

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2011**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter 30 NOVEMBER 2011 RM'000</u>	<u>Preceding Year Quarter 30 NOVEMBER 2010 RM'000</u>	<u>Current Year To Date 30 NOVEMBER 2011 RM'000</u>	<u>Preceding Year To Date 30 NOVEMBER 2010 RM'000</u>
Revenue	55,582	38,718	158,427	138,212
Other income	1,290	419	1,566	350
Raw material used	(27,781)	(18,235)	(75,847)	(64,015)
Staff cost	(5,772)	(3,523)	(15,485)	(13,706)
Depreciation and amortisation	(1,580)	(1,509)	(4,756)	(4,617)
Other operating expenses	(15,732)	(14,829)	(49,280)	(45,658)
Finance costs	40	(117)	(242)	(396)
Profit before taxation	6,047	924	14,383	10,170
Taxation	(1,434)	212	(2,442)	(482)
Profit after taxation	4,613	1,136	11,941	9,688
Other comprehensive income				
Translation differences on foreign operation	28	7	(66)	(42)
Other comprehensive income net of tax	28	7	(66)	(42)
Total comprehensive income	4,641	1,143	11,875	9,646
Profit attributable to:				
Ordinary equity holders of the parent	4,613	1,136	11,941	9,688
Non-controlling interest	-	-	-	-
	4,613	1,136	11,941	9,688
Total comprehensive income attributable to:				
Ordinary equity holders of the parent	4,641	1,143	11,875	9,646
Non-controlling interest	-	-	-	-
	4,641	1,143	11,875	9,646
Earnings per share (sen)				
Basic (note B12)	1.5	0.4	4.0	3.2
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 2011)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2011**

(The figures below are unaudited)

	(Unaudited) As at 30 NOVEMBER 2011 RM'000	(Audited) As at 28 FEBRUARY 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,653	82,154
Intangible assets	132	143
Goodwill on combination	5,239	5,227
	<u>86,024</u>	<u>87,524</u>
Current assets		
Inventories	32,216	24,181
Trade and other receivables	79,629	73,544
Fixed deposits	20,054	11,231
Cash and bank balances	12,399	15,449
Short Term Investment	3,200	1,780
Tax recoverable	4,512	6,255
	<u>152,010</u>	<u>132,440</u>
TOTAL ASSETS	<u>238,034</u>	<u>219,964</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	(31)	35
Retained earnings	25,948	20,007
TOTAL EQUITY	<u>185,972</u>	<u>180,097</u>
Non-current liabilities		
Long term borrowings	1,729	2,028
Deferred taxation	2,673	2,286
	<u>4,402</u>	<u>4,314</u>
Current liabilities		
Trade payables, other payables and accruals	40,470	31,206
Taxation	32	56
Short term borrowings	7,158	4,291
	<u>47,660</u>	<u>35,553</u>
TOTAL LIABILITIES	<u>52,062</u>	<u>39,867</u>
TOTAL EQUITY AND LIABILITIES	<u>238,034</u>	<u>219,964</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.62	0.60

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2011)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2011**

(The figures below are unaudited)

	Current Year To Date	Preceding Year To Date
	30 NOVEMBER 2011	30 NOVEMBER 2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	14,383	10,170
Adjustments for:-		
Non-cash items	5,147	4,629
Non-operating items	(69)	(643)
Operating profit before changes in working capital	19,461	14,156
Changes in working capital:-		
Net change in current assets	(14,120)	(15,021)
Net change in current liabilities	9,264	9,294
Net cash from operations	14,605	8,429
Interest paid	(242)	(204)
Tax paid	(336)	(1,364)
Net cash from operating activities	14,027	6,861
Cash flows from investing activities		
Interest received	311	847
Decrease in pledged deposits placed with licensed banks	225	-
Purchase of fixed assets	(3,718)	(6,545)
Short Term Investment	(1,420)	(1,220)
Proceeds from disposal of fixed assets	83	154
Acquisition of subsidiary, net of cash	(12)	-
Net cash used in investing activities	(4,531)	(6,764)
Cash flows from financing activities		
Dividends paid	(6,000)	(6,000)
Drawdown of other short-term bank borrowings	2,870	2,112
Repayment of hire purchase liabilities	(28)	(169)
Repayment of term loans	(275)	(276)
Net cash used in financing activities	(3,433)	(4,333)
Net decrease in cash and cash equivalents	6,063	(4,236)
Effects of changes in foreign exchange rates	(66)	(42)
Cash and cash equivalents at beginning of the year	26,456	52,232
Cash and cash equivalents at end of the period	32,453	47,954
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	20,054	33,656
Cash and bank balances	12,399	14,298
	32,453	47,954

