

LONDON BISCUITS BERHAD

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



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

Quarterly report on consolidated results for the fourth quarter ended 30th June, 2010.
These figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED 30TH JUNE 2010

	Individual Period		Cumulative Period	
	Current Year Quarter Ended 30.6.2010 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.6.2009 (Unaudited) RM'000	Current Year-to- Date 30.6.2010 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.6.2009 (Unaudited) RM'000
REVENUE	68,307	52,503	220,451	184,302
OPERATING EXPENSES	(65,743)	(43,508)	(199,097)	(162,157)
OTHER OPERATING INCOME	1,762	1,063	2,604	3,268
GROSS PROFIT	4,326	10,058	23,958	25,413
FINANCE COSTS	(532)	(3,182)	(8,546)	(10,535)
SHARE OF RESULT IN ASSOCIATED COMPANIES	(141)	731	2,145	2,735
PROFIT BEFORE INCOME TAX	3,653	7,607	17,557	17,613
INCOME TAX EXPENSE	1,776	(479)	457	(491)
PROFIT AFTER INCOME TAX	5,429	7,128	18,014	17,122
ATTRIBUTABLE TO:				
Equity holders of the Company	3,395	6,706	15,045	16,028
Minority interests	2,034	422	2,969	1,094
PROFIT AFTER INCOME TAX	5,429	7,128	18,014	17,122
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	3.90	8.59	17.29	20.54
- Diluted	3.90	8.03	17.29	19.20

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

LONDON BISCUITS BERHAD

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30TH JUNE 2010

	As at end of current year quarter ended 30.6.2010 (Unaudited) RM'000	As at preceding financial year ended 30.6.2009 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	348,818	314,627
Prepaid lease payment	6,234	6,378
Investment properties	3,410	3,410
Interest in associated companies	19,987	14,522
Investments	826	1,303
Intangible assets	12,660	12,660
	391,935	352,900
Current Assets		
Inventories	31,563	33,056
Trade receivables	33,531	22,772
Other receivables, deposits & prepayments	20,935	23,223
Deposits, cash and bank balances	21,399	15,805
	107,428	94,856
TOTAL ASSETS	499,363	447,756
EQUITY		
Share Capital	96,014	78,045
Reserves	103,297	90,618
Shareholders' Equity	199,311	168,663
Share application monies	-	5,325
Minority interest	49,415	46,823
Total Equity	248,726	220,811
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	26,003	29,941
Term loans	71,152	40,550
Deferred taxation	1,381	2,313
	98,536	72,804
Current Liabilities		
Trade payables	50,177	29,154
Bankers' acceptances & revolving credits	61,224	96,450
Other payables & accruals	6,165	7,214
Hire-purchase creditors	13,297	11,509
Term loans	20,840	8,981
Bank overdraft	398	583
Income tax liabilities	-	250
	152,101	154,141
Total Liabilities	250,637	226,945
TOTAL EQUITY AND LIABILITIES	499,363	447,756
Net Assets per share (sen)	2.08	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)

LONDON BISCUITS BERHAD

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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30th June 2010	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	17,969	(5,325)	252	-	-	-	12,896
Minority share of dividend in a subsidiary	-	-	-	-	-	(377)	(377)
First and final dividend of 3%, tax exempted paid on 23th March, 2010	-	-	-	-	(2,618)	-	(2,618)
Profit after income tax	-	-	-	-	15,045	2,969	18,014
At 30th June 2010	96,014	-	13,774	3,816	85,707	49,415	248,726

Year 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
Share application monies	-	5,325	-	-	-	-	5,325
Minority share of net asset in a subsidiary	-	-	-	-	-	45,729	45,729
Profit after income tax	-	-	-	-	16,028	1,094	17,122
At 30th June 2009	78,045	5,325	13,522	3,816	73,280	46,823	220,811

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

LONDON BISCUITS BERHAD*(Incorporated in Malaysia-Co. No. 72057-H)***CONSOLIDATED CASH FLOW STATEMENTS FOR THE THIRD QUARTER ENDED 30TH JUNE 2010**

