



LONDON BISCUITS BERHAD

(Company No. 198101005941 (72057-H))
(Incorporated in Malaysia)

(“LBB” or “the Company”)

Interim Financial Statements

Fourth Quarter Results

For the Financial Year Ended

30 September 2019

LONDON BISCUITS BERHAD

(Company No. 198101005941 (72057-H))

(Incorporated in Malaysia)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Unaudited As at 30.09.2019 RM'000	Audited As at 30.09.2018 RM'000
Assets		
Non-current assets		
Property, plant and equipment	461,160	440,714
Intangible assets	8,144	8,247
Investment in associates	-	30,784
Other investments	21	21
Total non-current assets	<u>469,325</u>	<u>479,766</u>
Current assets		
Inventories	6,029	26,891
Trade and other receivables	6,175	286,387
Tax recoverable	1,853	2,671
Cash and cash equivalents	885	19,710
Total current assets	<u>14,942</u>	<u>335,659</u>
Total assets	<u>484,267</u>	<u>815,425</u>
Equity		
Share capital	258,306	206,484
Reserves	(329,964)	160,808
Total equity attributable to owners of the Company	<u>(71,658)</u>	<u>367,292</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	74,463	96,779
Redeemable convertible preference shares	15,000	-
Deferred tax liabilities	35,338	35,338
Total non-current liabilities	<u>124,801</u>	<u>132,117</u>
Current liabilities		
Payables and accruals	126,529	25,947
Loans and borrowings	304,595	290,069
Total current liabilities	<u>431,124</u>	<u>316,016</u>
Total liabilities	<u>555,124</u>	<u>448,133</u>
Total equity and liabilities	<u>484,267</u>	<u>815,425</u>
Net assets per share attributable to owners of the Company (RM)	<u>(0.25)</u>	<u>1.84</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

LONDON BISCUITS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019 (4TH QUARTER) (The figures have not been audited)

Note	Current/Preceding Qtr Ended		Cumulative Qtr YTD	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Revenue	106,645	98,314	391,730	326,359
Cost of sales	(142,031)	(65,863)	(368,797)	(238,106)
Gross profit	(35,386)	32,271	22,933	88,253
Other operating income	17,261	(367)	17,601	2,293
Selling and distribution costs	(10,280)	(19,801)	(34,718)	(32,040)
Administrative expenses	(14,417)	843	(42,193)	(19,557)
Impairment loss on receivables	(363,164)	-	(363,164)	-
Investment loss on associate	(31,035)	-	(31,035)	-
Results from operating activities	(437,021)	12,946	(430,576)	38,949
Finance costs	(7,046)	(6,114)	(21,368)	(22,296)
Operating (loss)/profit	(444,067)	6,832	(451,944)	16,653
Share of (loss)/profit of associates, net of tax	-	344	-	934
(Loss)/Profit before tax	(444,067)	7,176	(451,944)	17,587
Income tax expense	881	(521)	(369)	(3,691)
(Loss)/Profit for the period	(443,186)	6,655	(452,313)	13,896
Other comprehensive income	-	20,112	-	20,112
Total comprehensive (loss)/income for the period	(443,186)	26,767	(452,313)	34,008
Profit attributable to:				
Owners of the Company	(443,186)	6,655	(452,313)	13,896
Non-controlling interests	-	-	-	-
Profit for the period	(443,186)	6,655	(452,313)	13,896
Total comprehensive income attributable to:				
Owners of the Company	(443,186)	26,767	(452,313)	34,008
Non-controlling interests	-	-	-	-
Total comprehensive (loss)/income for the period	(443,186)	26,767	(452,313)	34,008
Earnings per ordinary share				
Basis (sen)	(152.41)	3.43	(155.55)	7.01
Diluted (sen)	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2018 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 2019 (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	
As at 1 October 2018						
As previously reported	206,484	-	37,406	37,281	87,736	368,907
Prior year adjustments	-	-	-	-	(1,615)	(1,615)
As restated	206,484	-	37,406	37,281	86,121	367,292
Loss for the period	-	-	-	-	(452,313)	(452,313)
Total comprehensive loss for the period	-	-	-	-	(452,313)	(452,313)
Contribution by and distribution to the owner of the Company:						
• Issuance of shares pursuant to private placement	13,363	-	-	-	-	13,363
• Issuance of shares pursuant to bonus issue	38,459	-	-	-	(38,460)	-
As at 30 September 2019	258,306	-	37,406	37,281	(405,137)	(72,143)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019 (3RD QUARTER) (CONT'D) (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	
As at 1 October 2017						
As previously reported	186,534	13,775	28,131	37,281	137,333	403,054
Prior year adjustments	-	-	-	-	(1,615)	(1,615)
As restated	186,534	13,775	28,131	37,281	135,718	401,439
Profit for the period	-	-	-	-	7,241	7,241
Transfer in accordance with Section 618(2) of the Companies Act, 2016	13,775	(13,775)	-	-	-	-
Total comprehensive income for the period	13,775	(13,775)	-	-	7,241	7,241
As at 30 June 2018	<u>200,309</u>	<u>-</u>	<u>28,131</u>	<u>37,281</u>	<u>142,959</u>	<u>408,680</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2018 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 2019 (4TH QUARTER) (The figures have not been audited)

