

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
30 JUNE 2015

| | Current Year As at 30.06.15 (Unaudited) RM'000 | Preceding Year As at 30.06.14 (Audited) RM'000 |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 69,639 | 63,878 |
| Intangible Assets | 98 | 98 |
| | <u>69,737</u> | <u>63,976</u> |
| Current Assets | | |
| Inventories | 4,505 | 6,832 |
| Trade Receivables | 13,322 | 15,447 |
| Other Receivables, Deposits and Prepayments | 6,235 | 8,575 |
| Tax Recoverable | 133 | 183 |
| Fixed Deposit with Licensed Banks | 950 | 756 |
| Cash and Bank Balances | 1,637 | 2,000 |
| | <u>26,782</u> | <u>33,793</u> |
| TOTAL ASSETS | <u>96,519</u> | <u>97,769</u> |
| EQUITY AND LIABILITIES | | |
| Share Capital | 46,800 | 36,000 |
| Revaluation Reserve | 9,122 | 6,297 |
| Share Premium | 3,600 | 3,600 |
| Capital Reserve | 4,837 | 4,837 |
| Retained Profits/(Accumulated Losses) | (50,670) | (37,032) |
| Total Equity | <u>13,689</u> | <u>13,702</u> |
| Non-Current Liabilities | | |
| Borrowings | 59,555 | 56,170 |
| Deferred Tax Liabilities | 1,554 | 1,272 |
| | <u>61,109</u> | <u>57,442</u> |
| Current Liabilities | | |
| Trade Payables | 11,992 | 9,168 |
| Other Payables and Accruals | 3,420 | 5,261 |
| Amount Owing to Directors | 106 | 54 |
| Borrowings | 6,152 | 12,088 |
| Provision for Taxation | 51 | 54 |
| | <u>21,721</u> | <u>26,625</u> |
| Total Liabilities | <u>82,830</u> | <u>84,066</u> |
| TOTAL EQUITY AND LIABILITIES | <u>96,519</u> | <u>97,769</u> |
| Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (RM) | 0.06 | 0.06 |

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 2014 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
30 JUNE 2015

| | Current Year Quarter | Individual Quarter Preceding Year Corresponding Quarter | Current Year To Date | Cumulative Quarter Preceding Year Corresponding Period |
|--------------------------------------|--|--|--|---|
| | 30.06.15 (Unaudited) RM'000 | 30.06.14 (Unaudited) RM'000 | 30.06.15 (Unaudited) RM'000 | 31.03.14 (Unaudited) RM'000 |
| Revenue | 14,877 | 18,453 | 70,134 | 90,335 |
| Cost of Sales | (18,299) | (25,021) | (64,640) | (93,628) |
| Gross Profit | (3,422) | (6,568) | 5,494 | (3,293) |
| Other Income | 248 | 396 | 1,567 | 964 |
| Administrative Expenses | (2,566) | (13,051) | (7,550) | (22,784) |
| Selling and Distribution Expenses | (1,500) | (1,646) | (6,452) | (6,587) |
| Operating Profit/(Loss) | (7,240) | (20,869) | (6,941) | (31,700) |
| Finance Costs | (1,826) | (1,450) | (6,384) | (5,529) |
| Profit/(Loss) Before Taxation | (9,066) | (22,319) | (13,325) | (37,229) |
| Taxation | (305) | 90 | (311) | 71 |
| Profit/(Loss) After Taxation | (9,371) | (22,229) | (13,636) | (37,158) |
| Earnings Per Share | | | | |
| - Basic (sen) | (3.00) | (9.26) | (4.37) | (15.48) |
| - 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 2014 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 30 JUNE 2015

| | 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 |
| <u>Audited</u> | | | | | | | |
| Balance as at 1 July 2013 | 60,000 | (4,920) | - | - | 4,393 | (36,770) | 22,703 |
| Realized Foreign Currency | - | 4,920 | - | - | - | - | 4,920 |
| Capital Reduction | (42,000) | - | - | 5,230 | - | 36,770 | - |
| Share issued by right issue exercise | 18,000 | - | 3,600 | - | - | - | 21,600 |
| Revaluation of land and building | - | - | - | - | 1,904 | - | 1,904 |
| Right Issue expense incurred | - | - | - | (393) | - | - | (393) |
| Loss for the Year | - | - | - | - | - | (37,032) | (37,032) |
| Balance as at 30 June 2014 | 36,000 | - | 3,600 | 4,837 | 6,297 | (37,032) | 13,702 |
| <u>Unaudited</u> | | | | | | | |
| Balance as at 1 July 2014 | 36,000 | - | 3,600 | 4,837 | 6,297 | (37,032) | 13,702 |
| Share Issue for Private Placement | 10,800 | - | - | - | - | - | 10,800 |
| Revaluation of land and building | - | - | - | - | 2,824 | - | 2,824 |
| Loss for the Period | - | - | - | - | - | (13,636) | (13,636) |
| Balance as at 30 June 2015 | 46,800 | - | 3,600 | 4,837 | 9,121 | (50,668) | 13,690 |

