

LONDON BISCUITS BERHAD

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



Financial Year End : 30/6/2012
Quarter : First quarter

Quarterly report on consolidated results for the first quarter ended 30th September, 2011.
These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2011

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30.9.2011 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.9.2010 (Unaudited) RM'000	Current Period-to- Date 30.9.2011 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.9.2010 (Unaudited) RM'000
REVENUE	63,990	58,111	63,990	58,111
OPERATING EXPENSES	(56,689)	(47,786)	(56,689)	(47,786)
OTHER OPERATING INCOME	848	1,166	848	1,166
GROSS PROFIT	8,149	11,491	8,149	11,491
FINANCE COSTS	(3,288)	(3,747)	(3,288)	(3,747)
SHARE OF RESULT IN ASSOCIATED COMPANY	-	-	-	-
PROFIT BEFORE INCOME TAX	4,861	7,744	4,861	7,744
INCOME TAX EXPENSE	(211)	(2,376)	(211)	(2,376)
PROFIT AFTER INCOME TAX	4,650	5,368	4,650	5,368
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	4,650	5,368	4,650	5,368
ATTRIBUTABLE TO:				
Equity holders of the Company	4,010	4,339	4,010	4,339
Non-controlling interest	640	1,029	640	1,029
PROFIT AFTER INCOME TAX	4,650	5,368	4,650	5,368
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	3.91	4.52	3.91	4.52
- Diluted	n/a	n/a	n/a	n/a

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2011)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2011

	As at end of current year quarter ended 30.9.2011 (Unaudited) RM'000	(As restated) As at preceding financial year ended 30.6.2011 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	360,820	361,399
Investment properties	3,410	3,410
Investments	674	876
Intangible assets	12,660	12,660
	377,564	378,345
Current Assets		
Inventories	36,101	33,868
Trade receivables	47,815	45,439
Other receivables, deposits & prepayments	45,948	42,499
Assets directly associated with investment classified as held for sale	20,673	79,666
Deposits, cash and bank balances	21,315	23,648
	171,852	225,120
TOTAL ASSETS	549,416	603,465
EQUITY		
Share Capital	102,534	96,014
Reserves	119,538	115,528
Shareholders' Equity	222,072	211,542
Share application monies	-	6,520
Non-controlling interest	51,937	72,200
Total Equity	274,009	290,262
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	14,853	18,240
Term loans	48,380	53,067
Deferred taxation	2,218	2,218
	65,451	73,525
Current Liabilities		
Trade payables	41,846	48,417
Bankers' acceptances	90,832	78,482
Revolving credits	30,000	29,036
Other payables & accruals	7,087	7,712
Hire-purchase creditors	15,640	14,043
Term loans	18,779	19,286
Bank overdraft	5,772	6,218
Liabilities directly associated with investment classified as held for sale	-	36,474
Income tax liabilities	-	10
	209,956	239,678
Total Liabilities	275,407	313,203
TOTAL EQUITY AND LIABILITIES	549,416	603,465
Net Assets per share (sen)	2.17	2.20

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2011)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30th September 2011	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Non-Controlling Interest RM'000	Total RM'000
At 1st July 2011	96,014	6,520	13,774	3,816	97,938	72,200	290,262
Employees' share option scheme	6,520	(6,520)	-	-	-	-	-
Reversal of minority share of net assets upon disposal of a subsidiary company	-	-	-	-	-	(20,903)	(20,903)
Profit after income tax	-	-	-	-	4,010	640	4,650
At 30th September 2011	102,534	-	13,774	3,816	101,948	51,937	274,009

Period ended 30th September 2010	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Non-Controlling Interest RM'000	Total RM'000
At 1st July 2010	96,014	-	13,774	3,816	85,726	49,447	248,777
Minority share of net assets in a subsidiary company	-	-	-	-	-	19,576	19,576
Profit after income tax	-	-	-	-	4,339	1,029	5,368
At 30th September 2010	96,014	-	13,774	3,816	90,065	70,052	273,721