	Current year to date 30.6.2010 (Unaudited) RM'000	Corresponding year ended 30.6.2009 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	17,557	17,613
Adjustments for:-		
Non-cash items	20,021	19,147
Operating profits before working capital changes	37,578	36,760
Net changes in current assets	(6,734)	1,033
Net changes in current liabilities	20,200	(896)
Cash generated from operations	51,044	36,897
Other operating activities	(12,371)	(9,205)
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,673	27,692
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(44,823)	(13,543)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	11,929	(17,110)
NET CHANGES IN CASH AND CASH EQUIVALENTS	5,779	(2,961)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,222	18,183
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	21,001	15,222

Property, plant and equipment at aggregate cost of RM43,284,000 (2009-RM50,780,000) was acquired during the financial year of which RM6,232,000 (2009-18,384,000) was acquired by means of hire-purchase and term loans

Net cash flow on acquisition of subsidiary companies

Net assets acquired	-	68,117
Goodwill on acquisition	-	6,854
Minority interests	-	(45,729)
Acquisition cost	-	29,242
Less:	-	-
Amount previously disclosed as investment in associated company	-	(29,208)
Cash and cash equivalent acquired	-	2,756
Net cash flow on acquisition	-	2,790

Cash & cash equivalents carried forward consists of:-

Fixed deposits with licensed banks	149	27
Cash and bank balances	21,250	15,778
Bank overdrafts	(398)	(583)
	21,001	15,222

(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 JUNE 2010

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.

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 280,000 new ordinary shares of RM1.00 each exercised at RM1.01 per share on 20th April, 2010 under the 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 June 2010	Investment Holding RM'000	Manufacturing And Trading RM'000	Group RM'000
REVENUE:			
- Export	-	104,287	104,287
- Local	-	116,164	116,164
TOTAL	-	220,451	220,451
RESULTS:			
(Loss)/Profit Before Income Tax	90	17,467	17,557
Income Tax Expense	(75)	532	457
Profit After Income Tax			18,014
Minority interest			(2,969)
Profit After Income Tax Attributable to equity holders of the Company			15,045

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 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

As announced on Bursa on 23rd August, 2010, the Company had disposed off its entire equity interest in Lay Hong Berhad, an associated company, in the open market and via off market transactions on a willing buyer willing seller basis

Other than the abovementioned and as disclosed in Note 20, there were no material events to the date of this quarterly report.



11. Changes in the Composition of the Group

The Company had on 1st March, 2010, acquired 25,600,000 ordinary shares of RM0.50 each in TPC Plus Berhad ("TPC") for a total cash consideration of RM7,680,000 or RM0.30 per TPC Share representing approximately 32% of the issued and paid-up share capital of TPC. The Company on 9th April, 2010 and 27th May, 2010, acquired additional 888,900 TPC shares and 429,100 TPC shares, respectively, at RM0.30 per TPC Share. These acquisitions effectively increased the Company's percentage of shareholding in TPC to 33.65%.

In this respect, TPC is now an associated company of the Company.

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 RM1.619 million on the back of RM68.307 million in turnover, as compared with the profit before income tax after minority interest of RM7.185 million and a turnover of RM52.503 million, respectively, reported in the preceding year corresponding quarter. The lower profit is mainly due to an impairment of RM4.528 million arising on disposal of Lay Hong Berhad's shares, as disclosed on paragraph 10 of this announcement.

14. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30/6/2010 RM'000	Immediate Preceding Quarter 31/3/2010 RM'000	% +/-
Turnover	68,307	50,922	+34.14
Profit before income tax	<u>3,653</u>	<u>4,790</u>	-23.74

The turnover of RM68.307 million for the current year quarter ended 30th June, 2010 as compared to a turnover of RM50.922 million achieved for the immediate preceding quarter, represent an approximate increase of 34.14%. Profit before income tax decreased by 23.74% as compared to the result of the immediate preceding quarter.

15. Current Year Prospects

The year ended 30th June 2010 was another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30th June, 2011.



