

**EKA NOODLES BERHAD (Company No.583565-U)**  
**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AND QUARTERLY REPORT FOR THE PERIOD ENDED**  
**31 MARCH 2014**

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.14</b>	<b>30.06.13</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	70,607	75,820
Intangible Assets	183	193
	<u>70,790</u>	<u>76,013</u>
<b>Current Assets</b>		
Inventories	7,993	10,368
Trade Receivables	19,797	19,222
Other Receivables, Deposits and Prepayments	7,552	960
Tax Recoverable	486	422
Fixed Deposit with Licensed Banks	635	5,219
Cash and Bank Balances	6,995	2,192
	<u>43,458</u>	<u>38,383</u>
<b>TOTAL ASSETS</b>	<b><u>114,248</u></b>	<b><u>114,396</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	36,000	60,000
Exchange Translation Reserve	(5,487)	(4,920)
Revaluation Reserve	4,393	4,393
Share Premium	3,600	-
Capital Reserve	4,437	-
Retained Profits/(Accumulated Losses)	(14,530)	(36,770)
<b>Total Equity</b>	<b><u>28,413</u></b>	<b><u>22,703</u></b>
<b>Non-Current Liabilities</b>		
Borrowings	53,542	58,720
Deferred Tax Liabilities	1,203	1,203
	<u>54,745</u>	<u>59,923</u>
<b>Current Liabilities</b>		
Trade Payables	4,929	9,602
Other Payables and Accruals	4,114	4,655
Amount Owing to Directors	268	2,029
Borrowings	21,545	15,225
Provision for Taxation	234	259
	<u>31,090</u>	<u>31,770</u>
<b>Total Liabilities</b>	<b><u>85,835</u></b>	<b><u>91,693</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>114,248</u></b>	<b><u>114,396</u></b>
<b>Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM)</b>	<b>0.12</b>	<b>0.19</b>

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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**AND QUARTERLY REPORT ON CONSOLIDATED PERIOD ENDED**  
**31 MARCH 2014**

	<b>Current Year Quarter</b>	<b>Individual Quarter Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Cumulative Quarter Preceding Year Corresponding Period</b>
	<b>31.03.14 (Unaudited) RM'000</b>	<b>31.03.2013 (Unaudited) RM'000</b>	<b>31.03.14 (Unaudited) RM'000</b>	<b>31.03.2013 (Unaudited) RM'000</b>
Revenue	23,354	21,774	71,882	75,431
Cost of Sales	(25,795)	(17,449)	(68,607)	(62,091)
<b>Gross Profit</b>	<b>(2,441)</b>	<b>4,325</b>	<b>3,275</b>	<b>13,340</b>
Other Income	183	377	567	1,015
Administrative Expenses	(6,626)	(1,867)	(9,731)	(5,005)
Selling and Distribution Expenses	(1,658)	(1,357)	(4,942)	(5,183)
<b>Operating Profit/(Loss)</b>	<b>(10,542)</b>	<b>1,478</b>	<b>(10,831)</b>	<b>4,167</b>
Finance Costs	(1,421)	(1,436)	(4,080)	(3,716)
<b>Profit/(Loss) Before Taxation</b>	<b>(11,963)</b>	<b>42</b>	<b>(14,911)</b>	<b>451</b>
Taxation	(19)	(10)	(19)	(10)
<b>Profit/(Loss) for the Period</b>	<b>(11,982)</b>	<b>32</b>	<b>(14,930)</b>	<b>441</b>
Earnings Per Share				
- Basic (sen)	(4.99)	0.02	(6.22)	0.37
- 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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND QUARTERLY REPORT ON**  
**CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2014**

	Share Capital	Exchange Translation Reserve	Share Premium	Non-Distributable Capital Reserve	Revaluation Reserve	Distributable Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Audited</u></b>							
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
<b><u>Unaudited</u></b>							
Balance as at 1 July 2013	60,000	(4,920)	-	-	4,393	(36,770)	22,703
Foreign Currency Translation	-	(567)	-	-	-	-	(567)
Capital Reduction	(42,000)	-	-	4,830	-	37,170	-
Share issued by right issue exercise	18,000	-	3,600	-	-	-	21,600
Right Issue expense incurred	-	-	-	(393)	-	-	(393)
Loss for the Period	-	-	-	-	-	(14,930)	(14,930)
Balance as at 31 March 2014	36,000	(5,487)	3,600	4,437	4,393	(14,530)	28,413