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2011)

LONDON BISCUITS BERHAD

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2011

	Current year to date 30.9.2011 (Unaudited) RM'000	Corresponding period ended 30.9.2010 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	4,861	7,744
Adjustments for:- Non-cash items	2,980	8,360
Operating profits before working capital changes	<u>7,841</u>	<u>16,104</u>
Net changes in current assets	(5,934)	(14,084)
Net changes in current liabilities	(7,196)	(15,355)
Cash absorbed by operations	<u>(5,289)</u>	<u>(13,335)</u>
Other operating activities	(325)	(4,097)
NET CASH USED IN OPERATING ACTIVITIES	<u>(5,614)</u>	<u>(17,432)</u>
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(2,199)	7,395
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,330	3,839
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(1,483)</u>	<u>(6,198)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	17,026	21,107
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>15,543</u></u>	<u><u>14,909</u></u>

Property, plant and equipment at aggregate cost of RM2,199,000 (2010-RM6,391,000) was acquired during the financial period of which RMNIL (2010-RM1,287,000) was acquired by means of hire-purchase

Cash & cash equivalents carried forward consists of:-

Fixed deposits, Cash and bank balances	21,315	25,017
Bank overdrafts	<u>(5,772)</u>	<u>(10,108)</u>
	<u><u>15,543</u></u>	<u><u>14,909</u></u>

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 30th June 2011)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2011

1. Basis of Preparation

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 (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30th June 2011. 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 2011.

2. Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2011 except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements.

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Group Cash Settled Share-based Payment
Amendments to FRS 2	Improvements of FRSs 2010
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 128	Improvements of FRSs 2010
Amendments to FRS 131	Improvements of FRSs 2010
Amendments to FRS 132	Improvements of FRSs 2010
Amendments to FRS 134	Improvements of FRSs 2010
Amendments to FRS 139	Improvements of FRSs 2010

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations does not have significant financial impact on the Group.

3. Qualification of Financial Statements

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

4. Seasonal or Cyclical Factors

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

5. Nature and Amount of Unusual Items

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



6. 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.

7. Debt and Equity Securities

On 18th July, 2011, the fully and paid up shares capital of the Company was increased from 96,013,500 to 102,533,500 by an allotment of 6,520,000 new ordinary shares of RM1.00 each for cash at RM1.00 per share under the Employees' Share Option Scheme.

Other than the abovementioned, there were no issuances and repayment of debts and equity securities during the quarter under review.

8. Dividend paid

No dividend was paid in the current quarter under review.

9. Segmental Reporting

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

Year Ended 30 September 2011	Investment Holding RM'000	Manufacturing ,Trading RM'000	Group RM'000
REVENUE:			
- Export	-	26,682	26,682
- Local	-	37,308	37,308
TOTAL	-	63,990	63,990
RESULTS:			
Profit Before Income Tax	(37)	4,898	4,861
Income Tax Expense	-	(211)	(211)
Profit After Income Tax			4,650
Non- controlling interest			(640)
Profit After Income Tax Attributable to equity holders of the Company			4,010

The Group's operations are mainly in the business of manufacturing and trading of confectionery and other related foodstuffs and poultry farming. The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operations is not presented.



10. 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.

11. General and Subsequent Events

Subsequent to the end of the quarter, as announced to Bursa Malaysia on 25th November 2011, the Company has proposed to undertake a Private Placement of up to 10,253,300 new ordinary shares of RM1.00 each in the Company representing up to 10% of the issued and paid-up share capital of the Company. The Company had on 29th November 2011 announced to Bursa Malaysia the additional listing application to Bursa Malaysia for the listing of up to 10,243,300 new ordinary shares of RM1.00 each in the Company to be issued pursuant to the Proposed Private Placement.