	(Unaudited) Period ended 30.09.2019 RM'000	(Unaudited) Period ended 30.09.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(451,944)	17,587
Adjustment for:		
Allowance for impairment losses on receivables written back	-	(1,735)
Depreciation of property, plant and equipment	19,254	15,926
Property, plant and equipment written off	-	1,773
Share of profit of associates	(251)	(934)
Investment loss in associate	31,035	-
Impairment loss on receivables	363,164	-
Unrealised gain on foreign exchange	(16,282)	(7,019)
Impairment loss on intangible assets	103	-
Interest expenses	21,368	22,296
Interest income	-	(270)
Operating (loss)/profit before changes in working capital	(33,553)	47,624
Changes in inventories	20,862	(8,965)
Changes in trade and other receivables	(66,670)	(95,835)
Changes in trade and other payables	100,582	16,573
Cash generated from operations	21,221	(40,603)
Interest received	-	270
Tax (paid)/refunded	(38,010)	52
Interest paid	(21,368)	(22,296)
Net cash from operating activities	(38,157)	(62,577)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(39,700)	(57,167)
Net cash used in investing activity	(39,700)	(57,167)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share pursuant to private placement	51,822	6,175
Net (repayment)/drawdown of loans and borrowing	(67,987)	45,900
Net cash used in financing activities	(16,165)	52,075
Net Changes in Cash and Cash Equivalents	(94,022)	(67,669)
Cash and Cash Equivalents at beginning of the period	155	67,824
Cash and cash equivalents at end of the period	(93,867)	155

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (4TH QUARTER) (CONT'D) (The figures have not been audited)

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

	(Unaudited) Period ended 30.09.2019 RM'000	(Unaudited) Period ended 30.09.2018 RM'000
Cash and bank balances	885	22,720
Bank overdrafts	(94,752)	(22,565)
	<u>(93,867)</u>	<u>155</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 September 2018 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 PERIOD ENDED 30 JUNE 2019 (3RD 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 year ended 30 September 2018. 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 year ended 30 September 2018.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2018 except for the adoption of the revised MFRSs that have been issued effective for financial period beginning on 1 January 2018:

Effective for financial period beginning on 1 January 2018

<u>MFRSs and IC Interpretations</u>	Effective Date
• Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
• Amendments to MFRS 2: Share-based Payments	1 January 2018
• Amendments to MFRS 4: Insurance Contracts	1 January 2018
• Amendments to MFRS 128: Investment in Associates and Joint Ventures	1 January 2018
• Amendments to MFRS 140: Investment Property	1 January 2018
• IC Interpretation 22: Foreign Currency Transactions and Advance Considerations	1 January 2018

The adoption of the above revised MFRSs did not have any material impact on the Group's financial statements upon their initial application.

