

**POWER ROOT BERHAD**Company No.733268-U  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED  
31 DECEMBER 2014**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	<u>31 DECEMBER 2014 RM'000</u>	<u>31 DECEMBER 2013 RM'000</u>	<u>31 DECEMBER 2014 RM'000</u>	<u>31 DECEMBER 2013 RM'000</u>
Revenue	94,450	-	282,793	-
Other income	1,955	-	3,130	-
Raw material used	(44,291)	-	(124,263)	-
Staff cost	(9,488)	-	(27,780)	-
Depreciation and amortisation	(1,497)	-	(4,737)	-
Other operating expenses	(29,387)	-	(98,702)	-
Finance costs	(176)	-	(486)	-
<b>Profit before taxation</b>	<b>11,566</b>	<b>-</b>	<b>29,955</b>	<b>-</b>
Taxation	(602)	-	(4,208)	-
<b>Profit for the period</b>	<b>10,964</b>	<b>-</b>	<b>25,747</b>	<b>-</b>
<b>Other comprehensive income</b>				
Translation differences on foreign operation	635	-	704	-
<b>Other comprehensive income net of tax</b>	<b>635</b>	<b>-</b>	<b>704</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>11,599</b>	<b>-</b>	<b>26,451</b>	<b>-</b>
<b>Profit attributable to:</b>				
Owners of the Company	9,590	-	23,871	-
Non-controlling interest	1,374	-	1,876	-
	<b>10,964</b>	<b>-</b>	<b>25,747</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	10,055	-	24,409	-
Non-controlling interest	1,544	-	2,042	-
	<b>11,599</b>	<b>-</b>	<b>26,451</b>	<b>-</b>
<b>Earnings per share attributable to owners of the Company(sen)</b>				
Basic (note B10)	3.2	-	7.9	-
Diluted (note B10)	3.1	-	7.5	-

**Notes:-**

As stated in A2 below, there are no comparative figures for the preceding year's corresponding period and period-to-date information due to change of financial year end from 28 February to 31 March.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 28 February 2014)

**POWER ROOT BERHAD**

Company No.733268-U  
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2014**

(The figures below are unaudited)

	(Unaudited) As at 31 DECEMBER 2014 RM'000	(Audited) As at 28 FEBRUARY 2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	79,488	75,436
Intangible assets	85	97
Goodwill on combination	5,227	5,227
Deferred tax assets	2,067	2,322
	86,867	83,082
<b>Current assets</b>		
Inventories	50,432	50,086
Trade and other receivables	132,483	107,828
Fixed deposits	28,610	7,587
Cash and bank balances	31,168	38,852
Short term investment	-	1,066
Property development costs	24,081	27,116
Tax recoverable	7,251	3,567
	274,025	236,102
<b>TOTAL ASSETS</b>	360,892	319,184
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,649	60,207
Share premium	101,920	100,870
Other reserves	(3,847)	1,554
Retained earnings	69,625	58,037
	228,347	220,668
<b>Non-controlling interest</b>	2,628	1,761
<b>TOTAL EQUITY</b>	230,975	222,429
<b>Non-current liabilities</b>		
Long term borrowings	810	971
Deferred taxation	2,367	2,188
	3,177	3,159
<b>Current liabilities</b>		
Trade payables, other payables and accruals	114,530	79,313
Taxation	109	1,871
Short term borrowings	12,101	12,412
	126,740	93,596
<b>TOTAL LIABILITIES</b>	129,917	96,755
<b>TOTAL EQUITY AND LIABILITIES</b>	360,892	319,184
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.75	0.73

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 2014)

**POWER ROOT BERHAD**Company No.733268-U  
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED  
31 DECEMBER 2014**

(The figures below are unaudited)

	Current Year To Date
	31 DECEMBER 2014
	RM'000
<b>Cash flows from operating activities</b>	
Profit before tax	29,955
Adjustments for:-	
Amortisation of intangible assets	13
Depreciation of property, plant and equipment	4,724
Gain on disposal of property, plant and equipment	(92)
Finance cost	486
Interest income	(688)
Unrealised gain on foreign exchange	(1,004)
Gain on disposal of investment	(42)
Reversal of trade receivables	(20)
Equity settled share-based payment transactions	648
Dividend income on quoted shares	(11)
Operating profit before changes in working capital	<u>33,969</u>
Changes in working capital:-	
Change in property development cost	3,035
Change in inventories	(346)
Change in trade and other receivables	(21,029)
Change in trade and other payables	35,217
<b>Cash generated from operations</b>	<u>50,846</u>
Interest paid	(486)
Interest received	688
Tax paid	(9,220)
<b>Net cash from operating activities</b>	<u>41,828</u>
<b>Cash flows from investing activities</b>	
Acquisition of:	
- property, plant and equipment	(8,692)
Proceeds from disposal of other investment	1,196
Proceeds from disposal of equity to non-controlling interest	600
Proceeds from issue of share capital	1,492
Dividend received on quoted shares	11
Proceeds from disposal of property, plant and equipment	160
<b>Net cash used in investing activities</b>	<u>(5,233)</u>
<b>Cash flows from financing activities</b>	
Dividend paid to owners of the Company	(15,140)
Dividend paid to non-controlling interest	(1,318)
Repayment of other short-term bank borrowings	(247)
Repurchase of treasury shares	(6,587)
Loan to associate	(800)
Repayment from joint venture	510
Repayment of term loans	(226)
<b>Net cash used in financing activities</b>	<u>(23,808)</u>
<b>Net increase in cash and cash equivalents</b>	12,787
<b>Effects of changes in foreign exchange rates</b>	552
<b>Cash and cash equivalents at beginning of the year</b>	<u>46,439</u>
<b>Cash and cash equivalents at end of the period</b>	<u>59,778</u>
<b>Cash and cash equivalents comprise:</b>	
Fixed deposits with licensed banks	28,610
Cash and bank balances	31,168
	<u>59,778</u>

