

NATURAL BIO RESOURCES BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2009**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 November 2009 RM'000	Preceding Year Quarter 30 November 2008 RM'000	Current Year To Date 30 November 2009 RM'000	Preceding Year To Date 30 November 2008 RM'000
Revenue	34,768	36,831	115,730	112,435
Other income	(25)	82	(78)	107
Change in inventories of finished goods	4,659	(283)	(5,291)	(2,113)
Raw material used	(19,152)	(16,548)	(43,278)	(45,674)
Staff cost	(4,138)	(3,592)	(11,288)	(10,053)
Depreciation and amortisation	(1,335)	(1,182)	(3,889)	(3,206)
Other operating expenses	(11,453)	(9,966)	(39,598)	(39,018)
Finance costs	(79)	(400)	(320)	(961)
Profit before taxation	3,245	4,942	11,988	11,517
Income tax expense	(35)	(922)	(1,014)	(2,862)
Profit after taxation	3,210	4,020	10,974	8,655
Attributable to:				
Ordinary equity holders of the parent	3,202	4,020	10,966	8,655
Minority interest	8	-	8	-
	3,210	4,020	10,974	8,655
Earnings per share (sen)				
Basic (note B13)	1.1	1.3	3.7	2.9
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 30 NOVEMBER 2009**

(The figures below are unaudited)

	(Unaudited) As at 30 November 2009 RM'000	(Audited) As at 28 February 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,788	74,128
Intangible assets	162	173
Goodwill on consolidation	5,115	4,830
Deferred Tax Assets	708	1,105
	86,773	80,236
Current assets		
Inventories	27,111	37,320
Trade receivables	54,181	54,965
Other receivables, deposits and prepayments	2,183	1,389
Fixed deposits	43,928	37,462
Cash and bank balances	11,785	9,723
Tax recoverable	6,118	4,530
Short Term Investment	934	
	146,240	145,389
TOTAL ASSETS	233,013	225,625
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	60,000
Share premium	100,055	100,055
Translation Reserve	(2)	-
Retained earnings	32,578	33,612
Equity attributable to equity holders of the parent	192,631	193,667
Minority Interest	(196)	-
	192,435	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	28,231	24,762
Taxation	-	4
Short term borrowings	3,279	4,124
Bank overdraft	-	-
Dividend Payable	6,000	
	37,510	28,890
TOTAL LIABILITIES	40,578	31,958
TOTAL EQUITY AND LIABILITIES	233,013	225,625
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.64	0.65

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

(The figures below are unaudited)

	Current Year To Date 30 November 2009 RM'000	Preceding Year To Date 30 November 2008 RM'000
Cash flows for operating activities		
Profit before tax	11,988	11,517
Adjustments for:-		
Non-cash items	3,901	3,216
Non-operating items	(477)	(498)
Operating profit before changes in working capital	15,412	14,235
Changes in working capital:-		
Net change in current assets	10,309	4,577
Net change in current liabilities	2,812	(2,896)
Net cash from operations	28,533	15,916
Interest paid	(226)	(909)
Tax paid	(2,209)	(5,295)
Net cash from/for operating activities	26,098	9,712
Cash flows for investing activities		
Interest received	709	1,407
Placement of Fixed Deposit	345	-
Purchase of plant and equipment	(10,462)	(14,872)
Short Term Investment	(934)	-
Acquisition of Subsidiary, net of cash	(29)	-
Net cash for investing activities	(10,371)	(13,465)
Cash flows from financing activities		
Dividends paid	(6,000)	(12,000)
(Repayment)/Drawdown of other short-term bank borrowings	(186)	2,024
Repayment of hire purchase liabilities	(413)	(541)
Repayment of term loan	(246)	(11,891)
Net cash for/from financing activities	(6,845)	(22,408)
Net increase in cash and cash equivalents	8,882	(26,161)
Cash and cash equivalents at beginning of the period	45,223	69,009
Cash and cash equivalents at end of the period	54,105	42,848
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	42,320	36,498
Cash and bank balances	11,785	6,350
	54,105	42,848

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED

30 NOVEMBER 2009

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Translation Reserve RM'000	Distributable Retained Profit RM'000	Minority Interest RM'000		
At 1 March 2009	60,000	100,055	-	33,612	-	193,667	
Minority Interest arising from acquisition	-	-	-	-	(204)	(204)	
Dividend Paid/Payable	-	-	-	(12,000)	-	(12,000)	
Translation Difference	-	-	(2)	-	-	(2)	
Profit for the period	-	-	-	10,966	8	10,974	
At 30 November 2009	60,000	100,055	(2)	32,578	(196)	192,435	

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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 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., Power Root Nenergy Sdn. Bhd. and PR Global Assets Limited (collectively known as "Natural Bio Group" or "The Group") for the financial year ended 28 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 28 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

Generally, the Group does not have any significant seasonal sales cycle, except during the Muslim fasting month, where sales would be lower

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 30 November 2009 RM'000	Current Year to date 30 November 2009 RM'000
Revenue		
Malaysia	30,384	101,264
Oversea	4,384	14,466
	-----	-----
	34,768	115,730
	=====	=====

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

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.