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The following revised MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for financial period beginning on 1 January 2019

MFRSs and IC Interpretations

	Effective Date
• MFRS 16 Leases	1 January 2019
• Amendments to MFRS 3: Business Combinations	1 January 2019
• Amendments to MFRS 11: Joint Arrangements	1 January 2019
• Amendments to MFRS 112: Income Taxes	1 January 2019
• Amendments to MFRS 119 Employee Benefits	1 January 2019
• Amendments to MFRS 123: Borrowings Costs	1 January 2019
• Amendments to MFRS 128: Investment in Associates and Joint Ventures	1 January 2019
• IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

Effective for financial period beginning on 1 January 2020

MFRSs and IC Interpretations

	Effective Date
• Amendments to MFRS 3: Business Combinations	1 January 2020
• Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
• Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020

Effective for financial period beginning on 1 January 2021

MFRSs and IC Interpretations

	Effective Date
• Amendments to MFRS 17: Insurance Contracts	1 January 2021

Effective date to be announced

MFRSs and IC Interpretations

	Effective Date
• Amendments to MFRS 10: Consolidated Financial Statement	To be announced
• Amendments to MFRS 128: Investments in Associates and Joint Ventures Estimates and Errors	To be announced

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS *(cont'd)*

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding Audited Financial Statements of the Company and its subsidiaries for the financial year ended 30 September 2018 contain qualification.

The Independent Auditors have expressed a qualified opinion in respect of the inventory quantities, opening balances, inter-company transactions, the impairment of trade receivables, opening balances for plant and machinery and acquisition of plant and machinery.

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5. EXCEPTION /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 has issued 51,296,652 bonus shares pursuant to a Bonus Issue and 9,320,326 additional warrants issued arising from the adjustments pursuant to the Bonus Issue on 23 January 2019. The new LBB Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 24 January 2019.

Further to the approval obtained from the shareholders of the Company on 12 December 2018 pertaining to the Proposed Subscription by Cope Opportunities IV Sdn Bhd ("COPE") of 15,000,000 of new redeemable convertible preference shares ("RCPS") at the subscription price of RM1.00 per share in Kinoss Food Industries (M) Sdn Bhd ("KINOS"), a wholly-owned subsidiary of the Company, KINOS has on 27 December 2018 issued the RCPS to COPE.

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.

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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.

	Current Quarter ended 30.09.2019		
	Inside Malaysia RM'000	Outside Malaysia RM'000	Consolidated RM'000
GEOGRAPHICAL SEGMENTS			
Revenue	84,155	22,490	106,645
Results from operating activities			(437,021)
Finance costs			(7,046)
Share of loss of associates, net of tax			-
Loss before tax			(444,067)

	Cumulative Quarter To-Date ended 30.09.2019		
	Inside Malaysia RM'000	Outside Malaysia RM'000	Consolidated RM'000
GEOGRAPHICAL SEGMENTS			
Revenue	319,828	71,902	391,730
Results from operating activities			(451,944)
Finance costs			(21,368)
Share of loss of associates, net of tax			-
Loss before tax			(452,313)

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

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS *(cont'd)*

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes to the valuation of property, plant & equipment brought forward from the previous annual financial statements.

A11. MATERIAL SUBSEQUENT EVENT

Saved as disclosed below, there were no other material subsequent event for the quarter under review to the date of this report :-

- A) i) On 16 August 2019, the Company has announced that the Board of Directors (“the Board”) was in the midst of finalizing the independent assessment of key audit matters by Messrs PKF and expected to be completed by 30 August 2019.
- ii) On 30 August 2019, the Board announced that the Company has received the independent assessment report on 22 August 2019 and the Board of Directors would deliberate on it at a Board Meeting scheduled to be held on 19 September 2019.
- iii) On 4 September 2019, the Board has announced that PKF has completed the independent assessment.
- iv) On 19 September 2019, the Board has announced that the Board has invited PKF to attend the Board Meeting held on 19 September 2019 for further clarification and explanation but PKF did not attend the Board Meeting.
- B) i) A Petition pursuant to Section 465(1)(e) and 466(1)(a) & (c) of the Companies Act 2016 was served on the Company on 18 September 2019 by Messrs. Mathews Hun Lachimanan, Advocates & Solicitors, acting on behalf of Desa Potensi Sdn Bhd (“Petitioner”) demanding therein the outstanding payment of RM16,413,913.48 due and owing by the Company.
- ii) The Court scheduled the hearing of the Winding-Up petition on 30 September 2019 and subsequently granted an order that there should be no ex-parte application by the Company pending the determination of the Ex-Parte Application by the Petitioner, OCBC and Bangkok Bank Berhad to appoint interim Liquidator.



