

LONDON BISCUITS BERHAD

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

	As at end of current year quarter ended 30.6.2013 (Unaudited) RM'000	As at preceding financial year ended 30.6.2012 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	511,098	477,402
Investment properties	4,710	4,416
Investments	706	673
Intangible assets	12,660	12,660
	529,174	495,151
Current Assets		
Inventories	27,261	26,814
Trade receivables	78,280	58,687
Other receivables, deposits & prepayments	13,889	15,198
Deposits, cash and bank balances	27,731	19,135
	147,161	119,834
TOTAL ASSETS	676,335	614,985
EQUITY		
Share Capital	142,224	132,624
Reserves	164,914	144,583
Shareholders' Equity	307,138	277,207
Non-controlling interest	56,658	53,957
Total Equity	363,796	331,164
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	9,253	16,547
Term loans	59,224	59,320
Deferred taxation	3,150	2,650
	71,627	78,517
Current Liabilities		
Trade payables	42,979	38,593
Bankers' acceptances	108,886	70,057
Revolving credits	43,000	45,000
Other payables & accruals	6,641	6,295
Hire-purchase creditors	10,631	14,696
Term loans	25,312	23,334
Bank overdraft	3,463	7,318
Income tax liabilities	-	11
	240,912	205,304
Total Liabilities	312,539	283,821
TOTAL EQUITY AND LIABILITIES	676,335	614,985
Net Assets per share (sen)	2.16	2.09

(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 2012)

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Financial Year End : 30/6/2013
Quarter : 4th quarter

Quarterly report on consolidated results for the 4th quarter ended 30th June, 2013.
These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FORTH QUARTER ENDED 30TH JUNE 2013

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30.6.2013 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.6.2012 (Unaudited) RM'000	Current Period-to- Date 30.6.2013 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.6.2012 (Audited) RM'000
REVENUE	97,562	65,963	282,844	253,520
OPERATING EXPENSES	(97,044)	(62,189)	(264,722)	(231,482)
OTHER OPERATING INCOME	8,392	2,873	13,344	6,608
GROSS PROFIT	8,910	6,647	31,466	28,646
FINANCE COSTS	(5,024)	(4,347)	(14,458)	(14,428)
PROFIT BEFORE INCOME TAX	3,886	2,300	17,008	14,218
INCOME TAX EXPENSE	(817)	545	(1,680)	(455)
PROFIT AFTER INCOME TAX	3,069	2,845	15,328	13,763
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	3,069	2,845	15,328	13,763
ATTRIBUTABLE TO:				
Equity holders of the Company	2,724	2,293	12,627	11,092
Non-controlling interest	345	552	2,701	2,671
PROFIT AFTER INCOME TAX	3,069	2,845	15,328	13,763
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	1.97	2.01	9.15	9.71
- 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 2012)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30th June 2013	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 2012	132,624	-	13,774	21,779	109,030	53,957	331,164
Private Placement	9,600	-	-	-	-	-	9,600
Dividend paid	-	-	-	-	(1,366)	-	(1,366)
Revaluation surplus of properties	-	-	-	9,070	-	-	9,070
Profit after income tax	-	-	-	-	12,627	2,701	15,328
At 30th June 2013	142,224	-	13,774	30,849	120,291	56,658	363,796

Year ended 30th June 2012	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	14,360	(6,520)	-	-	-	-	7,840
Private Placement	10,250	-	-	-	-	-	10,250
Reversal of minority share of net assets upon disposal of a subsidiary company	-	-	-	-	-	(20,903)	(20,903)
Revaluation surplus of properties	-	-	-	17,446	-	-	17,446
Profit after income tax	-	-	-	-	11,092	2,671	13,763
At 30th June 2012	120,624	-	13,774	21,262	109,030	53,968	318,658

(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 2012)

LONDON BISCUITS BERHAD

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FORTH QUARTER ENDED 30TH JUNE 2013

	Current year to date 30.6.2013 (Unaudited) RM'000	Corresponding period ended 30.6.2012 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	17,008	14,218
Adjustments for:-		
Non-cash items	28,477	28,383
Operating profits before working capital changes	<u>45,485</u>	<u>42,601</u>
Net changes in current assets	(18,906)	34,849
Net changes in current liabilities	4,733	(11,240)
Cash generated from operations	<u>31,312</u>	<u>66,210</u>
Other operating activities	(16,446)	(16,001)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>14,866</u>	<u>50,209</u>
NET CASH USED IN INVESTING ACTIVITIES	(23,395)	(78,577)
NET CASH PROVIDED BY FINANCING ACTIVITIES	20,980	23,159
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>12,451</u>	<u>(5,209)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	11,817	17,026
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u><u>24,268</u></u>	<u><u>11,817</u></u>

Property, plant and equipment at aggregate cost of RM46,835,000 (2012-RM115,409,000) was acquired during the financial period of which RM15,972,000 (2012-RM23,731,000) was acquired by means of hire purchase and term loan.

