



# **LONDON BISCUITS BERHAD**

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

**(“LBB” or “the Company”)**

**Interim Financial Statements**

**Fourth Quarter Results**

**for the Financial Year ended**

**30TH SEPTEMBER, 2018**

# LONDON BISCUITS BERHAD

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



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018 (4TH QUARTER)

(The figures have not been audited)

	Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
		30.09.2018 RM'000	30.09.2017 RM'000 **	30.09.2018 RM'000	30.09.2017 RM'000 **
<b>Revenue</b>	A9	98,134	N/A	326,359	N/A
Cost of Sales		(65,863)	N/A	(238,106)	N/A
<b>Gross profit</b>		32,271	N/A	88,253	N/A
Other operating income		(367)	N/A	2,293	N/A
Selling and distribution costs		(19,801)	N/A	(32,040)	N/A
Administrative expenses		843	N/A	(19,557)	N/A
<b>Results from operating activities</b>		12,946	N/A	38,949	N/A
Finance costs		(6,114)	N/A	(22,296)	N/A
<b>Operating profit</b>	B5	6,832	N/A	16,653	N/A
Share of profit/(loss) of associates, net of tax		344	N/A	934	N/A
<b>Profit before tax</b>		7,176	N/A	17,587	N/A
Tax expense	B6	(521)	N/A	(3,691)	N/A
<b>Profit for the period</b>		6,655	N/A	13,896	N/A
<b>Other comprehensive (expenses)/ income, net of tax</b>					
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Movement in revaluation of property, plant and equipment, net of tax		20,112	N/A	20,112	N/A
<b>Other comprehensive income for the period, net of tax</b>		20,112	N/A	20,112	N/A
<b>Total comprehensive income for the period</b>		26,767	N/A	34,008	N/A
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		6,655	N/A	13,896	N/A
Non-controlling interests		-	N/A	-	N/A
<b>Profit for the period</b>		6,655	N/A	13,896	N/A
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		26,767	N/A	34,008	N/A
Non-controlling interests		-	N/A	-	N/A
<b>Total comprehensive income for the period</b>		26,767	N/A	34,008	N/A
<b>Earnings per ordinary share</b>					
Basic (Sen)	B11	3.43	N/A	7.01	N/A
Diluted (Sen)	B11	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 30 June 2017 to 30 September 2017.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the period ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

# LONDON BISCUITS BERHAD

(Company No. : 72057-H)

(Incorporated in Malaysia)



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Unaudited As at 30.09.2018 RM'000	Audited As at 30.09.2017 RM'000
<b>Assets</b>		
Property, plant and equipment	466,237	406,657
Intangible assets	4,205	4,205
Investment in associates	31,064	29,850
Other Investments	21	21
<b>Total non-current assets</b>	<u>501,527</u>	<u>440,733</u>
Trade and other receivables	280,026	216,687
Inventories	25,010	16,045
Tax recoverable	575	3,902
Cash and cash equivalents	22,720	67,824
<b>Total current assets</b>	<u>328,331</u>	<u>304,458</u>
<b>Total assets</b>	<u>829,858</u>	<u>745,191</u>
<b>Equity</b>		
Share capital	206,483	186,534
Reserves	205,862	216,520
<b>Total equity attributable to owners of the Company</b>	<u>412,345</u>	<u>403,054</u>
<b>Liabilities</b>		
Loans and borrowings	94,703	110,964
Deferred tax liabilities	10,551	20,213
<b>Total non-current liabilities</b>	<u>105,254</u>	<u>131,177</u>
Payables and accruals	50,576	34,003
Loans and borrowings	261,683	176,957
<b>Total current liabilities</b>	<u>312,259</u>	<u>210,960</u>
<b>Total liabilities</b>	<u>417,513</u>	<u>342,137</u>
<b>Total equity and liabilities</b>	<u>829,858</u>	<u>745,191</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>2.07</u>	<u>2.16</u>

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

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018 (4TH QUARTER)