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 2014 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
30 JUNE 2015

| | Current Year to Date | Preceding Year Corresponding Period |
|---|---------------------------------|--|
| | (12 months) 30.06.15 | (12 months) 30.06.14 |
| | (Unaudited) | (Audited) |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Operations | 71,485 | 94,111 |
| Payment to Suppliers and Employees | (63,096) | (110,492) |
| Income Tax Refund | (59) | 170 |
| Interest Paid | 16 | (14) |
| Net Cash used in Operating Activities | 8,346 | (16,225) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Disposal of Property, Plant and Equipment | - | 50 |
| Purchase of Property, Plant and Equipment | (10,332) | (2,736) |
| Withdrawal of Fixed Deposit | - | - |
| Cash loss on disposal | - | (80) |
| Net Cash (used in)/from Investing Activities | (10,332) | (2,766) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Islamic Acceptance Bills | 509 | 3,000 |
| Proceeds from Hire Purchase Payables | 86 | 365 |
| Repayment of Hire Purchase Payables | (62) | (139) |
| Proceeds from Loan | 3,596 | 4,779 |
| Repayment of Term Loan | - | (7,491) |
| Proceeds from Right Issue | - | 21,207 |
| Repayment of Islamic Acceptance Bills | (6,735) | - |
| Proceeds from Private Placement | 10,800 | - |
| Advance from/(Repayment to) the Director | 53 | (1,975) |
| Interest Paid | (6,324) | (5,516) |
| Net Cash from/(used in) Financing Activities | 1,923 | 14,230 |
| Net increase/(decrease) in Cash and Cash Equivalents | (63) | (4,761) |
| Effects of Foreign Exchange Rates Changes | - | - |
| Cash and Cash Equivalents at Beginning | 2,650 | 7,411 |
| Cash and Cash Equivalents at End | 2,586 | 2,650 |
| Represented by:- | | |
| Fixed Deposits with Licensed Banks | 950 | 650 |
| Cash and Bank Balances | 1,637 | 2,000 |
| | 2,587 | 2,650 |

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 2014 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 30 JUNE 2015

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 2014.

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2014.

The accounting policies and methods of computation used in preparing the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 30 June 2014.

The Group and Company has not applied the following MFRSs, Amendments to MFRSs, Issue Committee Interpretations (“IC Interpretations”) and Amendments to IC Interpretation that have been issued by MASB but are not yet effective.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2015

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

New/Revised MFRSs, Amendments to MFRSs, IC Interpretations and Amendments to IC Interpretation Effective for financial periods beginning on or after

| | | |
|--|---|-----------------------------------|
| MFRS 9 Amendments to MFRS 10, MFRS 12 and MFRS 127 Amendments to MFRS 132 | Financial Instruments Investment Entities Offsetting Financial Assets and Financial Liabilities | To be announced 1 January 2014 |
| Amendments to MFRS 136 | to Recoverable Amount Disclosures for Non- financial Assets | 1 January 2014 |
| Amendments to MFRS 139 | to Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21 Amendments to MFRS 119 | Levies to Defined Benefit Plans; Employee Contributions | 1 January 2014 1 July 2014 |
| Amendments to MFRS 2, MFRS 8, MFRS 13, MFRS 116, MFRS 124, MFRS 138 | to Annual Improvements to MFRS 2010-2012 Cycle | 11 July 2014 |
| Amendments to MFRS 1, MFRS 3, MFRS 13, MFRS 140 | to Annual Improvements to MFRS 2011-2013 Cycle | 1 July 2014 |

Except as otherwise indicated below, the adoption of the above new standard, amendments and interpretations are not expected to have significant impact on the financial statements of the Group and Company.

MFRS 9, Financial Instruments

The Standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of FRS 139 that relate to the classification and measurement of financial instruments.

MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2015

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

For financial liabilities, the standard retains most of the FRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group has yet to assess the full impact of MFRS 9 and intends to adopt MFRS 9 when it is mandated by the MASB.

Except as indicated above, the adoption of the above MFRSs, Amendments to MFRSs, IC Interpretations and Amendments to IC Interpretation are not expected to have significant impact on the financial statements of the Group and of the Company.

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.

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 2015 was as follows:

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2015

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

| | Revenue | Total Assets | Capital Expenditures |
|---------------|----------------|---------------------|-----------------------------|
| | RM’000 | RM’000 | RM’000 |
| West Malaysia | 64,692 | 77,721 | 10,332 |
| East Malaysia | 5,442 | 19,572 | - |
| | <u>70,134</u> | <u>97,293</u> | <u>10,332</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.

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)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2015

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-June 2015 RM'000 | Jan-Mar 2014 RM'000 | Apr-Jun 2014 RM'000 | Jul'14 – June'15 RM'000 |
|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|--|
| Revenue | | | | |
| - West Malaysia | 14,065 | 21,064 | 16,898 | 64,692 |
| - East Malaysia | 812 | 1,275 | 1,555 | 5,442 |
| Total | 14,877 | 22,339 | 18,453 | 70,134 |
| Profit/(Loss) before tax | | | | |
| - West Malaysia | (7,950) | 695 | (20,567) | (10,280) |
| - East Malaysia | (1,116) | (744) | (1,752) | (3,045) |
| Total | (9,066) | (49) | (22,319) | (13,325) |

Comparison with corresponding period in the previous year

The Group's revenue for the current quarter under review was RM14.87 million and loss before tax was RM9.06 million.

The revenue was lower by RM3.57 million or represented 19.4% lower than preceding year corresponding quarter under review. The Group has suffered loss before tax of approximately RM9.06 million in the current quarter as compared with the loss before tax of RM22.32 million in corresponding quarter under review.

For West Malaysia, its revenue for the current quarter decreased by RM2.83 million or represented 16.76% as compared to corresponding quarter in previous year. This was mainly due to decrease in sales volume of bihun and laksa of some of our brands. West Malaysia recorded loss before taxation of RM7.9 million as compared to corresponding quarter in previous year was about RM20.5 million. This was mainly due to provision for doubtful debts of RM3.4 million, written off of amount due by subsidiaries of RM3.0 million and impairment loss of property, plant and equipment in the corresponding quarter in the previous year.

For East Malaysia, its revenue for the current quarter showed a major decrease by RM0.74 million as compared to the corresponding quarter in previous year. East Malaysia suffered loss before tax of RM1.10 million in line with the decrease of revenue. This was mainly due to impairment of property, plant and equipment of RM0.34 million and provision for doubtful debts of RM0.3 million in the corresponding quarter in the previous year.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2015

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 RM7.46 million or represented 33.4% when compared with the preceding quarter.

The Group recorded loss before tax for the current quarter was RM9.1 million as compared to loss before tax about RM0.5 million in the immediate preceding quarter under review.

For West Malaysia, its revenue for the current quarter decreased by RM7.0 million or represented 33.2% lower as compared with the preceding quarter under review. The decrease was mainly due to low season after Chinese New Year festive.

The revenue of East Malaysia has a major decrease as compared to the preceding quarter. This was also mainly due to decrease of demand in bihun due some customers have moved to other brands in East Malaysia market.

West Malaysia has suffered loss before taxation of approximately RM7.9 million for the quarter as compared to profit before tax in the preceding quarter of RM0.7 million under review. The low efficiency in production such as high reject and wastage has caused the higher loss in the quarter under review.

East Malaysia suffered loss before taxation of approximately RM1.1 million for the quarter as compared with the preceding quarter loss of RM0.74 million under review.

B2) Current Year Prospects

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.

We are also currently reorganizing our sales team with the objective to capture more of the local market and will also explore the international 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.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2015

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

B4) Taxation

| | Current Year Quarter 30.06.15 RM'000 | Current Year-to- Date 30.06.15 RM'000 |
|--------------|---|--|
| Income Tax | 23 | 29 |
| Deferred Tax | 282 | 282 |
| | 305 | 311 |

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.

B7) Corporate Proposals

- a) On 7 April 2015, M&A Securities Sdn Bhd had, on behalf of Directors of KBB, announced that the Private Placement is deemed completed following the listing of and quotation for 72,000,000 and Placement Shares on the Main Market of Bursa Securities.