Cash & cash equivalents carried forward consists of:-

Fixed deposits, Cash and bank balances	27,731	19,135
Bank overdrafts	(3,463)	(7,318)
	<u>24,268</u>	<u>11,817</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 2012)



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting in Malaysia, International Accounting Standard (IAS) 34: Interim Financial Reporting and with 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 Group's audited financial statements for year ended 30 June 2012. The consolidated financial statement of the Group as at and for the year ended 30 June 2012 were prepared in accordance with Financial Reporting Standards ("FRS").

2. Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 30 June 2012, except for the following:

Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1st July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. In adopting the new framework, the Group has applied MFRS 1 "*First-Time Adoption of Malaysian Financial Reporting Standards*".

The adoption the MFRS is expected to have no material impact on the financial statements of 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

There were no issuances and repayment of debts and equity securities during the period under review.

8. Dividend paid

No dividend was paid in the current quarter under review. On 30th November, 2012, the Directors declared an interim single tier dividend of 1% on the issued and fully paid up share capital of the Company of 136,623,500 ordinary shares, amounting RM1,366,235 in respect of the financial year ending 30th June, 2013. This dividend was paid on 28th February 2013.

9. Segmental Reporting

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

Year Ended 30 June 2013	Investment Holding RM'000	Manufacturing Trading RM'000	Group RM'000
REVENUE:			
- Export	-	141,870	141,870
- Local	-	140,974	140,974
TOTAL	-	282,844	282,844
RESULTS:			
Profit Before Income Tax	(317)	17,325	17,008
Income Tax Expense	(35)	(1,145)	(1,180)
Profit After Income Tax			15,828
Non- controlling interest			(2,701)
Profit After Income Tax Attributable to equity holders of the Company			13,127

Segmental Analysis for the financial year ended 30 June 2013 by Product Segment:

LEGEND							
*	Market Conditions and demand for its goods and services						
^	The level of its operating activities						
#	Factors or circumstances affecting the changes to revenue, costs and profit margin of each business activity or segment						
Ω	Any unusual or one off gains / losses affecting the revenue or profit						
△	Any other information which can provide a better understanding of the Listed Issuer's performance						
No.	Segment	Sales RM'000	(i) *	(ii) ^	(iii) #	(iv) Ω	(v) △
1	Confectionery	105,562	<u>Market Conditions</u>	<u>Level</u>	<u>Factors / Circumstances</u>	<u>Unusual or One off Gains</u>	<u>Other Information</u>
			Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-
			Average ()	50.1% > 75% ()	Market Conditions ()		
			Good (v)	75.1% > 100% (v)	Product Competition ()		
					Market Competition (v)		
					Prices Increases ()		
			<u>Demand</u>		New Product Variety ()		
			Poor ()		New Product Segment ()		
			Average ()		Capacity Expenditure (v)		
			Strong (v)		Others:- ()		
2	Sweets and Candies	106,545	<u>Market Conditions</u>	<u>Level</u>	<u>Factors / Circumstances</u>	<u>Unusual or One off Gains</u>	<u>Other Information</u>
			Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-
			Average ()	50.1% > 75% ()	Market Conditions (v)		
			Good (v)	75.1% > 100% (v)	Product Competition ()		
					Market Competition ()		
					Prices Increases ()		
			<u>Demand</u>		New Product Variety ()		
			Poor ()		New Product Segment ()		
			Average ()		Capacity Expenditure ()		
			Strong (v)		Others:- ()		
3	Snacks	70,737	<u>Market Conditions</u>	<u>Level</u>	<u>Factors / Circumstances</u>	<u>Unusual or One off Gains</u>	<u>Other Information</u>
			Poor ()	>50% ()	Raw Material Prices (v)	-NA-	-NA-
			Average ()	50.1% > 75% ()	Market Conditions ()		
			Good (v)	75.1% > 100% (v)	Product Competition ()		
					Market Competition (v)		
					Prices Increases ()		
			<u>Demand</u>		New Product Variety ()		
			Poor ()		New Product Segment ()		
			Average ()		Capacity Expenditure ()		
			Strong (v)		Others:- ()		

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 Group carried out a revaluation on its land and buildings during the current quarter under review. Revaluation surplus was taken up as follows:-

Properties	Net book value RM'000	Revaluation value RM'000	Revaluation surplus RM'000
Land and buildings	67,693	76,469	8,776
Investment properties	4,416	4,710	294
			<u>9,070</u>

11. General and Subsequent Events

There have been no material events subsequent to the end of the quarter that have not been reflected in the financial statements.



