

# POWER ROOT BERHAD

Company No. 733268-U

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 28 FEBRUARY 2013

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 28 FEBRUARY 2013 RM'000	Preceding Year Quarter 29 FEBRUARY 2012 RM'000	Current Year To Date 28 FEBRUARY 2013 RM'000	Preceding Year To Date 29 FEBRUARY 2012 RM'000
Revenue	75,925	58,609	279,355	217,036
Other income	1,040	(177)	5,685	1,389
Raw material used	(34,443)	(27,715)	(125,098)	(103,562)
Staff cost	(7,656)	(6,493)	(26,899)	(21,978)
Depreciation and amortisation	(1,528)	(1,671)	(6,123)	(6,427)
Other operating expenses	(22,572)	(17,502)	(84,475)	(66,782)
Finance costs	(73)	(62)	(398)	(304)
Share of loss of equity accounted investees, net of tax	(84)	0	(84)	0
<b>Profit before taxation</b>	<b>10,609</b>	<b>4,989</b>	<b>41,963</b>	<b>19,372</b>
Taxation	(1,258)	(489)	(6,685)	(3,151)
<b>Profit for the year</b>	<b>9,351</b>	<b>4,500</b>	<b>35,278</b>	<b>16,221</b>
<b>Other comprehensive income</b>				
Translation differences on foreign operation	86	3	(172)	(64)
<b>Other comprehensive income net of tax</b>	<b>86</b>	<b>3</b>	<b>(172)</b>	<b>(64)</b>
<b>Total comprehensive income</b>	<b>9,437</b>	<b>4,503</b>	<b>35,106</b>	<b>16,157</b>
<b>Profit attributable to:</b>				
Owners of the Company	8,980	4,125	34,383	15,846
Non-controlling interest	371	375	895	375
	<b>9,351</b>	<b>4,500</b>	<b>35,278</b>	<b>16,221</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	9,051	4,087	34,260	15,741
Non-controlling interest	386	416	846	416
	<b>9,437</b>	<b>4,503</b>	<b>35,106</b>	<b>16,157</b>
<b>Earnings per share attributable to owners of the Company(sen)</b>				
Basic (note B10)	3.0	1.4	11.5	5.3
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 29 February 2012)

# POWER ROOT BERHAD

Company No. 733268-U

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2013

(The figures below are unaudited)

	As at 28 FEBRUARY 2013	As at 29 FEBRUARY 2012 (RESTATED)	As at 1 MARCH 2011 (RESTATED)
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	74,964	72,126	82,154
Intangible assets	113	128	143
Investment Properties	2,574	5,124	-
Investment in associates	-	-	-
Goodwill on combination	5,227	5,227	5,227
Deferred tax assets	-	1,155	1,623
	<b>82,878</b>	<b>83,760</b>	<b>89,147</b>
<b>Current assets</b>			
Inventories	43,668	33,197	24,181
Trade and other receivables	105,041	81,520	73,544
Fixed deposits	11,891	11,228	11,231
Cash and bank balances	24,942	17,593	15,449
Short Term Investment	1,442	921	1,780
Assets classified as held for sales	-	1,759	-
Property development costs	8,096	-	-
Tax recoverable	3,509	3,723	6,255
	<b>198,589</b>	<b>149,941</b>	<b>132,440</b>
<b>TOTAL ASSETS</b>	<b>281,467</b>	<b>233,701</b>	<b>221,587</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	60,000	60,000	60,000
Share premium	100,055	100,055	100,055
Other reserves	575	(70)	35
Retained earnings	43,346	25,476	21,630
	<b>203,976</b>	<b>185,461</b>	<b>181,720</b>
<b>Non-controlling interest</b>	<b>2,007</b>	<b>598</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>205,983</b>	<b>186,059</b>	<b>181,720</b>
<b>Non-current liabilities</b>			
Long term borrowings	2,784	1,634	2,028
Deferred taxation	2,950	2,143	2,286
	<b>5,734</b>	<b>3,777</b>	<b>4,314</b>
<b>Current liabilities</b>			
Trade payables, other payables and accruals	58,948	36,740	31,206
Taxation	79	33	56
Short term borrowings	10,723	7,092	4,291
	<b>69,750</b>	<b>43,865</b>	<b>35,553</b>
<b>TOTAL LIABILITIES</b>	<b>75,484</b>	<b>47,642</b>	<b>39,867</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>281,467</b>	<b>233,701</b>	<b>221,587</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.68	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)

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 28 FEBRUARY 2013

(The figures below are unaudited)