Notes:-

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Report for the financial year ended 28 February 2011)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2011**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Distributable Retained Profit RM'000	
At 1 March 2011	60,000	100,055	35	20,007	180,097
Dividend Paid/Payable				(6,000)	(6,000)
Total comprehensive income for the period			(66)	11,941	11,875
At 30 November 2011	60,000	100,055	(31)	25,948	185,972

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the financial year ended 28 February 2011)

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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 30th November 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 audited financial statements of the Power Root Berhad ("Power Root") 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, PT. Power Impian International and Power Impian International Pte Ltd (collectively known as "Power Root Group" or "The Group") for the financial year ended 28 February 2011.

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 2011.

A2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 28 February 2011 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 generally 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 2011 RM'000	Current year to date 30 November 2011 RM'000
Revenue		
Malaysia	45,479	124,913
Oversea	10,103	33,514
	<u>55,582</u>	<u>158,427</u>
	=====	=====

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in 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

The outstanding capital commitments at the end of the current quarter are as follow:-

	Current Quarter RM'000
Property, plant and equipment Approved and contracted for	<u>7,200</u>

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 2011

The Group recorded revenue of RM55.6 million for the third quarter ended 30 November 2011, representing an increase of RM16.9 million or 43.6% when compared to the previous year's corresponding quarter. The increase was mainly attributable to the increase in local and export sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

As a result from the above, the Group recorded a profit after tax of RM4.6 million for the current quarter which is an increase of approximately RM3.5 million from the previous year's corresponding quarter's PAT of RM1.1 million.

B2. Variation of Results for the Current Quarter Ended 30 November 2011 against the Immediate Preceding Quarter

The Group's revenue of RM55.6 million for the current quarter, represented an increase of RM3.1 million or 5.9% when compared to the revenue recorded for the immediate preceding quarter ended 31 August 2011 of RM52.5 million. The increase was mainly attributable to the increase in the sales from the domestic market.

The Group's profit after tax of RM4.6 million for the current quarter represents an increase of RM2.0 million when compared to the profit after tax of RM2.6 million for the immediate preceding quarter ended 31 August 2011. The increase was due to improved domestic FMCG sales.

B3. Group's Prospects for the financial year ending 29 February 2012 ("FYE 2012")

The Group will continue its efforts in branding and promotional activities in local and export markets, focusing on cost management and strengthening its distribution network to mitigate the negative impact of the current challenging market environment.

The Group is optimistic of improving its performance for the financial year ending 29 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	
	30 November 2011 RM'000	30 November 2010 RM'000	30 November 2011 RM'000	30 November 2010 RM'000
In respect of the current period:-				
Taxation	989	(249)	2,055	226
Deferred taxation (income)/expenses	445	37	387	256
	<u>1,434</u>	<u>(212)</u>	<u>2,442</u>	<u>482</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>1,434</u>	<u>(212)</u>	<u>2,442</u>	<u>482</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	879	3,664
Sales Proceeds	2,197	2,707
Profit or (Loss) on disposal	56	82

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

	RM'000
At Cost	2,316
At Carrying Value/Book Value	2,316
At Market Value as at end of the quarter	2,277

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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	382
Hire Purchase Payables	102
Trade Finance	6,674
	<u>7,158</u>
<u>Long Term Borrowings</u>	
Term Loans	1,729
	<u>1,729</u>
Total	<u>8,887</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

During the quarter under review, the Group's wholly owned subsidiary, Power Impian International Sdn. Bhd. ("PII") had through its solicitors on 15 December 2011, issue a Notice of Arbitration to commence an arbitration proceeding against Monarch Wellness Sdn Bhd ("MW") for demand of claims on the cost incurred on the defect products as provided in the agreement dated 1 June 2010 entered between PII and MW.

The total estimated claim is RM510,559 at the interest rate of 8% per annum.

B11. Dividend Proposed

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

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B12. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 November 2011	30 November 2010	30 November 2011	30 November 2010
Profit for the period (RM'000)	4,613	1,136	11,941	9,688
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>1.5</u>	<u>0.4</u>	<u>4.0</u>	<u>3.2</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.

B13. Realised and Unrealised Profits/Losses Disclosure

	Current Year to date 30 November 2011 RM'000	As At 28 February 2011 RM'000
Total retained profits of the Parent and its subsidiaries:-		
Realised	62,877	56,310
Unrealised Loss	(2,765)	(2,285)
	<u>60,112</u>	<u>54,025</u>
Less: Consolidation Adjustments	(34,164)	(34,018)
	<u>25,948</u>	<u>20,007</u>