

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
29 FEBRUARY 2008**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 29 FEBRUARY 2008 RM'000	Preceding Year Quarter 28 FEBRUARY 2007* RM'000	Current Year To Date 29 FEBRUARY 2008 RM'000	Preceding Year To Date 28 FEBRUARY 2007* RM'000
Revenue	44,473	N/A	180,498	N/A
Other income	37	N/A	813	N/A
Change in inventories of finished goods	(4,718)	N/A	3,762	N/A
Raw material used	(17,154)	N/A	(77,625)	N/A
Staff cost	(4,094)	N/A	(13,183)	N/A
Depreciation and amortisation	(797)	N/A	(2,696)	N/A
Other operating expenses	(6,408)	N/A	(41,173)	N/A
Finance costs	(463)	N/A	(1,779)	N/A
Profit before taxation	10,876	N/A	48,617	N/A
Income tax expense	128	N/A	(8,717)	N/A
Profit after taxation	11,004	N/A	39,900	N/A
Attributable to:				
Ordinary equity holders of the parent	11,004	N/A	39,900	N/A
Minority interest	-	N/A	-	N/A
	11,004	N/A	39,900	N/A
Earnings per share (Par Value 20 sen)				
Basic (note B13)	3.7	N/A	14.0	N/A
Diluted (note B13)	n/a	N/A	n/a	N/A

Notes:-

* This is the fourth interim Financial Statements on the consolidated results for the financial period ended 29 February 2008 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 fourth 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 29 FEBRUARY 2008**

(The figures below are unaudited)

	(Unaudited) As at 29 FEBRUARY 2008 RM'000	(Audited) As at 28 FEBRUARY 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	60,864	36,422
Intangible assets	189	204
Goodwill on consolidation	4,830	4,829
	<u>65,883</u>	<u>41,455</u>
Current assets		
Inventories	42,020	22,077
Trade receivables	62,180	44,049
Other receivables, deposits and prepayments	1,868	2,347
Fixed deposits	59,966	1,721
Cash and bank balances	9,043	4,771
Tax Recoverable	1,683	-
	<u>176,760</u>	<u>74,965</u>
TOTAL ASSETS	<u>242,643</u>	<u>116,420</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	45,000
Share premium	100,056	-
Retained earnings	39,493	5,593
Equity attributable to equity holders of the parent	<u>199,549</u>	<u>50,593</u>
Non-current liabilities		
Long term borrowings	15,159	17,287
Deferred taxation	1,742	380
	<u>16,901</u>	<u>17,667</u>
Current liabilities		
Trade payables	8,918	11,336
Other payables and accruals	15,813	8,351
Taxation	21	786
Short term borrowings	1,441	26,623
Bank overdraft	-	1,064
	<u>26,193</u>	<u>48,160</u>
TOTAL LIABILITIES	<u>43,094</u>	<u>65,827</u>
TOTAL EQUITY AND LIABILITIES	<u>242,643</u>	<u>116,420</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.67	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 FOURTH QUARTER ENDED
29 FEBRUARY 2008**

(The figures below are unaudited)

	Current Year To Date 29 FEBRUARY 2008 RM'000	Preceding Year To Date 28 FEBRUARY 2007* RM'000
Cash flows from operating activities		
Profit before tax	48,617	N/A
Adjustments for:-		
Non-cash items	2,696	N/A
Non-operating items	(604)	N/A
Operating profit before changes in working capital	50,709	N/A
Changes in working capital:-		
Net change in current assets	(37,599)	N/A
Net change in current liabilities	5,043	N/A
Net cash from operations	18,153	N/A
Interest paid	(1,564)	N/A
Tax paid	(9,803)	N/A
Net cash from operating activities	6,786	N/A
Cash flows from investing activities		
Interest received	2,101	N/A
Proceeds from disposal of equipment	279	N/A
Purchase of plant and equipment	(27,151)	N/A
Net cash for investing activities	(24,771)	N/A
Cash flows from financing activities		
Dividends paid	(6,000)	N/A
Repayment of other short-term bank borrowings	(24,786)	N/A
Payment of listing expenses	(5,716)	N/A
Issuance of share capital	15,000	N/A
Proceeds from public issue	105,772	N/A
Repayment of hire purchase liabilities	(1,080)	N/A
Repayment of term loan	(1,624)	N/A
Net cash from financing activities	81,566	N/A
Net increase in cash and cash equivalents	63,581	N/A
Cash and cash equivalents at beginning of the period	5,428	N/A
Cash and cash equivalents at end of the period	69,009	N/A
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	59,966	N/A
Cash and bank balances	9,043	N/A
	69,009	N/A

Notes:-

* This is the fourth interim Financial Statements on the consolidated results for the financial period ended 29 February 2008 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 fourth 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 FOURTH QUARTER ENDED 29 FEBRUARY 2008

(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	105,772	-	120,772
Listing expenses	-	(5,716)	-	(5,716)
Profit for the period	-	-	39,900	39,900
Dividend	-	-	(6,000)	(6,000)
At 29 February 2008	<u>60,000</u>	<u>100,056</u>	<u>39,493</u>	<u>199,549</u>

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 29 February 2008 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

An interim tax free dividend of 2.0 sen per share was paid during the quarter.