12. Changes in the Composition of the Group

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

13. Contingent Liabilities or Contingent Assets

There is a contingent liability amounting to approximately RM6.8 million being corporate guarantees given to financial institutions for banking facilities granted to a subsidiary company.

14. Review of Performance

The Group achieved a profit before income tax before non-controlling interest of RM3.886 million on the back of RM97.562 million in turnover, as compared with the profit before income tax before non-controlling interest of RM2.300 million and a turnover of RM65.963 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 30.6.2013 RM'000	Immediate Preceding Quarter 31.3.2013 RM'000	% +/-
Turnover	97,562	63,803	+52.9
Profit before income tax	<u>3,886</u>	<u>3,801</u>	+2.23

The turnover of RM97.562 million for the current quarter ended 30 June 2013 as compared to a turnover of RM63.803 million achieved for the immediate preceding quarter, represent an approximate increase of 52.9%. The Group's result for the current quarter under review is within the management's expectation.

16. Current Year Prospects

The year ended 30 June 2013 has been another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30th June, 2014.

The prospects of the confectionery segment are good with stable order book and additional capacity in the form of continuous upgrade and increase in production line allowing new business opportunities to be secured.

The prospects of the snack segment are good with stable order book comprising consistent demand from both local and export customers.

The prospects of the sweets and candies segment are good with strong demand from customers.

In respect of all the business segments, cost of raw material remains high but stable while fluctuations in currencies are mitigated by the Company setting prices based on a conservative exchange rate valuation. There are no material changes in product mix and no financial impact from any recent corporate acquisitions, disposals and/or mergers. There are no new regulations or changes in business direction which may have an impact on the business segment.

17. Profit Forecast

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

18. Income tax expense

	Current Year Quarter 30.6.2013 RM'000	Current Year To Date 30.6.2013 RM'000
Income tax:		
Current period estimates	146	1,009
Underprovision in prior year	171	171
Deferred income tax	500	500
	<u>817</u>	<u>1,680</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. Status of Corporate Proposals

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



20. Group Borrowings

As at 30 June 2013

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	-	108,886	108,886
Revolving credits	-	43,000	43,000
Hire-purchase creditors	10,631	-	10,631
Term loans	-	25,312	25,312
Bank overdrafts	-	3,463	3,463
	<u>10,631</u>	<u>180,661</u>	<u>191,292</u>
Long term borrowings			
Hire-purchase creditors	9,253	-	9,253
Term loans	-	59,224	59,224
	<u>9,253</u>	<u>59,224</u>	<u>68,477</u>
Total	<u>19,884</u>	<u>239,885</u>	<u>259,769</u>

21. Material Litigation

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

22. Proposed dividend

No dividend is proposed for this quarter under review.

23. Realised or unrealised retained profit

	As at 30.6.2013 RM'000	As at 30.6.2012 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	151,866	137,641
- Unrealised	(3,150)	(2,650)
Consolidation adjustments	<u>(28,425)</u>	<u>(25,961)</u>
Total Group retained profit	<u>120,291</u>	<u>109,030</u>



24. Profit before income tax

Profit before income tax is stated after charging/(crediting):-

	Current period quarter 30.6.2013 RM'000	Current period- to-date (12 months) 30.6.2013 RM'000
Interest income	(9)	(9)
Other income including investment income	(2,398)	(4,025)
Interest expense	5,024	14,458
Depreciation of property, plant and equipment	3,212	16,175
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments or property, plant and equipment	(1,759)	(1,759)
Impairment of investment	6	6
Foreign exchange (gain) or loss	(4,226)	(7,551)
Gain or loss on derivatives	-	-
Exceptional items	-	-

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 30.6.2013 RM	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2012 RM	CURRENT YEAR TO DATE 30.6.2013 RM	PRECEDING YEAR CORRESPONDING PERIOD 30.6.2012 RM
Basic	Weighted average no of ordinary shares of 138,065,418	Weighted average no of ordinary shares of 114,186,568	Weighted average no of ordinary shares of 138,065,418	Weighted average no of ordinary shares of 114,186,568
Fully diluted	N/A	No share option granted and not exercised at the date of this report	N/A	No share option granted and not exercised at the date of this report

BY ORDER OF THE BOARD
LONDON BISCUITS BERHAD

MR LESLIE LOOI MENG
(AUDIT COMMITTEE CHAIRMAN)

Dated : 30 August 2013