

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2013**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 30 NOVEMBER 2013 RM'000	Preceding Year Quarter 30 NOVEMBER 2012 RM'000	Current Year To Date 30 NOVEMBER 2013 RM'000	Preceding Year To Date 30 NOVEMBER 2012 RM'000
Revenue	75,892	70,089	234,752	203,430
Other income	215	788	3,244	4,646
Raw material used	(31,725)	(30,540)	(98,470)	(90,655)
Staff cost	(8,165)	(6,905)	(23,168)	(19,243)
Depreciation and amortisation	(1,301)	(1,572)	(4,168)	(4,595)
Other operating expenses	(22,691)	(19,206)	(73,020)	(61,904)
Finance costs	(64)	(103)	(238)	(325)
Profit before taxation	12,161	12,551	38,932	31,354
Taxation	(3,418)	(4,009)	(10,014)	(5,427)
Profit for the year	8,743	8,542	28,918	25,927
Other comprehensive income				
Translation differences on foreign operation	(309)	(3)	62	(258)
Other comprehensive income net of tax	(309)	(3)	62	(258)
Total comprehensive income	8,434	8,539	28,980	25,669
Profit attributable to:				
Owners of the Company	8,673	8,493	28,184	25,403
Non-controlling interest	70	49	734	524
	8,743	8,542	28,918	25,927
Total comprehensive income attributable to:				
Owners of the Company	8,436	8,261	28,237	25,210
Non-controlling interest	(2)	278	743	459
	8,434	8,539	28,980	25,669
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	2.9	2.8	9.4	8.5
Diluted (note B10)	2.7	N/A	8.9	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 2013)

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 NOVEMBER 2013**

(The figures below are unaudited)

	(Unaudited) As at 30 NOVEMBER 2013 RM'000	(Audited) As at 28 FEBRUARY 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,221	74,964
Intangible assets	101	113
Investment properties	1,344	2,574
Goodwill on combination	5,227	5,227
	81,893	82,878
Current assets		
Inventories	50,132	43,668
Trade and other receivables	111,325	108,515
Fixed deposits	19,271	11,549
Cash and bank balances	28,112	25,285
Short term investment	1,659	1,442
Assets classified as held for sales	-	-
Property development costs	20,464	8,063
Tax recoverable	2,336	3,501
	233,299	202,023
TOTAL ASSETS	315,192	284,901
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,169	60,000
Share premium	100,564	100,055
Other reserves	1,412	575
Retained earnings	59,499	43,345
	221,644	203,975
Non-controlling interest	2,194	2,007
TOTAL EQUITY	223,838	205,982
Non-current liabilities		
Long term borrowings	1,012	2,788
Deferred taxation	2,718	2,950
	3,730	5,738
Current liabilities		
Trade payables, other payables and accruals	77,077	62,383
Taxation	1,032	79
Short term borrowings	9,515	10,719
	87,624	73,181
TOTAL LIABILITIES	91,354	78,919
TOTAL EQUITY AND LIABILITIES	315,192	284,901
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.74	0.68

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 28 February 2013)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2013**

(The figures below are unaudited)

	Current Year To Date	Preceding Year To Date
	30 NOVEMBER 2013	30 NOVEMBER 2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	38,932	31,354
Adjustments for:-		
Amortisation of intangible assets	11	11
Depreciation on investment properties	20	62
Depreciation of property, plant and equipment	4,137	4,522
Gain on disposal of property, plant and equipment	(496)	(3,677)
Finance cost	238	325
Interest income	(480)	(553)
Unrealised loss on foreign exchange	547	12
Gain on disposal of investment	(56)	(24)
Impairment loss on trade receivables	5,737	34
Equity settled share-based payment transactions	784	542
Dividend income on quoted shares	(47)	(36)
Operating profit before changes in working capital	<u>49,327</u>	<u>32,572</u>
Changes in working capital:-		
Change in property development cost	(12,401)	(4,643)
Change in inventories	(6,464)	(9,505)
Change in trade and other receivables	(8,484)	(19,448)
Change in trade and other payables	14,694	19,251
Cash generated from operations	<u>36,672</u>	<u>18,227</u>
Interest paid	(238)	(325)
Interest received	480	553
Tax paid	(8,128)	(2,082)
Net cash from operating activities	<u>28,786</u>	<u>16,373</u>
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(5,170)	(6,627)
- other investment	(428)	(3,411)
Proceeds from disposal of other investment	297	2,853
Dividend received on quoted shares	47	36
Proceeds from disposal of property, plant and equipment	2,298	8,075
Acquisition of investment in an associate	-	(80)
Net cash used in investing activities	<u>(2,956)</u>	<u>846</u>
Cash flows from financing activities		
Dividend paid to owners of the Company	(12,030)	(7,500)
Dividend paid to non-controlling interest	(993)	(249)
Proceeds from issue of share capital	678	-
(Repayment) / drawdown of other short-term bank borrowings	(2,678)	3,963
Subscription of shares by non-controlling interests in subsidiaries	437	800
Loan to associate	(638)	-
Repayment of finance lease liabilities	-	(53)
Repayment of term loans	(301)	(286)
Net cash used in financing activities	<u>(15,525)</u>	<u>(3,325)</u>
Net increase in cash and cash equivalents	10,305	13,894
Effects of changes in foreign exchange rates	245	(148)
Cash and cash equivalents at beginning of the year	<u>36,833</u>	<u>28,821</u>
Cash and cash equivalents at end of the period	<u>47,383</u>	<u>42,567</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	19,271	15,557
Cash and bank balances	28,112	27,010
	<u>47,383</u>	<u>42,567</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 28 February 2013)

