

KBB RESOURCES BERHAD (Company No. 583565-U)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	As at 31.12.09 (Unaudited) RM'000	As at 31.12.08 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	113,809	108,569
Prepaid Land Lease Payments	3,921	3,536
Intangible Assets	374	351
Other Investments	2,000	2,000
	120,104	114,456
Current Assets		
Inventories	56,552	49,596
Trade Receivables	51,389	52,551
Other Receivables, Deposits and Prepayments	1,098	1,471
Tax Recoverable	379	489
Fixed Deposits with Licensed Banks	24	24
Cash and Bank Balances	901	1,811
	110,343	105,942
TOTAL ASSETS	230,447	220,398
EQUITY AND LIABILITIES		
Share Capital	60,000	60,000
Exchange Translation Reserve	(3,411)	(8,737)
Retained Profits	34,119	30,022
Total Equity	90,708	81,285
Non-Current Liabilities		
Borrowings	22,867	23,976
Deferred Tax Liabilities	3,683	2,461
	26,550	26,437
Current Liabilities		
Trade Payables	5,691	9,339
Other Payables and Accruals	4,698	5,065
Borrowings	102,070	95,628
Provision for Taxation	730	2,644
	113,189	112,676
Total Liabilities	139,739	139,113
TOTAL EQUITY AND LIABILITIES	230,447	220,398
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)	0.76	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 YEAR ENDED 31 DECEMBER 2009

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	31.12.09 (Unaudited) RM'000	31.12.08 (Unaudited) RM'000	31.12.09 (Unaudited) RM'000	31.12.08 (Audited) RM'000
Revenue	47,307	48,902	189,491	168,944
Cost of Sales	(39,807)	(45,703)	(163,758)	(146,530)
Gross Profit	7,500	3,199	25,733	22,414
Other Income	7	1,005	487	1,303
Administrative Expenses	(2,214)	(3,011)	(5,270)	(6,942)
Selling and Distribution Expenses	(3,275)	(5,439)	(9,846)	(10,434)
Operating Profit	2,018	(4,246)	11,104	6,341
Finance Costs	(1,463)	(1,625)	(6,565)	(6,849)
Profit/(Loss) Before Taxation	555	(5,871)	4,539	(508)
Taxation	426	(670)	(442)	(2,085)
Profit/(Loss) for the Year	981	(6,541)	4,097	(2,593)
Earnings Per Share				
- Basic (sen)	0.82	(5.45)	3.41	(2.16)
- Diluted (sen)	-	-	-	-

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 YEAR ENDED 31 DECEMBER 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	-	5,326	-	5,326
Profit for the Year	-	-	4,097	4,097
Total Recognised Income and Expense for the Year	-	5,326	4,097	9,423
Balance as at 31 December 2009	<u>60,000</u>	<u>(3,411)</u>	<u>34,119</u>	<u>90,708</u>

	Share Capital	Non-Distributable Exchange Translation Reserve	Distributable Retained Profits	Total Equity
	(Audited) RM'000	(Audited) RM'000	(Audited) RM'000	(Audited) RM'000
Balance as at 1 January 2008	60,000	(3,521)	32,615	89,094
Foreign Currency Translation	-	(5,216)	-	(5,216)
Profit for the Year	-	-	(2,593)	(2,593)
Total Recognised Income and Expense for the Year	-	(5,216)	(2,593)	(7,809)
Balance as at 31 December 2008	<u>60,000</u>	<u>(8,737)</u>	<u>30,022</u>	<u>81,285</u>

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 YEAR ENDED 31 DECEMBER 2009

	Current Year to Date 31.12.09 (Unaudited) RM'000	Preceding Year Corresponding Period 31.12.08 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from Operations	191,147	189,845
Payment to Suppliers and Employees	(178,088)	(179,866)
Income Tax Paid	(1,568)	(2,629)
Interest Paid	(6,565)	(6,857)
Net Cash from Operating Activities	4,926	493
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	-	66
Proceeds from Disposal of Property, Plant and Equipment	5	-
Purchase of Intangible Assets	-	(60)
Purchase of Property, Plant and Equipment	(10,708)	(9,265)
Net Cash Used in Investing Activities	(10,703)	(9,259)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers Acceptance	(5,353)	4,371
Islamic Acceptance Bills	9,588	22
Proceeds from Hire Purchase Payables	429	-
Proceeds from Term Loan	-	3,000
Repayment of Hire Purchase Payables	(249)	(224)
Repayment of Term Loan	(914)	(2,238)
Revolving Credit	-	2,400
Net Cash from Financing Activities	3,501	7,331
Net Decrease in Cash and Cash Equivalents	(2,276)	(1,435)
Effects of Foreign Exchange Rates Changes	176	670
Cash and Cash Equivalents at Beginning	(268)	473
Cash and Cash Equivalents at End	(2,368)	(292)
Represented by:-		
Fixed Deposits with Licensed Banks	24	-
Cash and Bank Balances	901	1,811
Bank Overdrafts	(3,293)	(2,103)
	(2,368)	(292)

