

**POWER ROOT BERHAD**Company No.733268-U  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED  
31 MARCH 2015**

(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 MARCH 2015</u> <u>RM'000</u>	<u>31 MARCH 2014</u> <u>RM'000</u>	<u>31 MARCH 2015</u> <u>RM'000</u>	<u>31 MARCH 2014</u> <u>RM'000</u>
Revenue	100,443	-	383,236	-
Other income	3,049	-	6,179	-
Raw material used	(51,620)	-	(175,883)	-
Staff cost	(9,321)	-	(37,101)	-
Depreciation and amortisation	(1,586)	-	(6,323)	-
Other operating expenses	(18,875)	-	(117,577)	-
Finance costs	(179)	-	(665)	-
Share of profit of equity accounted investees, net of tax	74	-	74	-
<b>Profit before taxation</b>	<b>21,985</b>	<b>-</b>	<b>51,940</b>	<b>-</b>
Taxation	(1,203)	-	(5,411)	-
<b>Profit for the period</b>	<b>20,782</b>	<b>-</b>	<b>46,529</b>	<b>-</b>
<b>Other comprehensive income</b>				
Translation differences on foreign operation	395	-	1,099	-
<b>Other comprehensive income net of tax</b>	<b>395</b>	<b>-</b>	<b>1,099</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>21,177</b>	<b>-</b>	<b>47,628</b>	<b>-</b>
<b>Profit attributable to:</b>				
Owners of the Company	19,214	-	43,085	-
Non-controlling interest	1,568	-	3,444	-
	<b>20,782</b>	<b>-</b>	<b>46,529</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	19,509	-	43,918	-
Non-controlling interest	1,668	-	3,710	-
	<b>21,177</b>	<b>-</b>	<b>47,628</b>	<b>-</b>
<b>Earnings per share attributable to owners of the Company(sen)</b>				
Basic (note B10)	6.4	-	14.3	-
Diluted (note B10)	6.2	-	13.7	-

**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 MARCH 2015**

(The figures below are unaudited)

	(Unaudited) As at 31 MARCH 2015  RM'000	(Audited) As at 28 FEBRUARY 2014  RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	80,235	75,436
Intangible assets	82	97
Investment in associates/joint venture	194	-
Investment in unquoted shares	392	-
Goodwill on combination	4,830	5,227
Deferred tax assets	2,509	2,322
	88,242	83,082
<b>Current assets</b>		
Inventories	52,374	50,086
Trade and other receivables	99,371	107,828
Fixed deposits	34,583	7,587
Cash and bank balances	32,892	38,852
Short term investment	-	1,066
Property development costs	-	27,116
Tax recoverable	7,353	3,567
	226,573	236,102
<b>TOTAL ASSETS</b>	<b>314,815</b>	<b>319,184</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,656	60,207
Share premium	102,452	100,870
Other reserves	(4,551)	1,554
Retained earnings	72,358	58,037
	230,915	220,668
<b>Non-controlling interest</b>	4,296	1,761
<b>TOTAL EQUITY</b>	<b>235,211</b>	<b>222,429</b>
<b>Non-current liabilities</b>		
Long term borrowings	760	971
Deferred taxation	2,069	2,188
	2,829	3,159
<b>Current liabilities</b>		
Trade payables, other payables and accruals	62,882	79,313
Taxation	1,411	1,871
Short term borrowings	12,482	12,412
	76,775	93,596
<b>TOTAL LIABILITIES</b>	<b>79,604</b>	<b>96,755</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>314,815</b>	<b>319,184</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.76	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 FOURTH QUARTER ENDED  
31 MARCH 2015**

(The figures below are unaudited)

