

LONDON BISCUITS BERHAD

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



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

	As at end of current year quarter ended 30.9.2013 (Unaudited) RM'000	As at preceding financial year ended 30.6.2013 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	531,069	517,426
Investment properties	2,750	2,750
Investments	457	706
Intangible assets	12,660	12,660
	546,936	533,542
Current Assets		
Inventories	27,527	29,114
Trade receivables	79,642	78,174
Other receivables, deposits & prepayments	10,990	13,341
Assets held for sales	-	1,960
Deposits, cash and bank balances	24,816	27,210
	142,975	149,799
TOTAL ASSETS	689,911	683,341
EQUITY		
Share Capital	142,224	142,224
Reserves	161,112	156,759
Shareholders' Equity	303,336	298,983
Non-controlling interest	64,896	64,205
Total Equity	368,232	363,188
LIABILITIES		
Non-Current Liabilities		
Hire-purchase creditors	27,873	23,523
Term loans	49,173	48,849
Deferred taxation	6,664	6,164
	83,710	78,536
Current Liabilities		
Trade payables	47,599	43,014
Bankers' acceptances	93,578	103,954
Revolving credits	48,000	48,000
Other payables & accruals	5,568	7,898
Hire-purchase creditors	11,183	10,823
Term loans	24,404	23,950
Bank overdraft	7,637	3,978
	237,969	241,617
Total Liabilities	321,679	320,153
TOTAL EQUITY AND LIABILITIES	689,911	683,341
Net Assets per share (RM)	2.13	2.10

(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 2013)

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Financial Year End : 30/6/2014
Quarter : 1st quarter

Quarterly report on consolidated results for the 1st quarter ended 30th September, 2013.
These figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2013

	Individual Period		Cumulative Period	
	Current Period Quarter Ended 30.9.2013 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.9.2012 (Unaudited) RM'000	Current Period-to- Date 30.9.2013 (Unaudited) RM'000	Preceding Period Corresponding Quarter Ended 30.9.2012 (Unaudited) RM'000
REVENUE	73,220	58,384	73,220	58,384
OPERATING EXPENSES	(66,363)	(50,840)	(66,363)	(50,840)
OTHER OPERATING INCOME	614	1,262	614	1,262
GROSS PROFIT	7,471	8,806	7,471	8,806
FINANCE COSTS	(1,890)	(3,313)	(1,890)	(3,313)
PROFIT BEFORE INCOME TAX	5,581	5,493	5,581	5,493
INCOME TAX EXPENSE	(537)	(287)	(537)	(287)
PROFIT AFTER INCOME TAX	5,044	5,206	5,044	5,206
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	5,044	5,206	5,044	5,206
ATTRIBUTABLE TO:				
Equity holders of the Company	4,353	4,542	4,353	4,542
Non-controlling interest	691	664	691	664
PROFIT AFTER INCOME TAX	5,044	5,206	5,044	5,206
Attributable to equity holders of the Company				
EARNINGS PER SHARE (SEN)				
- Basic	3.06	3.33	3.06	3.33
- 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 2013)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Non- Controlling Interest RM'000	Total RM'000
Year ending 30th June 2014						
At 1st July 2013	142,224	13,774	22,957	120,028	64,205	363,188
Profit after income tax	-	-	-	4,353	691	5,044
At 30th September 2013	<u>142,224</u>	<u>13,774</u>	<u>22,957</u>	<u>124,381</u>	<u>64,896</u>	<u>368,232</u>
Year ended 30th June 2013						
At 1st July 2012	132,624	13,774	21,779	109,030	53,957	331,164
Private Placement	4,000	-	-	-	-	4,000
Profit after income tax	-	-	-	4,542	664	5,206
At 30th September 2012	<u>136,624</u>	<u>13,774</u>	<u>21,779</u>	<u>113,572</u>	<u>54,621</u>	<u>340,370</u>

(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 2013)

LONDON BISCUITS BERHAD

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



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2013

	Current year to date 30.9.2013 (Unaudited) RM'000	Corresponding period ended 30.9.2012 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	5,581	5,493
Adjustments for:-		
Non-cash items	5,850	8,167
Operating profits before working capital changes	<u>11,431</u>	<u>13,660</u>
Net changes in current assets	2,760	3,136
Net changes in current liabilities	2,255	(8,271)
Cash generated from operations	<u>16,446</u>	<u>8,525</u>
Other operating activities	(2,216)	(3,637)
NET CASH CHANGES IN OPERATING ACTIVITIES	<u>14,230</u>	<u>4,888</u>
NET CASH CHANGES IN INVESTING ACTIVITIES	26	(1,352)
NET CASH CHANGES IN FINANCING ACTIVITIES	(20,310)	(4,776)
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(6,054)</u>	<u>(1,240)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	23,233	11,817
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>17,179</u>	<u>10,577</u>

Property, plant and equipment at aggregate cost of RM17,605,000 (2012-RM5,174,000) was acquired during the financial period of which RM15,422,000 (2012-RM3,822,000) was acquired by means of hire purchase and term loan.