**Notes:-**

As stated in A2 below, there are no comparative figures for the preceding year's corresponding period and period-to-date information due to change of financial year end from 28 February to 31 March.

(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 2014)

**POWER ROOT BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED  
31 DECEMBER 2014**

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent					Distributable Retained Profit RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-Distributable		Treasury Share RM'000	Translation Reserve RM'000	Share Option Reserve RM'000				
	Share Capital RM'000	Share Premium RM'000							
At 1 March 2014	60,207	100,870	-	(32)	1,586	58,037	220,668	1,761	222,429
Profit for the period	-	-	-	-	-	23,871	23,871	1,876	25,747
Other comprehensive income for the period	-	-	-	538	-	-	538	166	704
- Translation differences on foreign operation	-	-	-	538	-	-	538	166	704
<b>Total comprehensive income for the period</b>	-	-	-	538	-	23,871	24,409	2,042	26,451
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	442	1,050	-	-	-	-	1,492	-	1,492
- Share-based payment transaction	-	-	-	-	648	-	648	-	648
- Own shares acquired	-	-	(6,587)	-	-	-	(6,587)	-	(6,587)
- Equity disposed to non-controlling interest	-	-	-	-	-	2,857	2,857	143	3,000
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(15,140)	(15,140)	(1,318)	(16,458)
<b>Total transactions with owners of the Company</b>	442	1,050	(6,587)	-	648	(12,283)	(16,730)	(1,175)	(17,905)
At 31 December 2014	60,649	101,920	(6,587)	506	2,234	69,625	228,347	2,628	230,975

Notes:-

As stated in A2 below, there are no comparative figures for the preceding year's corresponding period and period-to-date information due to change of financial year end from 28 February to 31 March.

(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 2014)

# **POWER ROOT BERHAD**

Company No. 733268-U

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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 31 December 2014 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 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 2014.

The accounting policy and method of computation adopted in these interim financial statement of the Group are consistent with those adopted for the annual financial statements for the financial year ended 28 February 2014.

### **A2. Change of Financial Year End**

As announced on 30 July 2014, the company changed its financial year end to 31 March.

Accordingly, the first set of financial statement reflecting the change was made up from 1 March 2014 to 31 March 2015 covering a period of 13 months. Due to this change in accounting year end, there are no comparative figures given for the preceding year's corresponding quarter and preceding year to date in the current report.

### **A3. Audit Report of Preceding Annual Financial Statements**

The audited financial statements of the Group for the financial year ended 28 February 2014 were not subject to any qualification.

### **A4. 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.

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### **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 except for the following:

- Issuance of 215,500 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.
- Repurchase of 3,757,800 of its own share from the open market for a total consideration of RM 5,514,822 for the current financial period. The repurchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

### **A8. Dividend Paid**

No dividend was paid during the quarter.

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**A9. Segmental Reporting**

Analysis by geographical segment for the period ended 31 December 2014:

	<b>Current quarter ended 31 December 2014 RM'000</b>	<b>Current year to date 31 December 2014 RM'000</b>
<b>Revenue</b>		
Malaysia	64,029	189,641
Oversea	30,421	93,152
	-----	-----
	94,450	282,793
	=====	=====

Analysis by business segment for the period ended 31 December 2014:

	<b>Fast moving consumer goods RM'000</b>	<b>Property development RM'000</b>	<b>Group RM'000</b>
Revenue	<u>266,594</u>	<u>16,199</u>	<u>282,793</u>
Segmental operating profit	<u>23,521</u>	<u>3,790</u>	27,311
Other income			3,130
Profit from operations			<u>30,441</u>
Finance costs			(486)
Profit before taxation			<u>29,955</u>
Taxation			(4,208)
Profit for the period			<u><u>25,747</u></u>

\* As stated in A2 above, the company changed its financial year end to 31 March, hence comparative quarterly business segmental information is not available. Accordingly, the Company is also unable to provide commentary on its segmental results.

