

KBB RESOURCES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AND QUARTERLY REPORT FOR THE PERIOD ENDED
30 JUNE 2013

	Current Year As at 30.06.13 (Unaudited) RM'000	Preceding Year As at 30.06.12 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	75,725	82,629
Intangible Assets	193	200
	<u>75,918</u>	<u>82,829</u>
Current Assets		
Inventories	10,368	4,372
Trade Receivables	19,222	15,604
Other Receivables, Deposits and Prepayments	1,037	3,258
Tax Recoverable	377	1,343
Fixed Deposit with Licensed Banks	5,115	5,100
Cash and Bank Balances	2,187	2,000
	<u>38,306</u>	<u>31,677</u>
TOTAL ASSETS	<u>114,224</u>	<u>114,506</u>
EQUITY AND LIABILITIES		
Share Capital	60,000	60,000
Exchange Translation Reserve	(4,971)	(4,655)
Revaluation Reserve	4,393	4,393
Accumulated Losses	(37,233)	(37,458)
Total Equity	<u>22,189</u>	<u>22,280</u>
Non-Current Liabilities		
Borrowings	52,936	55,397
Deferred Tax Liabilities	1,678	1,678
	<u>54,614</u>	<u>57,075</u>
Current Liabilities		
Trade Payables	9,589	10,156
Other Payables and Accruals	4,538	5,426
Amount Owing to Directors	2,048	8,275
Borrowings	21,009	11,042
Provision for Taxation	237	252
	<u>37,421</u>	<u>35,151</u>
Total Liabilities	<u>92,035</u>	<u>92,226</u>
TOTAL EQUITY AND LIABILITIES	<u>114,224</u>	<u>114,506</u>
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)	0.18	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
30 JUNE 2013

	Current Year Quarter 30.06.13 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 30.06.2012 (Unaudited) RM'000	Current Year To Date (12 months) 30.06.13 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period (18 months) 30.06.2012 (Audited) RM'000
Revenue	21,804	15,850	97,235	123,310
Cost of Sales	(20,048)	(52,254)	(82,139)	(144,643)
Gross Profit	1,756	(36,404)	15,096	(21,333)
Other Income	1,804	57,786	2,819	59,311
Administrative Expenses	(281)	(39,102)	(5,286)	(54,039)
Selling and Distribution Expenses	(1,713)	(287)	(6,896)	(10,832)
Operating Profit/(Loss)	1,566	(18,007)	5,733	(26,893)
Finance Costs	(1,782)	247	(5,498)	(540)
Profit/(Loss) Before Taxation	(216)	(17,760)	235	(27,433)
Taxation	-	933	(10)	725
Profit/(Loss) for the Period	(216)	(16,827)	225	(26,708)
Earnings Per Share				
- Basic (sen)	(0.18)	(14.02)	0.19	(22.25)
- 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 30 JUNE 2013

	Share Capital	-----Non-Distributable-----		Distributable Accumulated Losses	Total Equity
		Exchange Translation Reserve	Revaluation reserve		
	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	<u>60,000</u>	<u>(4,655)</u>	<u>4,393</u>	<u>(37,458)</u>	<u>22,280</u>
<u>Unaudited</u>					
Balance as at 1 July 2012	60,000	(4,655)	4,393	(37,458)	22,280
Foreign Currency Translation	-	(316)	-	-	(316)
Revaluation of land and building	-	-	-	-	-
Profit for the Period (12 months period)	-	-	-	225	225
Balance as at 30 June 2013	<u>60,000</u>	<u>(4,971)</u>	<u>4,393</u>	<u>(37,233)</u>	<u>22,189</u>

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
30 JUNE 2013

	Current Year to Date (12 months) 30.06.13 (Unaudited) RM'000	Preceding Year Corresponding Period (18 months) 30.06.2012 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	93,618	129,431
Payment to Suppliers and Employees	(97,822)	(125,153)
Income Tax Paid	74	(7)
Interest Paid	(3)	(467)
Net Cash used in Operating Activities	(4,133)	3,804
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	28	4,856
Purchase of Property, Plant and Equipment	(269)	(620)
Withdrawal of Fixed Deposit	100	2,000
Net Cash (used in)/from Investing Activities	(141)	6,236
CASH FLOWS FROM FINANCING ACTIVITIES		
Banker Acceptance	-	(35,357)
Islamic Acceptance Bills	-	(8,462)
Proceeds from Hire Purchase Payables	525	427
Repayment of Hire Purchase Payables	(725)	(898)
Proceeds from Loan	8,080	38,474
Repayment of Term Loan	-	(484)
Advance from Directors	2,048	8,275
Interest Paid	(5,494)	(73)
Net Cash from/(used in) Financing Activities	4,434	1,902
Net increase in Cash and Cash Equivalents	160	11,942
Effects of Foreign Exchange Rates Changes	42	311
Cash and Cash Equivalents at Beginning	7,100	(5,153)
Cash and Cash Equivalents at End	7,302	7,100
Represented by:-		
Fixed Deposits with Licensed Banks	5,115	5,100
Cash and Bank Balances	2,187	2,000
	7,302	7,100

