

LONDON BISCUITS BERHAD

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



Financial Year End : 30/6/2010
Quarter : First quarter

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2009

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30.9.2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.9.2008 (Unaudited) RM'000	Current Year-to- Date 30.9.2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.9.2008 (Unaudited) RM'000
REVENUE	46,656	39,028	46,656	39,028
OPERATING EXPENSES	(42,035)	(34,650)	(42,035)	(34,650)
OTHER OPERATING INCOME	275	1,183	275	1,183
GROSS PROFIT	4,896	5,561	4,896	5,561
FINANCE COSTS	(1,952)	(2,662)	(1,952)	(2,662)
SHARE OF RESULT IN ASSOCIATED COMPANY	929	344	929	344
PROFIT BEFORE INCOME TAX	3,873	3,243	3,873	3,243
INCOME TAX EXPENSE	(351)	(752)	(351)	(752)
PROFIT AFTER INCOME TAX	3,522	2,491	3,522	2,491
ATTRIBUTABLE TO:				
Equity holders of the Company	3,165	2,491	3,165	2,491
Minority interests	357	-	357	-
PROFIT AFTER INCOME TAX	3,522	2,491	3,522	2,491
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	3.80	3.19	3.80	3.19
- Diluted	3.79	2.98	3.79	2.98

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009)

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30TH SEPTEMBER 2009

	As at end of current year quarter ended 30.9.2009 (Unaudited) RM'000	As at preceding financial year ended 30.6.2009 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	325,595	314,627
Prepaid lease payment	6,333	6,378
Investment properties	3,410	3,410
Interest in an associated company	15,451	14,522
Investments	1,303	1,303
Intangible assets	12,660	12,660
	364,752	352,900
Current Assets		
Inventories	34,606	33,056
Trade receivables	23,234	22,772
Other receivables, deposits & prepayments	24,666	23,223
Deposits, cash and bank balances	14,913	15,805
	97,419	94,856
TOTAL ASSETS	462,171	447,756
EQUITY		
Share Capital	83,490	78,045
Reserves	93,783	90,618
Shareholders' Equity	177,273	168,663
Share application monies	-	5,325
Minority interest	47,180	46,823
Total Equity	224,453	220,811
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	30,883	29,941
Term loans	36,139	40,550
Deferred taxation	2,563	2,313
	69,585	72,804
Current Liabilities		
Trade payables	29,818	29,154
Bankers' acceptances	63,506	62,450
Revolving credits	34,000	34,000
Other payables & accruals	5,305	7,214
Hire-purchase creditors	12,000	11,509
Term loans	10,835	8,981
Bank overdraft	12,669	583
Income tax liabilities	-	250
	168,133	154,141
Total Liabilities	237,718	226,945
TOTAL EQUITY AND LIABILITIES	462,171	447,756
Net Assets per share (sen)	2.12	2.16

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30th September 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 2009	78,045	5,325	13,522	3,816	73,280	46,823	220,811
Employees' share option scheme	5,445	(5,325)	-	-	-	-	120
Profit after income tax	-	-	-	-	3,165	357	3,522
At 30th September 2009	83,490	-	13,522	3,816	76,445	47,180	224,453

Period ended 30th September 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 2008	78,045	-	13,522	3,816	57,252	-	152,635
Profit after income tax	-	-	-	-	2,491	-	2,491
At 30th September 2008	78,045	-	13,522	3,816	59,743	-	155,126

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009)

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CONSOLIDATED CASH FLOW STATEMENTS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2009

	Current year to date 30.9.2009 (Unaudited) RM'000	Corresponding year ended 30.9.2008 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	3,873	3,243
Adjustments for:-		
Non-cash items	3,803	4,704
Operating profits before working capital changes	<u>7,676</u>	<u>7,947</u>
Net changes in current assets	(3,491)	3,003
Net changes in current liabilities	(1,246)	(483)
Cash generated from operations	<u>2,939</u>	<u>10,467</u>
Other operating activities	(2,268)	(2,965)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>671</u>	<u>7,502</u>
NET CASH USED IN INVESTING ACTIVITIES	(12,470)	(229)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(1,180)	(831)
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(12,979)</u>	<u>6,442</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,223	18,183
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>2,244</u></u>	<u><u>24,625</u></u>

Property, plant and equipment at aggregate cost of RM13,702,000 (2008-RM1,256,000) was acquired during the financial period of which RM1,232,000 (2008-NIL) was acquired by means of hire-purchase and term loan

Cash & cash equivalents carried forward consists of:-

Fixed deposits with licensed banks	27	27
Cash and bank balances	14,886	34,910
Bank overdrafts	(12,669)	(10,312)
	<u>2,244</u>	<u>24,625</u>

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 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 2009. 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 2009.

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 2009.

