

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

Terms defined in the Abridged Prospectus dated 30 December 2013 ("AP") shall have the same meanings when used in this Notice of Provisional Allotment ("NPA") unless otherwise stated. The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, as amended from time to time ("SICDA") and therefore, SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") shall apply in respect of dealings in the provisional allotted Rights Shares with Warrants.



KBB RESOURCES BERHAD

(Company No.: 583565-U)

(Incorporated in Malaysia under the Companies Act, 1965)

RENONCEABLE RIGHTS ISSUE OF UP TO 120,000,000 NEW ORDINARY SHARES OF RM0.15 EACH IN KBB RESOURCES BERHAD ("KBB" OR "THE COMPANY") ("RIGHTS SHARES") TOGETHER WITH UP TO 120,000,000 NEW FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARES OF RM0.15 EACH IN KBB TOGETHER WITH ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED IN KBB AT 5.00 P.M. ON 30 DECEMBER 2013 AT AN ISSUE PRICE OF RM0.18 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser



M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Shareholders of KBB

Dear Sir/Madam,

The Board of Directors of KBB ("Board") has provisionally allotted to you, in accordance with the ordinary resolution passed at the Extraordinary General Meeting convened on 22 August 2013, the approval of Bank Negara Malaysia vide its letter dated 25 June 2013 and the approval-in-principle by Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 26 June 2013, the number of new Rights Shares with Warrants as indicated below.

We wish to advise that the following Rights Shares with Warrants provisionally allotted to you in respect of the Rights Issue with Warrants have been confirmed by Bursa Depository and upon acceptance, will be credited into your Central Depository System ("CDS") account(s) subject to the terms and conditions stated in the AP and the Rights Subscription Form ("RSF") issued by the Company.

The provisional allotment of Rights Shares with Warrants is made subject to the provisions stated in the AP dated 30 December 2013 issued by the Company. Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the provisional allotment of Rights Shares with Warrants arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings in the provisional allotment of Rights Shares with Warrants will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

The Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(b) of this RSF, in a fair and equitable basis and in such manner as they deem fit and expedient in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board set out below. It is the intention of the Board to allot the excess Rights Shares with Warrants applied for under Part I(b) of the RSF, if any, on a fair and equitable basis and in such manner as it deems fit in the following priority:-

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (c) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application; and
- (d) fourthly, for allocation to transferee(s) and/or renounee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

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NUMBER OF KBB SHARES HELD AT 5.00 P.M. ON 30 DECEMBER 2013	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.18 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date : Monday, 30 December 2013 at 5.00 p.m.
 Last date and time for sale of provisional allotment of rights : Tuesday, 7 January 2014 at 5.00 p.m.
 Last date and time for transfer of provisional allotment of rights : Friday, 10 January 2014 at 4.00 p.m.
 Last date and time for acceptance and payment : Thursday, 16 January 2014 at 5.00 p.m.*
 Last date and time for excess application and payment : Thursday, 16 January 2014 at 5.00 p.m.*

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

By order of the Board

TAN TONG LANG (MAICSA 7045482)
P'NG CHIEW KEEM (MAICSA 7026443)
CHONG VOON WAH (MAICSA 7055003)
COMPANY SECRETARIES

Share Registrar
Equiniti Services Sdn Bhd (11324-H)
 Level 8, Menara MIDF
 82 Jalan Raja Chulan
 50200 Kuala Lumpur
 Telephone No.: 03- 2166 0933
 Facsimile No.: 03- 2166 0688

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 30 DECEMBER 2013

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS ("AP").

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Rights Issue with Warrants should be addressed to the Share Registrar of the Company, Equiniti Services Sdn Bhd ("Share Registrar"), Level 8, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE AP TO WHICH THIS RSF RELATES TO BEFORE COMPLETING AND SIGNING THIS RSF.

This RSF, together with the AP and Notice of Provisional Allotment ("NPA") for the Rights Issue with Warrants, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. As such, Entitled Shareholders and/or their renounees (if applicable) acceptance/renunciation is based on the warranty that he/she may lawfully participate in the Rights Issue with Warrants without the Company being in breach of the laws of any jurisdictions. KBB Resources Berhad and M&A Securities Sdn Bhd shall not accept any responsibility or liability in the event that any acceptance or renunciation made by Entitled Shareholders and/or their renounees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or renounees (if applicable) are residents.

A copy of this AP, together with the NPA and RSF, has been registered with the Securities Commission Malaysia ("SC"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Companies Commission of Malaysia, who takes no responsibility for the contents of these documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting held on 22 August 2013. Approval for the issuance of the Warrants to non-resident shareholders of the Company has been obtained from Bank Negara Malaysia via its letter dated 25 June 2013. Approval-in-principle has also been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 26 June 2013 for the admission of the Rights Shares and Warrants to the Official List of Bursa Securities and the listing of the Rights Shares, Warrants and new KBB Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") that all the Central Depository System accounts of the Entitled Shareholders have been duly credited and notices of allotment have been despatched to the Entitled Shareholders.