The proceeds of RM10,800,000 were utilized in the following manner:-

| Purpose | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Timeframe of Utilisation | Balance of Utilisation RM'000 |
|---|-----------------------------------|---------------------------------|-----------------------------|-------------------------------------|
| Repayment of bank borrowing | 10,600 | 10,600 | Within 12 months | - |
| Expenses in relation to the Proposal | 200 | 200 | Within 1 months | - |
| Total | 10,800 | 10,800 | | - |

If the actual expenses incurred pursuant to the proposals are higher than the amount budgeted, the deficit will be funded out of the portion allocated for the repayment of bank borrowing, Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilized for working capital.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2015

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 30 June 2015 are as follows:-

| | Secured | Unsecured | Total |
|--------------------------------|----------------|------------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| Short Term Borrowings:- | | | |
| Hire Purchase Payables | - | 70 | 70 |
| Short Term Loan | 2,782 | - | 2,782 |
| Term Loans | 3,000 | 300 | 3,300 |
| | <u>5,782</u> | <u>370</u> | <u>6,152</u> |
| Long Term Borrowings:- | | | |
| Hire Purchase Payables | - | 507 | 507 |
| Term Loans | 54,425 | 4,623 | 59,048 |
| | <u>54,425</u> | <u>5,130</u> | <u>59,555</u> |
| Total | <u>60,207</u> | <u>5,500</u> | <u>65,707</u> |

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) Tenaga Nasional Berhad vs Rasayang Food Industries Sdn Bhd

The above case has been transferred to Session Court from High Court. Now pending for case management.

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

The above case are still waiting for the case management to be fixed.

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2015

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 |
|---|--|--|-------------------------------------|--|
| | 30.06.15 RM'000 | 30.06.14 RM'000 | 30.06.15 RM'000 | 30.06.14 RM'000 |
| Profit/(Loss) for the Period (RM'000) | (9,371) | (22,229) | (13,636) | (37,158) |
| Weighted Average Number of Ordinary Shares of RM0.50/RM0.15 each ('000) | 312,000 | 240,000 | 312,000 | 240,000 |
| Earnings Per Share | | | | |
| - Basic (sen) | (3.00) | (9.26) | (4.37) | (15.48) |
| - 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 2014 and the accompanying explanatory notes attached to the interim financial statements.

B12) Realized and Unrealized Loss

| | 30.06.15 RM'000 | 30.06.14 RM'000 |
|--|----------------------------|----------------------------|
| Total retained earnings of the Company and its subsidiaries :- | | |
| - Realized | (60,853) | (47,569) |
| - Unrealized | (1,554) | (1,326) |
| | (62,407) | (48,895) |
| Consolidation adjustments | 11,737 | 11,737 |
| Total accumulated Profit/(losses) of the Group as per consolidated accounts | (50,670) | (37,158) |

EKA NOODLES BERHAD (Company No.583565-U)
(FORMERLY KNOWN AS KBB RESOURCES BERHAD)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2015

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 30.06.15 (Unaudited) RM'000 | Individual Quarter Preceding Year Corresponding Quarter 30.06.14 (Unaudited) RM'000 | Current Year to Date ⁽²⁾ 30.06.15 (Unaudited) RM'000 | Cumulative Quarter Preceding Year Corresponding Period 30.06.14 (Unaudited) RM'000 |
|---|--|--|---|---|
| Profit / (Loss) for the period / year is arrive at after charging / (crediting) :- | | | | |
| Interest expense | 1,862 | 1,450 | 6,384 | 5,529 |
| Provision for doubtful debts | 774 | 3,391 | 775 | 8,705 |
| Bad debts written off | 5 | 22 | 5 | 22 |
| Written off of amount due from subsidiaries | - | 3,050 | - | 3,050 |
| Depreciation and amortization | 1,978 | 2,059 | 7,395 | 7,493 |
| Foreign exchange loss | - | - | - | 15 |
| (Gain)/Loss on disposal of PPE | - | - | - | 15 |
| Impairment loss on Property, plant & Equipment | - | 337 | - | 337 |
| Loss on disposal of subsidiaries | - | 4,184 | - | 4,184 |
| Rental Income | - | (321) | (720) | (722) |

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 2014 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 30 JUNE 2015**

**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 2014 did not contain any qualification.

B15) Authorization for Issue

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