

POWER ROOT BERHAD
 (Formerly known as NATURAL BIO RESOURCES BERHAD)
 Company No.733268-U
 (Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 28 FEBRUARY 2011

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 28 February 2011 RM'000	Preceding Year Quarter 28 February 2010 RM'000	Current Year To Date 28 February 2011 RM'000	Preceding Year To Date 28 February 2010 RM'000
Revenue	44,228	37,377	182,440	153,107
Other income	1,446	1,258	1,796	1,180
Change in inventories of finished goods	4,766	(1,232)	1,410	(6,523)
Raw material used	(15,042)	(16,135)	(75,701)	(59,413)
Staff cost	(5,793)	(5,643)	(19,499)	(16,931)
Depreciation and amortisation	(1,618)	(1,519)	(6,235)	(5,408)
Other operating expenses	(23,357)	(13,137)	(69,015)	(52,735)
Finance costs	21	25	(375)	(295)
Profit before taxation	4,651	994	14,821	12,982
Taxation	(2,126)	(1,788)	(2,608)	(2,802)
Profit after taxation	2,525	(794)	12,213	10,180
Other comprehensive income				
Translation differences on foreign operation	55	-	13	22
Other comprehensive income net of tax	55		13	22
Total comprehensive income	2,580	(794)	12,226	10,202
Profit attributable to:				
Ordinary equity holders of the parent	2,525	(794)	12,213	10,180
Non-controlling interest	-	-	-	-
	2,525	(794)	12,213	10,180
Total comprehensive income attributable to:				
Ordinary equity holders of the parent	2,580	(794)	12,226	10,202
Non-controlling interest	-	-	-	-
	2,580	(794)	12,226	10,202
Earnings per share (sen)				
Basic (note B12)	0.8	(0.3)	4.1	3.4
Diluted (note B12)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2010)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 28 FEBRUARY 2011**

(The figures below are unaudited)

	(Unaudited) As at 28 February 2011 RM'000	(Audited) As at 28 February 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	82,154	61,933
Intangible assets	143	158
Goodwill on combination	5,227	5,227
	<u>87,524</u>	<u>67,318</u>
Current assets		
Inventories	24,181	25,366
Trade and other receivables	72,424	53,162
Fixed deposits	11,755	39,998
Cash and bank balances	15,450	12,234
Short Term Investment	1,281	1,422
Tax recoverable	6,285	5,858
	<u>131,376</u>	<u>138,040</u>
TOTAL ASSETS	<u>218,900</u>	<u>225,358</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,000	60,000
Share premium	100,055	100,055
Other reserves	35	22
Retained earnings	20,007	31,794
	<u>180,097</u>	<u>191,871</u>
Non-controlling interest		
TOTAL EQUITY	<u>180,097</u>	<u>191,871</u>
Non-current liabilities		
Long term borrowings	2,029	2,520
Deferred taxation	2,317	734
	<u>4,346</u>	<u>3,254</u>
Current liabilities		
Trade payables, other payables and accruals	30,110	27,759
Taxation	56	49
Short term borrowings	4,291	2,425
	<u>34,457</u>	<u>30,233</u>
TOTAL LIABILITIES	<u>38,803</u>	<u>33,487</u>
TOTAL EQUITY AND LIABILITIES	<u>218,900</u>	<u>225,358</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.60	0.64

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2010)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2011**

(The figures below are unaudited)

