later than 1 year	1,367,323	7,727,875
- later than 1 year and not later than 5 years	3,688,827	17,264,460
- later than 5 years	455,004	309,510
	<u>5,511,154</u>	<u>25,301,845</u>
Less: Future hire-purchase charges	<u>(776,249)</u>	<u>(3,535,910)</u>
Present value	<u>4,734,905</u>	<u>21,765,935</u>
Total payable	4,734,905	21,765,935
Less: Payable within 1 year	<u>(1,180,185)</u>	<u>(6,457,613)</u>
Payable after 1 year	<u>3,554,720</u>	<u>15,308,322</u>

The term for hire-purchase is 3 to 7 (2006 – 3 to 7) years. In respect of the financial year ended 30th June, 2007, the effective borrowing rate ranges from 2.45% to 3.19% (2006 – 2.55% to 5.7%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangements.

16. TERM LOANS AND OTHER CREDIT FACILITIES

Group & Company	2007 RM	2006 RM
Unsecured		
Term loan I: interest at commercial banking rate above the bank's base lending rate per annum, repayable by 120 monthly instalments commencing 30th September, 2003	-	2,677,766
Term loan II: fixed interest at commercial banking rate per annum, repayable by 84 monthly instalments commencing on 12th April, 2007	9,760,000	-
Term loan III: fixed interest at commercial banking rates per annum, repayable by 84 equal monthly instalments commencing on 12th March, 2007	1,916,899	-
Term loan IV: interest at commercial banking rates above the bank's base lending rate per annum, repayable by 60 monthly instalments commencing December, 2007	7,000,000	-
Term loan V: fixed interest at commercial banking rates per annum, repayable by 60 monthly instalment commencing on 2nd October, 2006	8,689,723	-
Term loan VI: interest at 6.8% per annum, repayable in one lump sum on the last day of the tenor of the facility on 1st June, 2009	40,000,000	40,000,000
	<u>67,366,622</u>	<u>42,677,766</u>
Repayments due:		
Within twelve months	3,410,992	336,021
Between 1 and 2 years	44,272,229	360,312
Between 2 and 5 years	13,590,679	41,206,671
After 5 years	6,092,722	774,762
	<u>63,955,630</u>	<u>42,341,745</u>
	<u>67,366,622</u>	<u>42,677,766</u>

The bankers' acceptances bear interest negotiated at commercial banking rates per annum. The revolving credits also bear interest at agreed commercial banking rates per annum for the year ended 30th June, 2007.

17. DEFERRED INCOME TAX LIABILITIES

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At 1st July	15,246,406	13,070,734	13,730,000	12,085,000
Transferred from income statement (Note 20)	2,849,100	2,827,100	2,740,000	1,645,000
Arising from surplus on revaluation of property, plant and equipment of subsidiaries acquired	-	(531,028)	-	-
Realised upon disposal of plant and machinery	-	(120,400)	-	-
Reversal upon waiver of Real Property Gains Tax	(103,268)	-	-	-
At 30th June	<u>17,992,238</u>	<u>15,246,406</u>	<u>16,470,000</u>	<u>13,730,000</u>

DEFERRED INCOME TAX LIABILITIES (continued)

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
The deferred income tax liabilities are principally due to the following temporary differences:-				
Temporary differences between tax bases of assets and carrying amount in financial statements	17,494,478	14,594,978	16,470,000	13,730,000
Surplus arising from revaluation of properties and plant and machinery	497,760	651,428	-	-
	<u>17,992,238</u>	<u>15,246,406</u>	<u>16,470,000</u>	<u>13,730,000</u>

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Other payables	3,187,902	2,210,127	1,563,992	1,169,415
Accruals	1,305,267	1,400,012	1,078,763	1,177,394
	<u>4,493,169</u>	<u>3,610,139</u>	<u>2,642,755</u>	<u>2,346,809</u>

