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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016



As at end of current year quarter ended 30.6.2016 (Unaudited) RM'000 As at preceding financial year ended 30.6.2015 (Audited) RM'000

Α	S	S	E	Т	S	

Net Assets per share (RM)

ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	568,161	572,814
Investment properties	1,249	2,900
Investments	27	27
Intangible assets	12,660	12,660
	582,097	588,401
CURRENT ASSETS		
Inventories	25,600	27,761
Trade receivables	184,251	177,129
Other receivables, deposits & prepayments	36,547	11,388
Deposits, cash and bank balances	45,963	21,643
	292,361	237,921
TOTAL ASSETS	874,458	826,322
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	186,534	186,534
Reserves	210,874	193,068
Shareholders' Equity	397,408	379,602
Non-controlling interest	122,481	106,870
Total Equity	519,889	486,472
LIABILITIES		
NON-CURRENT LIABILITIES		
Hire-purchase creditors	15,107	17,101
Term loans	7,420	17,101
Bankers' acceptances	22,000	17,400
Revolving credits	38,000	
Deferred taxation	17,332	15,606
Dolon Ca taxation	99,859	50,113
	30,000	30,113
CURRENT LIABILITIES	***************************************	
Trade payables	39,863	37,287
Bankers' acceptances	152,591	167,175
Revolving credits	22,883	43,000
Other payables & accruals	16,004	10,719
Hire-purchase creditors	12,838	10,347
Term loans	10,531	13,322
Bank overdraft	_	7,887
	254,710	289,737
TOTAL LIABILITIES	354,569	339,850
TOTAL EQUITY AND LIABILITIES	874,458	826,322

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015 and the accompanying explantory notes attached to the interim financial statements)

2.13

2.04

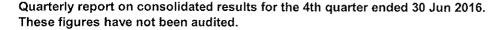
(Incorporated in Malaysia) (Co. No. 72057-H)

Financial Year End

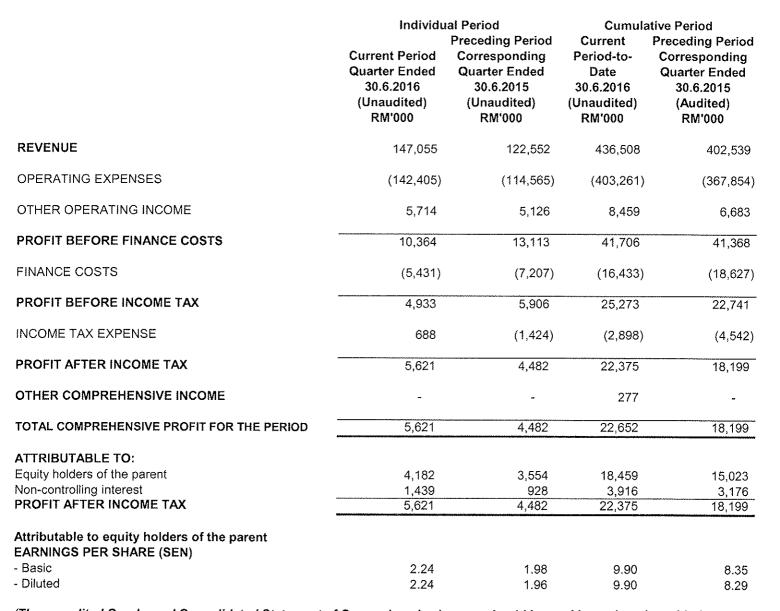
30 June 2016

Quarter

: 4th quarter



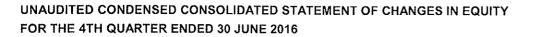
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 30 JUNE 2016



(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015 and the accompanying explanatory attached to the interim financial statements)



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





	otal I'000
Balance at 1 July 2015 186,534 13,774 34,685 144,608 106,870 Increase in non-controlling interest shares	86,471
in subsidiaries 10,929	10,929
Dilution of interest in subsidiaries (4) (705) 546	(163)
Other comprehensive income	
- Revaluation surplus on properties 57 - 220	277
Profit after income tax 18,459 3,916	22,375
Total comprehensive income 57 18,459 4,136	22,652
Balance at 30 June 2016 186,534 13,774 34,738 162,362 122,481	19,889

Year ended 30 June 2015	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Non- Controlling Interest RM'000	Total RM'000
Balance at 1 July 2014	163,557	13,774	35,602	132,018	76,725	421,676
Private placements	16,350	_		· -	-	16,350
ESOS	6,627	-	-	_	_	6,627
Increase in non-controlling interest shares						
in subsidiaries	-	=	-	<u>.</u>	23,620	23,620
Dilution of interest in subsidiaries	-	_	(917)	(2,432)	3,349	,
Profit after income tax	•	-	**	15,023	3,176	18,199
Total comprehensive income	•	-	~	15,023	3,176	18,199
Balance at 30 June 2015	186,534	13,774	34,685	144,609	106,870	486,472

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE 4TH QUARTER ENDED 30 JUNE 2016