	Current Year To Date	Preceding Year To Date
	28 February 2011 RM'000	28 February 2010 RM'000
Cash flows from operating activities		
Profit before tax	14,821	12,982
Adjustments for:-		
Non-cash items	6,279	7,816
Non-operating items	(706)	(731)
Operating profit before changes in working capital	20,394	20,067
Changes in working capital:-		
Net change in current assets	(18,078)	12,868
Net change in current liabilities	2,351	2,488
Net cash from operations	4,667	35,403
Interest paid	(256)	(295)
Tax paid	(1,446)	(2,246)
Net cash from operating activities	2,965	32,862
Cash flows from investing activities		
Interest received	975	921
Release of FD pledged		1,740
Purchase of fixed assets	(6,637)	(13,169)
Short Term Investment	141	(1,410)
Proceeds from disposal of fixed assets	154	161
Acquisition of subsidiary, net of cash		(24)
Net cash used in investing activities	(5,367)	(11,781)
Cash flows from financing activities		
Dividends paid	(24,000)	(12,000)
Drawdown/(Repayment) of other short-term bank borrowings	2,507	-
(Repayment) of hire purchase liabilities	(169)	-
(Repayment) of term loans	(741)	(2,324)
Net cash used in financing activities	(22,403)	(14,324)
Net (decrease)/increase in cash and cash equivalents	(24,805)	6,757
Effects of changes in foreign exchange rates	-	31
Cash and cash equivalents at beginning of the year	52,010	45,222
Cash and cash equivalents at end of the period	27,205	52,010
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	11,755	39,776
Cash and bank balances	15,450	12,234
	27,205	52,010

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2010)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED**28 FEBRUARY 2011**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent				Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Distributable Retained Profit RM'000		
At 1 March 2010	60,000	100,055	22	31,794		191,871
Dividend Paid/Payable				(24,000)		(24,000)
Total comprehensive income for the period			13	12,213		12,226
At 28 February 2011	60,000	100,055	35	20,007		180,097

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2010)

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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 2011 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 preceding audited financial statements of the Power Root Berhad (formerly known as Natural Bio Resources Berhad) and its subsidiaries, namely Power Root (M) Sdn. Bhd, Power Root Marketing Sdn. Bhd, Power Root Manufacturing Sdn. Bhd, Power Root Nenergy Sdn. Bhd., Power Impian International Sdn. Bhd, PT. Natbio Marketing Indonesia, Power Root (Shanghai) Food Trading Co. Ltd, Synergy Distribution FZC, PR Global Assets Limited, Power Impian International Pte. Ltd. and PT. Power Impian International (collectively known as "Power Root Group" or "The Group") for the preceding financial year ended 28 February 2010.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted for the audited financial statements for the financial year ended 28 February 2010, except for the following:

(i) *Adoption of New and Revised FRSs, IC Interpretations and Amendments*

In the current period, the Group adopted the following FRSs which are relevant to the it's operations and effective for the financial period beginning 1 January 2010

- FRS 7, *Financial Instruments: Disclosures*
- FRS 8, *Operating Segments*
- FRS 101(revised), *Presentation of Financial Statements*
- FRS 132(revised), *Financial Instruments: Presentation.*
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 8, *Operating Segments*
- Amendments to FRS 110, *Events after the Balance Sheet Date*
- Amendments to FRS 118, *Revenue*
- Amendments to FRS 132, *Financial Instruments: Presentation*
- Amendments to FRS 134, *Interim Financial Reporting*

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- Amendments to FRS 136, *Impairment of Assets*
- Amendments to FRS 138, *Intangible Assets*
- Amendments to FRS 139, *FRS 7 and IC Interpretation 9: Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*

The initial applications of the above FRSs, amendments to FRSs, and IC interpretations do not have significant financial impacts on the financial reporting of the Group and the Company.

(ii) *New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective for the Group's Current Quarter Report*

The following FRSs, amendments to FRSs, and IC Interpretations were issued and effective for annual periods beginning on or after 1 July 2010. They will be adopted in the annual financial statements of the Group and the Company when they become effective:

- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment (Amendment relating to scope of FRS 2 and FRS 3)*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

A2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 28 February 2010 were not subjected 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.

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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

A tax free interim dividend of 6.0 sen per share for the financial year ended 2011 was paid on 8th December 2010.

