

POWER ROOT BERHADCompany No.733268-U
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2015**

(The figures below are unaudited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 30 SEPTEMBER 2015 RM'000	Preceding Year Quarter 30 SEPTEMBER 2014 RM'000	Current Year To Date 30 SEPTEMBER 2015 RM'000	Preceding Year To Date 30 SEPTEMBER 2014 RM'000
Revenue	84,014	-	192,915	-
Other income	8,257	-	10,770	-
Raw material used	(37,748)	-	(86,017)	-
Staff cost	(5,125)	-	(14,772)	-
Depreciation and amortisation	(1,621)	-	(3,226)	-
Other operating expenses	(32,519)	-	(64,508)	-
Finance costs	(83)	-	(259)	-
Profit before taxation	15,175	-	34,903	-
Taxation	(660)	-	(5,039)	-
Profit for the period	14,515	-	29,864	-
Other comprehensive income				
Translation differences on foreign operation	1,366	-	1,538	-
Other comprehensive income net of tax	1,366	-	1,538	-
Total comprehensive income	15,881	-	31,402	-
Profit attributable to:				
Owners of the Company	14,149	-	28,827	-
Non-controlling interest	366	-	1,037	-
	14,515	-	29,864	-
Total comprehensive income attributable to:				
Owners of the Company	15,200	-	30,012	-
Non-controlling interest	681	-	1,390	-
	15,881	-	31,402	-
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	4.7	-	9.7	-
Diluted (note B10)	4.5	-	9.2	-

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 Audited Annual Financial Report for the financial period ended 31 March 2015)

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2015**

(The figures below are unaudited)

	(Unaudited) As at 30 SEPTEMBER 2015 RM'000	(Audited) As at 31 MARCH 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,344	80,235
Intangible assets	75	82
Investment in unquoted shares	392	392
Goodwill on combination	4,830	4,830
Deferred tax assets	1,184	2,708
	86,825	88,247
Current assets		
Inventories	39,211	54,703
Trade and other receivables	134,121	98,797
Fixed deposits	26,667	17,589
Cash and bank balances	56,576	49,886
Tax recoverable	3,581	7,353
	260,156	228,328
TOTAL ASSETS	346,981	316,575
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,756	60,656
Share premium	102,690	102,452
Other reserves	(3,880)	(4,550)
Retained earnings	87,572	72,163
	247,138	230,721
Non-controlling interest	3,302	4,294
TOTAL EQUITY	250,440	235,015
Non-current liabilities		
Long term borrowings	659	770
Deferred taxation	2,293	2,268
	2,952	3,038
Current liabilities		
Trade payables, other payables and accruals	80,340	64,638
Taxation	1,665	1,411
Short term borrowings	11,584	12,473
	93,589	78,522
TOTAL LIABILITIES	96,541	81,560
TOTAL EQUITY AND LIABILITIES	346,981	316,575
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.81	0.76

Notes:-

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the financial period ended 31 March 2015)

POWER ROOT BERHADCompany No.733268-U
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED
30 SEPTEMBER 2015**

(The figures below are unaudited)

	Current Year To Date
	30 SEPTEMBER 2015
	RM'000
Cash flows from operating activities	
Profit before tax	34,903
Adjustments for:-	
Amortisation of intangible assets	8
Depreciation of property, plant and equipment	3,218
Gain on disposal of property, plant and equipment	(59)
Finance cost	259
Interest income	(781)
Unrealised gain on foreign exchange	(722)
Impairment loss on trade receivables	159
Reversal of impairment on joint venture	(250)
Equity settled share-based payment transactions	309
Operating profit before changes in working capital	<u>37,044</u>
Changes in working capital:-	
Change in inventories	15,492
Change in trade and other receivables	(34,563)
Change in trade and other payables	<u>15,702</u>
Cash generated from operations	<u>33,675</u>
Interest paid	(259)
Interest received	781
Tax refund	<u>536</u>
Net cash from operating activities	<u>34,733</u>
Cash flows from investing activities	
Acquisition of property, plant and equipment	(2,535)
Proceeds from issue of share capital	338
Proceeds from disposal of property, plant and equipment	<u>60</u>
Net cash used in investing activities	<u>(2,137)</u>
Cash flows from financing activities	
Dividend paid to owners of the Company	(13,418)
Dividend paid to non-controlling interest	(2,382)
Repayment of other short-term bank borrowings	(907)
Repurchase of treasury shares	(824)
Loan to associate	(200)
Repayment from joint venture	250
Repayment of term loans	<u>(93)</u>
Net cash used in financing activities	<u>(17,574)</u>
Net increase in cash and cash equivalents	15,022
Effects of changes in foreign exchange rates	746
Cash and cash equivalents at beginning of the year	<u>67,475</u>
Cash and cash equivalents at end of the period	<u>83,243</u>
Cash and cash equivalents comprise:	
Fixed deposits with licensed banks	26,667
Cash and bank balances	<u>56,576</u>
	<u>83,243</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 period ended 31 March 2015)

