

NATURAL BIO RESOURCES BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2010**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	28 February 2010 RM'000	28 February 2009 RM'000	28 February 2010 RM'000	28 February 2009 RM'000
Revenue	37,362	25,711	153,092	138,146
Other income	1,260	2,572	1,182	2,679
Change in inventories of finished goods	(1,232)	3,181	(6,523)	1,069
Raw material used	(15,955)	(11,766)	(59,233)	(57,441)
Staff cost	(5,628)	(4,797)	(16,916)	(14,850)
Depreciation and amortisation	(1,518)	(1,232)	(5,407)	(4,438)
Other operating expenses	(13,006)	(15,792)	(52,604)	(54,810)
Finance costs	31	(27)	(289)	(988)
Profit before taxation	1,314	(2,150)	13,302	9,367
Income tax expense	(2,153)	3,254	(3,167)	392
Profit after taxation	(839)	1,104	10,135	9,759
Attributable to:				
Ordinary equity holders of the parent	(839)	1,104	10,135	9,759
Minority interest				
	(839)	1,104	10,135	9,759
Earnings per share (sen)				
Basic (note B13)	(0.3)	0.4	3.4	3.3
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 28TH FEBRUARY 2010**

(The figures below are unaudited)

	(Unaudited) As at 28 February 2010 RM'000	(Audited) As at 28 February 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	81,931	74,128
Intangible assets	158	173
Goodwill on consolidation	5,317	4,830
Deferred Tax Assets	-	1,105
	<u>87,406</u>	<u>80,236</u>
Current assets		
Inventories	25,466	37,320
Trade receivables	51,040	54,965
Other receivables, deposits and prepayments	2,139	1,389
Fixed deposits	39,998	37,462
Cash and bank balances	12,234	9,723
Tax recoverable	5,878	4,530
Short Term Investment	1,422	-
	<u>138,177</u>	<u>145,389</u>
TOTAL ASSETS	<u>225,583</u>	<u>225,625</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,000	60,000
Share premium	100,055	100,055
Translation Reserve	50	-
Retained earnings	31,747	33,612
Equity attributable to equity holders of the parent	<u>191,852</u>	<u>193,667</u>
Minority Interest	-	-
	<u>191,852</u>	<u>193,667</u>
Non-current liabilities		
Long term borrowings	2,542	3,068
Deferred taxation	961	-
	<u>3,503</u>	<u>3,068</u>
Current liabilities		
Trade payables, other payables and accruals	27,776	24,762
Taxation	49	4
Short term borrowings	2,403	4,124
	<u>30,228</u>	<u>28,890</u>
TOTAL LIABILITIES	<u>33,731</u>	<u>31,958</u>
TOTAL EQUITY AND LIABILITIES	<u>225,583</u>	<u>225,625</u>
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 FOURTH QUARTER ENDED
28 FEBRUARY 2010**

(The figures below are unaudited)

	Current Year To Date	Preceding Year To Date
	28 February 2010 RM'000	28 February 2009 RM'000
Cash flows for operating activities		
Profit before tax	13,302	9,367
Adjustments for:-		
Non-cash items	5,423	4,438
Non-operating items	(576)	(1,052)
Operating profit before changes in working capital	18,149	12,753
Changes in working capital:-		
Net change in current assets	15,140	12,175
Net change in current liabilities	2,427	(94)
Net cash from operations	35,716	24,834
Interest paid	(289)	(988)
Interest received	921	1,701
Tax paid	(2,404)	(5,318)
Net cash from/for operating activities	33,944	20,229
Cash flows for investing activities		
Interest received	-	-
Release of FD pledged	1,536	3
Purchase of plant and equipment	(13,365)	(17,824)
Short Term Investment	(1,422)	-
Proceeds from disposal of equipment	237	179
Acquisition of Subsidiary, net of cash	(29)	-
Net cash for investing activities	(13,043)	(17,642)
Cash flows from financing activities		
Dividends paid	(12,000)	(15,000)
(Repayment)/Drawdown of other short-term bank borrowings	-	3,258
Repayment of hire purchase liabilities	-	(699)
Repayment of term loan	(2,317)	(11,967)
Net cash for/from financing activities	(14,317)	(24,408)
Net increase in cash and cash equivalents	6,584	(21,821)
Cash and cash equivalents at beginning of the period	45,222	67,043
Cash and cash equivalents at end of the period	51,806	45,222
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	39,572	35,500
Cash and bank balances	12,234	9,722
	51,806	45,222

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

28 FEBRUARY 2010

(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	-	-	-	-	-	-	
Dividend Paid/Payable	-	-	-	(12,000)	-	(12,000)	
Translation Difference	-	-	50	-	-	50	
Profit for the period	-	-	-	10,135	-	10,135	
At 28th February, 2010	60,000	100,055	50	31,747	-	191,852	

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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 28th February 2010 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 audited financial statements of the Group for the financial year ended 28 February 2009 were not subject to any qualification.

