



LONDON BISCUITS BERHAD

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

(“LBB” or “the Company”)

Interim Financial Statements

Second Quarter Results

for the Financial Period ended

31st March, 2018

LONDON BISCUITS BERHAD

(Company No. : 72057-H)
(Incorporated in Malaysia)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31ST MARCH, 2018

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Period Quarter Ended 31.03.2018 RM'000	(Unaudited) Preceding Period Corresponding Quarter Ended 31.03.2017 RM'000 **	(Unaudited) Current Period To-Date Ended 31.03.2018 RM'000	(Unaudited) Preceding Period Corresponding Quarter Ended 31.03.2017 RM'000 **
Revenue	69,457	N/A	137,074	N/A
Cost of Sales	(48,459)	N/A	(100,960)	N/A
Gross Profit	20,998	N/A	36,114	N/A
Other operating income	1,702	N/A	2,578	N/A
Selling and distribution costs	(5,027)	N/A	(7,525)	N/A
Administrative expenses	(8,856)	N/A	(14,464)	N/A
Finance costs	(5,515)	N/A	(9,957)	N/A
Share of profits of associates, net of tax	304	N/A	404	N/A
Profit Before Tax	3,606	N/A	7,150	N/A
Income tax expenses	(1,606)	N/A	(2,298)	N/A
Profit for the Period	2,000	N/A	4,852	N/A
Other Comprehensive Income	-	N/A	-	N/A
Total Comprehensive Income for the Period	2,000	N/A	4,852	N/A
Profit for the Period attributable to:				
Owners of the Company	2,000	N/A	4,852	N/A
Non-controlling interest	-	N/A	-	N/A
	2,000	N/A	4,852	N/A
Total Comprehensive Income attributable to:				
Owners of the Company	2,000	N/A	4,852	N/A
Non-controlling interest	-	N/A	-	N/A
	2,000	N/A	4,852	N/A
Earning per Share (Sen)				
Basic	1.07	N/A	2.60	N/A
Diluted	N/A	N/A	N/A	N/A

**There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 30th June 2017 to 30th September 2017.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 30th September, 2017 and the accompanying explanatory notes attached to the interim financial statements.

LONDON BISCUITS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2018

	(Unaudited) As at 31.03.2018 RM'000	(Audited) As at 30.09.2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	398,593	406,657
Investments in associates	30,534	29,850
Other investments	21	21
Intangible assets	4,205	4,205
	<u>433,353</u>	<u>440,733</u>
Current Assets		
Inventories	25,406	16,045
Trade and other receivables	182,733	187,427
Amount due from associates	7,422	29,260
Tax recoverable	3,367	3,902
Cash and bank balances	50,751	67,824
	<u>269,679</u>	<u>304,458</u>
TOTAL ASSETS	<u><u>703,032</u></u>	<u><u>745,191</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital (Note 1)	200,308	186,534
Share premium	-	13,774
Revaluation reserve	28,131	28,131
Warrant reserve	37,282	37,282
Retained earnings	142,185	137,333
Shareholders' equity	<u>407,906</u>	<u>403,054</u>
Non-controlling interest	-	-
TOTAL EQUITY	<u>407,906</u>	<u>403,054</u>
LIABILITIES		
Non-Current Liabilities		
Long-term borrowings	107,744	110,964
Deferred tax liabilities	21,173	20,213
	<u>128,917</u>	<u>131,177</u>
Current Liabilities		
Trade and other payables	18,759	34,003
Short-term borrowings	147,450	176,957
	<u>166,209</u>	<u>210,960</u>
TOTAL LIABILITIES	<u>295,126</u>	<u>342,137</u>
TOTAL EQUITY AND LIABILITIES	<u><u>703,032</u></u>	<u><u>745,191</u></u>
Net Assets per Ordinary Share (RM)	<u>2.19</u>	<u>2.16</u>

Note 1: Number of ordinary shares issued as at 31st March 2018 is 186,533,789 units (30th September 2017 is 186,533,789 units)

