

KBB RESOURCES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AND QUARTERLY REPORT FOR THE PERIOD ENDED
31 DECEMBER 2012

	Current Year	Preceding Year
	As at	As at
	31.12.12	30.06.12
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	77,982	82,629
Intangible Assets	194	200
	78,176	82,829
Current Assets		
Inventories	10,824	4,372
Trade Receivables	21,104	15,604
Other Receivables, Deposits and Prepayments	3,941	3,258
Tax Recoverable	1,426	1,343
Fixed Deposit with Licensed Banks	5,000	5,100
Cash and Bank Balances	3,554	2,000
	45,849	31,677
TOTAL ASSETS	124,025	114,506
EQUITY AND LIABILITIES		
Share Capital	60,000	60,000
Exchange Translation Reserve	(4,283)	(4,655)
Revaluation Reserve	4,393	4,393
Accumulated Losses	(37,049)	(37,458)
Total Equity	23,061	22,280
Non-Current Liabilities		
Borrowings	55,454	55,397
Deferred Tax Liabilities	1,678	1,678
	57,132	57,075
Current Liabilities		
Trade Payables	14,319	10,156
Other Payables and Accruals	5,070	5,426
Amount Owing to Directors	2,992	8,275
Borrowings	21,212	11,042
Provision for Taxation	239	252
	43,832	35,151
Total Liabilities	100,964	92,226
TOTAL EQUITY AND LIABILITIES	124,025	114,506
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)	0.19	0.19

Notes:-

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AND QUARTERLY REPORT ON CONSOLIDATED PERIOD ENDED
31 DECEMBER 2012

	Current Year Quarter 31.12.12 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.12.2011 (Unaudited) RM'000	Current Year To Date (6 months) 31.12.12 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period (6 months) 31.12.2011 (Unaudited) RM'000
Revenue	21,220	20,786	53,657	40,967
Cost of Sales	(16,926)	(19,223)	(44,642)	(35,969)
Gross Profit	4,294	1,563	9,015	4,998
Other Income	327	362	638	598
Administrative Expenses	(1,329)	(1,710)	(3,138)	(9,523)
Selling and Distribution Expenses	(1,764)	(1,841)	(3,826)	(3,796)
Operating Profit/(Loss)	1,528	(1,626)	2,689	(7,723)
Finance Costs	(1,324)	(176)	(2,280)	(315)
Profit/(Loss) Before Taxation	204	(1,802)	409	(8,038)
Taxation	-	9	-	(7)
Profit/(Loss) for the Period	204	(1,793)	409	(8,045)
Earnings Per Share				
- Basic (sen)	0.17	(1.49)	0.34	(6.70)
- Diluted (sen)	-	-	-	-

Notes:-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 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 AND QUARTERLY REPORT ON
CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2012

	Share Capital	-----Non-Distributable----- Exchange Translation Reserve	Revaluation reserve	Distributable Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Audited</u>					
Balance as at 1 January 2011	60,000	(4,509)	-	(10,750)	44,741
Foreign Currency Translation	-	(146)	-	-	(146)
Revaluation of land and building			4,393		4,393
Loss for the Period (18 months period)	-	-	-	(26,708)	(26,708)
Balance as at 30 June 2012	60,000	(4,655)	4,393	(37,458)	22,280
<u>Unaudited</u>					
Balance as at 1 July 2012	60,000	(4,655)	4,393	(37,458)	22,280
Foreign Currency Translation	-	372	-	-	372
Revaluation of land and building	-	-	-	-	-
Profit for the Period	-	-	-	409	409
Balance as at 31 December 2012	60,000	(4,283)	4,393	(37,049)	23,061

Note:-

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AND QUARTERLY
REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
31 DECEMBER 2012

	Current Year to Date (6 months) 31.12.12 (Unaudited) RM'000	Preceding Year Corresponding Period (12 months) 31.12.2011 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	48,157	84,112
Payment to Suppliers and Employees	(57,771)	(90,322)
Income Tax Paid	60	(183)
Interest Paid	-	(464)
Net Cash used in Operating Activities	(9,554)	(6,857)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	-	4,541
Purchase of Property, Plant and Equipment	(411)	(242)
Proceeds from Disposal of Other Investment	2	-
Withdrawal of Fixed Deposit	100	-
Net Cash (used in)/from Investing Activities	(309)	4,299
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Hire Purchase Payables	525	387
Repayment of Hire Purchase Payables	(695)	(787)
Repayment of Term Loan	10,732	-
Advance from Directors	2,992	-
Interest Paid	(2,280)	-
Net Cash from/(used in) Financing Activities	11,274	(400)
Net increase in Cash and Cash Equivalents	1,411	(2,958)
Effects of Foreign Exchange Rates Changes	43	3,902
Cash and Cash Equivalents at Beginning	7,100	(5,153)
Cash and Cash Equivalents at End	8,554	(4,209)
Represented by:-		
Fixed Deposits with Licensed Banks	5,000	-
Cash and Bank Balances	3,554	2,171
Bank Overdrafts	-	(6,380)
	8,554	4,209

Notes:-

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

A1) Basis of Preparation

The interim financial statements for the current quarter are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements are the Group’s first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2012. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the financial period ended (“FRS”) 30 June 2012.