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 QUARTER
ENDED 30 JUNE 2013

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 QUARTER
ENDED 30 JUNE 2013

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 QUARTER
ENDED 30 JUNE 2013

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 nine months ended 30th June 2013 was as follows:

	Revenue	Total Assets	Capital Expenditures
	RM’000	RM’000	RM’000
West Malaysia	86,108	91,635	172
East Malaysia	11,128	22,589	97
	<u>97,236</u>	<u>114,224</u>	<u>269</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 QUARTER
ENDED 30 JUNE 2013

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 QUARTER
ENDED 30 JUNE 2013

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

	Apr – Jun 2013 RM'000	Jan – Mar 2013 RM'000	Apr – Jun 2012 RM'000	Jul'12 – Jun'13 RM'000	Jan'11 – Jun'12 RM'000
Revenue					
- West Malaysia	20,274	20,275	14,663	86,108	112,002
- East Malaysia	1,530	1,499	1,187	11,127	11,308
Total	21,804	21,774	15,850	97,235	123,310
Profit/(Loss) before tax					
- West Malaysia	2,550	75	(14,467)	2,378	(17,323)
- East Malaysia	(2,766)	(33)	(3,293)	(2,143)	(10,110)
Total	(216)	42	(17,760)	235	(27,433)

Comparison with corresponding period in the previous year

The Group recorded increased revenue of approximately RM21.80 million in the current individual quarter ended 30 June 2013 as compared with the revenue of approximately RM15.85 million in the preceding individual quarter of the preceding year which represents an increase in revenue of approximately RM5.95 million or 37.54%.

The Group recorded loss before tax of approximately RM0.22 million in the current individual quarter compared with the loss before tax of approximately RM17.76 million in the corresponding individual quarter of the preceding year as a result of inventories written off, impairment losses of Property, Plant and Machinery and provision for doubtful debts in previous year.

For West Malaysia, its revenue for the current quarter has been increased by approximately RM5.61 million as compared to corresponding quarter in previous year due to increased in sales volume of bihun and laksa. The profit before taxation for the quarter has been increased by approximately RM17.02 million as compared to corresponding quarter in previous year as a result of inventories written off, impairment losses of Property, Plant and Machinery and provision for doubtful debts in previous year.

For East Malaysia, its revenue for the current quarter has been increased by approximately RM0.34 million as compared to corresponding quarter in previous year due to increased sales volume of Bihun. The loss before taxation for the quarter has been decreased by approximately RM0.53 million as compared to corresponding quarter in previous year as a result of inventories written off and provision for doubtful debts in previous year.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2013

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 stable revenue of approximately RM21.80 million in the current quarter compared with the revenue of approximately RM21.77 million in the preceding quarter. The increased in revenue for the current quarter was mainly due to improve the operation efficiency and productivity.

The Group recorded loss before tax of approximately RM0.22 million in the current quarter compared with profit before tax of approximately RM0.04 million in the immediate preceding quarter which was mainly due to increased cost of raw materials.

For West Malaysia, its revenue for the current quarter has been stable at approximately RM20.27 million and increased revenue of East Malaysia by approximately RM0.31 million as compared to preceding quarter due to improve the operation efficiency and productivity. The West Malaysia's profit before taxation for the quarter by approximately RM2.55 million and East Malaysia's loss before taxation for the quarter mainly due to decrease 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 decreased to RM97.24 million. The Group's profit before taxation has been increased by approximately RM27.67 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)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2013

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

B2) Current Year Prospects

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.

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.

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 30.06.13 RM'000	Current Year-to- Date 30.06.13 RM'000
Income Tax	-	(10)
Deferred Tax	-	-
	-	(10)

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 QUARTER
ENDED 30 JUNE 2013

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

B7) Corporate Proposals

On 3 April 2013, KBB is proposing to undertake the following :-

1. Proposed reduction of its existing issued and paid-up share capital from RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each in KBB to RM18,000,000 comprising 120,000,000 ordinary shares of RM0.15 each in KBB via the cancellation of RM0.35 from the par value of each existing ordinary RM0.50 each in KBB pursuant to Section 64 the Companies Act, 1965 (“Proposed Par Value Reduction”);
2. Proposed renounceable rights issue of up to 120,000,000 new ordinary shares of RM0.15 each in KBB (“Rights Shares”) together with up to 120,000,000 free detachable warrants (“Warrants”) at the issue price of RM0.18 per Rights Share after the Proposed Capital Reduction on the basis of one (1) Rights Share for every one (1) ordinary share of RM0.15 each in KBB held together with one (1) free Warrant for one (1) Rights Share subscribed at an entitlement date to be determined later (“Proposed Rights Issue with Warrants”); and
3. Proposed amendment to relevant clauses of the Memorandum and/or Articles of Association of the Company for the Proposed Par Value Reduction (“Proposed Amendment”).