POWER ROOT BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED
30 NOVEMBER 2013**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent				Total	Non-controlling Interest	Total Equity	
	Non-Distributable		Distributable					
	Share Capital	Share Premium	Translation Reserve	Share Option Reserve	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 March 2012								
- as previous stated	60,000	100,055	(70)	-	24,321	184,306	598	184,904
- effect of transition to MFRSs	-	-	-	-	1,155	1,155	-	1,155
At 1 March 2012, reinstated	60,000	100,055	(70)	-	25,476	185,461	598	186,059
Profit for the period	-	-	-	-	25,403	25,403	524	25,927
Other comprehensive income for the period								
- Translation differences on foreign operation	-	-	(193)	-	-	(193)	(65)	(258)
Total comprehensive income for the period	-	-	(193)	-	25,403	25,210	459	25,669
Contributions by and distribution to owners of the Company								
- Share-based payment transaction	-	-	-	542	-	542	-	542
- Subscription of shares by non-controlling interests in subsidiary	-	-	-	-	(13)	(13)	813	800
- Dividend to owner of the company / non-controlling interests	-	-	-	-	(7,500)	(7,500)	(249)	(7,749)
Total transactions with owners of the Company	-	-	-	542	(7,513)	(6,971)	564	(6,407)
At 30 November 2012	60,000	100,055	(263)	542	43,366	203,700	1,621	205,321
At 1 March 2013	60,000	100,055	(193)	768	43,345	203,975	2,007	205,982
Profit for the period	-	-	-	-	28,184	28,184	734	28,918
Other comprehensive income for the period								
- Translation differences on foreign operation	-	-	53	-	-	53	9	62
Total comprehensive income for the period	-	-	53	-	28,184	28,237	743	28,980
Contributions by and distribution to owners of the Company								
- Issue of ordinary shares pursuant to the ESOS	150	357	-	-	-	507	-	507
- Issue of ordinary shares pursuant to the DRP	19	152	-	-	-	171	-	171
- Share-based payment transaction	-	-	-	784	-	784	-	784
- Subscription of shares by non-controlling interests in subsidiary	-	-	-	-	-	-	437	437
- Dividend to owner of the company / non-controlling interests	-	-	-	-	(12,030)	(12,030)	(993)	(13,023)
Total transactions with owners of the Company	169	509	-	784	(12,030)	(10,568)	(556)	(11,124)
At 30 November 2013	60,169	100,564	(140)	1,552	59,499	221,644	2,194	223,838

Notes:-

(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 2013)

POWER ROOT BERHAD

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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 third quarter ended 30 November 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, Power Root ME FZCO, Medan Multimedia Sdn. Bhd. and PR Manufacturing ME LLC (collectively known as "Power Root Group" or "The Group"), should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013, except for its subsidiaries, Medan Multimedia Sdn. Bhd. and PR Manufacturing ME LLC which was incorporated on 3 May 2013 and 19 May 2013 respectively, do not have the audited financial statement for the financial year ended 28 February 2013.

The accounting policy and method 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 2013.

A2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 28 February 2013 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 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.

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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 except for the following:

- Issuance of 8,000 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.
- Issuance of 93,685 new ordinary share of RM0.20 each pursuant to the Dividend Reinvestment Plan.

A7. Dividend Paid

A final single tier dividend of 4.0 sen per ordinary share for the financial year ended 28 February 2013, was paid on 23 September 2013.

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 2013 RM'000	Current year to date 30 November 2013 RM'000
Revenue		
Malaysia	56,505	164,576
Oversea	19,387	70,176
	-----	-----
	75,892	234,752
	=====	=====

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.

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A9. Material Events Subsequent to the end of the Quarter under review

There were no material events subsequent to the end of the quarter under review.

A10. Changes in the composition of the Group

During the quarter under review, the Group's associated company, Jobtact Sdn. Bhd. ("JSB") had on 20 September 2013 subscribed to 100% equity interest in JT Apps Sdn. Bhd. ("JTASB") comprising 100,000 new ordinary shares of RM1.00 each for a cash consideration of RM100,000 ("Subscription").

JTASB was incorporated on 6 August 2013 in Malaysia as a private limited company under the Companies Act 1965 and has an authorized share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each of which 100,000 shares has been issued and fully paid-up. JTASB is principally engaged in the business of Information Technology related products and services.