(The figures have not been audited)

	Note	Non-Distributable				Distributable	Total attributable to owners of the Company RM'000
		Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Warrant Reserves RM'000	Retained Earnings RM'000	
<b>12 months ended 30 September 2018</b>							
<b>As at 1 October 2017</b>		186,534	13,774	28,131	37,282	137,333	403,054
Adjustment on initial application of MFRS 9		-	-	-	-	(30,892)	(30,892)
Profit/(loss) for the period		-	-	-	-	13,896	13,896
Movement in revaluation of property, plant and equipment, net of tax		-	-	20,112	-	-	20,112
Total comprehensive income for the period		-	-	20,112	-	13,896	34,008
Contribution by and distribution to the owners of the Company:							
- Issuance of shares pursuant to private placement	(i)	6,175	-	-	-	-	6,175
- Transfer in accordance with Section 618(2) of the Companies Act 2016		13,774	(13,774)	-	-	-	-
<b>As at 30 September 2018</b>		<b>206,483</b>	<b>-</b>	<b>48,243</b>	<b>37,282</b>	<b>120,337</b>	<b>412,345</b>
		#					
<b>12 months ended 30 September 2017**</b>							
<b>As at 1 October 2016</b>		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
Total comprehensive income for the period		N/A	N/A	N/A	N/A	N/A	N/A
<b>As at 30 September 2017</b>		N/A	N/A	N/A	N/A	N/A	N/A

Note (i) - Private placement of 13,000,000 new ordinary shares of RM 0.475 per placement share on 9 August 2018.

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

# With the Companies Act 2016 ("New Act") which come into effect on 31st January 2017, the concept of authorised share capital and par value of share capital has been abolished.

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 unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018 (4TH QUARTER)

(The figures have not been audited)

	(Unaudited) Current Year- to-date 30.09.2018 RM'000	(Unaudited) Preceding Year Corresponding period 30.09.2017 RM'000 **
<b>Cash flows from operating activities</b>		
Profit before tax	17,587	N/A
Adjustments for:		
Allowance for impairment losses on receivables written back	(1,735)	N/A
Depreciation of property, plant and equipment	15,926	N/A
Loss on written off of property, plant and equipment	1,773	
Finance costs	22,296	N/A
Finance income	(270)	N/A
Net unrealised (gain)/loss on foreign exchange	(7,019)	N/A
Share of loss/(profit) of equity accounted associates	(934)	N/A
Operating profit/(loss) before changes in working capital	47,624	N/A
Changes in working capital:		
Inventories	(8,965)	N/A
Payables and accruals	16,573	N/A
Receivables, deposits and prepayments	(95,835)	
Cash generated from/(used in) operations	(40,603)	N/A
Interest received	270	N/A
Interest paid	(22,296)	N/A
Income tax (paid)/refund	52	N/A
<b>Net cash generated from/(used in) operating activities</b>	<b>(62,577)</b>	<b>N/A</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(57,167)	N/A
<b>Net cash generated from/(used in) investing activities</b>	<b>(57,167)</b>	<b>N/A</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares pursuant to private placement	6,175	N/A
Net proceeds from/(repayment of) revolving credit	4,000	N/A
Net changes in bankers' acceptance	48,315	N/A
Payment of finance lease liabilities	(2,042)	N/A
Net proceeds/(repayment) of loans and borrowings	(4,373)	N/A
<b>Net cash generated from/(used in) financing activities</b>	<b>52,075</b>	<b>N/A</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(67,669)</b>	<b>N/A</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>67,824</b>	<b>N/A</b>
<b>Cash and cash equivalents at end of the period</b>	<b>155</b>	<b>N/A</b>

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018 (4TH QUARTER)

(cont'd)

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	30.09.2018 RM'000	30.09.2017 RM'000
Fixed deposits placed with licensed banks	307	N/A
Cash and bank balances	22,413	N/A
Cash and cash equivalents per balance sheet	22,720	N/A
Bank overdrafts	(22,565)	N/A
	155	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 30 June 2017 to 30 September 2017.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial period ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

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## **ANNOUNCEMENT OF THE UNAUDITED RESULTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 (4<sup>TH</sup> QUARTER)**

### **A. NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), including compliance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB").