	Current Year To Date
	31 MARCH 2015
	RM'000
<b>Cash flows from operating activities</b>	
Profit before tax	51,940
Adjustments for:-	
Amortisation of intangible assets	15
Depreciation of property, plant and equipment	6,308
Gain on disposal of property, plant and equipment	(346)
Goodwill written off	397
Finance cost	665
Interest income	(1,025)
Unrealised gain on foreign exchange	(1,160)
Gain on disposal of investment	(42)
Impairment loss on trade receivables	121
Equity settled share-based payment transactions	809
Share of profit of equity-accounted investees, net of tax	(74)
Dividend income on quoted shares	(11)
Operating profit before changes in working capital	<u>57,597</u>
Changes in working capital:-	
Change in property development cost	27,116
Change in inventories	(2,288)
Change in trade and other receivables	11,060
Change in trade and other payables	(16,431)
Cash generated from operations	<u>77,054</u>
Interest paid	(665)
Interest received	1,025
Tax paid	(9,963)
Net cash from operating activities	<u>67,451</u>
<b>Cash flows from investing activities</b>	
Acquisition of:	
- property, plant and equipment	(10,866)
- other investment	(392)
Proceeds from disposal of other investment	1,196
Proceeds from disposal of equity to non-controlling interest	1,154
Proceeds from issue of share capital	1,515
Dividend received on quoted shares	11
Proceeds from disposal of property, plant and equipment	415
Net cash used in investing activities	<u>(6,967)</u>
<b>Cash flows from financing activities</b>	
Dividend paid to owners of the Company	(31,579)
Dividend paid to non-controlling interest	(1,360)
Drawdown of other short-term bank borrowings	129
Repurchase of treasury shares	(7,231)
Loan to associate	(436)
Repayment from joint venture	510
Repayment of term loans	(270)
Net cash used in financing activities	<u>(40,237)</u>
<b>Net increase in cash and cash equivalents</b>	20,247
<b>Effects of changes in foreign exchange rates</b>	789
<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>67,475</u>
<b>Cash and cash equivalents comprise:</b>	
Fixed deposits with licensed banks	34,583
Cash and bank balances	32,892
	<u>67,475</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**

Company No.733268-U  
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED**

**31 MARCH 2015**

(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
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Translation Reserve RM'000	Share Option Reserve 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	-	-	-	-	-	43,085	43,085	3,444	46,529
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	833	-	-	833	266	1,099
<b>Total comprehensive income for the period</b>	-	-	-	833	-	43,085	43,918	3,710	47,628
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	449	1,066	-	-	-	-	1,515	-	1,515
- Share-based payment transaction	-	-	-	-	809	-	809	-	809
- Own shares acquired	-	-	(7,231)	-	-	-	(7,231)	-	(7,231)
- Equity disposed to non-controlling interest	-	-	-	-	-	2,815	2,815	185	3,000
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(31,579)	(31,579)	(1,360)	(32,939)
<b>Total transactions with owners of the Company</b>	449	1,066	(7,231)	-	809	(28,764)	(33,671)	(1,175)	(34,846)
Transfer to share premium for share options exercised	-	516	-	-	(516)	-	-	-	-
At 31 March 2015	60,656	102,452	(7,231)	801	1,879	72,358	230,915	4,296	235,211

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  
(Incorporated in Malaysia)

## **A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**

### **A1. Basis of Preparation**

The unaudited condensed consolidated interim financial statements for the fourth quarter ended 31 March 2015 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 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.

## **POWER ROOT BERHAD**

Company No. 733268-U  
(Incorporated in Malaysia)

### **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 33,000 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.
- Repurchase of 440,800 of its own share from the open market for a total consideration of RM 644,238 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**

An interim single tier dividend of 3.5 sen and 2.0 sen per ordinary share for the financial period ended 31 March 2015, were paid on 2 January 2015 and 31 March 2015 respectively.

# POWER ROOT BERHAD

Company No. 733268-U  
(Incorporated in Malaysia)

## A9. Segmental Reporting

Analysis by geographical segment for the period ended 31 March 2015:

	Current quarter ended 31 March 2015 RM'000	Current year to date 31 March 2015 RM'000
<b>Revenue</b>		
Malaysia	65,914	255,555
Oversea	34,529	127,681
	-----	-----
	100,443	383,236
	=====	=====

Analysis by business segment for the period ended 31 March 2015:

	Fast moving consumer goods RM'000	Property development RM'000	Group RM'000
Revenue	326,516	56,720	383,236
Segmental operating profit	26,700	19,652	46,352
Other income			6,179
Profit from operations			52,531
Finance costs			(665)
Share of profit of equity accounted investees, net of tax			74
Profit before taxation			51,940
Taxation			(5,411)
Profit for the period			46,529

\* 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.