12. Changes in the Composition of the Group

As announced to Bursa Malaysia Securities Berhad on 3rd October, 2011, the Company, intended to divest its entire equity interest in TPC Plus Berhad, its subsidiary company in the open market and via off market transactions on a willing buyer willing seller basis for a total consideration of RM8,075,000. Accordingly, the Company has deconsolidated TPC Plus Berhad, for the quarter under review.

13. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.

14. Review of Performance

The Group achieved a profit before income tax and after non-controlling interest of RM4.221 million on the back of RM63.990 million in turnover, as compared with the profit before income tax and after non-controlling interest of RM6.715 million and a turnover of RM58.111 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within management's expectation.

15. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30/9/2011 RM'000	Immediate Preceding Quarter 30/6/2011 RM'000	% +/-
Turnover	63,990	71,994	-11.1
Profit before income tax	4,861	8,579	-43.3

The turnover of RM63.990 for the current period quarter ended 30th September, 2011 as compared to a turnover of RM71.994 million achieved for the immediate preceding quarter, represent an approximate decrease of 11.1%. Profit before income tax decreased by 43.3% as compared to the result of the immediate preceding quarter.



16. Current Year Prospects

The year ending 30 June 2012 shall be another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30th June, 2012.

17. Profit Forecast

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

18. Income tax expense

	Current Year Quarter 30/9/2011 RM'000	Current Period To Date 30/9/2011 RM'000
Income tax:		
Current period estimates	211	211
	<u>211</u>	<u>211</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.

19. Sale of Investments and/or Properties

There were no sale of long term investments and/or properties for the current financial quarter under review.

20. Securities

As at 30th September, 2011, 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	73,294	73,294	-	-- -	73,294	73,294
Unquoted (in Malaysia)						
Money market	792,165	600,000	-	-	792,165	600,000
Bonds	4,000,000	1	-	-	4,000,000	1
	<u>4,865,459</u>	<u>673,295</u>	-	-	<u>4,865,459</u>	<u>673,295</u>
Unquoted (outside Malaysia)						
Shares in corporation	-	-	1	1	1	1
	<u>4,865,459</u>	<u>673,295</u>	<u>1</u>	<u>1</u>	<u>4,865,460</u>	<u>673,296</u>
Less : Impairment loss on investments	<u>(4,192,164)</u>	-	<u>-</u>	-	<u>(4,192,164)</u>	-
	<u>673,295</u>		<u>1</u>		<u>673,296</u>	

** Carried at lower of cost and market value.



21. Status of Corporate Proposals

There were no new corporate proposals that have been announced by the Company as at date of this report.

22. Group Borrowings

As at 30th September, 2011

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	-	90,832	90,832
Revolving credits	-	30,000	30,000
Hire-purchase creditors	15,640	-	15,640
Term loans	-	18,779	18,779
Bank overdrafts	-	5,772	5,772
	15,640	145,383	161,023
Long term borrowings			
Hire-purchase creditors	14,853	-	14,853
Term loans	-	48,380	48,380
	14,853	48,380	63,233
Total	30,493	193,763	224,256

23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of this quarterly report.

24. Material Litigation

There was no pending material litigation against the Group as at the date of this quarterly report.

25. Proposed dividend

No interim dividend is proposed for this quarter under review.



26. Realised or unrealised retained profit

	As at 30.9.2011 RM'000	As at 30.6.2011 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	126,845	106,931
- Unrealised	(2,218)	(2,218)
Consolidation adjustments	(22,679)	(6,380)
Total Group retained profit	101,948	97,938

27. 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 30/9/2011 RM	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2010 RM	CURRENT YEAR TO DATE 30/9/2011 RM	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2010 RM
Basic	Fully paid up of 102,533,500 ordinary shares	Fully paid up of 96,013,500 ordinary shares	Fully paid up of 102,533,500 ordinary shares	Fully paid up of 96,013,500 ordinary shares
Fully diluted	No share option granted at the date of this report	N/A	No share option granted at the date of this report	N/A

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

**MR LESLIE LOOI MENG
(AUDIT COMMITTEE CHAIRMAN)**

Dated : 30 November 2011