19. PROFIT BEFORE INCOME TAX

	Group		Company	
	2007	As restated	2007	2006
	RM	2006	RM	RM
a) Profit before income tax is arrived at after charging/ (crediting):-				
Auditors' remuneration				
- current year	111,000	102,200	75,000	65,000
- underprovision in prior years	-	15,550	-	-
Directors' remuneration				
- Fees	126,000	327,000	126,000	327,000
- Other emoluments	1,635,075	1,616,575	1,635,075	1,616,575
- Attendance allowances	53,000	70,000	53,000	70,000
Rental of premises	61,328	61,776	38,648	34,956
Rental of motor vehicles	122,975	-	122,975	-
Staff costs:				
- Staff salaries, wages, bonus and allowances	8,189,473	6,880,822	5,570,340	4,777,234
- Defined contribution plan – EPF	566,478	593,262	379,342	410,858
- Other staff benefits	1,044,601	1,080,553	938,240	1,004,080
	<u>9,800,552</u>	<u>8,554,637</u>	<u>6,887,922</u>	<u>6,192,172</u>

PROFIT BEFORE INCOME TAX (continued)

	Group		Company	
	2007 RM	As restated 2006 RM	2007 RM	2006 RM
Depreciation (Note 3)				
- current year	7,062,877	9,184,145	6,540,011	8,698,022
- overprovision in prior year	-	(25,817)	-	-
- reversed upon refund	-	(4,586)	-	(4,586)
Amortisation of prepaid lease payments (Note 4)	174,739	173,516	-	-
Allowance for doubtful debts no longer required	(143)	(80,458)	(143)	(303)
Bad debts written off	-	80,155	-	-
(Gain)/ Loss on disposal of investments	(1,517,081)	199,526	(1,517,081)	199,526
Realised loss/ (gain) on foreign exchange	599,909	(91,309)	821,366	(76,502)
Amortisation of goodwill on consolidation	-	225,300	-	-
Finance cost:				
Interest paid for:-				
- Bank overdrafts	861,665	634,339	856,259	623,731
- Hire-purchase	1,572,927	731,062	1,572,927	731,062
- Term loans	3,573,716	2,941,429	3,573,716	2,941,429
- Bankers' acceptances	2,121,329	1,623,200	1,986,099	1,597,767
- Revolving credit	858,893	284,645	655,995	184,774
- Others	55,389	26,406	55,389	26,406
	9,043,919	6,241,081	8,700,385	6,105,169
Rental income	(1,200)	-	-	-
Gain on disposal of subsidiary companies	(1,200)	-	-	-
Impairment loss on investments no longer required	(316,070)	(477,337)	(205,906)	(487,837)
Gain on disposal of property, plant and equipment	(3,005,393)	(3,530,155)	(2,598,419)	(3,037,095)
Rental income	-	(58,700)	-	(58,700)
Dividend from Malaysian quoted investments (gross)	(35,664)	(8,231)	(18,332)	(1,231)
Bad debts recovered	-	(3,100)	-	-
Interest income				
- Fixed and short term deposits	(18,070)	(41,083)	(18,070)	(36,700)
- Other interest	(24,581)	(1,763)	(18,818)	(1,763)

Group & Company**2007
RM****2006
RM****b) Directors' remuneration**

Directors' remuneration is analysed as follows:-

Executive Directors		
- salaries and allowances	1,452,075	1,467,075
- fees	24,000	62,500
- attendance allowances	13,000	18,000
Non-Executive Directors		
- salaries and allowances	183,000	149,500
- fees	102,000	264,500
- attendance allowances	40,000	52,000

PROFIT BEFORE INCOME TAX (continued)

Group & Company	2007		2006	
	<u>Executive</u>	<u>Non-executive</u>	<u>Executive</u>	<u>Non-executive</u>
The number of Directors whose remuneration fell within the following ranges (per annum):-				
RM1 – RM50,000	-	5	-	3
RM50,001 – RM100,000	-	2	-	2
RM100,001 – RM150,000	-	-	-	2
RM150,001 – RM650,000	-	-	-	-
RM650,001 – RM700,000	1	-	-	-
RM700,001 – RM750,000	-	-	1	-
RM750,001 – RM800,000	1	-	-	-
RM800,001 – RM950,000	-	-	1	-

20. CURRENT INCOME TAX LIABILITIES

	Group		Company	
	<u>2007 RM</u>	<u>2006 RM</u>	<u>2007 RM</u>	<u>2006 RM</u>
Current income tax:				
Estimated for the year	188,000	1,246,000	8,000	1,120,000
Overprovision in prior years	(284,619)	(115,571)	(280,107)	(66,823)
Deferred income tax:				
Transferred to deferred income tax liabilities (Note 17)	<u>2,849,100</u>	<u>2,827,100</u>	<u>2,740,000</u>	<u>1,645,000</u>
	<u>2,752,481</u>	<u>3,957,529</u>	<u>2,467,893</u>	<u>2,698,177</u>