Cash & cash equivalents carried forward consists of:-

Fixed deposits, Cash and bank balances	24,816	17,816
Bank overdrafts	(7,637)	(7,239)
	<u>17,179</u>	<u>10,577</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 2013)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 2013. The consolidated financial statement of the Group as at and for the year ended 30 June 2013 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”).

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 2013.

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.

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	-	38,437	38,437
- Local	-	34,783	34,783
TOTAL	-	73,220	73,220
RESULTS:			
Profit Before Income Tax	(20)	5,601	5,581
Income Tax Expense	-	(537)	(537)
Profit After Income Tax			5,044
Non- controlling interest			(691)
Profit After Income Tax Attributable to equity holders of the Company			4,353

Segmental Analysis for the financial period ended 30 September 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) △
			Market Conditions	Level	Factors / Circumstances	Unusual or One off Gains	Other Information
1	Confectionery	34,499	Poor () Average () Good (v)	>50% () 50.1% > 75% () 75.1% > 100% (v)	Raw Material Prices (v) Market Conditions () Product Competition () Market Competiton (v) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure (v) Others:- ()	-NA-	-NA-
2	Sweets and Candies	27,866	Poor () Average () Good (v)	>50% () 50.1% > 75% () 75.1% > 100% (v)	Raw Material Prices (v) Market Conditions (v) Product Competition () Market Competiton () Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure () Others:- ()	-NA-	-NA-
3	Snacks	10,855	Poor () Average () Good (v)	>50% () 50.1% > 75% () 75.1% > 100% (v)	Raw Material Prices (v) Market Conditions () Product Competition () Market Competiton (v) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure () Others:- ()	-NA-	-NA-



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 land and buildings have been brought forward, without any amendments from the previous annual financial statements.

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 RM15.5 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 RM5.581 million on the back of RM73.220 million in turnover, as compared with the profit before income tax before non-controlling interest of RM5.493 million and a turnover of RM58.384 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within management's expectation in view of the massive expenditure incurred by the Group in advertising and promotional activities.

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15. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30.9.2013 RM'000	Immediate Preceding Quarter 30.6.2013 RM'000	% +/-
Turnover	73,220	97,562	-24.95
Profit before income tax	<u>5,581</u>	<u>3,886</u>	+43.62

The turnover of RM73.220 million for the current quarter ended 30 September 2013 as compared to a turnover of RM97.562 million achieved for the immediate preceding quarter, represent an approximate decrease of 24.95%. 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 had 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 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 30.9.2013 RM'000	Current Year To Date 30.9.2013 RM'000
Income tax:		
Current period estimates	37	37
Deferred income tax	500	500
	<u>537</u>	<u>537</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

Other than as announced to Bursa Malaysia Securities Berhad on 17th October, 2013, where the Company proposed to terminate its existing Employees' Share Option Scheme ("ESOS") and proposed an establishment of a new ESOS scheme for its eligible employees and executive directors of which approval had been obtained from the relevant authorities but subject to the approvals its shareholders in a forthcoming extraordinary general meeting, 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 September 2013

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	-	93,578	93,578
Revolving credits	-	48,000	48,000
Hire-purchase creditors	11,183	-	11,183
Term loans	-	24,404	24,404
Bank overdrafts	-	7,637	7,637
	<u>11,183</u>	<u>173,619</u>	<u>184,802</u>
Long term borrowings			
Hire-purchase creditors	27,873	-	27,873
Term loans	-	49,173	49,173
	<u>27,873</u>	<u>49,173</u>	<u>77,046</u>
Total	<u>39,056</u>	<u>222,792</u>	<u>261,848</u>

21. Material Litigation

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

22. Proposed dividend

The Directors proposed an interim single tier dividend of 1% on the issued and fully paid up share capital of the Company of 142,223,500 ordinary shares, amounting RM1,422,235 in respect of the financial year ending 30th June, 2014.

23. Realised or unrealised retained profit

	As at 30.9.2013 RM'000	As at 30.6.2013 RM'000
Total retained profit of Company and its subsidiaries:		
- Realised	160,137	152,930
- Unrealised	(6,664)	(4,446)
Consolidation adjustments	(29,092)	(28,456)
Total Group retained profit	<u>124,381</u>	<u>120,028</u>

24. Profit before income tax

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

	Current period quarter 30.9.2013 RM'000	Current period- to-date 30.9.2013 RM'000
Interest income	-	-
Other income including investment income	(350)	(350)
Interest expense	1,890	1,890
Depreciation of property, plant and equipment	3,961	3,961
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	-	-
Impairment of investment	-	-
Foreign exchange (gain) or loss	1,381	1,381
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 30.9.2013 RM	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2012 RM	CURRENT YEAR TO DATE 30.9.2013 RM	PRECEDING YEAR CORRESPONDING PERIOD 30.9.2012 RM
Basic	Issued and fully paid up no of ordinary shares of 142,223,500	Weighted average no of ordinary shares of 136,239,938	Issued and fully paid up no of ordinary shares of 142,223,500	Weighted average no of ordinary shares of 136,239,938
Fully diluted	N/A	N/A	N/A	N/A

BY ORDER OF THE BOARD
LONDON BISCUITS BERHAD

MR LESLIE LOOI MENG
(AUDIT COMMITTEE CHAIRMAN)
Dated : 29 November 2013