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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AND QUARTERLY**  
**REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED**  
**31 MARCH 2014**

	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>(9 months)</b>	<b>(12 months)</b>
	<b>31.03.14</b>	<b>30.06.2013</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Operations	71,307	93,727
Payment to Suppliers and Employees	(86,975)	(97,822)
Income Tax Paid	(131)	74
Interest Paid	(52)	(3)
<b>Net Cash used in Operating Activities</b>	<b>(15,851)</b>	<b>(4,024)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Disposal of Property, Plant and Equipment	50	28
Purchase of Property, Plant and Equipment	(1,565)	(269)
Withdrawal of Fixed Deposit	-	100
<b>Net Cash (used in)/from Investing Activities</b>	<b>(1,515)</b>	<b>(141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Banker Acceptance	-	-
Islamic Acceptance Bills	2,999	-
Proceeds from Hire Purchase Payables	-	525
Repayment of Hire Purchase Payables	(133)	(725)
Proceeds from Loan	4,500	8,080
Repayment of Term Loan	(5,591)	-
Proceeds from Right Issue	21,207	-
Advance from Directors	-	2,048
Repayment to Directors	(1,762)	-
Interest Paid	(4,027)	(5,494)
<b>Net Cash from/(used in) Financing Activities</b>	<b>17,193</b>	<b>4,434</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(173)</b>	<b>269</b>
Effects of Foreign Exchange Rates Changes	392	42
<b>Cash and Cash Equivalents at Beginning</b>	<b>7,411</b>	<b>7,100</b>
<b>Cash and Cash Equivalents at End</b>	<b>7,630</b>	<b>7,411</b>
<b>Represented by:-</b>		
Fixed Deposits with Licensed Banks	635	5,219
Cash and Bank Balances	6,995	2,192
	<b>7,630</b>	<b>7,411</b>

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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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.

**(FORMERLY KNOWN AS KBB RESOURCES BERHAD)**  
**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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 31 March 2014 was as follows:

	<b>Revenue</b>	<b>Total Assets</b>	<b>Capital Expenditures</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
West Malaysia	67,639	97,345	1,559
East Malaysia	4,243	16,903	6
	<u>71,882</u>	<u>114,248</u>	<u>1,565</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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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.



**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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**

	<b>Jan – Mar 2014 RM'000</b>	<b>Oct – Dec 2013 RM'000</b>	<b>Jan – Mar 2013 RM'000</b>	<b>Jul'13 – Mar'14 RM'000</b>
<b>Revenue</b>				
- West Malaysia	22,020	24,383	20,275	67,639
- East Malaysia	1,334	1,504	1,499	4,243
<b>Total</b>	<b>23,354</b>	<b>25,887</b>	<b>21,774</b>	<b>71,882</b>
<b>Profit/(Loss) before tax</b>				
- West Malaysia	(8,088)	(970)	75	(8,642)
- East Malaysia	(3,875)	(1,016)	(33)	(6,269)
<b>Total</b>	<b>(11,963)</b>	<b>(1,986)</b>	<b>42</b>	<b>(14,911)</b>

*Comparison with corresponding period in the previous year*

The Group's revenue for the current quarter under review was RM23.3 million and loss before tax was RM11.96 million.

The revenue was higher by RM1.58 million or represented 7.2% higher than preceding year corresponding quarter under review. The Group has suffered loss before tax of approximately RM11.96 million in the current quarter as compared with the profit before tax of RM0.04 million in corresponding quarter under review.

For West Malaysia, its revenue for the current quarter has been increased by RM1.74 million or represented 8.6% as compared to corresponding quarter in previous year. This was mainly due to increase in sales volume of bihun and laksa. However, 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 cost incurred such as increased of tariff for electricity and implementation of minimum wages of RM900.00. As a result of dry season caused a shortage and low quality of broken rich, the price of raw material increased substantially and low quality of raw materials purchase also led to higher wastage in production and high rejection by customers, and thus burden the Group with higher production cost. Provision for doubtful debts of RM2.5 million also attributed to the loss.