The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

Paragraph 20 of MFRS 134 requires the comparative statements to be presented from the comparable interim period (current and period-to-date) of immediate preceding financial year. Save for statement of financial position and, the comparatives disclosed in these condensed financial statements are for the 3-month period from 1 July 2012 to September 2012, not from the beginning of the preceding financial period of 1 January 2012, as the Group changed its financial year in 2011 from 31 December 2011 to 30 June 2012.

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 as at and for the 18 month period ended 30 June 2012 except for the adoption of newly-issued accounting framework – MFRS IC Interpretations to be applied by all Entities other than Private Entities for the financial period beginning on 1 January 2012 :-

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combination
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events After the Reporting Period

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

A2) Changes in Accounting Policies (continued)

MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 124	Related Party Disclosures
NFRS 127	Consolidated and Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above new MFRSs does not have significant financial impact on the interim financial statements of the Group.

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 was 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.

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.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

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 West Malaysia and East Malaysia. The segmental information for the past six months ended 31st December 2012 was as follows:

	Revenue	Total Assets	Capital Expenditures
	RM’000	RM’000	RM’000
West Malaysia	49,342	95,724	315
East Malaysia	4,315	28,301	96
	<u>53,657</u>	<u>124,025</u>	<u>411</u>

A9) Valuation of Property, Plant and Equipment (PPE)

The Group had carried out the valuation on its property, plant and equipment from the previous audited annual financial statements. The property, plant and equipment of the Group are stated at cost less accumulated depreciation and any accumulated impairment losses.

A10) Events Subsequent to the Balance Sheet Date

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

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

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 was no capital commitment in the current quarter under review.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

B1) Review of Group Performance

	Oct – Dec 2012 RM'000	Jul – Sept 2012 RM'000	Oct – Dec 2011 RM'000	Jul – Dec 2012 RM'000	Jul – Dec 2011 RM'000
Revenue					
- West Malaysia	19,475	29,867	18,432	49,342	36,109
- East Malaysia	1,745	2,570	2,354	4,315	4,858
Total	21,220	32,437	20,786	53,657	40,967
Profit/(Loss) before tax					
- West Malaysia	804	(641)	1,402	163	(4,488)
- East Malaysia	(600)	846	(3,204)	246	(3,550)
Total	204	205	(1,802)	409	(8,038)

Comparison with corresponding period in the previous year

The Group recorded stable revenue of approximately RM21.22 million in the current individual quarter ended 31 December 2012 as compared with the revenue of approximately RM20.79 million in the preceding individual quarter of the preceding year which represents an increase in revenue of approximately RM0.43 million or 2.06%.

The Group recorded profit before tax of approximately RM0.20 million in the current individual quarter compared with the loss before tax of approximately RM1.80 million in the corresponding individual quarter of the preceding year. This was resulted from the Group's effort on rationalisation of its business operation. improving in operation efficiency and productivity.

For West Malaysia, its revenue for the current quarter has been increased by approximately RM1.04 million as compared to corresponding quarter in previous year due to increase in sales volume of Laksa. The profit before taxation for the quarter has been decreased by approximately RM0.60 million as compared to corresponding quarter in previous year due to rationalization and consolidation of its business operations.

For East Malaysia, its revenue for the current quarter has been decreased by approximately RM0.61 million as compared to corresponding quarter in previous year due to decreased sales volume of Bihun. The loss before taxation for the quarter has been increased by approximately RM2.60 million as compared to corresponding quarter in previous year as a result of inventory written off from one of the subsidiary company approximately RM2.55 million in previous year.

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

B1) Review of Group Performance (continued)

Comparison with preceding quarter

The Group recorded lower revenue of approximately RM21.22 million in the current quarter compared with the revenue of approximately RM32.44 million in the preceding quarter. The decreased in revenue for the current quarter was mainly due to the implementation of repair and maintenance program for the plant and machinery in order to improve the operation efficiency and productivity.

Despite the lower revenue, the Group recorded profit before tax of approximately RM0.20 million in the current quarter compared with profit before tax of approximately RM0.21 million in the immediate preceding quarter which was mainly attributable to the increase in selling price of the product such as bihun, instant bihun, noodles and laksa.

For West Malaysia and East Malaysia, its revenue for the current quarter has been decreased by approximately RM10.39 million and RM0.83 million respectively as compared to preceding quarter due to the implementation of repair and maintenance program for the plant and machinery in order to improve the operation efficiency and productivity. The West Malaysia's profit before taxation for the quarter has been increased by approximately RM1.45 million due to improvement in profit margin during the quarter. The East Malaysia's loss before taxation for the quarter mainly due to increase in production overhead expenses as a result of maintenance of machinery to improve in operation efficiency and productivity in the rice and sago sticks (vermicelli).