CURRENT INCOME TAX LIABILITIES (continued)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Reconciliation of effective tax rate:				
Profit before income tax	<u>14,604,296</u>	<u>18,644,195</u>	<u>14,616,013</u>	<u>14,513,597</u>
Taxation using statutory tax rate of 27% (2006 - 28%)	3,943,159	5,220,375	3,946,324	4,063,807
Reduction in statutory tax rate	(14,971)	(15,264)	-	-
Non-deductible expenses for tax purposes	2,940,750	3,245,142	2,283,793	2,969,389
Capital allowances utilised	(6,850,013)	(4,321,423)	(6,717,436)	(3,641,995)
Reinvestment allowance utilised	(305,392)	(2,689,459)	-	(2,498,211)
Increase in unused tax losses	10,897	10,768	-	-
Non taxable gain	(1,359,931)	(1,520,661)	(1,167,862)	(850,387)
Expenses eligible for double deduction	(1,797)	-	(1,797)	-
Balancing charge	1,825,027	1,309,989	1,664,816	1,077,029
Other items	271	6,533	162	368
Transferred to deferred income tax liabilities	<u>2,849,100</u>	<u>2,827,100</u>	<u>2,740,000</u>	<u>1,645,000</u>
	<u>3,037,100</u>	<u>4,073,100</u>	<u>2,748,000</u>	<u>2,765,000</u>
Overprovision in prior years	(284,619)	(115,571)	(280,107)	(66,823)
	<u>2,752,481</u>	<u>3,957,529</u>	<u>2,467,893</u>	<u>2,698,177</u>

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 and tax exempt account under Schedule 7A of the Income Tax Act 1967 and tax exempt account under Section 12 of the Income Tax (Amendment) Act, 2001 to frank the payment of dividends out of all its retained profit as at 30th June, 2007 without incurring any additional tax liability.

21. EARNINGS PER ORDINARY SHARE**Basic**

Basic earnings per share is calculated by dividing the profit after income tax by the weighted average number of ordinary shares in issue during the financial year.

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit attributable to the equity holders of the Company	<u>11,825,465</u>	<u>14,200,881</u>	<u>12,148,120</u>	<u>11,815,420</u>
Weighted average number of ordinary shares in issue	<u>71,776,170</u>	<u>69,640,611</u>	<u>71,776,170</u>	<u>69,640,611</u>
Basic earnings per share (sen)	<u>16.48</u>	<u>20.39</u>	<u>16.93</u>	<u>16.97</u>

EARNINGS PER ORDINARY SHARE (continued)**Fully diluted**

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The dilutive potential ordinary shares for the year of the Group and of the Company are share options granted to employees.

Share options are deemed to have been converted into ordinary shares at the beginning of the year or on the date when the options were granted whichever is the later.

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit attributable to the equity holders of the Company	<u>11,825,465</u>	<u>14,200,881</u>	<u>12,148,120</u>	<u>11,815,420</u>
Weighted average number of ordinary shares in issue	71,776,170	69,640,611	71,776,170	69,640,611
Adjustment for assumed exercise of share options	<u>-</u>	<u>1,569,000</u>	<u>-</u>	<u>1,569,000</u>
Adjusted weighted average number of ordinary shares in issue and issueable	<u>71,776,170</u>	<u>71,209,611</u>	<u>71,776,170</u>	<u>71,209,611</u>
Diluted earnings per share (sen)	<u>16.48</u>	<u>19.94</u>	<u>16.93</u>	<u>16.59</u>

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the respective cash flow statements comprise the following:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Fixed deposits with licensed banks	519,779	501,709	519,779	501,709
Cash and bank balances	<u>15,922,663</u> <u>16,442,442</u>	<u>16,764,984</u> <u>17,266,693</u>	<u>15,448,920</u> <u>15,968,699</u>	<u>14,983,479</u> <u>15,485,188</u>

23. 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 of the Group operations is also not presented.