Bursa Securities does not take any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission to the Official List and listing of and quotation for the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

This RSF, together with the AP and NPA, have been seen and approved by the Board of Director ("Board") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Security Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depository) Act, 1991, Security Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of the Bursa Depository shall apply in respect of dealings of the provisionally allotted Rights Shares with Warrants.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "RM" in abbreviation) and sen. Terms defined in the AP shall have the same meanings when used in this document, unless they are otherwise defined here or other context otherwise requires.

INSTRUCTIONS:

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 16 January 2014, or such extended date and time as the Board may decide at their absolute discretion. Where the closing date for acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) market days before the stipulated.

(II) FULL ACCEPTANCE OR PART ACCEPTANCE OF THE RIGHTS SHARES WITH WARRANTS

If you wish to accept the Rights Shares with Warrants provisionally allotted to you, please complete Part I(a) and Part II of this RSF and return this RSF, together with the appropriate remittance made in Ringgit Malaysia (RM) for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made out in favour of "KBB RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, and CDS account number in block letters, for the full amount payable for the Rights Shares with Warrants accepted, to be received by the Share Registrar, before 5.00 p.m. on 16 January 2014 (or such extended date and time as the Board may decide at their absolute discretion). Cheques or any other mode of payments are not acceptable.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you is not received by the Share Registrar by 5.00 p.m. on 16 January 2014, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by the Board), such provisional allotment of rights will be deemed to have been declined and will be cancelled.

The remittance must be made for the exact amount payable for the Rights Shares with Warrants accepted. No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in this RSF within eight (8) market days from the last date for acceptance and payment for the Rights Shares with Warrants.

If you wish to accept part of your provisional allotment of the Rights Shares with Warrants, please complete Part I(a) and Part II of this RSF by specifying the number of Rights Shares with Warrants which you are accepting and deliver the completed RSF together with the relevant payment to the Share Registrar by 5.00 p.m. on 16 January 2014, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by our Board).

(III) APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

If you and/or your renounee(s) (if applicable) wish to apply for excess Rights Shares with Warrants in addition to those provisionally allotted to you and/or your renounee(s) (if applicable), please complete Part I(b) of this RSF (in addition to Parts I(a) and II) and forward this completed and signed RSF together with a separate remittance for the full amount payable in respect of the excess Rights Shares with Warrants applied for to the Share Registrar. Payment for the excess Rights Shares with Warrants applied for should be made in the same manner described in note (ii) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "KBB EXCESS RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name and CDS account number in block letters to be received by the Share Registrar not later than 5.00 p.m. on 16 January 2014, being the last time and date for the excess Rights Shares with Warrants acceptance and payment (or such extended time and date as may be determined and announced by the Board). No acknowledgement will be issued for the receipt of the excess Rights Shares with Warrants applications. However, a notice of allotment will be despatched to you by ordinary post to the address stated in this RSF within eight (8) market days from the last date for acceptance and payment for the excess Rights Shares with Warrants.

In respect of unsuccessful or partially successful excess Rights Shares with Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors at the applicant's own risk.

The Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(b) of this RSF, in a fair and equitable basis and in such manner as they deem fit and expedient in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board set out below. It is the intention of the Board to allot the excess Rights Shares with Warrants applied for under Part I(b) of the RSF, if any, on a fair and equitable basis and in such manner as it deems fit in the following priority:-

- firstly, to minimise the incidence of odd lots;
- secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application; and
- fourthly, for allocation to transferee(s) and/or renounee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis based on the quantum of their respective excess Rights Shares with Warrants application

(IV) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

If you wish to sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants to your renounee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants, you may sell such entitlement of the Rights Shares with Warrants on the open market of Bursa Securities or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of the Rights Shares with Warrants, you and/or your renounee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that you have sufficient provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS account before that are available for settlement of the sale/transfers as the case may be.

The purchaser(s)/renounee(s)/transferee(s) of the provisionally allotted Rights Shares with Warrants may obtain a copy of the AP and this RSF for the acceptance of his rights from his stockbroker, our Share Registrar, our Registered Office or at Bursa Securities's website at <http://www.bursamalaysia.com>.

If you have sold only part of the provisional allotment of the Rights Shares with Warrants, you may still accept the balance of your provisional allotment of the Rights Shares with Warrants by completing Parts I(a) and II of this RSF.

(V) GENERAL INSTRUCTIONS

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- Rights Shares with Warrants subscribed by the shareholders and/or their renounee(s) will be credited into their respective CDS accounts as shown in the Bursa Depository's Record of Depositors or the exact accounts appearing in Bursa Depository's record.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the provisional allotment of the Rights Shares with Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.
- Our Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.
- Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.