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 2011 RM'000	Current year to date 28 February 2011 RM'000
Revenue		
Malaysia	36,133	152,631
Oversea	8,095	29,809
	-----	-----
	44,228	182,440
	=====	=====

No other segmental information such as segment assets, liabilities and results 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.

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A10. Changes in the composition of the Group

During the quarter under review, there were no changes in the composition of the Group.

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 28 February 2011

The Group recorded revenue of RM44.3 million for the fourth quarter ended 28 February 2011, representing an increase of RM6.9 million or 18.3% when compared to the previous year's corresponding quarter. This increase is largely attributable to the increase in the sales from the Group's Fast Moving Consumer Goods ("FMCG") business in both domestic market and oversea market.

The Group recorded a profit after tax of RM2.5 million for the current quarter which is an increase of approximately RM3.3 million compared to the previous year's corresponding quarter of Loss After Tax of RM0.8 million. The increase in profit as compared to the previous year's corresponding quarter is mainly due to the increase in sales as mentioned above.

B2. Variation of Results for the Current Quarter Ended 28 February 2011 against the Immediate Preceding Quarter

The Group showed an increase of RM5.5 mil or 14.2% in revenue for the current quarter compared to the revenue recorded for the immediate preceding quarter ended 30 November 2010 of RM38.7 million. The increase is mainly attributable to the increase in the sales from domestic market and oversea market.

The Group's profit after tax of RM2.5 million for the current quarter represents an increase of RM1.4 million when compared to the profit after tax of RM1.1 million for the immediate preceding quarter ended 30 November 2010 due to the increase in sales.

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

Going forward, the Group will focus on growing its export business through building its existing markets as well as penetrating new markets. For the local market, the Group will continue its nationwide group activities as part of its marketing and promotional initiatives with the objective of expanding its market share. The Group is optimistic of improving its performance for the financial year ending 28 February 2012.

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 2011 RM'000	28 February 2010 RM'000	28 February 2011 RM'000	28 February 2010 RM'000
In respect of the current period:-				
Taxation	634	439	860	1,053
Deferred taxation (income)/expenses	636	243	892	643
	<u>1,270</u>	<u>682</u>	<u>1,752</u>	<u>1,696</u>
In respect of the previous period:-				
Taxation	55	(91)	55	(91)
Deferred taxation (income)/expenses	801	1,197	801	1,197
	<u>2,126</u>	<u>1,788</u>	<u>2,608</u>	<u>2,802</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	1,080	2,614
Sales Proceeds	2,617	2,682
Profit or (Loss) on disposal	65	67

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

	RM'000
At Cost	1,281
At Carrying Value/Book Value	1,281
At Market Value as at end of the quarter	1,296

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B8. 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	366
Hire Purchase Payables	121
Trade Finance	3,804
	<u>4,291</u>
<u>Long Term Borrowings</u>	
Term Loans	2,021
Hire Purchase Payables	8
	<u>2,029</u>
Total	<u>6,320</u>

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

B9. Off Balance Sheet Financial Instruments

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

B10. 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.

B11. Dividend Proposed

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

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B12. Earnings Per Share ("EPS")**Basic EPS**

	Current quarter ended		Cumulative quarter ended	
	28 February 2011	28 February 2010	28 February 2011	28 February 20110
Profit for the period (RM'000)	2,525	(794)	12,213	10,180
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>0.8</u>	<u>(0.3)</u>	<u>4.1</u>	<u>3.4</u>

Basic EPS is calculated by dividing the net profit after tax 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.

B13 Realised and Unrealised Profits/Losses Disclosure

Total retained profits of the Parent and its subsidiaries:-	Current Quarter Ended	Preceding Quarter ended
	28 February 2011 RM'000	30 November 2010 RM'000
Realised	56,609	70,850
Unrealised Loss	(2,350)	(1,135)
	<u>54,259</u>	<u>69,715</u>
Less: Consolidation Adjustments	(34,252)	(34,234)
	<u>20,007</u>	<u>35,481</u>