A8. Segmental Reporting

The Group operates principally in one industry. No disclosure was made pertaining to the geographical segment as the Group's revenue is primary generated from Malaysia.

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

Subsequent to the end of the quarter under reviewed, the Group had acquired 100% equity interest in PR Global Assets Limited ("PRG"), a company incorporated in British Virgin Islands on 8 June 2006 for a cash consideration of USD3.00.

A11. Changes in the composition of the Group

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

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.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

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 29 February 2008

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

B2. Variation of Results For the Current Quarter Ended 29 February 2008 Against the Immediate Preceding Quarter

The Group recorded revenue of RM44.47 million for the quarter ended 29 February 2008 as compared to the revenue recorded for last quarter ended 30 November 2007 of RM43.29 million, representing an increase of RM1.18 million or 2.7%. The marginally higher revenue recorded for the quarter ended 29 February 2008 was mainly due to the higher sales recorded at year end in view of the price increase of the Group's products implemented for FYE 2009.

The Group's net profit after tax ("PAT") for the quarter ended 29 February 2008 was RM11 million which is consistent with last quarter's PAT of RM10.89 million.

B3. Group's Prospects for the financial year ending 28 February 2009 ("FYE 2009")

The Group is of the view that the operating conditions for the FYE 2009 remain a trying and challenging one. In general, the food and beverage industry has been facing systemic risks such as (i) escalating raw materials cost and (ii) weaker sentiment in the local market where consumers on the whole have been more cautious in their spending patterns.

In view of these trying operating conditions, the Group intends to mitigate the systemic risks through continuously carrying out measures to remain competitive. Such measures include improving the Group's operational efficiency and controlling its operational cost, with the view of keeping the transfer of the incremental raw material cost to its customers to a minimum. For the Malaysian market, it is the intention of the Group (i) to defend its market share for its established products and (ii) to garner market share for its newer products in the chocolate drinks and cereal segments via its advertising and promotional activities.

Over FYE 2008, the Group has managed to record a more than 100% growth in revenue contributions for its export markets. Prior to FYE 2008, the Group only operated in 2 foreign countries. To date, the Group markets its products to 8 countries. Going forward, the Group intends to step up its advertising and promotional activities in these markets and to further penetrate 3 new markets for FYE 2009. In order to achieve consistent and sustainable revenue from the foreign markets, it is imperative that the Group develops and invests in building its brands and market share. The management believes that this bodes well to its medium to long term commercial goals of developing its foreign markets.

Taking the above into consideration, the Group expects to meet its objective of growth in market share and revenue for the FYE 2009, barring any unforeseen circumstances.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

B4. Variance of Profit Forecast

The PAT recorded for the financial year ended 29 February 2008 ("FYE 2008") of RM39.90 million is approximately 5.1% lower than the profit forecast of RM42.05 million set out in the Company's prospectus dated 20 April 2007. The marginal shortfall was mainly due to the weaker market sentiment in Malaysia leading to lower revenue recorded.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	29 February 2008 RM'000	28 February 2007 RM'000	29 February 2008 RM'000	28 February 2007 RM'000
In respect of the current period:-				
Taxation	(1,306)	-	7,320	-
Deferred taxation	1,178	-	1,397	-
	<u>(128)</u>	<u>-</u>	<u>8,717</u>	<u>-</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<u>(128)</u>	<u>-</u>	<u>8,717</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.

B8. Status of Corporate Proposals Announced

- (i) There were no corporate proposals announced but not completed during the quarter under review.

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

(ii) Utilisation Of Proceeds Received From Public Issue

As at 29 February 2008, 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 29 February 2008 RM'000	Amount not utilised RM'000	Timeframe for utilisation
Capital expenditure	25,800	12,161	13,639	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	27,914	556	By February 2009
Estimated Listing Expenses	5,500	5,500	-	By August 2008
TOTAL	120,820	64,557	56,263	

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	741
Hire Purchase Payables	700
Trade Finance	-
Bank overdraft	-
	<hr/>
	1,441
<u>Long Term Borrowings</u>	
Term Loans	14,281
Hire Purchase Payables	878
	<hr/>
	15,159
Total	<hr/> 16,600

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

B10. Off Balance Sheet Financial Instruments

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

NATURAL BIO RESOURCES BERHAD

Company No. 733268-U
(Incorporated in Malaysia)

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

The Board of Directors propose to declare a tax free dividend of 4.0 sen comprising a final dividend of 3.0 sen and a special dividend of 1.0 sen.

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	29 February 2008 RM'000	28 February 2007 RM'000	29 February 2008 RM'000	28 February 2007 RM'000
Profit for the period (RM'000)	11,004	n/a	39,900	n/a
Weighted average number of shares in issue ('000)	300,000	n/a	284,375	n/a
Basic EPS (sen)	<u>3.7</u>	<u>n/a</u>	<u>14.0</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.