

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2009**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	<u>28 February 2009</u>	<u>29 February 2008</u>	<u>28 February 2009</u>	<u>29 February 2008</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	28,432	43,952	139,546	178,479
Other income	1,251	559	2,679	2,832
Change in inventories of finished goods	3,181	(4,719)	1,069	3,762
Raw material used	(11,767)	(17,795)	(57,441)	(78,265)
Staff cost	(4,516)	(4,094)	(14,570)	(13,183)
Depreciation and amortisation	(1,232)	(797)	(4,438)	(2,696)
Other operating expenses	(15,792)	(6,408)	(54,810)	(41,173)
Finance costs	(27)	(464)	(988)	(1,779)
Profit before taxation	(470)	10,234	11,047	47,977
Income tax expense	1,854	128	(1,008)	(8,717)
Profit after taxation	1,384	10,362	10,039	39,260
Attributable to:				
Ordinary equity holders of the parent	1,384	10,362	10,039	39,260
Minority interest	-	-	-	-
	1,384	10,362	10,039	39,260
Earnings per share (sen)				
Basic (note B13)	0.5	3.5	3.4	13.8
Diluted (note B13)	N/A	n/a	N/A	n/a

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET AS AT****28 FEBRUARY 2009**

(The figures below are unaudited)

	(Unaudited) As at 28 February 2009 RM'000	(Audited) As at 29 February 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,128	60,865
Intangible assets	174	189
Goodwill on consolidation	4,830	4,829
Deferred Tax Assets	55	
	<u>79,187</u>	<u>65,883</u>
Current assets		
Inventories	37,320	41,380
Trade receivables	56,365	62,180
Other receivables, deposits and prepayments	1,389	1,993
Taxation Recoverable	4,180	1,697
Fixed deposits	37,462	59,966
Cash and bank balances	9,723	9,043
	<u>146,439</u>	<u>176,259</u>
TOTAL ASSETS	<u>225,626</u>	<u>242,142</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	60,000
Share premium	100,056	100,056
Retained earnings	33,892	38,853
Equity attributable to equity holders of the parent	<u>193,948</u>	<u>198,909</u>
Non-current liabilities		
Long term borrowings	3,068	15,159
Deferred taxation	-	1,711
	<u>3,068</u>	<u>16,870</u>
Current liabilities		
Trade payables	5,865	11,444
Other payables and accruals	18,617	13,412
Taxation	4	66
Short term borrowings	4,124	1,441
Bank overdraft	-	-
Dividend Payable	-	-
	<u>28,610</u>	<u>26,363</u>
TOTAL LIABILITIES	<u>31,678</u>	<u>43,233</u>
TOTAL EQUITY AND LIABILITIES	<u>225,626</u>	<u>242,142</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.65	0.66

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2009**

(The figures below are unaudited)

	Current Year To Date	Preceding Year To Date
	28 February 2009 RM'000	29 February 2008 RM'000
Cash flows for operating activities		
Profit before tax	11,047	47,977
Adjustments for:-		
Non-cash items	4,099	2,624
Non-operating items	(713)	(919)
Operating profit before changes in working capital	14,433	49,682
Changes in working capital:-		
Net change in current assets	10,775	(36,697)
Net change in current liabilities	(374)	5,168
Net cash from operations	24,834	18,153
Interest paid	(987)	(1,564)
Interest received	1,702	2,102
Tax paid	(5,319)	(9,803)
Net cash from operating activities	20,230	8,888
Cash flows for investing activities		
Proceeds from disposal of equipment	179	278
Purchase of plant and equipment	(17,824)	(27,151)
Placement of fixed deposit	4	(245)
Net cash for investing activities	(17,641)	(27,118)
Cash flows from financing activities		
Dividends paid	(15,000)	(6,000)
Drawdown/(Repayment) of other short-term bank borrowings	3,258	(24,786)
Payment of listing expenses	-	(5,767)
Proceeds from public issue	-	120,821
Repayment of hire purchase liabilities	(699)	(1,079)
Repayment of term loan	(11,968)	(1,624)
Net cash for/from financing activities	(24,409)	81,565
Net (decrease)/increase in cash and cash equivalents	(21,820)	63,335
Cash and cash equivalents at beginning of the period	67,043	3,708
Cash and cash equivalents at end of the period	45,223	67,043
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	35,500	58,000
Cash and bank balances	9,723	9,043
	45,223	67,043

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2009**

(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 2008	60,000	100,056	38,853	198,909
Issue of shares	-	-	-	-
Listing expenses	-	-	-	-
Profit for the period	-	-	10,039	10,039
Dividend Paid/Payable	-	-	(15,000)	(15,000)
At 30 November 2008	60,000	100,056	33,892	193,948

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A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the fourth quarter ended 28 February 2009 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 29 February 2008.

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 29 February 2008.

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 121	The Effects of Changes in Foreign Exchange Rates Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

A2. Seasonality or Cyclical Factors

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

A3. 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.

A4. 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.

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A5. 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.

A6. Dividend Paid

An interim tax free dividend of 1.0 sen per share was paid on 8 January 2009.