16. Profit Forecast

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

17. Income tax expense

	Current Year Quarter 30/6/2010 RM'000	Current Year To Date 30/6/2010 RM'000
Income tax:		
Current period estimates	180	531
Overprovision in prior years	(56)	(56)
Deferred income tax:		
Transferred from/(to) deferred income tax	<u>(1,900)</u>	<u>(932)</u>
	<u>(1,776)</u>	<u>(457)</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 June, 2010, the Group has the following securities in Malaysia:-

	Cost RM	**Market value RM
Quoted (in Malaysia)		
Shares in corporations	2,252,992	825,744
Unquoted (in Malaysia)		
Bonds	<u>4,000,000</u>	-
	6,252,992	825,744
Unquoted (outside Malaysia)		
Shares in corporation	<u>1</u>	<u>1</u>
	6,252,993	<u>825,745</u>
Less : Impairment loss on investments	<u>(5,427,248)</u>	
	<u>825,745</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) The Company had on 2nd February, 2010, signed a Sale and Purchase Agreement (“SPA”) with Mr Yee Tiam Teck and Mr E Pian, the Substantial Shareholders of TPC Plus Berhad (“TPC”) for the proposed acquisition of 25,600,000 ordinary shares of RM0.50 each in TPC representing approximately 32% of the issued and paid-up share capital of TPC for a total consideration of approximately RM7,680,000. The salient terms of the SPA are detailed in the announcement on 2nd February, 2010 (“Proposed Acquisition”)

The Proposed Acquisition has been completed on 1st March 2010.

- b) The Company had subsequently on 9th April, 2010 acquired additional 888,900 TPC Shares from the open market, representing approximately 1.11% of the issued and paid up share capital in TPC at RM0.30 per TPC Share. The aforesaid acquisition of additional TPC Shares by the Company has effectively increased the Company’s percentage of shareholding in TPC from 32% to 33.11%.
- c) On 27th May, 2010, the Company has further acquired 429,100 TPC Shares at RM0.30 per TPC Share. The effective percentage of shareholding in TPC increased from 33.11% to 33.65%.
- d) As announced on 8th April, 2010, the Company had on 8th April, 2010, served a notice of conditional voluntary take-over on the Board of Directors of TPC Plus Berhad to acquire the remaining ordinary shares of RM0.50 each in TPC not already owned by the Company at a cash consideration of RM0.30 per Offer Share.

The offer document dated 6th May 2010 which sets out the details of the Offer (“Offer Document”) together with the form of acceptances and transfer (“Form of Acceptance and Transfer”) have been despatched to the shareholders of TPC on 6th May 2010.

With the additional shares acquired as mentioned in above paragraph 20(b), the conditional voluntary offer from the Company become a conditional mandatory offer for the remaining TPC Shares.

The Offer was remain open for acceptances until 5.00 p.m. (Malaysian Time) on 27 May 2010, being the First Closing Date, unless revised or extended by the Offeror in accordance with the Malaysian Code on Take-overs and Mergers, 1998. This Offer’s closing date was extended to 5.00 pm (Malaysian Time) on 10th June, 2010 (“Second Closing Date”). The Offer was closed on the Second Closing Date and lapsed as the conditions for the MGO has not been met.



21. Group Borrowings

As at 30th June, 2010

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance & revolving credits	10,856	50,368	61,224
Hire-purchase creditors	13,297	-	13,297
Term loans	-	20,840	20,840
Bank overdrafts	398	-	398
	<u>24,551</u>	<u>71,208</u>	<u>95,759</u>
Long term borrowings			
Hire-purchase creditors	26,003	-	26,003
Term loans	-	71,152	71,152
	<u>26,003</u>	<u>71,152</u>	<u>97,155</u>
Total	<u>50,554</u>	<u>142,360</u>	<u>192,914</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

The Board of Directors declared an interim dividend of 1.5 sen per share (tax exempt) to be paid in respect of the financial year ended 30th June, 2010. The entitlement date and payment date would be announced at a later date.



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 30/6/2010 RM	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2009 RM	CURRENT YEAR TO DATE 30/6/2010 RM	PRECEDING YEAR TO DATE 30/6/2009 RM
Basic	Weighted number of 87,031,119 ordinary shares	Weighted number of 77,831,008 ordinary shares	Weighted number of 87,031,119 ordinary shares	Number of 78,045,000 ordinary shares
Fully diluted	Ordinary shares in issue and issueable of 87,031,119 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 87,031,119 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 KUEK HIN
CHAIRMAN**

Dated : 30th August, 2010