24. CAPITAL COMMITMENTS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Capital expenditure authorised and contracted for but not provided in the financial statements:				
- in respect of purchase of property, plant and equipment	<u>1,317,640</u>	<u>23,182,263</u>	<u>1,317,640</u>	<u>7,629,814</u>

25. RELATED PARTY TRANSACTIONS

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
With subsidiaries				
- sales to	-	-	(11,331,915)	(8,504,000)
- purchases from	-	-	1,678,293	3,107,053
- sales of plant and machinery to	-	-	-	(2,521,783)
With a subsidiary company of an associated company				
- purchases from	8,981,054	-	8,981,054	-
With companies in which certain Directors have financial interests				
- sales to	(817,413)	-	(817,413)	-
- purchases from	1,153,525	-	1,153,525	-
- trade account balances as at 30th June	(336,112)	-	(336,112)	-
With a firm in which a Director is a partner				
- professional fees paid				
- charged to income statement	1,500	8,490	-	-
- capitalised as part of cost of property, plant and equipment	9,232	-	9,232	-

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

26. FINANCIAL INSTRUMENTS**Financial Risk Management Objectives and Policies**

The operations of the Group are subject to a variety of financial risks, including credit risk, foreign currency exchange risk, interest rate risk, liquidity risk and cash flow risk and market risk. The Group has formulated guidelines and policies as well as internal controls which seek to minimise the Group's exposure to risks associated with the financing, investing and operating activities of the Group.

a) Credit risk

The Group has a credit policy in place to evaluate customers requiring credit over a certain amount or period. Credit risk is further minimised and is monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

b) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the Group's transactions with foreign vendors of plant and equipment and foreign trade receivables and payables. The Group monitors the movements in foreign currency exchange rates closely to ensure their exposure is minimised.

c) Interest rate risk

The Group's exposure to interest rate risk arises from interest-bearing borrowings of which the Group reviews and monitors the interest rates at regular intervals.

d) Liquidity risk and cash flow risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long term funding requirements.

FINANCIAL INSTRUMENTS (continued)**e) Market risk**

The Group is principally involved in the manufacture of extruded corn snacks, chocolates, cakes and other snack products and is therefore subject to certain risks inherent in the food-processing industry. These risks include, inter-alia the possible increase in the operating and capital costs due to increase in the cost of labour and raw materials, changes in consumer demands and changes in general economic conditions. The Group seeks to limit these risks through, inter-alia, expansion of both existing and new markets, developing and maintaining a diversified market network and investment in automated machinery to improve efficiency.

Fair values

In the opinion of the Directors, the carrying amounts of financial assets and liabilities of the Group at the balance sheet date are not materially different from their fair values.

27. CONTINGENT LIABILITIES – UNSECURED

Company	2007 RM	2006 RM
Corporate guarantees given to various financial institutions for facilities granted to subsidiary companies		
-outstanding balances as at 30th June	<u>6,014,255</u>	<u>6,018,417</u>

28. COMPARATIVE FIGURES

Arising from the adoption of FRS117: Leases during the current financial year ended 30th June, 2007, the following comparative figures have been restated accordingly:-

	As previously reported RM	FRS 117 RM	As restated RM
Consolidated Balance Sheet			
Non-current assets			
Property, plant and equipment	169,029,298	(6,576,554)	162,452,744
Prepaid lease payments	-	6,576,554	6,576,554
Consolidated Income and Cash Flow Statements			
Depreciation of property, plant and equipment	9,357,661	(173,516)	9,184,145
Amortisation of prepaid lease payments	-	173,516	173,516

29. SIGNIFICANT EVENTS OF THE COMPANY

- i) As announced to Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 12th November, 2006 and 29th November, 2006, the Company acquired 20.0% of the issued and fully paid-up share capital of Lay Hong Berhad ("Lay Hong"), comprising 9,240,000 ordinary shares of RM1.00 each, for a total cash consideration of RM9,850,413.

Further shares in Lay Hong were acquired subsequent to the announcement and as at 30th June, 2007, shareholdings in Lay Hong amounted to 10,860,900 ordinary shares of RM1.00 each, representing 23.49% of the enlarged issued and fully paid-up share capital of Lay Hong at a total cost of RM11,550,388.