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 30th September, 2017 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31ST MARCH, 2018

	Attributable to Equity Holders of the Parent Entity						Total RM'000
	Non - Distributable			Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interest RM'000	
Current Quarter							
As at 01st October, 2017	186,534	13,774	28,131	37,282	137,333	-	403,054
Profit for the period	-	-	-	-	4,852	-	4,852
Total comprehensive income for the period	-	-	-	-	4,852	-	4,852
Transfer in accordance with Section 618(2) of the Companies Act 2016	13,774	(13,774)	-	-	-	-	-
Total transactions with owners of the Company	13,774	(13,774)	-	-	-	-	-
As at 31st March, 2018	<u>200,308</u>	<u>-</u>	<u>28,131</u>	<u>37,282</u>	<u>142,185</u>	<u>-</u>	<u>407,906</u>
	#						
Preceding Corresponding Quarter **							
As at 01st October, 2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Profit for the period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total comprehensive income for the period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As at 31st March, 2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 30th June 2017 to 30th September 2017.

With the Companies Act 2016 ("New Act") coming into effect on 31st January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM13,774,000 becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Pursuant to Section 618(3) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31st January 2019.

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 30th September, 2017 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31ST MARCH, 2018

	(Unaudited) Current Year- to-date 31.03.2018 RM'000	(Unaudited) Preceding Year Corresponding period 31.03.2017 RM'000 **
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,150	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	7,828	N/A
Unrealised loss on foreign exchange	3,250	N/A
Share of profits of associates	(404)	N/A
Interest expenses	9,957	N/A
Interest income	(133)	N/A
Operating profit before changes in working capital	27,648	N/A
Changes in inventories	(9,361)	N/A
Changes in trade and other receivables	26,532	N/A
Changes in trade and other payables	(18,614)	N/A
Cash generated from operations	26,205	N/A
Interest received	133	N/A
Tax paid	(431)	N/A
Interest paid	(9,957)	N/A
Net cash from operating activities	15,950	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(296)	N/A
Proceeds from disposal of property, plant and equipment	-	N/A
Net cash used in investing activities	(296)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from revolving credits	(12,000)	N/A
Net changes in bankers' acceptance	(17,350)	N/A
Repayment of term loans	(2,615)	N/A
Repayment of hire purchase payables	(762)	N/A
Net cash used in financing activities	(32,727)	N/A
Net Changes in Cash and Cash Equivalents	(17,073)	N/A
Cash and Cash Equivalents at beginning of the period	67,824	N/A
Cash and Cash Equivalents at end of the period	50,751	N/A

Cash and cash equivalents included in the Unaudited Condensed Consolidated Statement of Cash Flows comprise the following:-

	31.03.2018 RM'000	31.03.2017 RM'000
Cash and bank balances	50,751	N/A
	50,751	N/A

**There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 30th June 2017 to 30th September 2017.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the period ended 30th September, 2017 and the accompanying explanatory notes attached to the interim financial statements.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2018**

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 30th September, 2017. These 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 period ended 30th September, 2017.

Companies Act 2016

The Companies Act 2016 (“New Act”) was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group upon the commencement of the New Act on 31st January, 2017 includes:

- Removal of the authorized share capital
- Shares of the Company will cease to have par or nominal value
- The Company’s share premium account will become part of the Company’s share capital

The adoption of the New Act did not have any financial impact to the financial statements of the Group, if applicable, the effect of adoption mainly will be on disclosure to the annual report and financial statements.

