

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

	Current Year	Preceding Year
	As at	As at
	31.12.13	30.06.13
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	73,837	75,820
Intangible Assets	183	193
	74,020	76,013
Current Assets		
Inventories	8,973	10,368
Trade Receivables	19,823	19,222
Other Receivables, Deposits and Prepayments	5,927	960
Tax Recoverable	448	422
Fixed Deposit with Licensed Banks	500	5,219
Cash and Bank Balances	1,560	2,192
	37,231	38,383
TOTAL ASSETS	111,251	114,396
EQUITY AND LIABILITIES		
Share Capital	18,000	60,000
Exchange Translation Reserve	(5,068)	(4,920)
Revaluation Reserve	4,393	4,393
Retained Profits/(Accumulated Losses)	2,281	(36,770)
Total Equity	19,606	22,703
Non-Current Liabilities		
Borrowings	52,798	58,720
Deferred Tax Liabilities	1,203	1,203
	54,001	59,923
Current Liabilities		
Trade Payables	7,072	9,602
Other Payables and Accruals	3,671	4,655
Amount Owing to Directors	3,168	2,029
Borrowings	23,497	15,225
Provision for Taxation	236	259
	37,644	31,770
Total Liabilities	91,645	91,963
TOTAL EQUITY AND LIABILITIES	111,251	114,396
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)	0.16	0.19

Notes:-

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 2013

	Current Year Quarter	Individual Quarter Preceding Year Corresponding Quarter	Current Year To Date	Cumulative Quarter Preceding Year Corresponding Period
	31.12.13 (Unaudited) RM'000	31.12.2012 (Unaudited) RM'000	31.12.13 (Unaudited) RM'000	31.12.2012 (Unaudited) RM'000
Revenue	25,887	21,220	48,530	53,657
Cost of Sales	(23,583)	(16,926)	(42,811)	(44,642)
Gross Profit	2,304	4,294	5,719	9,015
Other Income	312	327	384	638
Administrative Expenses	(1,729)	(1,329)	(3,110)	(3,138)
Selling and Distribution Expenses	(1,542)	(1,764)	(3,284)	(3,826)
Operating Profit/(Loss)	(665)	1,528	(291)	2,689
Finance Costs	(1,331)	(1,324)	(2,658)	(2,280)
Profit/(Loss) Before Taxation	(1,986)	204	(2,949)	409
Taxation	-	-	-	-
Profit/(Loss) for the Period	(1,986)	204	(2,949)	409
Earnings Per Share				
- Basic (sen)	(1.65)	0.17	(2.46)	0.34
- Diluted (sen)	-	-	-	-

Notes:-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 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 July 2012	60,000	(4,655)	4,393	(37,458)	22,280
Foreign Currency Translation	-	(265)	-	-	(265)
Revaluation of land and building	-	-	-	-	-
Profit for the Year	-	-	-	688	688
Balance as at 30 June 2013	60,000	(4,920)	4,393	(36,770)	22,703
<u>Unaudited</u>					
Balance as at 1 July 2013	60,000	(4,920)	4,393	(36,770)	22,703
Foreign Currency Translation	-	(148)	-	-	(148)
Capital Reduction	(42,000)	-	-	42,000	-
Loss for the Period	-	-	-	(2,949)	(2,949)
Balance as at 31 December 2013	18,000	(5,068)	4,393	2,281	19,606

Note:-

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 2013

	Current Year to Date (6 months) 31.12.13 (Unaudited) RM'000	Preceding Year Corresponding Period (12 months) 30.06.2013 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	47,429	93,727
Payment to Suppliers and Employees	(52,966)	(97,822)
Income Tax Paid	(73)	74
Interest Paid	(18)	(3)
Net Cash used in Operating Activities	(5,628)	(4,024)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	-	28
Purchase of Property, Plant and Equipment	(1,549)	(269)
Withdrawal of Fixed Deposit	-	100
Net Cash (used in)/from Investing Activities	(1,549)	(141)
CASH FLOWS FROM FINANCING ACTIVITIES		
Banker Acceptance	-	-
Islamic Acceptance Bills	2,998	-
Proceeds from Hire Purchase Payables	-	525
Repayment of Hire Purchase Payables	(128)	(725)
Proceeds from Loan	3,375	8,080
Repayment of Term Loan	(3,288)	-
Advance from Directors	1,139	2,048
Interest Paid	(2,640)	(5,494)
Net Cash from/(used in) Financing Activities	1,456	4,434
Net increase in Cash and Cash Equivalents	(5,721)	269
Effects of Foreign Exchange Rates Changes	370	42
Cash and Cash Equivalents at Beginning	7,411	7,100
Cash and Cash Equivalents at End	2,060	7,411
Represented by:-		
Fixed Deposits with Licensed Banks	500	5,219
Cash and Bank Balances	1,560	2,192
	2,060	7,411

Notes:-

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 31 DECEMBER 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 (“MFRSs”) 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 year ended (“FRS”) 30 June 2013.