SIGNIFICANT EVENTS OF THE COMPANY (continued)

- ii) At an Extraordinary General Meeting held on 29th May, 2007, as disclosed in Note 13(ii) the Company had established ESOS II with the allotment of not more than 10,890,000 new ordinary shares of RM1.00 each.
- a) In respect of ESOS II, on 3rd July, 2007, the Company had offered and granted a total of 5,445,000 shares of RM1.00 each at RM1.58 each per share to the eligible Employees of the Group.

Allotments of 2,398,000 new ordinary shares of RM1.00 each; 2,180,000 new ordinary shares of RM1.00 each; and 867,000 new ordinary shares of RM1.00 each were exercised on 6th July, 2007, 19th July, 2007 and 1st August, 2007, respectively under ESOS II.

- b) On 4th October, 2007, a further 5,445,000 shares of RM1.00 each was offered and granted at RM1.33 each per share to the eligible employees of the Group. At the date of this report, none was exercised.

- iii) 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 Khee San Berhad ("KHEESAN") representing approximately 30.7% of the enlarged issue and 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.

- iv) The Directors proposed a first and final dividend of 5% less 26% income tax, amounting to RM2,887,665 based on 78,045,000 ordinary shares of RM1.00 each in issue as at the date of this report, in respect of the current financial year ended 30th June, 2007, payable upon shareholders' approval at the forthcoming Annual General Meeting.

30. GENERAL INFORMATION

- 30.1 The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.
- 30.2 The principal place of business is located at No 1, Jalan Istimewa 2, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim.
- 30.3 The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution dated 26th October, 2007.

31 CURRENCY

All amounts are stated in Ringgit Malaysia.

32 COMPARATIVE FIGURES

Certain comparative figures had been reclassified to conform with current year's presentation.

Directors' Statement

We, **DATO' LIEW KUEK HIN** and **DATO' LIEW YEW CHUNG**, being two of the Directors of the Company, do hereby state that in the opinion of the Directors, the financial statements set out on pages 31 to 68 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30th June, 2007 and of their results and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

DATO' LIEW KUEK HIN, *DIMP, PJK, JP*
Director

KUALA LUMPUR
29th October, 2007

DATO' LIEW YEW CHUNG, *DIMP*
Director

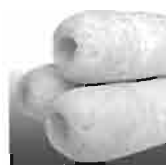
STATUTORY DECLARATION

I, **DATO' LIEW YEW CHUNG, DIMP** being the Director responsible for the financial management of **LONDON BISCUITS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 31 to 68 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
this 29th October, 2007)

Before me:-

K. MARIASOOSAY
Commissioner for Oaths
No. W344
KUALA LUMPUR



List of Properties as at 30th June 2007

Properties held by the group

Location	Date of Acquisition (Tenure)	Description/ Existing Use	Approximate Size	Approximate age of Property	Net Book Value as at 30 June 2007 RM'000
----------	---------------------------------	------------------------------	------------------	-----------------------------	--

LONDON BISCUITS BERHAD

* H.S.(D) No 22041 Lot MLO 2485 Mukim of Plentong District of Johor Bahru State of Johor	1988 (Freehold)	Double storey semi-detached house for investment	Land Area - 371.61 sq m	19 years	429
* H.S.(D) No 191719 PTD No 91908 & H.S.(D) No 191720 PTD No 91909 Mukim of Plentong District of Johor Bahru State of Johor	1995 (Freehold)	Industrial land with office and factory building for manufacturing of corn extruded products	Land Area - 2,378.32 sq m	12 years	2,193
* H.S. (D) No 191403 PTD No 89457 & H.S.(D) No 191404 PTD No 89458 Mukim of Plentong District of Johor Bahru State of Johor	1995 (Freehold)	Industrial land with office and factory building for warehouse and manufacture of bakery products	Land Area - 1,401.26 sq m	12 years	1,239
* Unit No B-06-09 Megan Phileo Avenue 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	1996 (Freehold)	Office Lot for Investment	Land Area - 222.32 sq m	11 years	558
* H.S. (D) No 237253 PTD No 115209; H.S.(D) No 237254 PTD No 115210; H.S.(D) No 237255 PTD No 115211; & H.S.(D) No 237256 PTD No 115212; Mukim of Plentong District of Johor Bahru State of Johor	1999 (Freehold)	Industrial land with office and factory building for warehouse and manufacture of bakery products	Land Area - 5,351.21 sq m	8 years	6,304
H.S.(D) No 237252 PTD No 115208 Mukim of Plentong District of Johor Bahru State of Johor	1999 (Freehold)	Industrial land with office and factory building for warehousing	Land Area - 1,337.80 sq m	8 years	1,271
H.S. (D) No 237251 PTD No 115207 Mukim of Plentong District of Johor Bahru State of Johor	1999 (Freehold)	Industrial land with office and factory building for warehousing	Land Area - 1,337.80 sq m	8 years	1,383
H.S.(D) No 237310 PTD No 115266 Mukim of Plentong District of Johor Bahru State of Johor	2000 (Freehold)	Industrial land with office and factory building for warehousing	Land Area - 1,213.28 sq m	7 years	719