	Current Year To Date 28 FEBRUARY 2013 RM'000	Preceding Year To Date 29 FEBRUARY 2012 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	41,963	19,373
Adjustments for:-		
Amortisation of intangible assets	15	15
Bad debts written off	4	23
Depreciation on investment properties	74	16
Depreciation of property, plant and equipment	6,034	6,396
(Gain)/ Loss on disposal of property, plant and equipment	(3,683)	252
Finance cost	398	304
Interest income	(688)	(459)
Unrealised (gain) / loss on foreign exchange	(311)	231
Gain on disposal of investment	(24)	(88)
(Reversal of)/ Impairment losses on:-		
- trade receivables	121	(56)
- property, plant and equipment	1,602	1,333
- investment	103	-
Equity settled share-based payment transactions	768	-
Share of loss of equity-accounted investees, net of tax	84	-
Dividend income on quoted shares	(51)	(121)
Operating profit before changes in working capital	46,409	27,219
Changes in working capital:-		
Change in property development cost	(8,096)	-
Change in inventories	(10,471)	(9,017)
Change in trade and other receivables	(22,894)	(8,173)
Change in trade and other payables	22,205	5,533
Cash generated from operations	27,153	15,562
Interest paid	(398)	(304)
Interest received	688	459
Tax paid	(4,464)	(317)
Net cash from operating activities	22,979	15,400
<b>Cash flows from investing activities</b>		
Decrease in pledged deposits placed with licensed banks	-	225
Acquisition of:		
- investment properties	-	(1,410)
- property, plant and equipment	(10,816)	(3,768)
- other investment	(3,411)	(7,165)
Proceeds from disposal of other investment	2,853	8,113
Dividend received on quoted shares	51	121
Proceeds from disposal of property, plant and equipment	8,124	299
Acquisition of investment in an associate	(80)	-
Net cash used in investing activities	(3,279)	(3,585)
<b>Cash flows from financing activities</b>		
Dividends paid	(16,750)	(12,000)
Loan to associate	(482)	-
Drawdown of other short-term bank borrowings	3,657	2,852
Subscription of shares by non-controlling interests in subsidiaries	800	181
Payment of finance lease liabilities	(53)	(77)
Borrowing /(Repayment) of term loans	1,176	(369)
Net cash used in financing activities	(11,652)	(9,413)
<b>Net increase in cash and cash equivalents</b>	8,048	2,402
<b>Effects of changes in foreign exchange rates</b>	(36)	(37)
<b>Cash and cash equivalents at beginning of the year</b>	28,821	26,456
<b>Cash and cash equivalents at end of the period</b>	36,833	28,821
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	11,891	11,228
Cash and bank balances	24,942	17,593
	36,833	28,821

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)

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## A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134

### A1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the fourth quarter ended 28 February 2013 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 annual 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 MFRSs and IC interpretations has not resulted in material impacts of the financial statement of the Group except as discussed below:-

#### Deferred Tax Assets

Prior to implementation of *MFRS 112, Income Taxes*, the Group unrecognized the deferred tax assets. However, upon transition to *MFRS 112, Income Taxes*, the Group has now recognised the deferred tax assets to the extent that the unutilised investment tax incentives are probable and that future taxable profits will be available to be set off against the unutilised 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.

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## 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

An interim single tier dividend of 3.0 sen per ordinary share for the financial year ended 28 February 2013, was paid on 7th December 2012.

## A9. Segmental Reporting

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

	<b>Current quarter ended 28 February 2013 RM'000</b>	<b>Current year to date 28 February 2013 RM'000</b>
<b>Revenue</b>		
Malaysia	47,073	185,331
Oversea	28,852	94,024
	-----	-----
	75,925	279,355
	=====	=====

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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's 90% owned subsidiary, Power Root ME FZCO ("PRME") has increased its issued and paid up capital from United Arab Emirates, Dirham ("UAE Dhs.") 1,000,000 to UAE Dhs. 5,000,000 (equivalent to RM4,237,000) by way of allotment of 40 shares of UAE Dhs. 100,000 each ("Increase in Share Capital"). PRME is principally engaged in general trading.

The Increase in Share Capital is subscribed by the following parties as follows:-

Party	Before the Increase in Share Capital		After the Increase in Share Capital	
	UAE Dhs.	%	UAE Dhs.	%
Power Root Berhad	900,000	90	4,400,000	88
Wong Tak Keong	100,000	10	600,000	12

### 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 28 February 2013 RM'000
Property, plant and equipment	
Contracted but not provided for	1,461

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### **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 consolidated interim financial statements prepared in accordance with MFRS.

In preparing its opening MFRS Statement of Financial Position, the Group has adjusted the 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.

