

KBB RESOURCES BERHAD (Company No. 583565-U)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

	As at 30.09.09 (Unaudited) RM'000	As at 31.12.08 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	113,040	108,569
Prepaid Land Lease Payments	4,339	3,536
Intangible Assets	359	351
Other Investments	2,000	2,000
	119,738	114,456
Current Assets		
Inventories	57,103	49,596
Trade Receivables	51,043	52,551
Other Receivables, Deposits and Prepayments	999	1,471
Tax Recoverable	122	489
Fixed Deposit with Licensed Bank	-	24
Cash and Bank Balances	2,156	1,811
	111,423	105,942
TOTAL ASSETS	231,161	220,398
EQUITY AND LIABILITIES		
Share Capital	60,000	60,000
Exchange Translation Reserve	(3,373)	(8,737)
Retained Profits	33,139	30,022
Total Equity	89,766	81,285
Non-Current Liabilities		
Borrowings	23,046	23,976
Deferred Tax Liabilities	2,755	2,461
	25,801	26,437
Current Liabilities		
Trade Payables	5,121	9,339
Other Payables and Accruals	4,280	5,065
Borrowings	103,998	95,628
Provision for Taxation	2,195	2,644
	115,594	112,676
Total Liabilities	141,395	139,113
TOTAL EQUITY AND LIABILITIES	231,161	220,398
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)	0.75	0.68

Note:-

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	30.09.09 (Unaudited) RM'000	30.09.08 (Unaudited) RM'000	30.09.09 (Unaudited) RM'000	30.09.08 (Unaudited) RM'000
Revenue	43,473	42,272	142,185	121,046
Cost of Sales	(37,334)	(36,471)	(123,951)	(100,844)
Gross Profit	6,139	5,801	18,234	20,202
Other Income	5	62	481	420
Administrative Expenses	(1,023)	(1,365)	(3,057)	(4,098)
Selling and Distribution Expenses	(2,253)	(1,919)	(6,572)	(5,550)
Operating Profit	2,868	2,579	9,086	10,974
Finance Costs	(1,685)	(1,818)	(5,102)	(5,559)
Profit Before Taxation	1,183	761	3,984	5,415
Taxation	(278)	(210)	(867)	(1,890)
Profit for the Period	904	551	3,116	3,525
Earnings Per Share				
- Basic (sen)	0.75	0.46	2.60	2.94
- Diluted (sen)	-	0.85	-	1.47

Note:-

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Share Capital	Non-Distributable Exchange Translation Reserve	Distributable Retained Profits	Total Equity
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Balance as at 1 January 2009	60,000	(8,737)	30,022	81,285
Foreign Currency Translation	-	5,364	-	5,364
Profit for the Period	-	-	3,117	3,117
Total Recognised Income and Expense for the Period	-	5,364	3,117	8,481
Balance as at 30 September 2009	60,000	(3,373)	33,139	89,766

	Share Capital	Non-Distributable Exchange Translation Reserve	Distributable Retained Profits	Total Equity
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Balance as at 1 January 2008	60,000	(3,521)	32,615	89,094
Foreign Currency Translation	-	1,506	-	1,506
Profit for the Period	-	-	(30)	(30)
Total Recognised Income and Expense for the Period	-	1,506	(30)	1,476
Balance as at 30 September 2008	60,000	(2,015)	32,585	90,570

Note:-

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Current Year to Date 30.09.09 (Unaudited) RM'000	Preceding Year Corresponding Period 30.09.08 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from Operations	144,178	132,876
Payment to Suppliers and Employees	(131,461)	(123,994)
Income Tax Paid	(873)	(2,120)
Interest Paid	(5,102)	(5,382)
Net Cash from Operating Activities	6,742	1,380
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	5	-
Purchase of Property, Plant and Equipment	(6,988)	(10,912)
Net Cash Used in Investing Activities	(6,983)	(10,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers Acceptance	(3,447)	6,389
Islamic Acceptance Bills	9,639	-
Proceeds from Hire Purchase Payables	286	437
Proceeds from Term Loans	-	1,438
Repayment of Hire Purchase Payables	(177)	-
Repayment of Term Loans	(1,077)	-
Net Cash from Financing Activities	5,224	8,264
Net Increase in Cash and Cash Equivalents	4,983	(1,268)
Effects of Foreign Exchange Rates Changes	(5,836)	(851)
Cash and Cash Equivalents at Beginning	(268)	1,894
Cash and Cash Equivalents at End	(1,121)	(225)
Represented by:-		
Cash and Bank Balances	2,156	2,030
Bank Overdrafts	(3,277)	(2,255)
	(1,121)	(225)

Note:-

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
- 3RD QUARTER ENDED 30 SEPTEMBER 2009

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and Chapter 9 Part K Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. 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 KBB Resources Berhad (“KBB” or the “Company”) and its wholly-owned subsidiary companies (hereinafter referred to as the “Group”) since the financial year ended 31 December 2008.

A2. Changes in Accounting Policies

The accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008.

A3. Seasonal or Cyclical Factors

The Group’s performance is not significantly affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A5. Material Changes in Estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current quarter and financial year-to-date results.

KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
- 3RD QUARTER ENDED 30 SEPTEMBER 2009

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A6. Debt and Equity Securities

There were no issuances, repurchases, and repayments of long term debt and equity issued during the current quarter and financial year-to-date.

A7. Dividend Paid

There was no dividend paid in the current quarter and financial year-to-date.

A8. Segmental Information

The Group is principally engaged in the manufacturing and marketing of all types of rice, sago sticks (vermicelli) and other related products. Business segmental information has therefore not been prepared as the Group’s revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are mainly confined to one business segment.