List of Properties as at 30th June 2007

Properties held by the group

Location	Date of Acquisition (Tenure)	Description/ Existing Use	Approximate Size	Approximate age of Property	Net Book Value as at 30 June 2007 RM'000
LONDON BISCUITS BERHAD (cont'd)					
H.S.(D) No 237309 PTD No 115265 Mukim of Plentong District of Johor Bahru State of Johor	2000 (Freehold)	Industrial land with office and factory building for warehousing	Land Area - 891.80 sq m	7 years	879
H.S. (D) No 237257 PTD No 115213 Mukim of Plentong District of Johor Bahru State of Johor	2003 (Freehold)	Industrial land with office and factory building for warehousing	Land Area - 5423.03 sq m	4 years	5,101
H.S.(D) No 372600 PTD No 175734 Mukim of Plentong District of Johor Bahru State of Johor	2006 (Freehold)	Three Storey Shop Office for Investment and as Worker Hostel	Land Area - 171.69 sq m	1 year	613
H.S.(D) No 372601 PTD No 175735 Mukim of Plentong District of Johor Bahru State of Johor	2006 (Freehold)	Three Storey Shop Office for Investment and as Worker Hostel	Land Area - 171.69 sq m	1 year	613
H.S.(D) No 372602 PTD No 175736 Mukim of Plentong District of Johor Bahru State of Johor	2006 (Freehold)	Three Storey Shop Office for Investment and as Worker Hostel	Land Area - 171.69 sq m	1 year	618
KINOS FOOD INDUSTRIES (M) SDN BHD					
** PN 6715 Lot No 51709 Mukim of Plentong District of Johor Bahru State of Johor	1985 (Leasehold) – 60 years	Industrial land with a two storey office with a single storey factory for manufacturing of bakery products	Land Area - 8,093.72 sq m	22 years	4,068
KIM CHOAW SDN BHD					
** H.S. (D) No 124988 PTD No 71051 Mukim of Plentong District of Johor Bahru State of Johor	1985 (Leasehold) – 60 years	Industrial land with a two storey office with a single storey factory for manufacturing of bakery products	Land Area - 8,093.72 sq m	22 years	2,424
TOTAL					28,412

Note :-

- i) The Group and Company adopts the policy to revalue its landed properties every five (5) years, from the date of last valuation.
- ii) * Properties revalued in November 2000.
- iii) ** Properties revalued in March 2005.



Analysis of Shareholders

27 November 2007

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-Up Share Capital	:	RM78,045,000.00
Class of Shares	:	Ordinary Share at RM 1.00 each
Voting Rights	:	One (1) vote per share

List of Substantial Shareholders

	Name	Direct No of Shares	%	Indirect No of Shares	%
1)	Meileelanusa Sdn Bhd	33,881,588	43.41	-	-
2)	Dato' Liew Yew Chung, DIMP	1,631,785	2.09	35,770,898 i, iv	45.83
3)	Dato' Liew Kuek Hin, DIMP, PJK, JP	1,510,250	1.94	35,892,433 i, ii	45.99
4)	Datin Lim Yook Lan	224,487	0.29	37,178,196 i, iii	47.64
5)	Liew Yew Cheng	75,231	0.10	37,327,452 i, v	47.83
6)	Liew Yet Mei	39,671	0.05	37,363,012 i, vi	47.87
7)	Liew Yet Lee	39,671	0.05	37,363,012 i, vii	47.87

Notes :

- Deemed interested by virtue of their interest in Meileelanusa Sdn Bhd.
- Deemed interested by virtue of the shares held by his spouse, Datin Lim Yoke Lan, and his children, Dato' Liew Yew Chung, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her spouse, Dato' Liew Kuek Hin, and her children, Dato' Liew Yew Chung, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by his parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and his siblings, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by his parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and his siblings, Dato' Liew Yew Chung, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and her siblings, Dato' Liew Yew Chung, Liew Yew Cheng and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and her siblings, Dato' Liew Yew Chung, Liew Yew Cheng and Liew Yet Mei.