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

#### **A2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 30 September 2017 except as described below. The Group has elected early adoption of MFRS 15 (Revenue from Contract with Customers) & MFRS 9 (Financial Instruments) from 1 October 2017. The changes arising from these adoptions are as described below:-

a) Adoption of MFRS 15 Revenue from Contract with Customers

The Group has elected the early adoption of MFRS 15 Revenue on 1 October 2017. MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations. The standard specifies that the revenue is to be recognised when control over the goods or services is transferred to customer, moving from the transfer of risks and rewards.

The application of MFRS 15 does not have a material effect on the Group's financial statements.

b) Adoption of MFRS 9 Financial Instruments

The Group has elected the early adopted MFRS 9 Financial instruments on 1 October 2017. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments. Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 also replaces MFRS 139 with a forward-looking expected credit loss ("ECL") model. Under MFRS 9, loss allowances, will be measured on either 12 months ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives.

Effects arising from the initial application of the new impairment model and the recognition of equity investments to fair value through profit or loss ("FVTPL") are as follows:

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## Impact of adoption of MFRS 9 to opening balance at 1 October 2017

	RM'000
Decrease in retained earnings	30,892
Increase in deferred tax asset	10,078
Decrease in trade and other receivables	40,970

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*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property - Transfer of Investment Property*
- 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 abovementioned standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group, except MFRS 16.

### **A3. Qualification of Preceding Year's Audited Financial Statements**

The Auditors' Report of the financial statements for the preceding financial year ended 30 September 2017 was not subject to any qualification.

### **A4. Seasonality or Cyclicity of Operations**

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

### **A5. Exceptional/Unusual Items**

There were no exceptional or unusual items affecting financial statements of the Group for the current quarter under review.

### **A6. Material Changes in Estimates**

There were no material changes in estimates of amounts that have material effect in the current quarter under review.

### **A7. Debt and Equity Securities**

The Company had carried out a private placement exercise for issuance of 13,000,000 at RM 0.475 per share during the current quarter. The said private placement was completed on 9 August 2018.

Other than as disclosed above, there were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter under review.

### **A8. Dividends Paid**

There were no dividends paid during the financial quarter under review.

### **A9. Segment Revenue**

The financial information by business segment is not presented as the Group's activities are primarily in the manufacturing and trading of confectionery, sweets and candies, snacks, potato.

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	Inside Malaysia RM'000	Outside Malaysia RM'000	Conso- lidated RM'000
<b>GEOGRAPHICAL SEGMENTS</b>			
Revenue	244,651	81,708	326,359
<b>Results from operating activities</b>			38,949
Finance costs			(22,296)
Share of profit/(loss) of associates, net of tax			934
<b>Profit before tax</b>			17,587

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.

## A10. Valuation of property, plant and equipment

The carrying value of lands and buildings on 29 September 2018 was based on fair value determined from market-based evidenced by independent appraisals. With this, the carrying value of lands and buildings have been revalued upwards by approximately RM20.1 million.

Except for the above, all property, plant and equipment of the Group and the Company are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

## A11. Material Subsequent Event

There were no material subsequent event from the end of the quarter to the date of this report, which is likely to substantially affect the results of the operations of the Company.

## A12. Changes in the Group's Composition

There were no changes in the Group's composition in the current quarter under review.

## A13. Contingent Liabilities

The contingent liabilities as at 30 September 2018 are as follows:-

	RM'000
Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries	35,933
Material litigation	1,823
<b>Total</b>	37,756

## A14. Capital Commitments

There were no material capital commitments as at 30 September 2018.