The segmental information is therefore presented in respect of the Group’s geographical segments. The Group operates in two principal geographical areas namely Malaysia and Indonesia.

	Revenue	Total Assets	Capital Expenditure
	RM'000	RM'000	RM'000
Malaysia	137,012	197,224	6,988
Indonesia	5,173	33,937	-
	<u>142,185</u>	<u>231,161</u>	<u>6,988</u>

A9. Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment. The property, plant and equipment of the Group are stated at cost less accumulated depreciation and any accumulated impairment losses.

KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
- 3RD QUARTER ENDED 30 SEPTEMBER 2009

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A10. Events Subsequent to the Balance Sheet Date

There were no materials events subsequent to the reporting period that have not been reflected in the interim financial statements as at the date of this report.

A11. Changes in the Composition of the Group

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

A12. Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of the interim financial statements.

A13. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at the Balance Sheet date is as follows:-

	RM'000
Authorised but not contracted for	
- Property, plant and equipment	<u>617</u>

**KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
- 3RD QUARTER ENDED 30 SEPTEMBER 2009**

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

B1. Review of Performance

Performance in current quarter compared with preceding year corresponding quarter

The Group recorded slightly higher revenue of approximately RM43.5million or 2.8% in the current quarter compared with the revenue of approximately RM42.3million in the corresponding quarter of the preceding year.

The Group recorded profit before tax of approximately RM1.2million in the current quarter compared with the profit before tax of approximately RM0.8million in the corresponding quarter of the preceding year. The increase of the profit before tax was mainly due to decline in operating and finance costs.

Performance in current financial year-to-date compared with preceding financial year-to-date

The Group recorded higher revenue of approximately RM142.2million or 17.4% in the current financial year-to-date compared with the revenue of approximately RM121.0million in the preceding financial year-to-date. The increase in revenue for the current financial year-to-date is due to the rise in selling price for its products.

The Group recorded profit before tax of approximately RM4.0million in the current financial year-to-date compared with the profit before tax of approximately RM5.4million in the preceding financial year-to-date. The decline of the profit before tax was mainly due to the higher raw material cost.

KBB RESOURCES BERHAD (Company No. 583565-U)
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- 3RD QUARTER ENDED 30 SEPTEMBER 2009

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

**B2. Material Change in the Profit before Taxation of Current Quarter Compared
with the Immediate Preceding Quarter**

	Current Year	Immediate	%
	Quarter	Preceding Quarter	+ / -
	30.09.09	30.06.09	
	RM'000	RM'000	
Revenue	43,473	54,547	(20.3)
Profit Before Taxation	1,183	1,525	(22.4)

The Group recorded lower revenue of approximately RM43.5million or 20.3% in the current quarter compared with the revenue of approximately RM54.5million in the preceding quarter. The decrease in revenue for the current quarter is due to lower sales demand for the current quarter as customers have built up their inventory in the second quarter in anticipation to the increase in price of their products.

The Group recorded lower profit before tax of approximately RM1.2million in the current quarter compared with profit before tax of approximately RM1.5million in the immediate preceding quarter. The decline of the profit before tax was mainly due to higher raw material cost.

B3. Current Year Prospects

The Group will strive to achieve a satisfactory result by taking prudent measures and improving operational efficiency.

B4. Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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**PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES
BERHAD**

B5. Taxation

	Current Year Quarter	Current Year-to-Date
	30.09.09	30.09.09
	RM'000	RM'000
Income Tax	(278)	(867)
Deferred Tax	(294)	(2,755)
	<u>(572)</u>	<u>(3,622)</u>

B6. Unquoted Investments and Properties

There were no sales and purchases of unquoted investments and properties for the current quarter and financial year-to-date.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter and financial year-to-date.

B8. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
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**PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES
BERHAD**

B9. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2009 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Bank Overdrafts	3,277	-	3,277
Bankers Acceptance	76,315	-	76,315
Islamic Acceptance Bills	14,012	-	14,012
Hire Purchase Payables	275	-	275
Revolving Credit	2,400	-	2,400
Short Term Loan	6,534	-	6,534
Term Loans	1,185	-	1,185
	<u>103,998</u>	<u>-</u>	<u>103,998</u>
Long Term Borrowings:-			
Hire Purchase Payables	512	-	512
Term Loans	22,534	-	22,534
	<u>23,046</u>	<u>-</u>	<u>23,046</u>
Total	<u>127,044</u>	<u>-</u>	<u>127,044</u>

Included in the Group's borrowings are foreign currency borrowing denominated in Indonesian Rupiah of approximately RM6.5million (comprising approximately IDR18.25billion).

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of the interim financial statements.

KBB RESOURCES BERHAD (Company No. 583565-U)
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**PART B: EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES
BERHAD**

B11. Material Litigation

There were no material litigations against the Group or taken by the Group as at the date of the interim financial statements.

B12. Earnings per Share

The basic earnings per share of the Group are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period calculated as follows:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.09	Preceding Year Corresponding Quarter 30.09.08	Current Year to Date 30.09.09	Preceding Year Corresponding Period 30.09.08
Profit for the Period (RM'000)	904	551	3,116	3,525
Weighted Average Number of Ordinary Shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	0.75	0.46	2.60	2.94
- Diluted (sen)	-	0.85	-	1.47

Diluted earnings per share have not been computed as the effect of the share options under ESOS is anti-dilutive in nature.

KBB RESOURCES BERHAD (Company No. 583565-U)
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- 3RD QUARTER ENDED 30 SEPTEMBER 2009

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

B13. Audit Report Qualification

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2008 did not contain any qualification.