A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A11. MATERIAL SUBSEQUENT EVENT (CONT'D)

- iii) On 7 October 2019, the High Court had then fixed the matter for Decision on 21 October 2019
- iv) On 23 October 2019, the Court has allowed the applications by Bangkok Bank and OCBC Al Amin to appoint an interim liquidator. Mr. Lim San Peen of Messrs PricewaterhouseCoopers Advisory Services Sdn Bhd, was appointed as the Interim Liquidator for the Company pursuant to an Order of the High Court of Malaya in Kuala Lumpur under the Companies (Winding-Up) Petition No. WA-28NCC=950=09/2019 dated 23 October 2019.
- v) The Interim Liquidator was essentially appointed to preserve the asset of the Company (included any cash at bank or any registered trademarks, intellectual property or patents held by the Company) and empowered to take into custody or under his control all the property to which the Company is or appears to be entitled.
- vi) As announced on 1 November 2019, the Company further announced that :-
 - a) the Company was served on 31 October 2019, with the notice of the appointment of the Interim Liquidator under Section 513(1) of the Companies Act 2016 which stated that Mr Lim San Peen (NRIC : 580910-03-5477) has been appointed as the Interim Liquidator effective from 23 October 2019. The address of the Interim Liquidator's office is situated at Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur; and
 - b) The Company was also served on 31 October 2019 with the Sealed Court Order in relation to Kuala Lumpur High Court Companies (Winding-Up) Petition No : WA-28NCC-950-09/2019.
- vii) On 21 November 2019, the Board of Directors has lodged 2 notices of appeals to the Court of Appeal against the Decisions to appoint Mr. Lim San Peen as the Interim Liquidator of the Company.

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A11. MATERIAL SUBSEQUENT EVENT (CONT'D)

- C) i) The Company has further made announcements on the default of payments as follows :-
- a) 1 October 2019 in relation to default in payment to The Bank of Nova Scotia;
 - b) 1 October 2019 in relation to default in payment to Bangkok Bank Berhad;
 - c) 1 October 2019 in relation to default in payment to Alliance Bank Malaysia Berhad;
 - d) 1 October 2019 in relation to default in payment to Malaysian Trustees Berhad;
 - e) 1 October 2019 in relation to default in payment to Kuwait Finance House (Malaysia) Berhad.
- ii) On 6 November 2019, the Company has announced on the default of payments as follows :-
- a) Bank Islam Malaysia Berhad;
 - b) Bank of China (Malaysia) Berhad;
 - c) Malayan Bank Berhad;
 - d) United Overseas Bank Berhad;
 - e) OCBC Bank (Malaysia) Berhad;
 - f) OCBC Al-Amin Bank Berhad; and
 - g) HSBC Bank Malaysia Berhad.
- iii) On 12 November 2019, the Company has announced on the default of payment to RHB Bank Berhad.
- iv) On 20 November 2019, the Company has announced that the Company has received a sealed copy of the Writ of Summons dated 31 October 2019 together with the Amended Statement of Claim dated 7 November 2019, whose claim was against Kinross Food Industries Sdn Bhd (“Kinross”) and the Company as the corporate guarantor for Kinross.

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A11. MATERIAL SUBSEQUENT EVENT (CONT'D)

- v) On 27 November 2019, the Company has announced that on 27 November 2019, it has received a sealed copy of the Writ of Summons dated 15 November 2019 together with the Statement of Claim dated 15 November 2019, whose claim was against the Company on the Overdraft Facility, Multi Trade Line Facility and Revolving Credit Facility.
- D) i) On 1 October 2019 and 1 November 2019, the Company has announced under Practice Note 17 / Guidance Note 3 that the Company still in the midst of formulating its regulasation plan to regularize its financial conditions and as at 1 November 2019, the Company has approximately eight (8) months to submit its regularization plan to the relevant authorities for their approvals.

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 2019 are as follows:

	RM'000
Corporate guarantees give to financial institutions for banking facilities granted to subsidiaries	35,874
Material litigation	1,823
Total	<u><u>37,697</u></u>

A14. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 September 2019 and up to date of this report.

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

A15. PRIOR YEAR ADJUSTMENTS

During the financial period, the Group made prior year adjustments in relation to the understatement of share-based payment expenses in financial year ended 30 June 2015 and 30 June 2016.