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 follows:

	Current quarter ended 30 November 2013 RM'000
Property, plant and equipment	
Contracted but not provided for	916
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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 2013

The Group recorded revenue of RM75.9 million for the third quarter ended 30 November 2013, representing an increase of RM5.8 million or 8.3% as compared to the previous year's corresponding quarter. The increase was mainly attributable to the increase in the local sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group recorded a profit after tax of RM8.7 million for the current quarter which is an increase of RM0.2 million from the previous year's corresponding quarter's profit after tax of RM8.5 million. The increase in profit after tax is due to the improved FMCG sales.

B2. Variation of Results for the Current Quarter Ended 30 November 2013 against the Immediate Preceding Quarter

The Group's revenue of RM75.9 million for the current quarter, represented an increase of RM4.9 million or 6.9% as compare to the revenue recorded for the immediate preceding quarter ended 31 August 2013 of RM71.0 million. The increase was mainly due to the increase in sales from the local markets.

The Group's profit after tax of RM8.7 million for the current quarter represents a decrease of RM1.0 million or 10.3% as compare to the profit after tax of RM9.7 million for the immediate preceding quarter ended 31 August 2013 was mainly due to impairment loss on trade receivables of RM2.9 million from Egypt (as a result of the political turmoil there). The Group is continuing to adopt prudent and precautionary measures to monitor and address any future changes in the political and economic climate of the countries where we are involved.

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

Despite the foreign currency exchange risk and the challenging market conditions, in particular the Middle East region, the Group is optimistic of achieving better results for the financial year ending 28 February 2014.

The Group will continue its efforts in marketing and promotional activities to propel its branding presence in existing markets and new countries. The Group will also continue to focus on enhancing operational efficiencies and strengthening the distribution network in both the local and export markets.

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	
	3 November 2013 RM'000	30 November 2012 RM'000	30 November 2013 RM'000	30 November 2012 RM'000
In respect of the current period:-				
Taxation	2,272	1,910	9,038	3,806
Deferred taxation (income)/expenses	1,040	2,099	870	1,621
	<u>3,312</u>	<u>4,009</u>	<u>9,908</u>	<u>5,427</u>
In respect of the previous period:-				
Taxation	782	-	782	-
Deferred taxation (income)/expenses	(676)	-	(676)	-
	<u>3,418</u>	<u>4,009</u>	<u>10,014</u>	<u>5,427</u>

B6. Notes to the Statement of Comprehensive Income

	Individual quarter ended 30 November		Cumulative quarter ended 30 November	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation and amortization	1,301	1,572	4,168	4,595
(Gain)/loss on foreign exchange	945	665	(1,291)	(139)
Gain on disposal of quoted or unquoted investment	(56)	-	(56)	(24)
Gain on disposal of property, plant and equipment	(411)	(1,262)	(496)	(3,677)
Interest Income	(176)	(322)	(480)	(553)
Interest expenses	64	103	238	325
Write down of inventories	241	164	241	287
Impairment loss on trade receivables	3,037	32	5,737	34
Dividend income on quoted shares	(16)	(15)	(47)	(36)

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B7. Group Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and unsecured, as at the end of the quarter under review are as follows:

	RM'000
Short Term Borrowings	
Term Loans	2,608
Bankers' Acceptance	6,907
	<hr/> 9,515
Long Term Borrowings	
Term Loans	1,012
	<hr/> 1,012
Total	<hr/> <hr/> 10,527

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

B8. 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.

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	
	30 November 2013	30 November 2012	30 November 2013	30 November 2012
Profit attributable to owners of the Company (RM'000)	8,673	8,493	28,184	25,403
Weighted average number of shares in issue ('000)	300,844	300,000	300,364	300,000
Basic EPS (sen)	<hr/> 2.9	<hr/> 2.8	<hr/> 9.4	<hr/> 8.5

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B10. Earnings Per Share ("EPS") (Cont'd)

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

	Current quarter ended		Cumulative quarter ended	
	30 November 2013	30 November 2012	30 November 2013	30 November 2012
Profit attributable to owners of the Company (RM'000)	8,673	8,493	28,184	25,403
Weighted average number of ordinary shares ('000)	300,844	300,000	300,364	300,000
Effect of share option in issue ('000)	17,747	-	17,190	-
Total weighted average number of ordinary shares ('000) (diluted)	318,591	300,000	317,554	300,000
Diluted EPS (sen)	<u>2.7</u>	<u>N/A</u>	<u>8.9</u>	<u>N/A</u>

The diluted EPS is calculated by dividing the net profit attributable to the equity holder of the parent by the weighted average number of ordinary share in issue during the financial period, adjusted for the dilutive effects of all potential ordinary shares, ie Employees Share Option Scheme.

B11. Realised and Unrealised Profits / Losses Disclosure

	Current year to date 30 November 2013 RM'000	As at 28 February 2013 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised	91,106	73,964
Unrealised	(3,265)	(2,625)
	-----	-----
Less: Consolidation Adjustments	87,841 (28,342)	71,339 (27,994)
	-----	-----
Retained earnings	<u>59,499</u>	<u>43,345</u>
	=====	=====