A2. Significant Accounting Policies

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group:-

a) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2018

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts - Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts*
- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*

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- Amendments to MFRS 140, *Investment Property - Transfer of Investment Property*
 - Clarifications to MFRS 15, *Revenue from Contracts with Customers*
 - IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- b) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2019**
- MFRS 16, *Leases*
 - Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
 - Amendments to MFRS 9, *Financial Instruments-Prepayment features with Negative Compensation*
 - Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
 - Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
 - Amendments to MFRS 119, *Employee Benefit (Plan Amendments, Curtailment or Settlement)*
 - Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
 - Amendments to MFRS 128, *Investment in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*
 - IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- c) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2020**
- Amendments to MFRS 2, *Share-based payment*
 - Amendments to MFRS 3, *Business Combination*
 - Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
 - Amendments to MFRS 14, *Regulatory Deferral Accounts*
 - Amendments to MFRS 101, *Presentation of Financial Statements*
 - Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
 - Amendments to MFRS 134, *Interim Financial Reporting*
 - Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*
 - Amendments to MFRS 138, *Intangible Assets*
 - Amendments to IC Interpretation 12, *Service Concession Arrangements*
 - Amendments to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
 - Amendments to IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
 - Amendments to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
 - Amendments to IC Interpretation 132, *Intangible Assets – Web Site Costs*
- d) MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1st January 2021**
- MFRS 17, *Insurance Contracts*
- e) MFRSs, Interpretations and Amendments effective for a date yet to be confirmed**
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group, except MFRS 9, MFRS 15 and MFRS 16.



The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9, MFRS 15 and MFRS 16.

A3. Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

A4. Seasonality or Cyclical Nature of Operations

The operations of the Group were not affected by seasonal or cyclical factors.

A5. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A6. Change in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial year-to-date.

A7. Changes in Debt and Equity Securities

There were no issuances and repayment of debts and equity securities for current financial year-to-date.

A8. Dividends Paid

There were no dividends paid during the quarter under review.

A9. Segmental Reporting

MFRS 8 – *Operating Segment* requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Executive Board in making decisions.

Detailed segmental reporting is not provided as the Group's primary business segments is principally engaged in the manufacturing and trading of confectionery, sweets and candies, snacks, potato and its operation is principally located in Malaysia.

Segment assets, segment liabilities and capital additions were not disclosed as they were not regularly provided to the chief operating decision maker for their day-to-day operation decision making.

Therefore, the Group's operations can be segmented by business activities namely:

- a) Manufacturing and trading of confectionery, potato, sweets and candies, snacks; and
- b) Investment holding

The segment analysis for the current financial period-to-date:

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Segment Revenue and Results	Cumulative Quarter ended 31st March, 2018			
	Investment Holding	Manufacturing and Trading	Elimination	Group (total)
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Export	-	52,007	-	52,007
- Local	-	85,067	-	85,067
Total revenue	-	137,074	-	137,074
Results : Operating profit	-	17,107	-	17,107

Segment Revenue and Results	Cumulative Quarter ended 31st March, 2017			
	Investment Holding	Manufacturing and Trading	Elimination	Group (total)
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Export	N/A	N/A	N/A	N/A
- Local	N/A	N/A	N/A	N/A
Total revenue	N/A	N/A	N/A	N/A
Results : Operating profit	N/A	N/A	N/A	N/A

Reconciliation of reportable segment profit:	Cumulative Quarter	
	31.03.2018	31.03.2017
	RM'000	RM'000
Total operating profit for reported segment	17,107	N/A
Finance costs	(9,957)	N/A
Consolidated profit before tax	7,150	N/A

