

NATURAL BIO RESOURCES BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED
31 MAY 2009**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Quarter</u> <u>31 May 2009</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Quarter</u> <u>31 May 2008</u> <u>RM'000</u>	<u>Current Year To</u> <u>Date</u> <u>31 May 2009</u> <u>RM'000</u>	<u>Preceding Year</u> <u>To Date</u> <u>31 May 2008</u> <u>RM'000</u>
Revenue	33,111	30,842	33,111	30,842
Other income	(498)	82	(498)	82
Change in inventories of finished goods	(1,327)	77	(1,327)	77
Raw material used	(12,116)	(11,363)	(12,116)	(11,363)
Staff cost	(3,776)	(3,087)	(3,776)	(3,087)
Depreciation and amortisation	(1,260)	(959)	(1,260)	(959)
Other operating expenses	(11,818)	(13,670)	(11,818)	(13,670)
Finance costs	(97)	(291)	(97)	(291)
Profit before taxation	2,219	1,631	2,219	1,631
Income tax expense	(109)	(448)	(109)	(448)
Profit after taxation	2,110	1,183	2,110	1,183
Attributable to:				
Ordinary equity holders of the parent	2,110	1,183	2,110	1,183
Minority interest	-	-	-	-
	2,110	1,183	2,110	1,183
Earnings per share (sen)				
Basic (note B13)	0.7	0.4	0.7	0.4
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 31 MAY 2009**

(The figures below are unaudited)

	(Unaudited) As at 31 May 2009 RM'000	(Audited) As at 29 Feb 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,954	74,128
Intangible assets	170	173
Goodwill on consolidation	4,830	4,830
Deferred Tax Assets	1,093	1,105
	81,047	80,236
Current assets		
Inventories	33,599	37,320
Trade receivables	48,697	54,965
Other receivables, deposits and prepayments	2,886	1,389
Fixed deposits	42,441	37,462
Cash and bank balances	11,270	9,723
Tax recoverable	5,549	4,530
	144,442	145,389
TOTAL ASSETS	225,489	225,625
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	60,000
Share premium	100,055	100,055
Retained earnings	35,722	33,612
Equity attributable to equity holders of the parent	195,777	193,667
Non-current liabilities		
Long term borrowings	3,068	3,068
Deferred taxation	-	-
	3,068	3,068
Current liabilities		
Trade payables, other payables and accruals	24,065	24,762
Taxation	96	4
Short term borrowings	2,483	4,124
Bank overdraft	-	-
	26,644	28,890
TOTAL LIABILITIES	29,712	31,958
TOTAL EQUITY AND LIABILITIES	225,489	225,625
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.65	0.65

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED****31 MAY 2009**

(The figures below are unaudited)

	Current Year To Date 31 May 2009 RM'000	Preceding Year To Date 31 May 2008 RM'000
Cash flows for operating activities		
Profit before tax	2,219	1,631
Adjustments for:-		
Non-cash items	1,263	963
Non-operating items	<u>(106)</u>	<u>(221)</u>
Operating profit before changes in working capital	3,376	2,373
Changes in working capital:-		
Net change in current assets	8,493	10,541
Net change in current liabilities	<u>(698)</u>	<u>(8,358)</u>
Net cash from operations	11,171	4,556
Interest paid	(106)	(268)
Tax paid	<u>(1,024)</u>	<u>(2,013)</u>
Net cash from/for operating activities	<u>10,041</u>	<u>2,275</u>
Cash flows for investing activities		
Interest received	213	490
Proceeds from disposal of equipment	-	-
Placement of Fixed Deposit	345	-
Purchase of plant and equipment	<u>(2,086)</u>	<u>(2,072)</u>
Net cash for investing activities	<u>(1,528)</u>	<u>(1,582)</u>
Cash flows from financing activities		
Dividends paid	-	-
Drawdown of other short-term bank borrowings	1,841	-
Payment of listing expenses	-	-
Proceeds from public issue	-	-
Repayment of hire purchase liabilities	(148)	(222)
Repayment of term loan	<u>(3,336)</u>	<u>(372)</u>
Net cash for/from financing activities	<u>(1,643)</u>	<u>(594)</u>
Net increase in cash and cash equivalents	6,870	99
Cash and cash equivalents at beginning of the period	<u>45,223</u>	<u>69,009</u>
Cash and cash equivalents at end of the period	<u>52,093</u>	<u>69,108</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	40,823	61,982
Cash and bank balances	<u>11,270</u>	<u>7,126</u>
	<u>52,093</u>	<u>69,108</u>

NATURAL BIO RESOURCES BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED
31 MAY 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 2009	60,000	100,055	33,612	193,667
Issue of shares	-	-	-	-
Listing expenses	-	-	-	-
Profit for the period	-	-	2,110	2,110
At 31 May 2009	60,000	100,055	35,722	195,777

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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 31 May 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 Nnergy Sdn. Bhd. (collectively known as "Natural Bio Group" or "The Group") for the financial year ended 29 February 2009.