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

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
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>82,605</u>	<u>1,155</u>	<u>83,760</u>
<b>Current assets</b>			
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	921	-	921
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>
<b>TOTAL ASSETS</b>	<u>232,546</u>	<u>1,155</u>	<u>233,701</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	60,000	-	60,000
Share premium	100,055	-	100,055
Other reserves	(70)	-	(70)
Retained earnings	24,321	1,155	25,476
	<u>184,306</u>	<u>1,155</u>	<u>185,461</u>
<b>Non-controlling interest</b>	<u>598</u>	<u>-</u>	<u>598</u>
<b>TOTAL EQUITY</b>	<u>184,904</u>	<u>1,155</u>	<u>186,059</u>
<b>Non-current liabilities</b>			
Long term borrowings	1,634	-	1,634
Deferred taxation	2,143	-	2,143
	<u>3,777</u>	<u>-</u>	<u>3,777</u>
<b>Current liabilities</b>			
Trade payables, other payables and accruals	36,740	-	36,740
Taxation	33	-	33
Short term borrowings	7,092	-	7,092
	<u>43,865</u>	<u>-</u>	<u>43,865</u>
<b>TOTAL LIABILITIES</b>	<u>47,642</u>	<u>-</u>	<u>47,642</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<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



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## A15.2 Reconciliation of financial position as at 1 March 2011

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
	<u>87,524</u>	<u>1,623</u>	<u>89,147</u>
<b>Current assets</b>			
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
	<u>132,440</u>	<u>-</u>	<u>132,440</u>
<b>TOTAL ASSETS</b>	<u>219,964</u>	<u>1,623</u>	<u>221,587</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	60,000	-	60,000
Share premium	100,055	-	100,055
Other reserves	35	-	35
Retained earnings	20,007	1,623	21,630
	<u>180,097</u>	<u>1,623</u>	<u>181,720</u>
<b>Non-controlling interest</b>	-	-	-
<b>TOTAL EQUITY</b>	<u>180,097</u>	<u>1,623</u>	<u>181,720</u>
<b>Non-current liabilities</b>			
Long term borrowings	2,028	-	2,028
Deferred taxation	2,286	-	2,286
	<u>4,314</u>	<u>-</u>	<u>4,314</u>
<b>Current liabilities</b>			
Trade payables, other payables and accruals	31,206	-	31,206
Taxation	56	-	56
Short term borrowings	4,291	-	4,291
	<u>35,553</u>	<u>-</u>	<u>35,553</u>
<b>TOTAL LIABILITIES</b>	<u>39,867</u>	<u>-</u>	<u>39,867</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>219,964</u>	<u>1,623</u>	<u>221,587</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.60	0.01	0.61

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## A15.3 Reconciliation of the statements of comprehensive income for the quarter end 29 February 2012

	FRS RM'000	MFRS 112 RM'000	MFRS RM'000
Revenue	217,036	-	217,036
Other income	1,389	-	1,389
Raw material used	(103,562)	-	(103,562)
Staff cost	(21,978)	-	(21,978)
Depreciation and amortisation	(6,427)	-	(6,427)
Other operating expenses	(66,782)	-	(66,782)
Finance costs	<u>(304)</u>	<u>-</u>	<u>(304)</u>
<b>Profit before taxation</b>	<b>19,372</b>	<b>-</b>	<b>19,372</b>
Taxation	(2,683)	(468)	(3,151)
<b>Profit after taxation</b>	<b><u>16,689</u></b>	<b><u>(468)</u></b>	<b><u>16,221</u></b>
<b>Other comprehensive income</b>			
Translation differences on foreign operation	<u>(64)</u>	<u>-</u>	<u>(64)</u>
<b>Other comprehensive income net of tax</b>	<b><u>(64)</u></b>	<b><u>-</u></b>	<b><u>(64)</u></b>
<b>Total comprehensive income</b>	<b><u>16,625</u></b>	<b><u>(468)</u></b>	<b><u>16,157</u></b>
<b>Profit attributable to:</b>			
Owners of the Company	16,314	(468)	15,846
Non-controlling interest	<u>375</u>	<u>-</u>	<u>375</u>
	<b><u>16,689</u></b>	<b><u>(468)</u></b>	<b><u>16,221</u></b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	16,209	(468)	15,741
Non-controlling interest	<u>416</u>	<u>-</u>	<u>416</u>
	<b><u>16,625</u></b>	<b><u>(468)</u></b>	<b><u>16,157</u></b>
<b>Earnings per share attributable to owners of the Company(sen)</b>			
Basic	5.4	(0.2)	5.3
Diluted	N/A	N/A	N/A

## A15.4 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.

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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 2013**

The Group recorded revenue of RM75.9 million for the fourth quarter ended 28 February 2013, representing a significant increase of RM17.3 million or 29.5% 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.

