

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED****29 February 2012**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 29 February 2012 RM'000	Preceding Year Quarter 28 February 2011 RM'000	Current Year To Date 29 February 2012 RM'000	Preceding Year To Date 28 February 2011 RM'000
Revenue	58,609	46,612	217,036	184,824
Other income	(177)	1,446	1,389	1,796
Raw material used	(27,822)	(12,659)	(103,669)	(76,674)
Staff cost	(6,489)	(5,987)	(21,974)	(19,693)
Depreciation and amortisation	(1,671)	(1,637)	(6,427)	(6,254)
Other operating expenses	(17,398)	(23,263)	(66,678)	(68,921)
Finance costs	(62)	139	(304)	(257)
Profit before taxation	4,990	4,651	19,373	14,821
Taxation	(201)	(2,125)	(2,643)	(2,607)
Profit after taxation	4,789	2,526	16,730	12,214
Other comprehensive income				
Translation differences on foreign operation	2	54	(64)	12
Other comprehensive income net of tax	2	54	(64)	12
Total comprehensive income	4,791	2,580	16,666	12,226
Profit attributable to:				
Owners of the Company	4,413	2,526	16,354	12,214
Non-controlling interest	376	-	376	-
	4,789	2,526	16,730	12,214
Total comprehensive income attributable to:				
Owners of the Company	4,374	2,580	16,249	12,226
Non-controlling interest	417	-	417	-
	4,791	2,580	16,666	12,226
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	1.5	0.8	5.5	4.1
Diluted (note B10)	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 29 FEBRUARY 2012**

(The figures below are unaudited)

	(Unaudited) As at 29 February 2012 RM'000	(Audited) As at 28 FEBRUARY 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	72,180	82,154
Intangible assets	128	143
Investment Properties	5,123	-
Goodwill on combination	5,227	5,227
Deferred tax assets	3	-
	82,661	87,524
Current assets		
Inventories	33,198	24,181
Trade and other receivables	81,520	73,544
Fixed deposits	11,228	11,231
Cash and bank balances	17,593	15,449
Short Term Investment	920	1,780
Assets classified as held for sales	1,705	-
Tax recoverable	3,756	6,255
	149,920	132,440
TOTAL ASSETS	232,581	219,964
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	(70)	35
Retained earnings	24,361	20,007
	184,346	180,097
Non-controlling interest	598	-
TOTAL EQUITY	184,944	180,097
Non-current liabilities		
Long term borrowings	1,634	2,028
Deferred taxation	2,139	2,286
	3,773	4,314
Current liabilities		
Trade payables, other payables and accruals	36,739	31,206
Taxation	33	56
Short term borrowings	7,092	4,291
	43,864	35,553
TOTAL LIABILITIES	47,637	39,867
TOTAL EQUITY AND LIABILITIES	232,581	219,964
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.61	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 FOURTH QUARTER ENDED**

29 February 2012

(The figures below are unaudited)