Segmental analysis for the period ended 31st March 2018 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
- 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 RM000	(i) △	(ii) ▲	(iii) #	(iv) ○	(v) △
1	Confectionery	61,793	Market Conditions Poor () Average () Good (√) Demand Poor () Average () Strong (√)	Level >50% () 50.1 % > 75% () 75.1% > 100% (√)	Factors / Circumstances Raw Material Prices (√) Market Conditions (√) Product Competition (√) Market Competition (√) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure (√) Others:- ()	Unusual or One off Gains -NA-	Other Information -NA-
2	Sweets and Candies	22,247	Market Conditions Poor () Average () Good (√) Demand Poor () Average () Strong (√)	Level >50% () 50.1 % > 75% () 75.1% > 100% (√)	Factors / Circumstances Raw Material Prices (√) Market Conditions (√) Product Competition (√) Market Competition (√) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure (√) Others:- ()	Unusual or One off Gains -NA-	Other Information -NA-
3	Snacks	25,870	Market Conditions Poor () Average () Good (√) Demand Poor () Average () Strong (√)	Level >50% () 50.1 % > 75% () 75.1% > 100% (√)	Factors / Circumstances Raw Material Prices (√) Market Conditions (√) Product Competition (√) Market Competition (√) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure (√) Others:- ()	Unusual or One off Gains -NA-	Other Information -NA-
4	Potato	27,164	Market Conditions Poor () Average () Good (√) Demand Poor () Average () Strong (√)	Level >50% () 50.1 % > 75% () 75.1% > 100% (√)	Factors / Circumstances Raw Material Prices (√) Market Conditions (√) Product Competition (√) Market Competition (√) Prices Increases () New Product Variety () New Product Segment () Capacity Expenditure (√) Others:- ()	Unusual or One off Gains -NA-	Other Information -NA-
		137,074					

The Group's operations are mainly in the manufacturing and trading of potato, snacks and confectionery together with distribution of sweets and candies.



A10. 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.

A11. Material Events Subsequent to the End of the Quarterly Period

There were no material events subsequent to the end of quarter that has not been reflected in the Interim Financial Statements for the quarter under review.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

A13. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities disclosed in the last audited statement of financial position as at 30th September 2017.

A14. Capital Commitments

There were no material capital commitments during the current quarter under review.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Current Quarter against Previous Year Corresponding Quarter (Individual Quarter)

In the current quarter ended 31st March 2018, the Group registered higher revenue of RM69,457,000 compared to previous year corresponding quarter ended 31st March 2017 of RM61,870,000. The profit before tax has increased from RM1,539,000 to RM3,606,000.

B2. Comparison with the Preceding Quarter's Result

The Group posted a higher revenue in the current quarter of RM69,457,000 as compared to the preceding quarter ended 31st December 2017 of RM67,617,000 representing an increase of RM1,840,000. The profit before tax has increased from RM3,544,000 to RM3,606,000.

B3. Prospects of the Group

The financial year ending 30th September 2018 is another challenging year. The Management will ensure that the Group will continue to maintain positive performance for the year ended 30th September 2018.

The prospects of the confectionery, potato, snacks and candies segment remains good with stable order book and additional capacity in the form of 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. We expect the potato chip segment, in particular, to continue to be a strong performer for the Group as evidenced by its global appeal during our recent trade exhibitions.

In respect of the manufacturing operations, cost of raw materials remains a volatile factor with various commodities prices experiencing fluctuations due to their cost factors as well as due to prevailing foreign currency conditions. As such, in FY 2018 the Management intends to closely monitor flour and sugar prices to ensure that the earnings will not be substantially impacted and to control manufacturing cost whilst continuing to reduce exposure to customer accounts which are experiencing margin erosion as part of its sales rationalisation plan. Other established best practises such as setting prices based on conservative forex valuations will continue as the built in margins will buffer against sudden drops in ongoing ringgit conversions as well as the continual efforts to improve operational efficiencies via improved production processes.

B4. Profit Forecast

The Group did not publish any profit forecast or profit guarantee for the year under review.

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B5. Tax Expense

Tax expense comprises of the followings:

	Current Quarter 31.03.2018 RM'000	Cumulative Quarter 31.03.2018 RM'000
Income tax expense		
- Current year	300	481
- Under provision of tax in prior year	826	826
	<u>1,126</u>	<u>1,307</u>
Deferred tax		
- Current year	480	960
	<u>480</u>	<u>960</u>
Total income tax expense	<u><u>1,606</u></u>	<u><u>2,267</u></u>

The Group's effective tax rate for the six months ended 31st March 2018 was higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses not deductible for tax purpose.