Directors' Interests in the Company

Name	Direct No of Shares	%	Indirect No of Shares	%	Rights under ESOS	
					Direct	Indirect
1) Dato' Liew Kuek Hin, <i>DIMP, PJK, JP</i>	1,510,250	1.94	35,892,433 ^{i, ii}	45.99	1,089,000	3,267,000
2) Datin Lim Yook Lan	224,487	0.29	37,178,196 ^{i, iii}	47.64	-	4,356,000
3) Dato' Liew Yew Chung, <i>DIMP</i>	1,631,785	2.09	35,770,898 ^{i, iv}	45.83	1,089,000	3,267,000
4) Liew Yew Cheng	75,231	0.10	37,327,452 ^{i, v}	47.83	1,089,000	3,267,000
5) Liew Yet Mei	39,671	0.05	37,363,012 ^{i, vi}	47.87	-	4,356,000
6) Liew Yet Lee	39,671	0.05	37,363,012 ^{i, vii}	47.87	1,089,000	3,267,000
7) Dato' Cheong Siew Kai, <i>DJMK, AMS, JP</i>	-	-	-	-	-	-
8) Huang Yan Teo, <i>PIS, PPN</i>	-	-	-	-	-	-
9) Leslie Looi Meng	-	-	-	-	-	-

Notes :

- Deemed interested by virtue of their interest in Meileelanusa Sdn Bhd.
- Deemed interested by virtue of the shares held by his spouse, Datin Lim Yoke Lan, and his children, Dato' Liew Yew Chung, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her spouse, Dato' Liew Kuek Hin, and her children, Dato' Liew Yew Chung, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by his parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and his siblings, Liew Yew Cheng, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by his parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and his siblings, Dato' Liew Yew Chung, Liew Yet Mei and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and her siblings, Dato' Liew Yew Chung, Liew Yew Cheng and Liew Yet Lee.
- Deemed interested by virtue of the shares held by her parents, Dato' Liew Kuek Hin and Datin Lim Yoke Lan, and her siblings, Dato' Liew Yew Chung, Liew Yew Cheng and Liew Yet Mei.

Size of Shareholdings	No of Holders	No of Shares	%
Less than 100	35	910	0.00
100 to 1,000	962	517,783	0.67
1,001 to 10,000	1,766	7,915,792	10.14
10,001 to 100,000	387	11,045,162	14.15
100,001 to less than 5% of issued shares	63	32,359,865	41.46
5% and above of issued shares	3	26,205,488	33.58
TOTAL	3,216	78,045,000	100.00

List of 30 Top Shareholders

Names	No of Shares	%
1) MEILEELANUSA SDN BHD	16,455,488	21.08
2) PERDANA NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	5,250,000	6.73
3) CIMB GROUP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	4,500,000	5.77
4) EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD BHD [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	3,225,000	4.13
5) ALLIANCEGROUP NOMINEES (TEMPATAN) SDN [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	2,800,000	3.59
6) HSBC NOMINEES (ASING) SDN BHD [EXEMP AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JERSEY)]	2,700,000	3.46
7) ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND]	2,545,900	3.26
8) MAYBAN NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR LIEW YEW CHUNG]	1,630,800	2.09
9) CITIGROUP NOMINEES (ASING) SDN BHD [PLL FOR THE RAVENWOOD INVESTMENT COMPANY LP]	1,500,000	1.92
10) CITIGROUP NOMINEES (ASING) SDN BHD [PLL FOR ROBOTTI GLOBAL FUND LLC]	1,500,000	1.92
11) EB NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	1,250,000	1.60
12) CIMB GROUP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR DATO' LIEW KUEK HIN]	1,000,000	1.28
13) KURNIA INSURANS (MALAYSIA) BERHAD	1,000,000	1.28
14) KOPERASI SRI NILAM BERHAD	839,000	1.08
15) TAN CHING CHING	794,000	1.02
16) LOW CHENG PENG	539,900	0.69
17) ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR DATO' LIEW KUEK HIN]	510,000	0.65
18) KIM DONG BAE	500,000	0.64
19) MAYBAN NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR LEE CHONG GEE]	440,400	0.56
20) LIM SOON HUAT	430,000	0.55
21) CITIGROUP NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR GAN SOO JIN]	400,000	0.51
22) EB NOMINEES (TEMPATAN) SDN BHD [PLEDGED SECURITIES ACCOUNT FOR MEILEELANUSA SDN BHD]	397,600	0.51
23) WONG AUN PHUI	354,000	0.45
24) WONG KIND LOOK	330,100	0.42
25) CHONG SIEW ENG	327,100	0.42
26) KHAIRUL ANUAR BIN SACKKANI	327,100	0.42
27) TAN ENG HWANG	327,100	0.42
28) HSBC NOMINEES (TEMPATAN) SDN BHD [HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM KEDAH]	313,700	0.40
29) KIAU AH CHUI	300,000	0.38
30) TEONG PECK JOO	282,800	0.36