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
- 4TH QUARTER ENDED 31 DECEMBER 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
- 4TH QUARTER ENDED 31 DECEMBER 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	182,766	200,012	10,708
Indonesia	6,725	30,435	-
	<u>189,491</u>	<u>230,447</u>	<u>10,708</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
- 4TH QUARTER ENDED 31 DECEMBER 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

There is no capital commitment on this quarter.

KBB RESOURCES BERHAD (Company No. 583565-U)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
- 4TH QUARTER ENDED 31 DECEMBER 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 lower revenue of approximately RM47.3million or 3.3% in the current quarter compared with the revenue of approximately RM48.9million in the corresponding quarter of the preceding year.

The Group recorded profit before tax of approximately RM0.56million in the current quarter compared with the loss before tax of approximately RM5.87million in the corresponding quarter of the preceding year. The loss incurred in 2008 was due to the impairment of property, plant and equipment and provision of doubtful debts.

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

The Group recorded higher revenue of approximately RM189.5million or 12.2% in the current financial year-to-date compared with the revenue of approximately RM168.9million in the preceding financial year-to-date. The increase in revenue was due to higher demand for its products.

The Group recorded profit before tax of approximately RM4.54million in the current financial year-to-date compared with the loss before tax of approximately RM0.51million in the preceding financial year-to-date. The loss incurred in 2008 was due to the impairment of property, plant and equipment and provision of doubtful debts.

KBB RESOURCES BERHAD (Company No. 583565-U)
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- 4TH QUARTER ENDED 31 DECEMBER 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	+ / -
	31.12.09	30.09.09	
	RM'000	RM'000	
Revenue	47,307	43,473	8.8
Profit Before Taxation	555	1,183	(53.1)

The Group recorded higher revenue of approximately RM47.3million in the current quarter compared with the revenue of approximately RM43.5million in the preceding quarter.

The Group recorded higher profit before tax of approximately RM0.56million in the current quarter compared with profit before tax of approximately RM1.2million in the immediate preceding quarter due to higher material cost.

B3. Current Year Prospects

The Group will strive to achieve a satisfactory result by taking prudent measures and improving operational efficiency and bearing unforeseen circumstances is optimistic of its results for the financial year ending 31 December 2010.

B4. Variance between Actual Profit and Forecast Profit

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

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
	31.12.09	31.12.09
	RM'000	RM'000
Income Tax	426	(442)
Deferred Tax	(928)	(3,683)
	<u>(502)</u>	<u>(4,125)</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)
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**

B9. Borrowings and Debt Securities

The Group's borrowings as at 31 December 2009 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Bank Overdrafts	3,293	-	3,293
Bankers Acceptance	74,409	-	74,409
Islamic Acceptance Bills	13,962	-	13,962
Hire Purchase Payables	303	-	303
Revolving Credit	2,400	-	2,400
Short Term Loan	6,133	-	6,133
Term Loans	1,570	-	1,570
	<u>102,070</u>	<u>-</u>	<u>102,070</u>
Long Term Borrowings:-			
Hire Purchase Payables	555	-	555
Term Loans	22,312	-	22,312
	<u>22,867</u>	<u>-</u>	<u>22,867</u>
Total	<u>124,937</u>	<u>-</u>	<u>124,937</u>

Included in the Group's borrowings are foreign currency borrowing denominated in Indonesian Rupiah of approximately RM6.1million (comprising of approximately IDR16.8billion).

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)
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**

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 31.12.09	Preceding Year Corresponding Quarter 31.12.08	Current Year to Date 31.12.09	Preceding Year Corresponding Period 31.12.08
Profit for the Period (RM'000)	981	(6,541)	4,097	(2,593)
Weighted Average Number of Ordinary Shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	0.82	(5.45)	3.41	(2.16)
- Diluted (sen)	-	-	-	-

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)
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**

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.

B14. Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.