A3. Seasonality or Cyclical 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

An interim tax exempt dividend of 2.0 sen per ordinary share of RM0.20 each amounting to RM6.0 million was paid on 8th December 2009.

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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 28 February 2010 RM'000	Current Year to date 28 February 2010 RM'000
Revenue		
Malaysia	32,457	133,721
Oversea	4,905	19,371
	-----	-----
	37,362	153,092
	=====	=====

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

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

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.

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 2010

The Group recorded revenue of RM37.4 million for the fourth quarter ended 28 February 2010, representing an increase of RM11.7 million or 45% when compared to the previous year's corresponding quarter. The increase was mainly attributable to the increase in sales from the domestic market.

The Group recorded a loss after tax of RM0.8 million for the current quarter showed a decrease of approximately RM1.9 million from the previous year's corresponding quarter's PAT of RM1.1 million was mainly due to the under-provision of deferred tax expense in prior year.

B2. Variation of Results for the Current Quarter Ended 28 February 2010 against the Immediate Preceding Quarter

The Group's revenue of RM37.4 million for the current quarter, represented an increase of RM2.6 million or 7.5% when compared to the revenue recorded for the immediate preceding quarter ended 30 November 2009 of RM34.8 million. The increase in sales was mainly due to increase in sales from the domestic market after the fasting month of Hari Raya Puasa.

The Group recorded a loss after tax of RM0.8 million representing a decrease of RM4 million when compared to the PAT recorded for the last quarter ended 30 November 2009 of RM3.2 million. The decrease was mainly due to under-provision of deferred tax expense in prior year and higher marketing and selling expenses incurred.

B3. Group's Prospects for the financial year ending 28 February 2011 ("FYE 2011")

For the coming quarter and ensuing financial year, the Group will continue to focus on its promotional and marketing activities as well as product and business development.

Due to the strong response from our previous two (2) Power Root Consumer Contests, the Group has launched the 3rd season of "You Can Be A Millionaire" Consumer Contest which will commence on 1st May 2010. On top of this aggressive promotional initiative, the Group is also one of the main sponsors for the World Cup 2010 Live Telecast. Other than playing a part in bringing football to the homes of the Malaysian public, the Group is of the view that this exciting promotional campaign will propel the brand building efforts and sustaining the marketing momentum for our products.

Since the start of 2010, the Group has introduced the three (3) new products namely, (i) Alicafe Classic 240ml; (ii) Oligo 240ml; and (iii) 9Spot Isotonik, in Malaysia. The Group will continue with its efforts to increase its product offering with the objective increasing its market share.

The Group is optimistic of improving its performance for the financial year ending 28 February 2011.

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	
	28 February 2010 RM'000	28 February 2009 RM'000	28 February 2010 RM'000	28 February 2009 RM'000
In respect of the current period:-				
Taxation	418	(293)	1,032	2,496
Deferred taxation (income)/expenses	669	(2,635)	1,069	(2,562)
	<u>1,087</u>	<u>(2,928)</u>	<u>2,101</u>	<u>(66)</u>
In respect of the previous period:-				
Taxation	(98)	(72)	(98)	(72)
Deferred taxation (income)/expenses	1,164	(254)	1,164	(254)
	<u>2,153</u>	<u>(3,254)</u>	<u>3,167</u>	<u>(392)</u>

B6. Profit on Sale of Unquoted Investments and Properties

There were 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	982	2,039
Sales Proceeds	499	634
Profit or (Loss) on disposal	5	17

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

	RM'000
At Cost	1,422
At Carrying Value/Book Value	1,422
At Market Value as at end of the quarter	1,418

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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 28 February 2010, 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 28 February 2010 RM'000	Amount not utilised RM'000	Revised Timeframe for utilisation
Capital expenditure	25,800	25,800	-	
Research & Development	1,100	745	355	By July 2010
Advertisement & Promotions	40,000	37,455	2,545	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	117,920	2,900	

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	405
Hire Purchase Payables	494
Trade Finance	1,504
	<hr/>
	2,403
<u>Long Term Borrowings</u>	
Term Loans	2,364
Hire Purchase Payables	178
	<hr/>
	2,542
Total	<hr/> 4,945 <hr/>

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.

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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 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 2010	28 February 2009	28 February 2010	28 February 2009
Profit for the period (RM'000)	(839)	1,104	10,135	9,759
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>(0.3)</u>	<u>0.4</u>	<u>3.4</u>	<u>3.3</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.