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 12 month year ended 30 June 2013 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 31 DECEMBER 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 31 DECEMBER 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 six months ended 31 December 2013 was as follows:

	Revenue	Total Assets	Capital Expenditures
	RM’000	RM’000	RM’000
West Malaysia	24,383	90,130	1,543
East Malaysia	1,504	21,121	6
	<u>25,887</u>	<u>111,251</u>	<u>1,549</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 except disclosed in B7.

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

	Oct – Dec 2013	Jul – Sept 2013	Oct – Dec 2012	Jul'13 – Dec'13
	RM'000	RM'000	RM'000	RM'000
Revenue				
- West Malaysia	24,383	21,238	19,475	45,621
- East Malaysia	1,504	1,405	1,745	2,909
Total	25,887	22,643	21,220	48,530
Profit/(Loss) before tax				
- West Malaysia	(970)	416	804	(554)
- East Malaysia	(1,016)	(1,379)	(600)	(2,395)
Total	(1,986)	(963)	204	(2,949)

Comparison with corresponding period in the previous year

The Group's revenue for the current quarter under review was RM25.8 million and loss before tax was RM1.98 million.

The revenue was higher by RM4.67 million or represented 22% higher than preceding year corresponding quarter under review. The Group has suffered loss before tax of approximately RM1.9 million in the current quarter as compared with the profit before tax of RM0.2 million in corresponding quarter under review.

For West Malaysia, its revenue for the current quarter has been increased by RM4.91 million or represented 25% as compared to corresponding quarter in previous year. This was mainly due to machineries broken down has been mostly recovered and capacity also increased accordingly. Nonetheless, West Malaysia has recorded loss before taxation as compared to corresponding quarter in previous year in profit before tax. This was mainly due to higher production waste incurred during the repair and maintenance of machineries. The purchase cost of raw material and transportation was also increased due to increase in price of diesel and petrol. Written off of slow moving inventories about RM0.5 million also contributed the loss.

For East Malaysia, its revenue for the current quarter has been decreased by approximately RM0.24 million as compared to corresponding quarter in previous year. This was mainly due to decrease in production volume of Bihun as a result of lack of working capital. As a result of lower revenue, East Malaysia suffered loss before tax for RM0.9 million. The loss is also due to provision of doubtful debt about RM0.5 million.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 31 DECEMBER 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's revenue for the quarter under review was higher by RM3.30 million or represented 14% if compared with the preceding quarter.

The Group recorded loss before tax for the current quarter was RM1.9 million as compared to immediate preceding quarter about RM0.9 million under review.

For West Malaysia, its revenue for the current quarter has been increased RM3.1 million or represented 14.6% if compared with the preceding quarter under review. However, the revenue of East Malaysia was stable at RM1.5 million by increased only RM0.1 million as compared to the preceding quarter. The reason for the increase was due to machineries broken down in preceding quarter has been recovered and capacity also increased accordingly

The West Malaysia has suffered loss before taxation for the quarter approximately RM0.9 million as compared with the preceding quarter was profit before taxation about RM0.41 million under review. This was mainly due to higher production waste incurred during the repair and maintenance process of machineries. It's also due to written off of slow moving inventories about RM0.5 million. East Malaysia's loss before tax for the quarter has been decreased by RM0.36 million was mainly due to improvement in operation efficiency and productivity in the rice and sago sticks (vermicelli).

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

The Group anticipates a sustaining an improved performance in the next quarter of the financial year with the large customer base and a team of dedicated employees.

The Group still 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 31.12.13 RM'000	Current Year-to- Date 31.12.13 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 QUARTER
ENDED 31 DECEMBER 2013

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

B7) Corporate Proposals

Except for the following disclosure, there were no corporate proposals announced but not yet completed by the Group for the financial period under review.

On 22 August 2013, the shareholders had approved the following proposal in the Extraordinary General Meeting.

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”).

Subsequent to the above, the said proposals had been approved by the relevant authorities as follows:-

1. On 22 October 2013, the High Court of Malaysia at Kuala Lumpur had granted an order confirming the Proposed Par Value Reduction.
2. On 31 October 2013, the sealed order of the High Court of Malaysia confirming the par value reduction has been lodged with the Company Commission of Malaysia. This also marks the completion of KBB’s capital reduction exercise. Consequently, reduction of par value of the ordinary share of KBB from RM0.50 to RM0.15 per share will take effect from 31 October 2013.

