

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED
31 MAY 2012**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 31 MAY 2012 RM'000	Restated Preceding Year Quarter 31 May 2011 RM'000	Current Year To Date 31 MAY 2012 RM'000	Restated Preceding Year To Date 31 May 2011 RM'000
Revenue	70,697	50,370	70,697	50,370
Other income	1,921	361	1,921	361
Raw material used	(32,873)	(21,174)	(32,873)	(21,174)
Staff cost	(6,464)	(4,978)	(6,464)	(4,978)
Depreciation and amortisation	(1,535)	(1,580)	(1,535)	(1,580)
Other operating expenses	(24,149)	(16,861)	(24,149)	(16,861)
Finance costs	(114)	(177)	(114)	(177)
Profit before taxation	7,483	5,961	7,483	5,961
Taxation	605	(186)	605	(186)
Profit after taxation	8,088	5,775	8,088	5,775
Other comprehensive income				
Translation differences on foreign operation	103	(1)	103	(1)
Other comprehensive income net of tax	103	(1)	103	(1)
Total comprehensive income	8,191	5,774	8,191	5,774
Profit attributable to:				
Owners of the Company	7,790	5,775	7,790	5,775
Non-controlling interest	298	-	298	-
	8,088	5,775	8,088	5,775
Total comprehensive income attributable to:				
Owners of the Company	7,851	5,774	7,851	5,774
Non-controlling interest	340	-	340	-
	8,191	5,774	8,191	5,774
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	2.6	1.9	2.6	1.9
Diluted (note B10)	N/A	N/A	N/A	N/A

Notes:-

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the financial year ended 29 February 2012)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2012**

(The figures below are unaudited)

	As at 31 MAY 2012	As at 29 FEBRUARY 2012 (RESTATED)	As at 1 MARCH 2011 (RESTATED)
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	71,721	72,126	82,154
Intangible assets	124	128	143
Investment Properties	5,103	5,124	-
Goodwill on combination	5,227	5,227	5,227
Deferred tax assets	988	1,155	1,623
	<u>83,163</u>	<u>83,760</u>	<u>89,147</u>
Current assets			
Inventories	27,996	33,197	24,181
Trade and other receivables	95,102	81,520	73,544
Fixed deposits	17,943	11,228	11,231
Cash and bank balances	21,701	17,593	15,449
Short Term Investment	1,543	921	1,780
Assets classified as held for sales	1,755	1,759	-
Tax recoverable	3,855	3,723	6,255
	<u>169,895</u>	<u>149,941</u>	<u>132,440</u>
TOTAL ASSETS	<u>253,058</u>	<u>233,701</u>	<u>221,587</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	60,000	60,000	60,000
Share premium	100,055	100,055	100,055
Other reserves	33	(70)	35
Retained earnings	32,111	25,476	21,630
	<u>192,199</u>	<u>185,461</u>	<u>181,720</u>
Non-controlling interest	938	598	-
TOTAL EQUITY	<u>193,137</u>	<u>186,059</u>	<u>181,720</u>
Non-current liabilities			
Long term borrowings	1,568	1,634	2,028
Deferred taxation	2,313	2,143	2,286
	<u>3,881</u>	<u>3,777</u>	<u>4,314</u>
Current liabilities			
Trade payables, other payables and accruals	48,264	36,740	31,206
Taxation	63	33	56
Short term borrowings	7,713	7,092	4,291
	<u>56,040</u>	<u>43,865</u>	<u>35,553</u>
TOTAL LIABILITIES	<u>59,921</u>	<u>47,642</u>	<u>39,867</u>
TOTAL EQUITY AND LIABILITIES	<u>253,058</u>	<u>233,701</u>	<u>221,587</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.64	0.62	0.61

Notes:-

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the financial year ended 29 February 2012)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED
31 MAY 2012**

(The figures below are unaudited)