B6. Status of Corporate Proposals Announced

Except as disclosed below, there were no other corporate proposals announced as at to-date:-

- a) On 23rd June 2017, the Company announced that it proposes to undertake the following proposals:
 - (i) a private placement of up to 22,381,500 new ordinary shares in LBB, representing 10% of the share capital of LBB to independent third party investor(s) to be identified;
 - (ii) a renounceable rights issue of up to 82,065,548 new ordinary shares in LBB ("Rights Shares") together with up to 82,065,548 free detachable warrants ("Warrants") on the basis of 1 Rights Share for every 3 existing ordinary shares held in LBB together with 1 Warrant for every 1 Rights Share subscribed at an entitlement date and at an issue price to be determined later ("Proposed Rights Issue with Warrants"); and
 - (iii) a bonus issue of up to 82,065,548 new ordinary shares in LBB ("Bonus Shares") on the basis of 1 Bonus Share for every 1 Rights Share subscribed under the Proposed Rights Issue with Warrants.
- b) On 21st May 2018, the Company announced that it has terminated the earlier proposals announced on 23rd June 2017 and to implement a proposed private placement exercise in lieu of the Proposals as below:
 - (i) a private placement of up to 22,381,500 new ordinary shares in LBB, representing 10% of the share capital of LBB to independent third party investor(s) to be identified.

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B7. Borrowings and Debt Securities

	The Group
	31.03.2018
	RM'000
Short-term Borrowings:	
Bankers' acceptance	109,031
Hire-purchase payables	3,833
Revolving credits	32,000
Term loans	2,586
	<u>147,450</u>
Long-term Borrowings:	
Bankers' acceptance	-
Hire-purchase payables	6,513
Revolving credits	-
Unrated medium term notes	100,000
Term loans	1,231
	<u>107,744</u>

Bank overdrafts and credit facilities of a subsidiary company are secured by corporate guarantees given by the Company.

B8. Derivative Financial Instruments

There were no forward foreign exchange contracts for purchases or sales during the current quarter under review.

B9. Changes in Material Litigation

On 13th November, 2017, the Federal Court had granted the Leave Application for the Company to appeal against the decision to award Wah Keng Sen the sum of RM1,823,000.00 as well as a stay against the execution of the award pending the full hearing of the appeal by the Federal Court. The Company will advise via an announcement once the appeal hearing dates have been fixed by the Federal Court.

B10. Dividends Proposed

There were no dividends proposed by the Company during the current quarter under review.

B11. Profit Before Tax

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

	Current	Cumulative
	Quarter	Quarter
	31.03.2018	31.03.2018
	RM'000	RM'000
Interest income	(71)	(133)
Other income including investment income	(1,631)	(2,445)
Interest expenses	5,515	9,957
Depreciation of property, plant and equipment	3,918	7,828
Provision for and write off receivables	-	-
Provision for and write off inventories	-	-
Gain on disposal of subsidiaries	-	-
(Gain) or loss on disposal of property, plant and equipment	-	-
Impairment of assets	-	-
(Gain) or loss on foreign exchange - unrealised	1,951	3,250
(Gain) or loss on foreign exchange - realised	(511)	(1,065)

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Save as disclosed in the above, there were no (gain) or loss on derivatives, exceptional items and the other items required to be disclosed under the additional disclosure requirement for Public Listed Companies that are listed on the Main Markets of Bursa Malaysia Securities Berhad.

B12. Earnings per share (EPS)

(a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue during the period.

	Current Quarter		Cumulative Quarter	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net profit attributable to ordinary shareholders (RM'000)	2,000	N/A	4,852	N/A
Weighted average number of ordinary shares - in units ('000)	186,534	N/A	186,534	N/A
Basic EPS (Sen)	1.07	N/A	2.60	N/A

(b) Diluted earnings per share

Not applicable for the Group.

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

**MR LESLIE LOOI MENG
AUDIT COMMITTEE CHAIRMAN
Dated: 31st May 2018**