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 31 DECEMBER 2013

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

Below were the announcement made in relation to the renounceable right issue exercise on the respective date :

- a) On 12 December 2013, the Board of Directors of KBB had announced important relevant dates for the renounceable right issue as follows:-

	Date
Despatch Date	02/01/2014
Date for commencement of trading of the rights	31/12/2013
Date for despatch of abridged prospectus and subscription forms	02/01/2014
Date for cessation of trading of the rights	08/01/2014
Date for announcement of final subscription results and basis of Allotment of excess Right Securities	23/01/2014
Listing date of the Right Securities	29/01/2014

Last date and time for	Date	Time
Sale of provisional allotment of right	07/01/2014	at 5:00:00 PM
Transfer of provisional allotment of right	10/01/2014	at 5:00:00 PM
Acceptance and payment	16/01/2014	at 5:00:00 PM
Excess share application and payment	16/01/2014	at 5:00:00 PM

On 23 January 2014, M&A Securities Sdn Bhd had, on behalf of Directors of KBB, announced that as at the close of acceptance and payment for the Right Issue at 5.00 p.m. on 16 January 2014 (“Closing Date”), KBB had received valid acceptances and excess application for a total of 152,712,266 Right Shares (together with the corresponding number of Warrants). This represents an over-subscription of 27.26% over the total number of 120,000,000 Rights Shares (together with the corresponding number of warrant) available for subscription under the Right Issue.

The details of the valid acceptance and excess application received as at the Closing Date are as follows:

	No. of Right Shares	%
Total valid acceptances	103,418,000	86.18
Total valid excess applications	49,294,266	41.08
Total valid acceptance and excess application	152,712,266	127.26
Total Right Shares available for subscription	120,000,000	100.00
Total over subscribed Rights Shares	32,712,266	27.26

KBB RESOURCES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 31 DECEMBER 2013

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

The Board has approved the basis of allocation for the excess Rights Shares (together with the corresponding number of Warrant)("Excess Rights Shares") on a fair and equitable basis and in the following priority:-

- (i) firstly, to minimise the incidence of odd lots; and
 - (ii) 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;
 - (iii) 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
 - (iv) 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.
- b) On 29 January 2014, M&A Securities Sdn Bhd had, on behalf of Directors of KBB, announced that the Rights Issue has been completed the listing of and quotation for 120,000,000 Rights Shares and 120,000,000 Warrants on Main Market of Bursa Securities.

B8) Borrowings and Debts Securities

The Groups' borrowings as at 31 December 2013 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Hire Purchase Payables	-	22	22
Short Term Loan	12,955	5,176	18,131
Term Loans	5,345	-	5,345
	<u>18,300</u>	<u>5,198</u>	<u>23,498</u>
Long Term Borrowings:-			
Hire Purchase Payables	-	178	178
Term Loans	49,245	3,375	52,620
	<u>49,245</u>	<u>3,553</u>	<u>52,798</u>
Total	<u>67,545</u>	<u>8,751</u>	<u>76,298</u>

Included in the Group's borrowings is foreign currency borrowings denominated in Indonesian Rupiah amounting IDR18.108 billion, equivalent to approximately RM5.18 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 31 DECEMBER 2013

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

B10) Material Litigation

As at to-date, the Writ of Summons and Statement of Claims, both dated 05 July 2013 served to Bersatu Sago Industries Sdn Bhd is pending hearing of summary judgment.

Meanwhile, the Writ of Summon dated 20 June 2013 and Statement of Claims dated 19 June 2013 served to Kilang Bihun Bersatu Sdn Bhd is now fixed for case management on 25 February 2014. The hearing date will be fixed for both parties to file their written submission.

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
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Profit/(Loss) for the Period (RM'000)	(1,986)	204	(2,949)	409
Weighted Average Number of Ordinary Shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	(1.65)	0.17	(2.46)	0.34
- 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 year ended 30 June 2013 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 31 DECEMBER 2013

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

B12) Realized and Unrealized Loss

	31.12.2013	31.12.2012
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(51,617)	(90,564)
- Unrealized	(1,203)	(1,678)
	<u>(52,820)</u>	<u>(92,242)</u>
Consolidation adjustments	55,101	55,193
Total accumulated Profit/(losses) of the Group as per consolidated accounts	<u>2,281</u>	<u>(37,049)</u>

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
	31.12.2013 (Unaudited) RM'000	31.12.2012 (Unaudited) RM'000	31.12.2013 (Unaudited) RM'000	31.12.2012 (Unaudited) RM'000
Profit / (Loss) for the period / year is arrive at after charging / (crediting) :-				
Interest expense	1,331	1,324	2,658	2,280
Depreciation and amortization	1,943	2,175	3,884	4,398
Foreign exchange loss	12	38	15	75
(Gain)/Loss on disposal of property, plant & equipment	-	(1)	-	3
Rental Income	(240)	(240)	(240)	(480)

Notes:-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 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 31 DECEMBER 2013**

**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 year ended 30 June 2013 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.