Financial period to date

The Group's revenue for the financial period has been increased by approximately RM12.69 million as compared to the corresponding period which was mainly due to increase in market shares of Bihun and Laksa. The Group's profit before taxation has been increased by approximately RM8.45 million as compared to the corresponding period as a result of inventories written off, impairment losses of Property, Plant and Machinery and provision for doubtful debts in previous year.

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

B2) Current Year Prospects

The Group will continue to rationalize and consolidate its business operation, moving forward, the Group will continue its effort at cost cutting measures, improving in operation efficiency and productivity, improving in inventory control and credit control as well as focus on product development and quality improvement in the rice and sago sticks (vermicelli) operation in order to remain competitive in the market.

With the completion of the Group's restructuring exercise, the financial position of the Group would be significantly improved and the management will be able to fully concentrate on strengthening and growing the business by focusing on its core business, integrated vermicelli manufacturing within the domestic market as well as to look for a suitable strategic partner to expand KBB's product to a foreign market without any investment cost. With the large customer base and a team of dedicated employees, the Group anticipates a sustaining an improved performance in the next quarter of the financial year.

B3) Variance between Actual Profit and Forecast Profit

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

B4) Taxation

	Current Year Quarter 31.12.12 RM'000	Current Year-to- Date 31.12.12 RM'000
Income Tax	-	-
Deferred Tax	-	-
	<hr/>	<hr/>
	-	-

B5) Unquoted Investments and Properties

There were no sales and purchases of unquoted investments and properties for the current quarter.

B6) Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

B7) Corporate Proposals

On 4 December 2012, the Board had resolved to cancel the Proposed Private Placement is contemplating on undertaking other fund raising exercise in lieu of the Proposed Private Placement.

On 28 January 2013, KBB entered into the Share Sale Agreement with Ren Zhao Feng and Ting Ming Hung to purchase 10% of the entire issued and paid-up capital of World Granary Holding Limited for a total purchase consideration of RM21,000,000 to be satisfied by the issuance of 35,000,000 new ordinary shares of RM0.50 each in KBB at the price of RM0.60 each.

B8) Borrowings and Debts Securities

The Groups' borrowings as at 31st December 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings:-			
Hire Purchase Payables	-	57	57
Short Term Loan	9,988	5,822	15,810
Term Loans	5,345	-	5,345
	<u>15,333</u>	<u>5,879</u>	<u>21,212</u>
Long Term Borrowings:-			
Hire Purchase Payables	-	199	199
Term Loans	55,255	-	55,255
	<u>55,255</u>	<u>199</u>	<u>55,454</u>
Total	<u>70,588</u>	<u>6,078</u>	<u>76,666</u>

Included in the Group's borrowings is foreign currency borrowings denominated in Indonesian Rupiah amounting IDR18.108 billion, equivalent to approximately RM5.82 million.

B9) Off Balance Sheet Financial Instruments

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

B10) Material Litigation

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

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

B11) 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:-

	Current 6 Months Period Ended	Individual Quarter Preceding Year Corresponding Quarter	Current Year to Date	Cumulative Period Preceding Year Corresponding Period
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Profit/(Loss) for the Period (RM'000)	204	(1,793)	409	(8,045)
Weighted Average Number of Ordinary Shares of RM0.50 each (^000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	0.17	(1.49)	0.34	(6.70)
- Diluted (sen)	-	-	-	-

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

Notes:-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
PERIOD ENDED 31 DECEMBER 2012

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

B12) Realised and Unrealised Loss

	31.12.2012	31.12.2011
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :-		
- Realised	(90,564)	(43,782)
- Unrealised	(1,678)	(1,441)
	<u>(92,242)</u>	<u>(45,223)</u>
Consolidation adjustments	55,193	22,409
Total accumulated losses of the Group as per consolidated accounts	<u>(37,049)</u>	<u>(22,814)</u>

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THREE MONTHS
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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) Profit / (Loss) for the period / year

	Current Year Quarter	Individual Quarter Preceding Year Corresponding Quarter	Current Year to Date ⁽²⁾	Cumulative Quarter Preceding Year Corresponding Period
	31.12.2012 (Unaudited) RM'000	31.12.11 (Unaudited) RM'000	31.12.2012 (Unaudited) RM'000	31.12.2011 (Unaudited) RM'000
Profit / (Loss) for the period / year is arrive at after charging / (crediting) :-				
Interest expense	1,324	176	2,280	315
Depreciation	2,175	2,398	4,398	4,871
Impairment loss on trade receivables	-	-	-	2,120
Impairment loss on disposal of Property, plant & equipment	-	-	-	4,023
Foreign exchange loss	38	5	75	6
Rental Income	(240)	(240)	(480)	(400)
(Gain)/Loss on disposal of property, plant & equipment	(1)	51	3	524

Notes:-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

B14) Audit Report Qualifications

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial period ended 30 June 2012 did not contain any qualification.

B15) Authorization for Issue

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