A10. Changes in the composition of the Group

During the quarter under review, the Group had incorporated a wholly-owned subsidiary, Power Root (Shanghai) Food Trading Co., Ltd ("PRSFT").

PRSFT was incorporated in the People's Republic of China on 11 August 2009 and has an authorized share capital of USD140,000 (equivalent to RM487,000).

The principal activity of PRSFT is to distribute the products of the Group in the People's Republic of China.

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 30 November 2009

The Group recorded revenue of RM34.8 million for the third quarter ended 30 November 2009, representing a decrease of RM2.0 million or 5.6% when compared to the previous year's corresponding quarter. The decrease was mainly attributable to the decrease in sales from the domestic market.

Similarly, the Group's profit after tax ("PAT") of RM3.2 million recorded for the current quarter showed a decrease of approximately RM0.8 million from the previous year's corresponding quarter's PAT of RM4.0 million due to the factors as set out above.

B2. Variation of Results For the Current Quarter Ended 30 November 2009 Against the Immediate Preceding Quarter

The Group's revenue of RM34.8 million for the current quarter, represented a decrease of RM13.1 million or 27% when compared to the revenue recorded for the immediate preceding quarter ended 31 August 2009 of RM47.9 million. The decrease in sales was mainly due to the lower purchase/consumption of the Group's products during the fasting month of Hari Raya Puasa.

With the decrease in revenue, the Group recorded a PAT of RM3.2 million representing a decrease of RM2.5 million when compared to the PAT recorded for the last quarter ended 31 August 2009 of RM5.7 million.

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

The Group will continue with its efforts to enhance its product range with the intention to increase its market share and to also provide a wider selection of products to its consumers at home and abroad. 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	
	30 November 2009 RM'000	30 November 2008 RM'000	30 November 2009 RM'000	30 November 2008 RM'000
In respect of the current period:-				
Taxation	(115)	904	614	2,789
Deferred taxation (income)/expenses	150	18	400	73
	<u>35</u>	<u>922</u>	<u>1,014</u>	<u>2,862</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>35</u>	<u>922</u>	<u>1,014</u>	<u>2,862</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

During the quarter under review, the total purchase consideration, sale proceeds of quoted securities and profit/loss arising there from were as follows:-

	Current Quarter RM'000	Current YTD RM'000
Purchase	438	1,057
Sales Proceeds	112	135
Profit or (Loss) on disposal	9	12

At the end of the quarter, the total investments in quoted securities for the Group were as follows:-

	RM'000
At Cost	934
At Carrying Value/Book Value	934
At Market Value as at end of the quarter	932

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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 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:

Purpose	Proceeds Raised RM'000	Status of utilisation as at 30 November 2009 RM'000	Amount not utilised RM'000	Revised Timeframe for utilisation
Capital expenditure	25,800	25,800	-	
Research & Development	1,100	72	1,028	By July 2010
Advertisement & Promotions	40,000	35,619	4,381	By July 2010
Repayment of bank borrowings	19,950	19,950	-	
Working Capital	28,470	28,470	-	
Estimated Listing Expenses	5,500	5,500	-	
TOTAL	120,820	115,411	5,409	

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	27
Hire Purchase Payables	180
Trade Finance	3,072
	<hr/>
	3,279
<u>Long Term Borrowings</u>	
Term Loans	2,651
Hire Purchase Payables	417
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	3,068
Total	<hr/> 6,347 <hr/>

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

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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 exempt dividend of 2.0 sen per ordinary share of RM0.20 each amounting to RM6.0 million was declared on 2nd November 2009 for the financial year ending 28 February 2010 and was paid on 8th December 2009 to shareholders whose names appear on the Company's Record of Depositors on 20th November 2009.

B13. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 November 2009	30 November 2008	30 November 2009	30 November 2008
Profit for the period (RM'000)	3,202	4,020	10,966	8,655
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>1.1</u>	<u>1.3</u>	<u>3.7</u>	<u>2.9</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.