LONDON BISCUITS BERHAD

(Company No : 72057-H)
(Registered in Malaysia)

Form of proxy

Number of shares
held

I/We, _____ NRIC No: _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a Member / Members of LONDON BISCUITS BERHAD, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

NRIC No: _____ of _____
(FULL ADDRESS)

or failing him/her, _____ NRIC No: _____ of
(FULL NAME IN BLOCK LETTERS)

(FULL ADDRESS)

as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at 11.00 am on Friday, 28 December 2007, at The London Room, No 1, Jalan Istimewa 2, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim, Malaysia, and at any adjournment thereof *for / against the resolution(s) to be proposed thereat:-

No	RESOLUTIONS	FOR	AGAINST
Ordinary Business :-			
1.	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 30 June 2007 together with the Reports of the Directors and Auditors thereon.		
2.	To declare a First and Final Dividend of 5% less 26% Income Tax for the financial year ended 30 June 2007.		
3.	To approve the Directors' Fees of RM126,000.00 for the financial year ended 30 June 2007.		
4.	To re-elect Dato' Liew Kuek Hin who shall retire by rotation pursuant to Article 84 of the Company's Article of Association.		
5.	To re-elect Datin Lim Yook Lan who shall retire by rotation pursuant to Article 84 of the Company's Article of Association.		
6.	To re-elect Mr Liew Yew Cheng who shall retire by rotation pursuant to Article 84 of the Company's Article of Association.		
7.	To re-appoint Messrs. Wong Weng Foo & Co, as the Auditors of the Company for the ensuing year and authorize the Directors to fix their remuneration.		
Special Business			
8.	<u>Ordinary Resolution</u> : Authority given to the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	<u>Ordinary Resolution</u> : Proposed Renewal Share Buy-Back Mandate.		
10.	<u>Ordinary Resolution</u> : Proposed General Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
11.	<u>Ordinary Resolution</u> : Increase in Authorised Share Capital		
12.	<u>Special Resolution</u> : Alteration of the Memorandum of Association		
13.	<u>Special Resolution</u> : Proposed amendments to the Articles of Association of the Company		

(Please indicate with "X" in the space below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy / proxies will vote or abstain from voting on the resolutions at his / her discretion.)

Dated this _____ day of _____, 2007

Note :

Signature(s) / Common Seal of Shareholders
(Please refer to Note V below)

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a Member of the Company. The provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company.
- A Member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
- Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a Member is an authorized Nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy, in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The Proxy Form must be signed by the Appointor or his Attorney duly authorized in writing, or if the Appointor is a corporation, either under its Common Seal or under the hand of an Officer or Attorney duly authorized.
- The Proxy form must be completed and deposited at No 1, Jalan Istimewa 2, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim, Malaysia, not less than 48 hours before the time appointed for holding the Meeting or at any adjournment thereof.

Fold here for sealing

Fold along this line (1)

Postage

The Company Secretary
LONDON BISCUITS BERHAD (72057-H)
No 1, Jalan Istimewa 2,
Taman Perindustrian Desa Cemerlang,
81800 Ulu Tiram,
Johor Darul Takzim,
Malaysia.

Fold along this line (2)