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## **B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

### **B1. Review of the Group Performance**

#### **Current Quarter against Previous Year Corresponding Quarter (Individual Quarter)**

The Group operates only in one business segment. Accordingly, detailed analysis of the performance of each business segment is not presented.

For the current quarter ended 30 September 2018, the Group recorded revenue of RM98.1million with profit before tax of RM7.1million as compared to revenue of RM75.1million with profit before tax of RM4.1million in the previous corresponding quarter ended 30 September 2017. The increase in profit before tax for the Group was mainly due to improved control in cost of sales resulting in improved gross profit margin

### **B2. Comparison with Preceding Quarter Result (2018 Q4 vs 2018 Q3)**

The Group recorded a revenue of RM98.1million with profit before tax of RM7.1million for the current quarter as compared to the revenue of RM91.1million with profit before tax of RM3.3million in the preceding quarter. The increase in profit before tax for the Group was due to improved control in cost of sales resulting in improved gross profit margin.

### **B3. Group's Current Year Prospect**

The financial year ended 30 September 2018 was another challenging year. The Management will strive to ensure that the Group will continue to perform positively for the financial year ending 30 September 2019.

The prospects of the confectionery, potato, snacks and candies segment remains good with stable order book and the additional capacity in its potato chip production line will facilitate new business opportunities to be secured. The potato chip segment is expected to continue to be a strong performer for the Group as evidenced by its global appeal during our recent trade exhibitions and a new premium cake product will also be introduced by end 2018. The Management expects that challenges remain with business and consumer sentiment expected to fluctuate due to a myriad of news on both the domestic and international front.

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.

The Management will continue to monitor closely raw materials pricing to mitigate the impact of any unfavorable fluctuations on our earnings. In addition, the Management will continue to monitor the effect of the implementation of Service Tax (SST) to ensure that any impact will be minimal.

### **B4. Profit Forecast**

The Group has not issued any profit forecast to the relevant authorities and is not subject to any profit guarantee.

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## B5. Operating Profit

	<b>Current Quarter 30.09.2018 RM'000</b>	<b>Cumulative Qtr To-date 30.09.2018 RM'000</b>
<b>Operating profit is arrived at after (crediting)/charging the following:</b>		
Depreciation and amortization	4,177	15,926
Allowance for impairment losses on receivables written back	(1,735)	(1,735)
Foreign exchange (gain)/loss	(261)	2,242
Other Income	325	(2,293)
Finance costs	6,114	22,296
Interest income	(68)	(270)

## B6. Taxation

	<b>Current Quarter 30.09.2018 RM'000</b>	<b>Cumulative Qtr To-date 30.09.2018 RM'000</b>
<b>Current tax expense</b>		
Current year	1,545	2,449
Under provision of tax in prior year	-	826
	1,545	3,275
<b>Deferred taxation expense</b>		
Current year	(1,024)	416
<b>Total tax expense</b>	<b>521</b>	<b>3,691</b>

## B7. Corporate Proposal

Save for the following proposal, there was no other proposal announced but pending implementation as at the date of this report:

- a) On 21st May 2018, the Company had announced a proposed private placement exercise 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. On 9th August 2018 & 11th October 2018, the Company had completed the issuance of the 1st & 2nd tranches of the Private Placement with the listing and quotation of 13,000,000 and 2,600,000 Placement Shares respectively on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
- b) On 7th September 2018, the Company announced that it had entered into following agreements in relation to the subscription by COPE Opportunities IV Sdn. Bhd. ("Investor") of 15,000,000 new Redeemable Convertible Preference Shares ("RCPS") at the subscription price of RM1.00 per RCPS in KINOS Food Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company ("KINOS"):-
  - i) Subscription Agreement for the subscription of the RCPS in KINOS between the Company, the Investor, Dato' Sri Liew Yew Chung and KINOS subject to the terms and conditions contained in the Subscription Agreement; and
  - ii) Shareholders' Agreement between the Company, the Investor and KINOS.
- c) The Company has undertaken a proposal for a bonus issue as follows: -