2. Qualification of Financial Statements

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

3. Seasonal or Cyclical Factors

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

4. Nature and Amount of Unusual Items

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

5. Nature and Amount of Changes in Estimates

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

6. Debt and Equity Securities

Other than allotments of 4,775,000 new ordinary shares of RM1.00 each exercised on 20th July, 2009 and 670,000 new ordinary shares of RM1.00 each exercised on 30th July, 2009 under Employees’ Share Option Scheme, there were no other 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

Segment analysis for the current financial year-to-date:-

Period Ended 30 September 2009	Investment Holding RM'000	Manufacturing And Trading RM'000	Group RM'000
REVENUE:			
- Export	-	20,735	20,735
- Local		25,921	25,921
TOTAL	-	46,656	46,656
RESULTS:			
(Loss)/Profit Before Income Tax	(52)	3,925	3,873
Income Tax Expense	-	(351)	(351)
Profit After Income Tax			3,522
Minority interest	35	(392)	(357)
Profit After Income Tax Attributable to equity holders of the Company			3,165

The Group's operations are mainly in the business of manufacturing and trading of confectionery and other related foodstuffs. 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 valuations of property, plant and equipment have been brought forward, without any amendments from the previous annual financial statements.

10. General and Subsequent Events

Other than the Employees' Share Option Scheme as disclosed in Note 20, there were no material events subsequent to 30th September, 2009 to the date of this quarterly report.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.



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 before income tax after minority interest of RM3.516 million on the back of RM46.656 million in turnover, as compared with the profit before income tax of RM3.243 million and a turnover of RM39.028 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 30/9/2009 RM'000	Immediate Preceding Quarter 30/6/2009 RM'000	% +/-
Turnover	46,656	55,119	-15.35
Profit before income tax	<u>3,873</u>	<u>7,356</u>	-47.35

The turnover of RM46.656 million for the current year quarter ended 30th September, 2009 as compared to a turnover of RM55.119 million achieved for the immediate preceding quarter, represent an approximate decrease of 15.35%. Profit before income tax decreased by 47.35% 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 2010 shall be another 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 30/9/2009 RM'000	Current Year To Date 30/9/2009 RM'000
Income tax:		
Current period estimates	101	101
Deferred income tax:		
Transferred to deferred income tax	250	250
	<u>351</u>	<u>351</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 under review.

19. Securities

As at 30th September, 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	1,054,082	248,414	248,414	2,501,406	1,302,496
Unquoted (in Malaysia)						
Bonds	4,000,000	-	-	-	4,000,000	-
	<u>6,252,992</u>	<u>1,054,082</u>	<u>248,414</u>	<u>248,414</u>	<u>6,501,406</u>	<u>1,302,496</u>
Unquoted (outside Malaysia)						
Shares in corporation	-	-	1	1	1	1
	<u>6,252,992</u>	<u>1,054,082</u>	<u>248,415</u>	<u>248,415</u>	<u>6,501,407</u>	<u>1,302,497</u>
Less : Impairment loss on investments	<u>(5,198,910)</u>	-	<u>-</u>	-	<u>(5,198,910)</u>	-
	<u>1,054,082</u>		<u>248,415</u>		<u>968,208</u>	

** Carried at lower of cost and market value.



20. Status of Corporate Proposals

There were no new corporate proposals that have been announced by the Company as at date of this report, other than as follows:-

- a) An Employees' Share Option Scheme of up to 15% of the issued and fully paid-up share capital of a subsidiary company, Khee San Berhad was approved at an Extraordinary General Meeting of the subsidiary company held on 11th November, 2009; and
- b) On 19th November, 2009, the Company had made an announcement to undertake the following:-
 - i) the proposed termination of the Company's Existing Employees' Share Option Scheme; and
 - ii) the proposed establishment of a new employees' share option scheme of up to 15% of the issued and fully paid-up share capital of the Company at any point of time,

of which, the listing application to Bursa Securities has been made. These proposals are subject to the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened.

21. Group Borrowings

As at 30th September, 2009

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	9,312	54,194	63,506
Revolving credits	-	34,000	34,000
Hire-purchase creditors	12,000	-	12,000
Term loans	-	10,835	10,835
Bank overdrafts	2,741	9,928	12,669
	24,053	108,957	133,010
Long term borrowings			
Hire-purchase creditors	30,883	-	30,883
Term loans	-	36,139	36,139
	30,883	36,139	67,022
Total	54,936	145,096	200,032



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 30/9/2009 RM	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2008 RM	CURRENT YEAR TO DATE 30/9/2009 RM	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2008 RM
Basic	Weighted number of 83,186,370 ordinary shares	Weighted number of 77,831,008 ordinary shares	Weighted number of 83,186,370 ordinary shares	Number of 78,045,000 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' SRI LIEW YEW CHUNG
(GROUP MANAGING DIRECTOR/GROUP CEO)