The Group recorded a profit after tax of RM9.4 million for the current quarter which is an increase of RM4.9 million from the previous year's corresponding quarter's PAT of RM4.5 million. The increase in profit after tax is due to the improved FMCG sales.

#### **B2. Variation of Results for the Current Quarter Ended 28 February 2013 against the Immediate Preceding Quarter**

The Group's revenue of RM75.9 million for the current quarter, represented an increase of RM5.8 million or 8.3% as compare to the revenue recorded for the immediate preceding quarter ended 30 November 2012 of RM70.1 million. The increase was mainly due to the increase in the sales from the overseas markets.

The Group's profit after tax of RM9.4 million for the current quarter represents an increase of RM0.9 million or 10.6% as compare to the profit after tax of RM8.5 million for the immediate preceding quarter ended 30 November 2012. If excluding the gain on disposal of property by a wholly owned subsidiary amounting to approximately RM1.3 million incurred in the immediate preceding quarter, the increase recorded would amount to RM2.2 million or 30.6% when compared to the Group's profit after tax for the current quarter.

#### **B3. Group's Prospects for the financial year ending 28 February 2014 ("FYE 2014")**

The Group believes that the market conditions in the Fast Moving Consumer Goods ("FMCG") sector remains challenging and expect consumers to stay cautious in their spending behavior. As such, the Group will continue its effort to improve on its operational efficiency and strengthen its distribution network in Malaysia and overseas. The Group will also continue on aggressive marketing efforts to propel its brands presence and appeal.

#### **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 2013 RM'000	29 February 2012 RM'000	28 February 2013 RM'000	29 February 2012 RM'000
In respect of the current period:-				
Taxation	1,059	861	4,865	2,916
Deferred taxation (income)/expenses	657	(195)	2,278	412
	<u>1,716</u>	<u>666</u>	<u>7,143</u>	<u>3,328</u>
In respect of the previous period:-				
Taxation	(143)	(91)	(143)	(91)
Deferred taxation (income)/expenses	(315)	(86)	(315)	(86)
	<u>1,258</u>	<u>489</u>	<u>6,685</u>	<u>3,151</u>

## B6. Notes to the Statement of Comprehensive Income

	Individual Quarter ended Ended 28/29 February		Cumulative Quarter ended 28/29 February	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation and amortization	1,528	1,671	6,123	6,427
Foreign exchange (gain)/ loss	(426)	646	(565)	160
Gain on disposal of quoted or unquoted investment	-	(11)	(24)	(88)
(Gain)/ loss on disposal of property, plant and equipment	(6)	(127)	(3,683)	252
Impairment of assets	1,602	1,333	1,602	1,333
Interest income	(135)	(148)	(688)	(459)
Interest expenses	73	62	398	304
(Reversal)/ Provision for and write-off of inventories	376	450	663	1,416
Provision for and write-off of receivables	87	(60)	121	(56)
Dividend income on quoted shares	(15)	(18)	(51)	(121)

## POWER ROOT BERHAD

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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	410
Hire Purchase Payables	-
Trade Finance	10,313
	<u>10,723</u>
<u>Long Term Borrowings</u>	
Term Loans	2,784
	<u>2,784</u>
<b>Total</b>	<b><u>13,507</u></b>

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 the Preliminary Issues and the claim amount was amended to RM658,726 together with interest at the rate of 8% per annum. The hearing was heard on 1 to 3 October 2012, 4 to 7 December 2012 and 3 to 4 January 2013 and the written submission was submitted on 28 February 2013. The claim was dismissed on 18 April 2013 and a sum of RM50,000 of cost was awarded to the defendant.

### B9. Dividend Proposed

The Board of Directors has proposed to declare a final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 28 February 2013, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## POWER ROOT BERHAD

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### B10. Earnings Per Share (“EPS”)

#### Basic EPS

	Current quarter ended		Cumulative quarter ended	
	28 February 2013	29 February 2012	28 February 2013	29 February 2012
Profit attributable to owners of the Company (RM'000)	8,980	4,125	34,383	15,846
Weighted average number of shares in issue ('000)	300,000	300,000	300,000	300,000
Basic EPS (sen)	<u>3.0</u>	<u>1.4</u>	<u>11.5</u>	<u>5.3</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.

### B11. Realised and Unrealised Profits / Losses Disclosure

	Current Year to date 28 February 2013 RM'000	As At 29 February 2012 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised	73,979	59,647
Unrealised	(2,639)	(1,218)
	<u>71,340</u>	<u>58,429</u>
Less: Consolidation Adjustments	(27,994)	(32,953)
Retained earnings	<u>43,346</u>	<u>25,476</u>