## **POWER ROOT BERHAD**

Company No. 733268-U  
(Incorporated in Malaysia)

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

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

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

During the quarter under review, the Group had on 8 January 2015 completed the incorporation of its 50% owned subsidiary, Alicafe Specialty Coffee Sdn Bhd ("ASCBS").

ASCBS 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. ASCBS is 50% owned by Power Root and the remaining 50% is held by JWC Global Sdn Bhd ("JGSB"). ASCBS is principally engaged in the business of operating food and beverage outlets.

On 4 March 2015, the Groups 77% owned subsidiary, Power Root ME FZCO has completed incorporating its wholly-owned subsidiary, P.R. Egypt ("PRE").

PRE is a Joint Stock Company in the Arab Republic of Egypt under Law 159 for the year 1981 (Joint Stock Companies Law) and has an issued share capital of Egyptian Pound ("EGP") 250,000 (equivalent to RM119,000) divided into 25,000 ordinary shares of EGP 10.00 each of which 2,500 shares has been fully paid-up. The principal activity of PRE is the engagement of general trading of goods. PRE has yet to commence business since its incorporation.

On 5 March 2015, the Group has received notification that the voluntary winding-up of its wholly-owned subsidiary, Power Impian International Pte. Ltd. ("PIIPL") has been completed pursuant to Section 344(2) of Singapore's Companies Act.

PIIPL was incorporated on 6 August 2010 in Singapore as a private limited company under the Companies Act (Cap 50) and has an issued and paid-up capital of SGD 1.00 (equivalent to RM2.67). All are held by Power Impian International Sdn. Bhd., a wholly-owned subsidiary of Power Root. PIIPL has not been involved in any business activity since its incorporation.

### **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.



## **POWER ROOT BERHAD**

Company No. 733268-U  
(Incorporated in Malaysia)

### **A13. Material Capital Commitments**

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

	<b>Current quarter ended 31 March 2015 RM'000</b>
Property, plant and equipment	
Contracted but not provided for	254
	<hr/>

### **A14. Material Related Party Transactions**

Significant related party transactions of the Group are as follow:

	<b>Current year to date 31 March 2015 RM'000</b>
A company in which certain Directors have interest	
Disposal of development properties	5,872
	<hr/>

These transactions have been entered into in the normal course of business.

## **POWER ROOT BERHAD**

Company No. 733268-U  
(Incorporated in Malaysia)

### **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 March 2015**

For the three months period ended 31 March 2015, the Group recorded a revenue of RM100.4 million and a profit after tax of RM20.8 million for the period under review. The Property development segment recorded a revenue of RM40.5 million and a profit after tax of RM10.3 million for the period under review. The Group's Fast Moving Consumer Goods ("FMCG") segment recorded a revenue of RM59.9 million and a profit after tax of RM 10.5 million.

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

#### **B2. Variation of Results for the Current Quarter Ended 31 March 2015 against the Immediate Preceding Quarter**

The Group recorded a revenue of RM100.4 million for the current quarter, represented an increase of RM5.9 million or 6.2% when compared to the revenue recorded for the immediate preceding quarter ended 31 December 2014 of RM94.5 million. The increase was mainly due to the one-off contribution of RM40.0 million from the completion of the Phase 2 of the property development project called 1<sup>st</sup> Avenue ("1<sup>st</sup> Avenue"). It was also due to the increase in the sales from the overseas market by RM4.1 million.

Similarly, the Group's profit after tax of RM20.8 million for the current quarter represents an increase of RM9.8 million or 89.1% as compared of the profit after tax of RM11.0 million for the immediate preceding quarter ended 31 December 2014. The higher profit after tax for the current quarter was due to the contributions from 1<sup>st</sup> Avenue of RM10.3 million and the lower Advertising and Promotional ("A&P") expenses recorded from the Fast Moving Consumer Goods segment of RM9.4 million when compared to the immediate preceding quarter.