A7. Segmental Reporting

Segmental information is presented on the basis of geographical segment, which is based on the geographical location of customers

	Current quarter ended 28 February 2009 RM'000	Current Year to date 28 February 2009 RM'000
Revenue		
Malaysia	22,460	120,324
Oversea	5,972	19,222
	-----	-----
	28,432	139,546
	=====	=====

No other segmental information such as segment assets, liabilities and result are presented as the Group is principally engaged within one industry, which involves the manufacturing and distribution of beverages and operates from Malaysia only.

A8. Material Events Subsequent to the end of the Quarter under review

Subsequent to the end of the quarter under reviewed, the Group had acquired 51% equity interest in Synergy Distribution FZC ("SD"), a company incorporated in United Arab Emirates on 8 April 2009 for a cash consideration of UAE Dhs. 77,000 (equivalent to RM75,000)

A9. Changes in the composition of the Group

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

A10. 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.

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A11. Material Capital Commitments

There were no material capital commitments for the quarter under review.

A12. Material Related Party Transactions

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

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

B1. Review of Group's Results for the Quarter Ended 28 February 2009

The Group recorded revenue of RM28.4 million for the fourth quarter ended 28 February 2009, representing a decrease of RM15.6 million or 35% when compared to the previous year's corresponding quarter. The decrease in sales mainly stemmed from the weaker sales recorded in Malaysia due to the weaker consumer market sentiment in Malaysia.

Similarly, the decrease in the Group's profit after tax ("PAT") of approximately RM9.0 million, from RM1.4 million recorded for this quarter as compared to previous year's corresponding quarter PAT of RM10.4 million was due to the factors as set out above.

B2. Variation of Results For the Current Quarter Ended 28 February 2009 Against the Immediate Preceding Quarter

The Group recorded revenue of RM28.4 million for the fourth quarter ended 28 February 2009, representing an decrease of RM8.1 million or 22% when compared to the revenue recorded for the last quarter ended 30 November 2008 of RM36.5 million. The decrease in sales was mainly due to the impact from the economic slowdown and uncertainty since the end of year 2008.

With the decrease in revenue and more Advertisement and Promotion expenses incurred, the Group's PBT recorded a loss of RM0.47 million for the quarter ended 28 February 2009 lower by RM5.4 million when compared to the PBT for the quarter ended 30 November 2008 of RM4.9 million. However, the Group recorded a PAT of RM1.4 million due to recognition of deferred tax assets of a subsidiary. Nevertheless, the PAT for the quarter had decreased by RM2.6 million when compared to last quarter.

B3. Group's Prospects for the financial year ending 28 February 2010 ("FYE 2010")

The Group is of the view that the slowing economic trend and the negative consumer sentiment remain as the biggest challenge for the financial year ending 28 February 2010. We expect consumers to stay cautious in their spending behavior in the near term. As such, the Group is focusing its efforts in managing its resources more efficiently and effectively while continuing with product research and development, brand building efforts and sustaining the marketing momentum for our markets.

Despite the current economic circumstances, the Group believes that it is necessary to continue to strengthen and protect its brand appeal and presence. Hence, for the financial year ending 28 February 2010, the Group will continue with its aggressive promotional and brand building activities. With its strong balance sheet position, brand name and customer base, the management believes it is well poised to weather any slowdown in the economy and further develop its brand presence locally and in foreign markets.

The Group expects to record better results for the financial year ending 28 February 2010.

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B4. Variance of Profit Forecast

There was no profit forecast made during the financial period under review.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	28 February 2009 RM'000	29 February 2008 RM'000	28 February 2009 RM'000	29 February 2008 RM'000
In respect of the current period:-				
Taxation	134	(1,306)	2,923	7,849
Deferred taxation (income)/expenses	(1,663)	1,178	(1,590)	1,340
	<u>(1,529)</u>	<u>(128)</u>	<u>1,333</u>	<u>9,189</u>
In respect of the previous period:-				
Taxation	(71)	-	(71)	(463)
Deferred taxation (income)/expenses	(254)	-	(254)	(9)
	<u>(1,854)</u>	<u>(128)</u>	<u>1,008</u>	<u>8,717</u>

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.

(ii) Utilisation Of Proceeds Received From Public Issue

As at 28 February 2009, 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 are as follows:

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Purpose	Proceeds Raised RM'000	Status of utilisation as at 28 February 2009 RM'000	Amount not utilised RM'000	Revised Timeframe for utilisation
Capital expenditure	25,800	25,196	604	By May 2009
Research & Development	1,100	-	1,100	By July 2010
Advertisement & Promotions	40,000	27,277	12,723	By July 2010
Repayment of bank borrowings	19,950	19,950	-	By February 2009
Working Capital	28,470	28,470	-	By February 2009
Estimated Listing Expenses	5,500	5,500	-	By August 2008
TOTAL	120,820	106,393	14,427	

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	327
Hire Purchase Payables	539
Trade Finance	3,258
	<hr/>
	4,124
<u>Long Term Borrowings</u>	
Term Loans	2,728
Hire Purchase Payables	340
	<hr/>
	3,068
Total	<hr/> 7,192

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.

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.

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B12. Dividend Proposed

The Board of Directors has proposed to declare a tax free final dividend of 2.0 sen per share.

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	28 February 2009	29 February 2008	28 February 2009	29 February 2008
Profit for the period (RM'000)	1,384	10,362	10,039	39,260
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	284,375
Basic EPS (sen)	<u>0.5</u>	<u>3.5</u>	<u>3.4</u>	<u>13.8</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.