	Current Year To Date 29 February 2012 RM'000	Preceding Year To Date 28 February 2011 RM'000
Cash flows from operating activities		
Profit before tax	19,373	14,821
Adjustments for:-		
Amortisation of intangible assets	15	15
Bad debts written off	-	17
Depreciation on investment properties	16	-
Depreciation of property, plant and equipment	6,396	6,239
Loss on disposal of PPE	248	134
Property, plant and equipment written off	-	-
Finance cost	304	257
Interest income	(459)	(974)
Unrealised (gain)/ loss on foreign exchange	231	(14)
Gain on disposal of investment	(88)	(67)
(Reversal)/ Impairment losses on:-		
- trade receivables	(56)	(4)
- property, plant and equipment	1,333	-
Dividend income on quoted shares	(121)	(96)
Operating profit before changes in working capital	<u>27,192</u>	<u>20,328</u>
Changes in working capital:-		
Change in inventories	(9,018)	1,185
Change in trade and other receivables	(8,152)	(20,383)
Change in trade and other payables	5,533	3,447
Net cash from operations	<u>15,555</u>	<u>4,577</u>
Interest paid	(304)	(257)
Interest received	459	974
Tax paid	(317)	(1,446)
Net cash from operating activities	<u>15,393</u>	<u>3,848</u>
Cash flows from investing activities		
Decrease/ (increase) in pledged deposits placed with licensed banks	(4)	(3)
Acquisition of:		
- investment property	(1,410)	-
- property, plant and equipment	(4,118)	(7,412)
- other investment	(3,642)	(2,973)
Proceeds from disposal of other investment	4,590	2,682
Dividend received	121	96
Proceeds from disposal of fixed assets	668	764
Fund from non-controlling interest	181	-
Net cash used in investing activities	<u>(3,614)</u>	<u>(6,846)</u>
Cash flows from financing activities		
Dividends paid	(12,000)	(24,000)
Drawdown of other short-term bank borrowings	2,852	1,969
Repayment of hire purchase liabilities	(72)	(210)
Repayment of term loans	(374)	(383)
Net cash used in financing activities	<u>(9,594)</u>	<u>(22,624)</u>
Net decrease in cash and cash equivalents	2,185	(25,622)
Effects of changes in foreign exchange rates	(50)	68
Cash and cash equivalents at beginning of the year	<u>26,456</u>	<u>52,010</u>
Cash and cash equivalents at end of the period	<u>28,591</u>	<u>26,456</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	10,998	11,007
Cash and bank balances	<u>17,593</u>	<u>15,449</u>
	<u>28,591</u>	<u>26,456</u>

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 FOURTH QUARTER ENDED
29 February 2012**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent				Total	Non-controlling Interest	Total Equity
	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	-	180,097
Acquisition of subsidiary	-	-	-	-	-	181	181
Dividend Paid/Payable	-	-	-	(12,000)	(12,000)	-	(12,000)
Total profit for the year	-	-	-	16,354	16,354	376	16,730
Foreign currency translation difference on foreign operations	-	-	(105)	-	(105)	41	(64)
At 29 February 2012	60,000	100,055	(70)	24,361	184,346	598	184,944

(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 fourth quarter ended 29th February 2012 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 Cyclicity 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.

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A7. Dividend Paid

A tax free interim dividend of 2.0 sen per share for the financial year ended 2012 was paid on 8th December 2011.

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 29 February 2012 RM'000	Current year to date 29 February 2012 RM'000
Revenue		
Malaysia	45,930	170,843
Oversea	12,679	46,193
	<u>58,609</u>	<u>217,036</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

Subsequent to the end of the quarter under review, the Group had on 9 April 2012 entered into a Sale and Purchase Agreement to dispose a land including the building attached at Taman Perindustrian Sri Plentong, Masai, Johor for a cash consideration of RM3.85 million by Power Root (M) Sdn. Bhd., a wholly-owned subsidiary of Power Root Berhad to DYC Metal World Enterprise Sdn. Bhd.

A10. Changes in the composition of the Group

During the quarter under review, the Group has completed incorporating a 90% owned subsidiary, Power Root ME FZCO ("PRME").

PRME was incorporated on 23 February 2012 in the Jebel Ali Free Zone, Middle East as a private limited company under the laws of Jebel Ali Free Zone Authority and has a paid-up capital of United Arab Emirates, Dirham ("UAE Dhs.") 1,000,000 (equivalent to RM817,000) divided into 10 shares of UAE Dhs. 100,000 each ("Shares"). Power Root Berhad holds 90% or 9 Shares of PRME and the remaining 10% or 1 Share is held by Mr. Wong Tak Keong. PRME is principally engaged in general trading.

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.