#### **B3. Group's Prospects for the financial year ending 31 March 2016 ("FYE 2016")**

With the implementation of the Goods and Service Tax ("GST"), the Group believes that the consumer sentiment will remain weak and consumers will be more selective in their purchases. Coupled with stiffer competition, the local food and beverage industry is expected to remain challenging. In view of this, the Group will focus on improving its operational efficiencies and developing its market through various promotional initiatives.

The Group will enhance its presence in the Middle East and North Africa ("MENA") region and will plan to set up a production plant in United Arab Emirates ("UAE") to cater for its growth. The Group will also continue with its efforts to strengthen the distribution network in export markets.

The Group will strive to achieve better results for the financial year ending 31 March 2016.

## POWER ROOT BERHAD

Company No. 733268-U  
(Incorporated in Malaysia)

### 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 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
In respect of the current period:-				
Taxation	3,447	-	7,258	-
Deferred taxation (income)/expenses	(64)	-	333	-
	<u>3,383</u>	<u>-</u>	<u>7,591</u>	<u>-</u>
In respect of the previous period:-				
Taxation	(1,541)	-	(1,541)	-
Deferred taxation (income)/expenses	(639)	-	(639)	-
	<u>1,203</u>	<u>-</u>	<u>5,411</u>	<u>-</u>

## POWER ROOT BERHAD

Company No. 733268-U  
(Incorporated in Malaysia)

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

	Individual quarter ended 31 March		Cumulative quarter ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation and amortization	1,586	-	6,323	-
(Gain) / Loss on foreign exchange	(2,241)	-	(3,896)	-
Gain on disposal of quoted or unquoted investment	-	-	(42)	-
Gain on disposal of property, plant and equipment	(254)	-	(346)	-
Interest income	(337)	-	(1,025)	-
Interest expenses	179	-	665	-
Written down of inventories	1,502	-	2,320	-
Impairment loss on trade receivables	141	-	121	-
Dividend income on quoted shares	-	-	(11)	-
Goodwill written off	397	-	397	-

### 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	197
Bankers' Acceptance	12,285
	<hr/>
	12,482
<u>Long Term Borrowings</u>	
Term Loans	760
	<hr/>
<b>Total</b>	<b><u>13,242</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.

# POWER ROOT BERHAD

Company No. 733268-U

(Incorporated in Malaysia)

## B9. Dividend Proposed

The board of directors has proposed to declare a 4.5 sen single tier dividend comprising of (i) an interim single tier dividend of 2.0 sen and (ii) a special interim single tier dividend of 2.5 sen per ordinary share in respect of the financial period ended 31 March 2015.

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

### Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Profit attributable to owners of the Company (RM'000)	19,214	-	43,085	-
Weighted average number of shares in issue ('000)	298,691	-	301,113	-
Basic EPS (sen)	<u>6.4</u>	<u>-</u>	<u>14.3</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.

### Diluted EPS

	Current quarter ended		Cumulative quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Profit attributable to owners of the Company (RM'000)	19,214	-	43,085	-
Weighted average number of ordinary shares ('000)	298,691	-	301,113	-
Effect of share option in issue ('000)	12,221	-	14,101	-
Total weighted average number of ordinary shares ('000) (diluted)	310,912	-	315,214	-
Diluted EPS (sen)	<u>6.2</u>	<u>-</u>	<u>13.7</u>	<u>-</u>

## POWER ROOT BERHAD

Company No. 733268-U

(Incorporated in Malaysia)

### B10. Earnings Per Share (“EPS”) (Cont’d)

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 March 2015 RM’000	As at 28 February 2014 RM’000
Total retained earnings of the Company and its subsidiaries:-		
Realised	91,650	80,542
Unrealised	1,600	(604)
	-----	-----
	93,250	79,938
Less: Consolidation Adjustments	(20,892)	(21,901)
	-----	-----
Retained earnings	72,358	58,037
	=====	=====