	Current year to date 30.6.2016 (Unaudited) RM'000	Corresponding period ended 30.6.2015 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES Profit before income tax	25,273	22,741
Adjustments for:- Non-cash items	32,751	34,148
Operating profits before working capital changes	58,024	56,889
Net changes in current assets Net changes in current liabilities	(28,585) 9,552	(74,314) 6,848
Cash generated from operations	38,991	(10,577)
Other operating activities	(17,410)	(18,807)
NET CASH CHANGES IN OPERATING ACTIVITIES	21,581	(29,384)
NET CASH CHANGES IN INVESTING ACTIVITIES	(11,468)	(19,872)
NET CASH CHANGES IN FINANCING ACTIVITIES	22,094	57,074
NET CHANGES IN CASH AND CASH EQUIVALENTS	32,207	7,818
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	13,756	5,938
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD UNDER REVIEW	45,963	13,756
Cash & cash equivalents comprise of:-		
Fixed deposits, Cash and bank balances Bank overdrafts	45,963 -	21,643 (7,887)
	45,963	13,756

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements)



NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2016

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134

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 Securities").

The interim financial statements should be read in conjunction with the Group's audited financial statements for year ended 30 June 2015. The consolidated financial statement of the Group as at and for the year ended 30 June 2015 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 2015.

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 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:-

Quarter Ended 30 June 2016	Investment Holding RM'000	Manufacturing Trading RM'000	Group RM'000
REVENUE: - Export - Local	- -	142,362 294,146	142,362 294,146
TOTAL	_	436,508	436,508
RESULTS: Profit Before Income Tax Income Tax Expense	(434) (8)	25,707 (2,890)	25,273 (2,898)
Profit After Income Tax Non- controlling interest		-	22,375 (3,916)
Profit After Income Tax Attributable to equity holders of the Company			18,459

Segmental Analysis for the financial year ended 30 June 2016 by Product Segments:

LEGEND	
•	Market Conditions and demand for its goods and services
<u></u>	The level of its operating activities
#	Factors or circumstances affecting the changes to revenue, costs and profit margin of each business activity or segment
0	Any unusual or one off gains / losses affecting the revenue or profit
<u> </u>	Any other information which can provide a better understanding of the Listed Issuer's performance

No.	T	Sales	(i) *		(ii) ^		(201 s)	···	1800		280
,,,,,	Segment	RM'000	10		(11) "		(iii)#			(iv)Ω	(v)C
	288018111	i 8	Market Conditions		Level		Factors / Circumstances			Unusual or One off Gains	Other Information
1	Confectionery	160,267	Poor	, , 🧱	>50%	1 1	Raw Material Prices	(v)		-NA-	Other information
"	- Community	100,207	Average	, ;	50.1% > 75%	1 1	Market Conditions	4 . 1		-WA-	100
		1	Good	(v)	75.1% > 100%	(/)	Product Competition	1 1			
			3000	· · / 🎆	13.174 > 10076	,	Market Competition	() 1			**
1	İ .		Demand				Prices Increases	1 1			
			Poor	()			New Product Variety) (
			Average	ì			New Product Segment	()			
			Strong	iv i			Capacity Expenditure	101			
							Others:-	1 1			
				- 3				, ,			
			ğ								
2	Sweets and Candies	149,527	Market Conditions		Level		Factors / Circumstances			Unusual or One off Gains	Other Information
			Poor	()	>50%	()	Raw Material Prices	(v)			·NA-
İ			Average	()	50.1 % > 75%	()	Market Conditions	(1)			
			Good	(v)	75.1% > 100%	(V)	Product Competition	()	123 123 123		
							Market Competiton	()			
	ĺ		Demand			Ì	Prices Increases	()			
			Poor	()		1	New Product Variety	()			
			Average	()			New Product Segment	()			
			Strong	(v)		ž.	Capacity Expenditure	()			
							Others:-	()			
			.								
						Į					
3	Snacks	126,714	Market Conditions		Level		Factors / Circumstances			Unusual or One off Gains	Other Information
			Poor	()	>50%	()	Raw Material Prices	(V)		·NA·	-NA·
			Average	()	50.1 % > 75%	()	Market Conditions	()			
			Good	(v)	75.1% > 100%	(V)	Product Competition	()			
						8	Market Competiton	(/)			
	ĺ		Demand				Prices Increases	()			
			Poor				New Product Variety	()			
			Average			Š	New Product Segment	()			
	1		Strong	(😢)		-	Capacity Expenditure	()	繆		
	Ì						Others:-	()	飂		
			L	83369			88		***		80



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.