	Current Year To Date 31 MAY 2012 RM'000	Preceding Year To Date 31 May 2011 RM'000
Cash flows from operating activities		
Profit before tax	7,483	5,961
Adjustments for:-		
Amortisation of intangible assets	4	4
Depreciation on investment properties	21	4
Depreciation of property, plant and equipment	1,510	1,572
(Gain)/ Loss on disposal of PPE	(123)	233
Finance cost	114	72
Interest income	(164)	(100)
Unrealised (gain)/ loss on foreign exchange	828	-
Gain on disposal of investment	(24)	(11)
(Reversal)/ Impairment losses on:-		
- trade receivables	-	-
- property, plant and equipment	-	-19
Dividend income on quoted shares	(7)	(19)
Operating profit before changes in working capital	<u>9,642</u>	<u>7,716</u>
Changes in working capital:-		
Change in inventories	5,201	(3,324)
Change in trade and other receivables	(14,409)	(3,648)
Change in trade and other payables	<u>11,524</u>	<u>1,676</u>
Net cash from operations	11,958	2,420
Interest paid	(114)	(72)
Interest received	164	100
Tax paid	(315)	(158)
Net cash from operating activities	<u>11,693</u>	<u>2,290</u>
Cash flows from investing activities		
Decrease/ (increase) in pledged deposits placed with licensed banks	-	-
Acquisition of:		
- investment property	-	-
- property, plant and equipment	(1,116)	(169)
- other investment	(2,378)	(1,850)
Proceeds from disposal of other investment	1,780	-
Dividend received	7	19
Proceeds from disposal of fixed assets	125	-
Net cash used in investing activities	<u>(1,582)</u>	<u>(2,000)</u>
Cash flows from financing activities		
Dividends paid	-	-
Drawdown of other short-term bank borrowings	646	617
Fund from non-controlling interests	-	-
Repayment of hire purchase liabilities	(27)	(35)
Repayment of term loans	(64)	(131)
Net cash from financing activities	<u>555</u>	<u>451</u>
Net increase in cash and cash equivalents	10,666	741
Effects of changes in foreign exchange rates	157	(1)
Cash and cash equivalents at beginning of the year	<u>28,821</u>	<u>26,456</u>
Cash and cash equivalents at end of the period	<u>39,644</u>	<u>27,196</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	17,943	10,279
Cash and bank balances	<u>21,701</u>	<u>16,917</u>
	<u>39,644</u>	<u>27,196</u>

Notes:-

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the financial year ended 29 February 2012)

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED
31 MAY 2012**

(The figures below are unaudited)

	← Attributable to Equity Holders of the Parent →				Total	Non-controlling	
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Translation Reserve RM'000	Distributable Retained Profit RM'000		Interest RM'000	Total Equity RM'000
At 1 March 2012	60,000	100,055	(70)	24,321	184,306	598	184,904
Acquisition of subsidiary	-	-	-	-	-	-	-
Dividend Paid/Payable	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,790	7,790	298	8,088
Foreign currency translation difference on foreign operations	-	-	103	-	103	42	145
At 31 May 2012	60,000	100,055	33	32,111	192,199	938	193,137

Notes:-

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the financial year ended 29 February 2012)

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED**31 MAY 2011**

(The figures below are unaudited)

	← Attributable to Equity Holders of the Parent →				Total	Non-controlling Interest	Total Equity
	Share Capital RM'000	Non-Distributable Share Premium RM'000	Translation Reserve RM'000	Distributable Retained Profit RM'000			
At 1 March 2011							
As previously reported	60,000	100,055	35	20,007	180,097	-	180,097
Adjustment arising from the transition into MFRS 112 Deferred Tax Assets	-	-	-	1,623	1,623	-	1,623
At 1 March 2011, as restated	60,000	100,055	35	21,630	181,720	-	181,720
Acquisition of subsidiary	-	-	-	-	-	-	-
Dividend Paid/Payable	-	-	-	-	-	-	-
Changes in Deferred Tax Assets	-	-	-	(623)	(623)	-	(623)
Total comprehensive income for the period	-	-	-	4,775	4,775	-	4,775
Foreign currency translation difference on foreign operations	-	-	(1)	-	(1)	-	(1)
At 31 May 2011, as restated	60,000	100,055	34	25,782	185,871	-	185,871

Notes:-

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the financial year ended 29 February 2012)

A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134

A1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the first quarter ended 31 May 2012 have been prepared in accordance with Malaysia Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The unaudited condensed consolidated interim 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., Power Root Distributors Sdn. Bhd., Alicafe Sdn. Bhd., PT Natbio Marketing Indonesia, Power Root (Shanghai) Food Trading Co. Ltd., Synergy Distribution FZC, PR Global Assets Limited, PT. Power Impian International, Power Impian International Pte Ltd, and Power Root ME FZCO (collectively known as “Power Root Group” or “The Group”), should be read in conjunction with the audited financial statements for the financial year ended 29 February 2012, except for its subsidiary, Power Root ME FZCO, which was incorporated on 23 February 2012 and does not have audited financial statements for the financial year ended 29 February 2012.