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### **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 8 January 2015 completed the incorporation of its 50% owned subsidiary, Alicafe Specialty Coffee Sdn Bhd ("ASCSB") ("Incorporation").

ASCSB is a private limited company under the Companies Act, 1965 and has an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each of which 2 shares has been issued and fully paid-up. ASCSB is 50% owned by Power Root and the remaining 50% is held by JWC Global Sdn Bhd ("JGSB"). ASCSB is principally engaged in the business of operating food and beverage outlets.

Dato' Low Chee Yen and Dato' Wong Fuei Boon are directors and shareholders of Power Root. They are also directors and shareholders of ASCSB by virtue of their 40% deemed interest in JGSB. Save as disclosed, none of the Directors and/or major shareholders of Power Root and/or persons connected to them have any interest, direct or indirect, in the Incorporation.

### **A11. Changes in the composition of the Group**

During the quarter under review, the Group had on 24 November 2014, completed the incorporation of its wholly-owned subsidiary, Power Root Support Services Sdn Bhd ("PRSS").

PRSS is a private limited company under the Companies Act, 1965 and has an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each of which 2 shares has been issued and fully paid-up. PRSS is principally engaged in the business of providing support services, facilitating the Power Root Group's rental arrangements for its workforce.

### **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.



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**A13. Material Capital Commitments**

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

	<b>Current quarter ended 31 December 2014 RM'000</b>
Property, plant and equipment	
Contracted but not provided for	362
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**A14. Material Related Party Transactions**

The Group had the following transactions during the current financial quarter with related parties in which certain directors of the Company have substantial financial interest:-

Related party	Interested director	Nature of transactions	Transaction during current financial quarter
			RM'000
HLSL Properties Sdn Bhd	Dato' How Say Swee	Disposal of properties	2,400

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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 31 December 2014**

For the three months period ended December 2014, The Group recorded a revenue of RM 94.5 million and a profit after tax of RM 11.0 million for the period under review.

#### **B2. Variation of Results for the Current Quarter Ended 31 December 2014 against the Immediate Preceding Quarter**

Due to the change of financial year end, there are no comparative figures given for comparison with the preceding quarter's result.

#### **B3. Group's Prospects for the financial year ending 31 March 2015 ("FYE 2015")**

The local food and beverage industry continues to remain challenging. In general, the consumer sentiment has weakened and competition has intensified. Despite this outlook, the Group will continue its efforts to market its products and remain competitive through the various marketing initiatives and introduction of new products.

As for export market, the Group will continue to focus on the Gulf Confederation Countries ("GCC") and strengthening the distribution networks.

The Group will strive to achieve better results for the final quarter of the financial year ending 31 March 2015.

#### **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	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
In respect of the current period:-				
Taxation	811	-	3,811	-
Deferred taxation (income)/expenses	(209)	-	397	-
	<u>602</u>	<u>-</u>	<u>4,208</u>	<u>-</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>602</u>	<u>-</u>	<u>4,208</u>	<u>-</u>

**B6. Notes to the Statement of Comprehensive Income**

	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Depreciation and amortization	1,497	-	4,737	-
(Gain) / Loss on foreign exchange	(1,857)	-	(1,655)	-
Gain on disposal of quoted or unquoted investment	-	-	(42)	-
Gain on disposal of property, plant and equipment	(54)	-	(92)	-
Interest income	(312)	-	(688)	-
Interest expenses	176	-	486	-
Written down of inventories	-	-	818	-
Reversal of trade receivables	(20)	-	(20)	-
Dividend income on quoted shares	-	-	(11)	-

## POWER ROOT BERHAD

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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
<u>Short Term Borrowings</u>	
Term Loans	192
Bankers' Acceptance	11,909
	<u>12,101</u>
<u>Long Term Borrowings</u>	
Term Loans	810
<b>Total</b>	<b><u>12,911</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 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

The board of directors has proposed to declare an interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 March 2015.

### B10. Earnings Per Share ("EPS")

#### Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit attributable to owners of the Company (RM'000)	9,590	-	23,871	-
Weighted average number of shares in issue ('000)	300,666	-	301,840	-
Basic EPS (sen)	<u>3.2</u>	<u>-</u>	<u>7.9</u>	<u>-</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.

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

	Current quarter ended		Cumulative quarter ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Profit attributable to owners of the Company (RM'000)	9,590	-	23,871	-
Weighted average number of ordinary shares ('000)	300,666	-	301,840	-
Effect of share option in issue ('000)	12,827	-	14,599	-
Total weighted average number of ordinary shares ('000) (diluted)	313,493	-	316,439	-
Diluted EPS (sen)	<u>3.1</u>	<u>-</u>	<u>7.5</u>	<u>-</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 31 December 2014 RM'000	As at 28 February 2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised	89,986	80,542
Unrealised	704	(604)
	<u>90,690</u>	<u>79,938</u>
Less: Consolidation Adjustments	(21,065)	(21,901)
Retained earnings	<u>69,625</u>	<u>58,037</u>