

NATURAL BIO RESOURCES BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2007**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 NOVEMBER 2007 RM'000	Preceding Year Quarter 30 NOVEMBER 2006* RM'000	Current Year To Date 30 NOVEMBER 2007 RM'000	Preceding Year To Date 30 NOVEMBER 2006* RM'000
Revenue	43,293	N/A	136,023	N/A
Other income	63	N/A	775	N/A
Change in inventories of finished goods	6,567	N/A	8,481	N/A
Raw material used	(21,168)	N/A	(60,470)	N/A
Staff cost	(3,047)	N/A	(9,089)	N/A
Depreciation and amortisation	(687)	N/A	(1,899)	N/A
Other operating expenses	(10,568)	N/A	(34,765)	N/A
Finance costs	(209)	N/A	(1,315)	N/A
Profit before taxation	14,244	N/A	37,741	N/A
Income tax expense	(3,361)	N/A	(8,845)	N/A
Profit after taxation	10,883	N/A	28,896	N/A
Attributable to:				
Ordinary equity holders of the parent	10,883	N/A	28,896	N/A
Minority interest	-	N/A	-	N/A
	10,883	N/A	28,896	N/A
Earnings per share (sen)				
Basic (note B13)	3.6	N/A	10.4	N/A
Diluted (note B13)	n/a	N/A	n/a	N/A

Notes:-

* This is the third interim Financial Statements on the consolidated results for the financial period ended 30 November 2007 announced by the company in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") requirements in conjunction with the admission of the company to the Second Board of Bursa Securities. As this is the third quarterly report being drawn out, there are no comparative consolidated figures for the preceding year's corresponding quarter.

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and accompanying explanatory notes attached to the interim financial statements.)

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2007**

(The figures below are unaudited)

	(Unaudited) As at 30 NOVEMBER 2007 RM'000	(Audited) As at 28 February 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,631	36,422
Intangible assets	195	204
Goodwill on consolidation	4,830	4,829
	49,656	41,455
Current assets		
Inventories	37,933	22,077
Trade receivables	54,654	44,049
Other receivables, deposits and prepayments	2,050	2,347
Fixed deposits	78,772	1,721
Cash and bank balances	7,787	4,771
	181,196	74,965
TOTAL ASSETS	230,852	116,420
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	45,000
Share premium	100,105	-
Retained earnings	34,489	5,593
Equity attributable to equity holders of the parent	194,594	50,593
Non-current liabilities		
Long term borrowings	15,585	17,287
Deferred taxation	533	380
	16,118	17,667
Current liabilities		
Trade payables	7,047	11,336
Other payables and accruals	8,380	8,351
Taxation	2,279	786
Short term borrowings	2,434	26,623
Bank overdraft	-	1,064
	20,140	48,160
TOTAL LIABILITIES	36,258	65,827
TOTAL EQUITY AND LIABILITIES	230,852	116,420
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.65	0.22

Note:-

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and accompanying explanatory notes attached to the interim financial statements.)

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2007**

(The figures below are unaudited)

	Current Year To Date 30 NOVEMBER 2007 RM'000	Preceding Year To Date 30 NOVEMBER 2006* RM'000
Cash flows for operating activities		
Profit before tax	37,741	N/A
Adjustments for:-		
Non-cash items	1,908	N/A
Non-operating items	(211)	N/A
Operating profit before changes in working capital	39,438	N/A
Changes in working capital:-		
Net change in current assets	(25,973)	N/A
Net change in current liabilities	(4,045)	N/A
Net cash from operations	9,420	N/A
Interest paid	(1,294)	N/A
Tax paid	(7,391)	N/A
Net cash for operating activities	735	N/A
Cash flows for investing activities		
Interest received	1,504	N/A
Proceeds from disposal of equipment	1	N/A
Purchase of plant and equipment	(10,302)	N/A
Net cash for investing activities	(8,797)	N/A
Cash flows from financing activities		
Dividends paid	-	N/A
Repayment of other short-term bank borrowings	(24,786)	N/A
Payment of listing expenses	(5,716)	N/A
Proceeds from public issue	120,821	N/A
Repayment of hire purchase liabilities	(592)	N/A
Repayment of term loan	(535)	N/A
Net cash from financing activities	89,193	N/A
Net increase in cash and cash equivalents	81,131	N/A
Cash and cash equivalents at beginning of the period	5,428	N/A
Cash and cash equivalents at end of the period	86,559	N/A
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	78,772	N/A
Cash and bank balances	7,787	N/A
	86,559	N/A

Notes:-

* This is the third interim Financial Statements on the consolidated results for the financial period ended 30 November 2007 announced by the company in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") requirements in conjunction with the admission of the company to the Second Board of Bursa Securities. As this is the third quarterly report being drawn out, there are no comparative consolidated figures for the preceding year's corresponding quarter.