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 2009.

A2. Audit Report of Preceding Annual Financial Statements

The audit financial statements of the Group for the financial year ended 28 February 2009 were not subject to any qualification.

A3. Seasonality or Cyclicity Factors

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

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

No dividend was paid during the quarter.

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A8. Segmental Reporting

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

	Current quarter ended 31 May 2009 RM'000	Current Year to date 31 May 2009 RM'000
Revenue		
Malaysia	28,251	28,251
Oversea	4,860	4,860
	-----	-----
	33,111	33,111
	=====	=====

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.

A9. Material Events Subsequent to the end of the Quarter under review

Subsequent to the end of the quarter under review, the Group entered into an agreement for the purchase of a 3 storey intermediate shop office with semi basement and an adjacent 3 storey corner shop office with semi basement at Taman Molek, Johor Bahru, Johor for a total cash consideration of RM3.80 million by Power Root Marketing Sdn Bhd ("PRM"), a wholly-owned subsidiary of Natural Bio Resources Berhad ("Natbio" or "Company") from Scudai Development Sdn Bhd ("Vendor" or "Scudai").

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, except for on 8 April 2009, the Company had acquired 51% equity interest in Synergy Distribution FZC ("SD"), a company incorporated in Hamriyah Free Zone-Shj, United Arab Emirates on 2 November 2006 for a cash consideration of United Arab Emirates, Dirham ("UAE Dhs.") 77,000 (equivalent to RM75,000).

A11. 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.

A12. Material Capital Commitments

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

A13. 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 31 May 2009

The Group recorded revenue of RM33.1 million for the first quarter ended 31 May 2009, representing an increase of RM2.3 million or 7.4% when compared to the previous year's corresponding quarter. The increase is largely attributable to the increase in sales from the domestic market.

Similarly, the Group's profit after tax ("PAT") of RM2.1 million recorded for the current quarter showed an increase of approximately RM1.0 million from the previous year's corresponding quarter's PAT of RM1.1 million due to the factors as set out above.

B2. Variation of Results For the Current Quarter Ended 31 May 2009 Against the Immediate Preceding Quarter

The Group recorded revenue of RM33.1 million for the first quarter ended 31 May 2009, representing an increase of RM4.7 million or 16.5% when compared to the revenue recorded for the immediate preceding quarter ended 28 February 2009 of RM28.4 million. The increase in sales was mainly due to increase in sales from the domestic market.

With the increase in revenue, the Group recorded a PAT of RM2.1million representing an increase of 0.7 million or 50% when compared to the PAT recorded for the last quarter ended 28 February 2009 of RM1.4 million.

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

The Group will continue to focus on developing and extending its brand presence and appeal in both the local and export market through branding and promotional activities, pursue further operational efficiencies and enhance research and development efforts. New products are planned to be launched during the year to strengthen as well as broaden our product range to cater to our ever increasing customer base.

Barring any unforeseen circumstances, the Group expects to improve on its performance for the financial year ending 28 February 2010.

B4. Variance of Profit Forecast

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

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B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 May 2009 RM'000	31 May 2008 RM'000	31 May 2009 RM'000	31 May 2008 RM'000
In respect of the current period:-				
Taxation	96	428	96	428
Deferred taxation (income)/expenses	13	20	13	20
	<u>109</u>	<u>448</u>	<u>109</u>	<u>448</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>109</u>	<u>448</u>	<u>109</u>	<u>448</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 31 May 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 31 May 2009 RM'000	Amount not utilised RM'000	Revised Timeframe for utilisation
Capital expenditure	25,800	25,800	-	By May 2009
Research & Development	1,100	-	1,100	By July 2010
Advertisement & Promotions	40,000	28,474	11,526	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	108,194	12,626	

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	315
Trade Finance	1,841
	<u>2,483</u>
<u>Long Term Borrowings</u>	
Term Loans	2,651
Hire Purchase Payables	417
	<u>3,068</u>
Total	<u>5,551</u>

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

No dividend was declared or recommended for payment during the quarter under review.

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 May 2009	31 May 2008	31 May 2009	31 May 2008
Profit for the period (RM'000)	2,110	1,183	2,110	1,183
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>0.7</u>	<u>0.4</u>	<u>0.7</u>	<u>0.4</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.