10. Valuations of Property, Plant and Equipment

Khee San Berhad Group, a subsidiary of the Group, carried out a revaluation on its land and buildings and investment properties during the current quarter under review. Revaluation surplus and fair value adjustment of Khee San Berhad Group which was consolidated to the Group's financial statements were taken up as follows:-

Properties of Khee San Berhad Group	Net book value	Revaluation value	Revaluation surplus/fair value adjustment
	RM'000	RM'000	RM'000
Land and buildings Investment properties	43,608 2,900	43,900 2,640	292 (260)
Less: Deferred income tax			32 (2) 30

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

The effective interest of investment in a subsidiary, Khee San Berhad, was diluted to 19.72% from 20.42% upon further allotments of 3,449,500 new ordinary shares of RM1.00 each under the Employees Share Option Scheme in Khee San Berhad during the period under review.

13. Contingent Liabilities or Contingent Assets

There is a contingent liability amounting to approximately RM13 million being corporate guarantees given to financial institutions for banking facilities granted to a subsidiary company.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. Review of Performance

The Group achieved a profit before income tax before non-controlling interest of RM4.933 million on the back of RM147.055 million in turnover, as compared with the profit before income tax before non-controlling interest of RM5.906 million and a turnover of RM122.552 million, respectively, reported in the preceding year corresponding quarter. The Group's result is within management's expectation due to additional advertising and promotional campaigns.



15. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30.6.2016 RM'000	Immediate Preceding Quarter 31.3.2016 RM'000	% +/-
Turnover	147,055	112,165	+31.11
Profit before income tax	4,933	5,954	-17.15

The turnover of RM147.055 million for the current quarter ended 30 June 2016 as compared to a turnover of RM112.165 million achieved for the immediate preceding quarter, represent an approximate increase of 31.11%. 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 2016 has been another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ending 30 June 2017.

The prospects of the confectionery, snacks and candies segment remains good with stable order book and supported by upgraded production facilities allowing new business opportunities to be secured though challenges are foreseen with business and consumer sentiment impacted due to bearish news both domestic and internationally.

In respect of the business operations, cost of raw material remains a volatile factor with various commodity prices experiencing wide fluctuations due to quick changing trading sentiments which have been worsened by the depreciation of the Ringgit and causing an increase in manufacturing cost whilst the current state of domestic consumer sentiment reduces scope for pricing flexibility. Fortunately, these various impacts have been cushioned by the various operational improvements put in place by the Management.

The Management will continue to maintain its practice of setting prices based on a conservative exchange rate valuation. 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 30.6.2016 RM'000	Current Year To Date 30.6.2016 RM'000
Income tax:		
Current year	166	1,172
Deferred income tax	(854)	1,726
	(688)	2,898

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. Corporate Proposals

There were no corporate proposals that have been announced during the current quarter under review.

20. Group Borrowings

As at 30 June 2016

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bankers' acceptance	-	22,883	22,883
Revolving credits	-	152,591	152,591
Hire-purchase creditors	12,838		12,838
Term loans	-	10,531	10,531
	12,838	186,005	198,843
Long term borrowings			,
Bankers' acceptance	-	22,000	22,000
Revolving credits	-	38,000	38,000
Hire-purchase creditors	15,107	-	15,107
Term loans	-	7,420	7,420
	15,107	67,420	82,527
Total	27,945	253,425	281,370



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 30.6.2016 RM'000	As at 30.6.2015 RM'000
Total retained profit of Company and its		
subsidiaries:		
- Realised	230,615	183,518
- Unrealised	(14,341)	15,605
Consolidation adjustments	(53,912)	(54,515)
Total Group retained profit	162,362	144,608

24. Profit before income tax

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

	quarter 30.6.2016 RM'000	to-date 30.6.2016 RM'000
Interest income	(247)	(247)
Other income including investment income	(1,558)	(2,754)
Interest expense	`5,431 [°]	16,433
Depreciation of property, plant and equipment	5,122	20,871
Provision for and write off of receivables	46	46
Provision for and write off of inventories	27	27
Gain or loss on disposal of quoted or unquoted investments or property, plant and equipment	(1,481)	(1,481)
Impairment of investment	~	-
Foreign exchange (gain) or loss	(2,675)	(4,224)
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 for the financial period over the weighted number of ordinary shares in issue during the financial period as follows:-

	INDIVIDUA CURRENT YEAR QUARTER 30.6.2016 RM	L QUARTER PRECEDING YEAR CORRESPONDING QUARTER 30.6.2015 RM	CUMULATI CURRENT YEAR TO DATE 30.6.2016 RM	VE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 30.6.2015 RM
Basic	Issued and fully	Weighted	Issued and fully	Weighted
	paid up no of	average no of	paid up no of	average no of
	ordinary shares of	ordinary shares	ordinary shares of	ordinary shares
	186,533,789	of 179,859,699	186,533,789	of 179,859,699
Fully diluted	Issued and fully	Weighted	Issued and fully	Weighted
	paid up no of	average no of	paid up no of	average no of
	ordinary shares	ordinary shares	ordinary shares	ordinary shares
	of 186,533,789	of 181,232,699	of 186,533,789	of 181,232,699

BY ORDER OF THE BOARD LONDON BISCUITS BERHAD

MR LESLIE LOOI MENG (AUDIT COMMITTEE CHAIRMAN)

Dated: 30 August 2016