These are the Group’s condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS framework quarter financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. An explanation of how the transition to MFRS has affected the reported financial position, financial performances and cash flows of the Group is provided in note A2, and note A15.

A2. Significant Accounting Policies

The Group has adopted all the new and revised MFRSs and IC interpretations which are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRs and IC interpretations did not result in any changes to significant policies of the Group except as discussed below:-

Deferred Tax Assets

Prior to implementation of MFRS 112, the Group unrecognized the deferred tax assets. However, upon transition to MFRS 112, the Group recognized the deferred tax assets to the extent that the unutilized investment tax incentives are probable and that future taxable profits will be available to be set off against the unutilized investment tax incentives.

A3. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 29 February 2012 were not subject to any qualification.

A4. 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.

A5. 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.

A6. 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.

A7. 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.

A8. Dividend Paid

No dividend was paid during the quarter.

A9. Segmental Reporting

Segmental information is presented on the basis of geographical segment, which is based on the geographical location of customers:

	Current quarter ended 31 May 2012 RM'000	Current year to date 31 May 2012 RM'000
Revenue		
Malaysia	45,239	45,239
Overseas	25,458	25,458
	-----	-----
	70,697	70,697
	=====	=====

No other segmental information such as segment assets, liabilities and result are presented as the Group is principally engaged in one industry, which involves the manufacturing and distribution of beverages and operates from Malaysia only.

A10. Material Events Subsequent to the end of the Quarter under review

Subsequent to the end of the quarter under review, the Group had on 6 July 2012 completed the disposal of land including the building attached at Taman Perindustrian Sri Plentong, Masai, Johor, for a cash consideration of RM3,850,000 by Power Root (M) Sdn. Bhd., a wholly-owned subsidiary of Power Root Berhad to DYC Metal World Enterprise Sdn. Bhd.

A11. Changes in the composition of the Group

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

A12. 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.

A13. Material Capital Commitments

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

	Current quarter ended
	31 May 2012
	RM'000
Property, plant and equipment	
Approved and contracted for	1,910
	=====

A14. Material Related Party Transactions

There were no material transactions entered by the Group with any related party.

A15. Explanation of transition to MFRS

As stated in note A1 and A2, these are the Group's first consolidated interim financial statements prepared in accordance with MFRS.

In preparing its opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRS. An explanation of how the transition from the previous FRS to the new MFRS has affected the Group's financial position, financial performance and cash flow is set out in the following tables and the notes that accompany these tables.

A15.1 Reconciliation of financial position as at 29 February
2012

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	72,126	-	72,126
Intangible assets	128	-	128
Investment Properties	5,124	-	5,124
Goodwill on combination	5,227	-	5,227
Deferred tax assets	-	1,155	1,155
	<u>82,604</u>	<u>1,155</u>	<u>83,759</u>
Current assets			
Inventories	33,197	-	33,197
Trade and other receivables	81,520	-	81,520
Fixed deposits	11,228	-	11,228
Cash and bank balances	17,593	-	17,593
Short Term Investment	920	-	920
Assets classified as held for sales	1,759	-	1,759
Tax recoverable	3,723	-	3,723
	<u>149,941</u>	<u>-</u>	<u>149,941</u>
TOTAL ASSETS	<u>232,546</u>	<u>1,155</u>	<u>233,701</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	(70)	-	(70)
Retained earnings	24,321	1,155	25,475
	<u>184,306</u>	<u>1,155</u>	<u>185,461</u>
Non-controlling interest	598	-	598
TOTAL EQUITY	<u>184,904</u>	<u>1,155</u>	<u>186,059</u>
Non-current liabilities			
Long term borrowings	1,634	-	1,634
Deferred taxation	2,143	-	2,143
	<u>3,777</u>	<u>-</u>	<u>3,777</u>
Current liabilities			
Trade payables, other payables and accruals	36,739	-	36,739
Taxation	33	-	33
Short term borrowings	7,092	-	7,092
	<u>43,865</u>	<u>-</u>	<u>43,865</u>
TOTAL LIABILITIES	<u>47,642</u>	<u>1,155</u>	<u>47,642</u>
TOTAL EQUITY AND LIABILITIES	<u>232,546</u>	<u>1,155</u>	<u>233,701</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.61	0.00	0.62