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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	
Contracted but not provided for	<u>1,267</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 29 February 2012

The Group recorded revenue of RM58.6 million for the fourth quarter ended 29 February 2012, representing an increase of RM12.0 million or 25.8% 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 RM4.8 million for the current quarter which is an increase of approximately RM2.3 million from the previous year's corresponding quarter's PAT of RM2.5 million.

B2. Variation of Results for the Current Quarter Ended 29 February 2012 against the Immediate Preceding Quarter

The Group's revenue of RM58.6 million for the current quarter, represented an increase of RM3.0 million or 5.4% when compared to the revenue recorded for the immediate preceding quarter ended 30 November 2011 of RM55.6 million. The increase was mainly attributable to the increase in the sales from the local and export market.

The Group recorded a profit after tax of RM4.8 million for the current quarter, an amount similar to the profit after tax for the immediate preceding quarter ended 30 November 2011. During the quarter under review, the Group incurred higher operating expenses when compared to the immediate preceding quarter ended 30 November 2011.

B3. Group's Prospects for the financial year ending 28 February 2013 ("FYE 2013")

Going forward, the Group expects the industry environment to remain challenging given the increasing trend of raw material cost. Despite this, the Group will continue to focus in its branding activities and product innovation as well as improving its operational efficiencies.

The Group is optimistic of improving its results for the financial year ending 28 February 2013.

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	
	29 February 2012 RM'000	28 February 2011 RM'000	29 February 2012 RM'000	28 February 2011 RM'000
In respect of the current period:-				
Taxation	797	835	2,852	1,061
Deferred taxation (income)/expenses	(419)	409	(32)	665
	<u>378</u>	<u>1,244</u>	<u>2,820</u>	<u>1,726</u>
In respect of the previous period:-				
Taxation	(91)	81	(91)	81
Deferred taxation (income)/expenses	(86)	800	(86)	800
	<u>201</u>	<u>2,125</u>	<u>2,643</u>	<u>2,607</u>

B6. Notes to the Statement of Comprehensive Income

	Individual Quarter ended		Cumulative Quarter	
	29/ 28 February 2012 RM'000	2011 RM'000	ended 29/ 28 February 2012 RM'000	2011 RM'000
Depreciation and amortization	1,671	1,637	6,427	6,254
Foreign exchange loss	646	307	160	993
(Gain)/ loss on disposal of quoted or unquoted investment	(11)	(65)	(88)	(67)
(Gain)/ loss on disposal of properties	-	-	-	-
Impairment of assets	1,333	-	1,333	-
Interest income	(148)	(127)	(459)	(974)
Interest expenses	62	53	304	257
Provision for and write-off of inventories	450	-	1,416	-
Provision for and write-off/ (Reversal of provision for and write-off) of receivables	(56)	13	(56)	13
Dividend income on quoted shares	(17)	(9)	(121)	(96)

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B7. 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	383
Hire Purchase Payables	53
Trade Finance	6,656
	<u>7,092</u>
<u>Long Term Borrowings</u>	
Term Loans	1,634
	<u>1,634</u>
Total	<u>8,726</u>

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

B8. Material Litigation

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.

There has been no change in status since the last quarter reporting.

B9. Dividend Proposed

The Board of Directors has proposed to declare a final single tier dividend of 2.5 sen per share.

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B10. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	29 February 2012	29 February 2011	29 February 2012	29 February 2012
Profit attributable to owners of the Company (RM'000)	4,413	2,526	16,354	12,214
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>1.5</u>	<u>0.8</u>	<u>5.5</u>	<u>4.1</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.

B11. Realised and Unrealised Profits/Losses Disclosure

	Current Year to date 29 February 2012 RM'000	As At 28 February 2011 RM'000
Total retained profits of the Parent and its subsidiaries:-		
Realised	59,449	56,310
Unrealised Loss	(2,136)	(2,285)
	-----	-----
	57,313	54,025
Less: Consolidation Adjustments	(32,952)	(34,018)
	-----	-----
	<u>24,361</u>	<u>20,007</u>
	=====	=====