The above proposed were duly approved by the shareholders of KBB during the Extraordinary General Meeting on 22 August 2013.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2013

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

B8) Borrowings and Debts Securities

The Groups' borrowings as at 30th June 2013 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Hire Purchase Payables	-	38	38
Short Term Loan	9,843	5,782	15,625
Term Loans	5,345	-	5,345
	<u>15,188</u>	<u>5,820</u>	<u>21,008</u>
Long Term Borrowings:-			
Hire Purchase Payables	-	188	188
Term Loans	52,748	-	52,748
	<u>52,748</u>	<u>188</u>	<u>52,936</u>
Total	<u><u>67,936</u></u>	<u><u>6,008</u></u>	<u><u>73,944</u></u>

Included in the Group's borrowings is foreign currency borrowings denominated in Indonesian Rupiah amounting IDR18.108 billion, equivalent to approximately RM5.78 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.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2013

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

B10) Material Litigation

Bersatu Sago Industries Sdn Bhd (“BSI”), a wholly-owned subsidiary of KBB had, on 17 July 2013 been served with the Writ of Summons and Statement of Claims, both dated 05 July 2013 issued by the Magistrates Court of Sibul in relation to the claims filed by the Plaintiffs through a firm of lawyers acting on their behalf. According to the Statement of Claim, the Plaintiffs had through a firm of lawyers acting on their behalf issued a letter dated 11 June 2013 to BSI demanded the outstanding sum of RM22,933.26 as at 25 March 2013 from BSI but BSI failed and still fails to pay the partial of the outstanding sum. BSI is exposed to the claim, interests and legal expenses as stated above.

Kilang Bihun Bersatu Sdn Bhd (“KBBSB”), a wholly-owned subsidiary of KBB had, on 04 July 2013 been served with the Writ of Summon dated 20 June 2013 and Statement of Claims dated 19 June 2013 issued by the Session Court of Sungai Petani, Kedah in relation to the claims filed by the Plaintiff through a firm of lawyers acting on its behalf. According to the Statement of Claim, the Plaintiff had repeatedly request for payment but the said requests were ignored by KBBSB. On 09 May 2013, the Plaintiff had through a firm of lawyers acting on its behalf issued a legal notice to KBBSB demanded the outstanding sum but KBBSB failed and still fails to pay the outstanding sum. KBBSB had appointed a firm of lawyers to act on its behalf and the case was fixed for mentioned on 01 September 2013.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2013

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 Months Period Ended	Individual Quarter Preceding Year Corresponding Quarter	Current Year to Date	Cumulative Period Preceding Year Corresponding Period
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit/(Loss) for the Period (RM'000)	(216)	(16,827)	223	(26,708)
Weighted Average Number of Ordinary Shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	(0.18)	(14.02)	0.19	(22.25)
- 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 REPORTS FOR QUARTER
ENDED 30 JUNE 2013

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

	30.06.2013	30.06.2012
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :-		
- Realised	(90,703)	(35,970)
- Unrealised	(1,678)	(1,441)
	<u>(92,381)</u>	<u>(37,411)</u>
Consolidation adjustments	55,148	16,780
Total accumulated losses of the Group as per consolidated accounts	<u>(37,233)</u>	<u>(20,631)</u>

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2013

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
	(3 months) 30.06.2013 (Unaudited) RM'000	(3 months) 30.06.12 (Unaudited) RM'000	(12 months) 30.06.2013 (Unaudited) RM'000	(18 months) 30.06.2012 (Unaudited) RM'000
Profit / (Loss) for the period / year is arrive at after charging / (crediting) :-				
Interest expense	1,782	(247)	5,498	540
Depreciation	2,044	2,166	8,488	14,222
Impairment loss on disposal of Property, plant & equipment	-	2,632	-	6,673
Impairment loss on other investment	-	2,000	-	2,000
Reverse of impairment loss trademark	-	(1)	-	(1)
Property, plant & equipment written off	-	1	-	1
Bad debts written off	-	32,219	-	32,219
Bad debts recovered	-	7	-	7
Waiver of debts	-	(57,180)	-	(57,180)
Inventories written off	-	20,900	-	20,900

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2013

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 (continued)

	Current Year Quarter	Individual Quarter Preceding Year Corresponding Quarter	Current Year to Date ⁽²⁾	Cumulative Quarter Preceding Year Corresponding Period
	(3 months) 30.06.2013 (Unaudited) RM'000	(3 months) 30.06.12 (Unaudited) RM'000	(12 months) 30.06.2013 (Unaudited) RM'000	(18 months) 30.06.2012 (Unaudited) RM'000
Profit / (Loss) for the period / year is arrive at after charging / (crediting) :-				
Foreign exchange loss	-	10	-	28
(Gain)/Loss on disposal of property, plant & equipment	18	(7)	41	(535)

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.

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.