A15.2 Reconciliation of financial position as at 31 May 2011

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	80,524	-	80,524
Intangible assets	139	-	139
Investment Properties	-	-	-
Goodwill on combination	5,227	-	5,227
Deferred tax assets	-	1,000	1,000
	85,890	1,000	86,890
Current assets			
Inventories	27,505	-	27,505
Trade and other receivables	77,193	-	77,193
Fixed deposits	10,504	-	10,504
Cash and bank balances	16,917	-	16,917
Short Term Investment	3,630	-	3,630
Assets classified as held for sales	-	-	-
Tax recoverable	6,184	-	6,184
	141,933	-	141,933
TOTAL ASSETS	227,823	1,000	228,823
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	34	-	34
Retained earnings	24,782	1,000	25,782
	184,871	1,000	185,871
Non-controlling interest	-	-	-
TOTAL EQUITY	184,871	1,000	185,871
Non-current liabilities			
Long term borrowings	1,897	-	1,897
Deferred taxation	2,473	-	2,473
	4,370	-	4,370
Current liabilities			
Trade payables, other payables and accruals	32,882	-	32,882
Taxation	826	-	826
Short term borrowings	4,874	-	4,874
	38,582	-	38,582
TOTAL LIABILITIES	42,952	-	42,952
TOTAL EQUITY AND LIABILITIES	227,823	1,000	228,823
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.62	0.00	0.62

A15.3 Reconciliation of financial position as at 1 March 2011

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	82,154	-	82,154
Intangible assets	143	-	143
Investment Properties	-	-	-
Goodwill on combination	5,227	-	5,227
Deferred tax assets	-	1,623	1,623
	87,524	1,623	89,147
Current assets			
Inventories	24,181	-	24,181
Trade and other receivables	73,544	-	73,544
Fixed deposits	11,231	-	11,231
Cash and bank balances	15,449	-	15,449
Short Term Investment	1,780	-	1,780
Assets classified as held for sales	-	-	-
Tax recoverable	6,255	-	6,255
	132,440	-	132,440
TOTAL ASSETS	219,964	1,623	221,587
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	-	35
Retained earnings	20,007	1,623	21,630
	180,097	1,623	181,720
Non-controlling interest	-	-	-
TOTAL EQUITY	180,097	1,623	181,720
Non-current liabilities			
Long term borrowings	2,028	-	2,028
Deferred taxation	2,286	-	2,286
	4,314	-	4,314
Current liabilities			
Trade payables, other payables and accruals	31,206	-	31,206
Taxation	56	-	56
Short term borrowings	4,291	-	4,291
	35,553	-	35,553
TOTAL LIABILITIES	39,867	-	39,867
TOTAL EQUITY AND LIABILITIES	219,964	1,623	221,587
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.60	0.01	0.61

A15.4 Reconciliation of the statements of comprehensive income for the quarter end 31 May 2011

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
Revenue	50,370	-	50,370
Other income	361	-	361
Raw material used	(21,174)	-	(21,174)
Staff cost	(4,978)	-	(4,978)
Depreciation and amortisation	(1,580)	-	(1,580)
Other operating expenses	(16,861)	-	(16,861)
Finance costs	(177)	-	(177)
Profit before taxation	5,961	-	5,961
Taxation	(1,186)	1,000	(186)
Profit after taxation	4,775	1,000	5,775
Other comprehensive income			
Translation differences on foreign operation	(1)	-	(1)
Other comprehensive income net of tax	(1)	-	(1)
Total comprehensive income	4,774	1,000	5,774
Profit attributable to:			
Owners of the Company	4,775	1,000	5,775
Non-controlling interest	-	-	-
	4,775	1,000	5,775
Total comprehensive income attributable to:			
Owners of the Company	4,774	1,000	5,774
Non-controlling interest	-	-	-
	4,774	1,000	5,774
Earnings per share attributable to owners of the Company(sen)			
Basic	1.6	0.3	1.9
Diluted	N/A	N/A	N/A

A15.5 Adjustments to the statement of cash flows

There are no differences between the statement of cash flows presented under MFRS and the statement of cash flows presented under FRS.

B. ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Results for the Quarter Ended 31 May 2012

The Group recorded revenue of RM70.7 million for the first quarter ended 31 May 2012, representing a significant increase of RM20.3 million or 40.4% as compared to the previous year's corresponding quarter. The increase was mainly attributable to the increase in the 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 RM8.1 million for the current quarter which is an increase of RM2.3 million from the previous year's corresponding quarter's PAT of RM5.8 million.

B2. Variation of Results for the Current Quarter Ended 31 May 2012 against the Immediate Preceding Quarter

The Group's revenue of RM70.7 million for the current quarter, represented an increase of RM12.1 million or 20.6% when compared to the revenue recorded for the immediate preceding quarter ended 29 February 2012 of RM58.6 million. The increase is mainly attributable to the increase in the sales from overseas market.

The Group's profit after tax of RM8.1 million for the current quarter represents an increase of RM3.5 million when compared to the profit after tax of RM4.6 million for the immediate preceding quarter ended 29 February 2012 due to the improved FMCG sales.

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

The Group expects market conditions to remain challenging. This is due to consumers are now more cautious and selective in their spending as a result of the rise in cost of living and the increase in variety of products. In mitigating these factors, the Group will continue its effort to strive to increase its presence and reach with the view of achieving sustainable growth in both the local and export markets.

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.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 May 2012 RM'000	31 May 2011 RM'000	31 May 2012 RM'000	31 May 2011 RM'000
In respect of the current period:-				
Taxation	213	996	213	996
Deferred taxation	(818)	(810)	(818)	(810)
(income)/expenses	-----	-----	-----	-----
	(605)	186	(605)	186
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
(income)/expenses	-----	-----	-----	-----
	(605)	186	(605)	186
	=====	=====	=====	=====

B6. Notes to the Statement of Comprehensive Income

	Individual quarter		Cumulative quarter	
	ended		ended	
	31 May		31 May	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Depreciation and				
Amortization	1,535	1,580	1,535	1,580
Foreign exchange				
(gain)/loss	(1,576)	13	(1,576)	13
(Gain)/loss on disposal of				
quoted or unquoted				
investment	(24)	(11)	(24)	(11)
(Gain)/loss on disposal				
of properties	(123)	233	(123)	233
Impairment of assets	-	-	-	-
Interest income	(164)	(100)	(164)	(100)
Interest expenses	114	177	114	177
Provision for and write-				
off of inventories	169	600	169	600
Provision for and write-				
off/(Reversal of provision for				
and write-off) of receivables	2	-	2	-
Dividend income on quoted				
shares	(7)	(19)	(7)	(19)

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	385
Hire Purchase Payables	26
Trade Finance	7,302

	7,713
<u>Long Term Borrowings</u>	
Term Loans	1,568

	1,568

Total	9,281
	=====

The Group does not have any foreign borrowings and debts 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 filed a Notice of Arbitration on 27 December 2011 to the Kuala Lumpur Regional Centre of Arbitration to commence an arbitration proceeding against Monarch Wellness Sdn. Bhd. ("MW") for demand of claims on the cost incurred on defective products pursuant to an agreement dated 1 June 2010 between PII and MW. On 10 July 2012, the Claimant and Respondent submitted on the Preliminary Issues and the claim amount was amended to RM658,726 together with interest at the rate of 8% per annum. The hearing dates were also fixed on 1 to 3 October 2012.

B9. Dividend Proposed

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

B10. Earnings Per Share (“EPS”)

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 May	31 May	31 May	31 May
	2012	2011	2012	2011
Profit attributable for the owners of the Company (RM'000)	7,790	5,775	7,790	5,775
Weighted average Number of shares in Issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	2.6	1.9	2.6	1.9
	===	===	===	===

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	As at
Total retained profits of the	31 May 2012	29 February 2012
Parent and its subsidiaries:-	RM'000	RM'000
Realised	64,342	59,647
Unrealised Loss	(497)	(1,219)
	-----	-----
	63,845	58,428
Less: Consolidation		
Adjustments	(31,734)	(32,952)
	-----	-----
	32,111	25,476
	=====	=====