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and accompanying explanatory notes attached to the interim financial statements.)

NATURAL BIO RESOURCES BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2007**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent			Total Equity RM'000
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Distributable Retained Profit RM'000	
At 1 March 2007	45,000	-	5,593	50,593
Issue of shares	15,000	105,821	-	120,821
Listing expenses	-	(5,716)	-	(5,716)
Profit for the period	-	-	28,896	28,896
At 30 November 2007	60,000	100,105	34,489	194,594

Note:-

Comparative figures for the preceding year comparative period is not available as this is the first year the Group presents its interim financial statements.

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2007 and accompanying explanatory notes attached to the interim financial statements.)

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third quarter ended 30 November 2007 have been prepared in accordance with Financial Reporting Standards ("FRS") 134₂₀₀₄ Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9 Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Natural Bio Resources Berhad ("Natural Bio") and its subsidiaries, namely Power Root (M) Sdn. Bhd., Power Root Marketing Sdn. Bhd., Power Root Manufacturing Sdn. Bhd. and Power Root Nenergy Sdn. Bhd. (collectively known as "Natural Bio Group" or "The Group") for the financial year ended 28 February 2007.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted for the annual financial statements for the financial year ended 28 February 2007 except for the adoption of the revised FRS 124 Related Party Disclosures issued by MASB that are effective for the Group's annual reporting date, 29 February 2008. The adoption of FRS 124 does not have significant impact on the Group.

The following revised FRS have been issued and are effective for financial periods beginning on or after 1 July 2007 and will be effective for the Group's and the Company's financial statements for the financial year ending 28 February 2009:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 139 - Financial Instruments: Recognition and Measurement has been issued and the effective date has yet to be determined by MASB. The Company will apply this standard when it becomes effective.

A2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 28 February 2007 were not subject to any qualification.

A3. Seasonality or Cyclical Factors

The Group's operations for the current quarter under review were not significantly affected by any seasonal or cyclical factors.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature size or incidence during the quarter under review.

A5. Material Change in Estimates

There were no material changes in estimates of amounts reported that have a material effect on the results for the quarter under review.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review.

A7. Dividend Paid

There was no dividend paid during the quarter under review.

A8. Segmental Reporting

The Group operates principally in one industry. No disclosure was made pertaining to the geographical segment as the Group's export revenue accounted for less than 10% of the Group's total revenue.

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued for the period under review.

A10. Material Events Subsequent to the End of the Quarter Under Review

There was no material event subsequent to the end of the quarter under review up to the date of this report which has not been reflected in the financial statements for the quarter under review.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

A12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date up to the date of this report.

A13. Material Capital Commitments

There were no material capital commitments committed during the quarter under review.

A14. Material Related Party Transactions

There were no material transactions entered by the Group with any related party.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Results for the Quarter Ended 30 November 2007

No comparative figures are available for the corresponding period in the preceding financial year as this is the Group's third quarterly announcement to Bursa Securities.

B2. Variation of Results For the Current Quarter Ended 30 November 2007 Against the Immediate Preceding Quarter

The Group recorded revenue of RM43.29 million for the quarter ended 30 November 2007 as compared to the revenue recorded for last quarter ended 31 August 2007 of RM48.27 million, representing a decrease of RM4.98 million or 10.3%. The lower revenue recorded for the quarter ended 30 November 2007 was mainly due to the lower purchase/consumption of the Group's products, particularly during the fasting month of Hari Raya Puasa which occurred over September and October.

Despite the lower revenue recorded, the Group's net profit after tax ("PAT") for the quarter ended 30 November 2007 was RM10.89 million, representing an increase of RM0.23 million or 2% as compared to the Group's PAT recorded for the quarter ended 31 August 2007 of RM10.66 million. The increase in PAT was mainly due to the increase in operation efficiency resulting from the increase in economies of scale and lower spending in advertising and promotion expenses over this quarter.

B3. Group's Prospects for financial year ending 29 February 2008

Globally, inflation remained a key macroeconomic issue in 2006. The robust performance of the global economy in recent years has driven up the demand and contributed to the upward pressure on the prices of commodities. The impact of higher commodity prices was significant from the producers' point of view, notably those in the resource intensive industries.