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- i) On 23 October 2018, the Company has announced its proposal to undertake a bonus issue of up to 61,549,100 bonus shares on the basis of 1 bonus share for every 4 existing shares of the Company, held on an entitlement date to be determined later ("Proposed Bonus Issue"). This proposal is pending the shareholders' approval at the upcoming Extraordinary General Meeting ("EGM").
- ii) On 25 October 2018, the Company has announced that the application in relation to the Proposed Bonus Issue has been submitted Bursa Securities on 24 October 2018.
- iii) On 23 November 2018, the Company has announced that Bursa Securities has approved the following:-
  - a) listing and quotation of up to 61,549,100 Bonus Shares;
  - b) listing and quotation of up to 9,320,330 additional warrants 2015/2020 ("Additional Warrants") to be issued pursuant to the adjustment arising from the Proposed Bonus Issue; and
  - c) listing and quotation of up to 9,320,330 new LBB shares to be issued arising from the exercise of Additional Warrants.

The Proposed Bonus Issue would be subject to the following conditions :-

- a) The Company and TA Securities Holdings Berhad, being the Adviser, ("TA Securities") must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;
  - b) TA Securities has to inform Bursa Securities upon the completion of the Proposed Bonus Issue;
  - c) TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed;
  - d) The Company and TA Securities are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements in relation to the Proposed Bonus Issue;
  - e) TA Securities to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at an extraordinary general meeting for the Proposed Bonus Issue;
  - f) Bonus Shares and Additional Warrants must be listed and quoted simultaneously; and
  - g) Payment of outstanding processing fee based on the market value of the Bonus Shares to be listed (based on the adjusted price), if applicable. In this respect, LBB is required to furnish Bursa Securities a cheque drawn to the order of Bursa Securities for the outstanding processing fee together with a copy of the details of the computation of the amount of fees payable.
- iv) On 26 November 2018, the Company has announced that an EGM will be held on 12 December 2018 to :-
- a) approve the issuance of 15,000,000 Redeemable Convertible Preference Shares in KINOS at an issue price of RM1.00 each, representing 36.4675% of the enlarged share capital in KINOS to COPE upon completion of the Subscription Agreement upon the terms and conditions as stipulated in the Subscription Agreement; and
  - b) authorise the Board of Directors to issue up to 61,549,100 Bonus Shares on the basis of 1 Bonus Share for every 4 existing Shares of the Company, held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the entitlement date to be determined later by the Board of Directors including the capitalisation of a total sum of up to RM61,549,100 from the Company's share premium and retained earnings accounts for the purpose of the Proposed Bonus Issue.

# LONDON BISCUITS BERHAD

(Company No. : 72057-H)

(Incorporated in Malaysia)



## B8. Group Borrowings and Debt Securities

	RM'000
a) Short term borrowings	
Bankers' Acceptance	174,696
Hire-purchase payables	4,362
Revolving credits	48,000
Bank Overdraft	22,565
Unrated Medium term notes	10,000
Term loans	2,060
<b>Total short term borrowings</b>	<b>261,683</b>
b) Long term borrowings	
Hire-purchase payables	4,703
Unrated Medium term notes	90,000
Term loans	-
<b>Total long term borrowings</b>	<b>94,703</b>
<b>Total borrowings</b>	<b>356,386</b>

## 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. Proposed Dividends

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

## B11. Earnings per Ordinary Share ("EPS")

### a) Basic EPS

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter 30.09.2018	Cumulative Qtr To-date 30.09.2018
Profit attributable to owners of the Company (RM'000)	6,655	13,896
Weighted average number of ordinary shares in issue ('000)	194,164	198,180
Basic EPS (Sen)	3.43	7.01

### b) Diluted EPS

Not applicable for the Group.

# **LONDON BISCUITS BERHAD**

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## **B12. Comparative Figures**

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

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

**LESLIE LOOI MENG  
AUDIT COMMITTEE CHAIRMAN**  
Dated: 30th November 2018