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Consolidated statement of financial position as at 30 September 2017			
Trade and other payables	21,735	1,615	23,350
Reserves	216,520	(1,615)	214,905
Consolidated statement of changes in equity for the period ended 30 September 2017			
Retained earnings	137,333	(1,615)	135,718
Consolidated statement of financial position as at 30 September 2018			
Trade and other payables	24,332	1,615	25,947
Reserves	162,423	(1,615)	160,808
Consolidated statement of changes in equity for the period ended 30 September 2018			
Retained earnings	87,736	(1,615)	86,121

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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 2019, the Group recorded a revenue of RM106.64 million with a loss before tax of RM444.067 million as compared to the revenue of RM98.31 million with profit before tax of RM6.66 million in the previous corresponding quarter ended 30 September 2018.

The Board will work with the Interim Liquidator to take legal advice for the following:

- 1) Impairment of Trade Receivables; and
- 2) Investment loss on associate.

B2. COMPARISON WITH PRECEDING QUARTER RESULT (2019 Q4 vs 2019 Q3)

The Group recorded a revenue of RM106.64 million with loss before tax of RM444.067 million for the current quarter as compared to the revenue of RM54.46 million with loss before tax of RM19.51 million in the preceding quarter. The loss before tax has increased from RM19.51 million to RM444.067 million.

B3. GROUP'S CURRENT YEAR PROSPECT

The financial year ended 30 September 2019 had seen the Group encounter significant challenges in its operations arising from the financial issues and defaults of its banking obligations.

Although the prospects of the confectionery, potato, snacks and candies segment remains good with stable order book, the Management has been unable to capitalise on these opportunities due to operational cash flow constraints. As such, it is streamlining its operations to reduce its operating costs, reducing headcount and other cost control measures to reduce its monthly operating expenditure and to preserve cashflow for core manufacturing activities.

The Management expects significant challenges over the next 6 months and will attempt to ensure that normal commercial operations continue to operate on a best endeavour basis.

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (cont'd)

B4. PROFIT FORECAST

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

B5. OPERATING PROFIT

	Current Quarter 30.09.2019 RM'000	Cumulative Quarter To- Date 30.09.2019 RM'000
Operating profit is arrived at after (crediting)/ charging the following:		
Depreciation and amortisation	4,686	19,254
Impairment loss on receivables	363,164	363,164
Investment loss on associate	31,035	31,035
Impairment on intangible assets	103	103
Foreign exchange (gain)/loss – unrealised	(21,049)	16,282
Finance costs	7,046	21,368
Other income	(520)	(860)

B6. TAXATION

	Current Quarter 30.09.2019 RM'000	Cumulative Quarter To- Date 30.09.2019 RM'000
Current tax expense		
Current year	(881)	369
Under provision of tax in prior year	-	-
	(881)	369
Deferred taxation		
Current year	-	-
Total tax expense	(881)	369

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (*cont'd*)

B7. CORPORATE PROPOSALS

There was no other proposal announced or pending implementation for the quarter under review up to the date of this report.

B8. GROUP BORROWINGS AND DEBT SECURITIES

	RM'000
a. Short-term borrowings	
- Banker's acceptance	130,501
- Finance lease liabilities	2,767
- Revolving credits	48,000
- Bank overdraft	94,752
- Unrated medium-term notes	
- Term loans	28,575
Total short-term borrowings	304,595
b. Long-term borrowings	
- Finance lease liabilities	4,463
- Unrated medium-term notes	85,000
Total long-term borrowings	89,463
Total borrowings	394,058

B9. CHANGES IN MATERIAL LITIGATION

On 13 November 2017, the Federal Court had granted the Leave Application for the Company to appeal against the decision on 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. On 28 November 2019 the Company instructed its solicitors to withdraw the appeal to the Federal Court and cost was awarded against the Company.

LONDON BISCUITS BERHAD

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B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (cont'd)

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 30.09.2019	Cumulative Quarter To-Date 30.09.2019
Loss attributable to owners of the Company (RM'000)	(443,186)	(452,313)
Weighted average number of ordinary shares in issue ('000)	290,783	290,783
Basis EPS (sen)	(152.41)	(155.55)

b) Diluted EPS

Not applicable for the Group.

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**

**MR MAHADIR BIN MANAP
AUDIT COMMITTEE CHAIRMAN**

Dated: 29 November 2019