(Source: Bank Negara Malaysia's Annual Report 2006)

In view of the continuity of escalating prices of raw materials, the Group is of the view that the operating conditions for the coming quarter ending 29 February 2008 and for the rest of the calendar year of 2008 to be a challenging one. As such, in order to remain competitive, the Group has, amongst others, carried out measures to improve its operational efficiencies encompassing its manufacturing processes, logistic, warehousing processes and procurement operations.

Despite the trying conditions, the Group is optimistic that it is able to protect and grow its business locally as well as in the foreign markets for the quarter ending 29 February 2008 and for the financial year ending 28 February 2009. On the local front, the Group will continue to introduce new products and maintain its advertising and promotional efforts. The management of the Group is also optimistic that it can emulate the success achieved locally for its export markets, particularly in the Middle East and Indonesia. The management of the Group believes that there is a large market for coffee and energy drinks in these regions. As such, the Group believes it is necessary that sufficient investment is allocated to build and promote its products

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

abroad. Taking into consideration the management's intention and commitment to expand its export markets and barring any unforeseen circumstances, the Group hopes that in time, its market share in the Middle East and Indonesia will continue to grow and consequently contribute positively to the earnings of the Group.

B4. Variance of Profit Forecast

Natural Bio had provided a consolidated profit forecast for the financial year ending 29 February 2008 in its prospectus dated 20 April 2007. Thus, the analysis of the variance will only be applicable in the fourth quarter.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 November 2007 RM'000	30 November 2006 RM'000	30 November 2007 RM'000	30 November 2006 RM'000
In respect of the current period:-				
Taxation	3,303	-	8,626	-
Deferred taxation	58	-	219	-
	<u>3,361</u>	<u>-</u>	<u>8,845</u>	<u>-</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>3,361</u>	<u>-</u>	<u>8,845</u>	<u>-</u>

The effective tax rate of the Group's current tax charge for the period was lower than statutory tax rate mainly due to tax incentives enjoyed by its subsidiaries.

B6. Profit on Sale of Unquoted Investments and Properties

There was no disposal of unquoted investments and properties during the quarter under review and financial year-to-date.

B7. Purchase and Disposal of Quoted and Marketable Securities

There was no purchase or disposal of quoted and marketable securities during the quarter under review and financial year-to-date.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

B8. Status of Corporate Proposals Announced

- (i) There were no corporate proposals announced but not completed during the quarter under review.
- (ii) Utilisation Of Proceeds Received From Public Issue

As at 30 November 2007, the status of utilisation of the gross proceeds of RM120.82 million raised from the public issue of 75,000,000 new ordinary shares of RM0.20 each in Natural Bio pursuant to the listing of Natural Bio on the Bursa Securities is as follows:

Purpose	Proceeds Raised RM'000	Status of utilisation as at 30 November 2007 RM'000	Amount not utilised RM'000	Timeframe for utilisation
Capital expenditure	25,800	8,103	17,697	By February 2009
Research & Development	1,100	-	1,100	By February 2009
Advertisement & Promotions	40,000	9,357	30,643	By February 2009
Repayment of bank borrowings	19,950	9,625	10,325	By August 2008
Working Capital	28,470	22,914	5,556	By February 2009
Estimated Listing Expenses	5,500	5,500	-	By August 2008
TOTAL	120,820	55,499	65,321	

B9. Group Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and secured, as at the end of the quarter under review are as follows:

	RM'000
<u>Short Term Borrowings</u>	
Term Loans	1,576
Hire Purchase Payables	858
Trade Finance	-
Bank overdraft	-
	<u>2,434</u>
<u>Long Term Borrowings</u>	
Term Loans	14,536
Hire Purchase Payables	1,049
	<u>15,585</u>
Total	<u>18,019</u>

The Group does not have any foreign borrowings and debt securities as at the date of this report.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B12. Dividend Proposed

An interim tax free dividend of 2.0 sen was proposed on 27 October 2007 and was paid on 8 January 2008.

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 November 2007 RM'000	30 November 2006 RM'000	30 November 2007 RM'000	30 November 2006 RM'000
Profit for the period (RM'000)	10,885	n/a	28,895	n/a
Weighted average number of shares in issue ('000)	300,000	n/a	279,167	n/a
Basic EPS (sen)	<u>3.6</u>	<u>n/a</u>	<u>10.4</u>	<u>n/a</u>

Basic EPS is calculated by dividing the net profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted EPS

The Group does not have any convertible securities and accordingly diluted EPS is not applicable.