For East Malaysia, its revenue for the current quarter has been decreased by approximately RM0.16 million as compared to corresponding quarter in previous year. This was mainly due to decrease in production volume of Bihun. East Malaysia had suffered loss before tax for RM3.87 million as a result of low revenue as well as the provision of doubtful debts of RM2.8 million.

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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 lower by RM2.53 million or represented 9.8% if compared with the preceding quarter.

The Group recorded loss before tax for the current quarter was RM11.96 million as compared to profit before tax about RM0.04 million in the immediate preceding quarter under review.

For West Malaysia, its revenue for the current quarter has been decreased RM2.36 million or represented 9.7% lower as compared with the preceding quarter under review. The revenue of East Malaysia also decreased by RM0.17 million or 11% as compared to the preceding quarter. This was mainly due to decrease in production volume as a result of shortage in quality raw material.

The West Malaysia has suffered loss before taxation for the quarter approximately RM8.0 million as compared with the preceding quarter was RM1.0 million only under review. This was mainly due to higher production cost such as increased of tariff of electricity, implementation of minimum wages of RM900.00 as well as increase in price of major materials such as broken rice and sago starch. As a result of dry season caused a shortage and low quality of broken rich, the price of raw material increased substantially and low quality of raw materials purchase also led to higher wastage in production and high rejection by customers, and thus burden the Group with higher production cost. Provision for doubtful debts of RM2.5 million for West Malaysia and RM2.8 million for East Malaysia have attributed the losses for both segments.

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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 had completed its right issue exercise at the middle of current quarter under review and 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.

Barring any unforeseen circumstances, 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 local and overseas 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**

	<b>Current Year Quarter 31.03.14 RM'000</b>	<b>Current Year-to- Date 31.03.14 RM'000</b>
Income Tax	19	19
Deferred Tax	-	-
	<hr/> <hr/>	<hr/> <hr/>
	19	19

**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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 31 MARCH 2014**

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

**B7) Corporate Proposals**

- a) 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.

The proceeds raised of RM21,600,000 have been utilized in the following manner:-

Purpose	Proposed Utilisation	Actual Utilisation	Timeframe of Utilisation	Balance of Utilisation
	RM'000	RM'000		RM'000
Working Capital	16,200	13,720	Within 12 months	2,480
Capital Expenditure	5,000	2,388	Within 24 months	2,612
Expenses relating to the Proposal	400	393	Within 3 months	7
<b>Total</b>	<b>21,600</b>	<b>16,501</b>		<b>5,099</b>

For the expenses relating to the proposal, in the event that the actual expense is less than the allocated amount, the excess allocated amount shall be utilized as working capital for the Group.

On 24 April 2014, M&A Securities Sdn Bhd had, on behalf of the Board of Directors of EKA, M&A Securities Sdn Bhd wishes to announce that the Company proposes to undertake the following:

- (i) proposed private placement of up to 72,000,000 new ordinary shares of RM0.15 each in EKA (“EKA Shares” or “Shares”) to independent third party investor(s) to be identified (“Proposed Private Placement”);
- (ii) proposed increase in the authorised share capital of the Company from RM60,000,000 comprising 400,000,000 EKA Shares to RM90,000,000 comprising 600,000,000 EKA Shares (“Proposed IASC”); and
- (iii) proposed amendments to the Memorandum and Articles of Association of the Company for the Proposed IASC (“Proposed Amendments”).

**EKA NOODLES BERHAD (Company No.583565-U)**  
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**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

**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 31 March 2014 are as follows:-

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Short Term Borrowings:-</b>			
Hire Purchase Payables	-	22	22
Short Term Loan	11,029	5,149	16,178
Term Loans	5,345	-	5,345
	<u>16,374</u>	<u>5,171</u>	<u>21,545</u>
<b>Long Term Borrowings:-</b>			
Hire Purchase Payables	-	172	172
Term Loans	48,870	4,500	53,370
	<u>48,870</u>	<u>4,672</u>	<u>53,542</u>
<b>Total</b>	<u>65,244</u>	<u>9,843</u>	<u>75,087</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.

**B10) Material Litigation**

**a) Kong Saw Min and Sons Contract Services vs Bersatu Sago Industries Sdn Bhd**

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.

**b) Kepala Batas Bihun Sdn Bhd vs Kilang Bihun Bersatu Sdn Bhd**

After Kepala Batas Bersatu Sdn Bhd. succeeded in their application, we had filed an appeal to Alor Setar High Court. However, our appeal was dismissed with costs. Not satisfied with decision we have lodged an appeal to Court of Appeal. At the same time we have filed an application for stay of execution in Alor Setar High Court. The Court has fixed 20 May 2014 for hearing of application and 10 June 2014 for respondent to reply the appellant affidavit.

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**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 31 MARCH 2014**

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

**B10) Material Litigation(Con't)**

**c) Kepala Batas Bihun Sdn Bhd vs Kilang Bihun Bersatu Sdn Bhd**

Kilang Bihun Bersatu Sdn Bhd (“KBBSB”), a wholly-owned subsidiary of EKA had been served with a Notice Pursuant to Section 218(2)(a) of the Companies Act 1965 (“Notice”) in relation to the claims by Kepala Batas Bihun Sdn Bhd through a firm of lawyers acting on their behalf and particulars of claim are as follows.

- 1) the sum of RM735,690.51
- 2) interest of 5% per annum from the above principal sum which is calculated from 20 June 2013 until full settlement;
- 3) costs of proceedings at RM8,584.00

KBBSB has appointed a firm of lawyers to act on its behalf.

**d) Tenaga Nasional Berhad vs Rasayang Food Industries Sdn Bhd**

Rasayang Food Industries Sdn Bhd (“Rasayang”), a wholly-owned subsidiary of EKA had been served with a Notice Pursuant to Section 218(2)(a) of the Companies Act 1965 (“Notice”) in relation to the claims by Tenaga Nasional Berhad (“TNB”) through a firm of lawyers acting on their behalf and particulars of claim are as follows.

- 1) the sum of RM428,327.00
- 2) interest of 4% per annum on the outstanding sum from 14 June 2012 until full settlement;
- 3) costs on a solicitor-client basis in the sum of RM225.00 until full settlement be the residue sum owing in respect of the Penang High Court Judgement dated 14 June 2012 vide S22NCVC-365-05/2012

Rasayang has appointed a firm of lawyers to act on its behalf to set aside the judgement in default and the matter has been fixed for Case Management on 29 May 2014.

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**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:-

	<b>Current Months Period Ended</b>	<b>Individual Quarter Preceding Year Corresponding Quarter</b>	<b>Current Year to Date</b>	<b>Cumulative Period Preceding Year Corresponding Period</b>
	<b>31.03.2014 RM'000</b>	<b>31.03.2013 RM'000</b>	<b>31.03.2014 RM'000</b>	<b>31.03.2013 RM'000</b>
Profit/(Loss) for the Period (RM'000)	(11,982)	32	(14,931)	441
Weighted Average Number of Ordinary Shares of RM0.50 each ('000)	120,000	120,000	120,000	120,000
Earnings Per Share				
- Basic (sen)	(4.99)	0.02	(6.22)	0.37
- 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.

**B12) Realized and Unrealized Loss**

	<b>31.03.2014 RM'000</b>	<b>31.03.2013 RM'000</b>
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(68,406)	(90,509)
- Unrealized	(1,203)	(1,678)
	(69,609)	(92,187)
Consolidation adjustments	55,079	55,170
Total accumulated Profit/(losses) of the Group as per consolidated accounts	(14,530)	(37,017)

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**B13) Profit / (Loss) for the period / year**

	<b>Current Year Quarter</b>	<b>Individual Quarter Preceding Year Corresponding Quarter</b>	<b>Current Year to Date (<sup>2</sup>)</b>	<b>Cumulative Quarter Preceding Year Corresponding Period</b>
	<b>31.03.2014 (Unaudited) RM'000</b>	<b>31.03.2013 (Unaudited) RM'000</b>	<b>31.03.2014 (Unaudited) RM'000</b>	<b>31.03.2013 (Unaudited) RM'000</b>
<b>Profit / (Loss) for the period / year is arrive at after charging / (crediting) :-</b>				
Interest expense	1,421	2,435	4,079	4,715
Depreciation and amortization	1,610	2,046	5,434	6,444
Foreign exchange loss	-	164	15	239
(Gain)/Loss on disposal of property, plant & equipment	15	20	15	23
Provision for doubtful debts	5,314	-	5,314	-
Rental Income	(161)	(240)	(401)	(720)

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.

**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.