POWER ROOT BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED

30 SEPTEMBER 2015

(The figures below are unaudited)

	Attributable to Equity Holders of the Parent					Distributable Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Treasury Shares RM'000	Translation Reserve RM'000	Share Option Reserve RM'000				
At 1 April 2015	60,656	102,452	(7,231)	801	1,880	72,163	230,721	4,294	235,015
Profit for the period	-	-	-	-	-	28,827	28,827	1,037	29,864
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	1,185	-	-	1,185	353	1,538
Total comprehensive income for the period	-	-	-	1,185	-	28,827	30,012	1,390	31,402
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	100	238	-	-	-	-	338	-	338
- Share-based payment transaction	-	-	-	-	309	-	309	-	309
- Own shares acquired	-	-	(824)	-	-	-	(824)	-	(824)
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(13,418)	(13,418)	(2,382)	(15,800)
Total transactions with owners of the Company	100	238	(824)	-	309	(13,418)	(13,595)	(2,382)	(15,977)
At 30 September 2015	60,756	102,690	(8,055)	1,986	2,189	87,572	247,138	3,302	250,440

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 Annual Financial Report for the financial period ended 31 March 2015)

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 second quarter ended 30 September 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 Nnergy Sdn. Bhd., Power Impian International Sdn. Bhd., Power Root Distributor Sdn. Bhd., Alicafe Sdn. Bhd., Power Root Support Services 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 period ended 31 March 2015.

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 period ended 31 March 2015.

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 period ended 31 March 2015 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

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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. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review except for the following:

- Issuance of 476,000 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.

A8. Dividend Paid

No dividend was paid during the quarter

A9. Segmental Reporting

Analysis by geographical segment for the period ended 30 September 2015:

	Current quarter ended 30 September 2015	Current year to date 30 September 2015
Revenue	RM'000	RM'000
Malaysia	54,761	120,214
Oversea	29,253	72,701
	-----	-----
	84,014	192,915
	=====	=====

* As stated in A2 above, the company changed its financial year end to 31 March, hence comparative quarterly business segmental information is not available.

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A10. 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.

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 30 September 2015 RM'000
Property, plant and equipment	
Contracted but not provided for	6,551
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A14. 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 September 2015

For the three months period ended 30 September 2015, the Group recorded a revenue of RM84.0 million and a profit after tax of RM14.5 million for the period under review.

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 30 September 2015 against the Immediate Preceding Quarter

The Group recorded a revenue of RM84.0 million for the current quarter, representing a decrease of RM24.9 million or 22.9% when compared to the revenue recorded for the immediate preceding quarter ended 30 June 2015 of RM108.9 million. The decrease was mainly attributable to the decrease in the local and overseas sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group's profit after tax of RM14.5 million for the current quarter, representing a decrease of RM0.8 million or 5.2% as compared to the profit after tax of RM15.3 million for the immediate preceding quarter ended 30 June 2015. Even though the turnover for the current quarter had decreased by 22.9%, the profit after tax showed a slight decrease of 5.2% mainly due to the gain on foreign exchange of RM7.1 million in the current quarter.

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

In view of the intense competition and consumers being cautious in their spending behavior, the Group believes that the local market conditions remain challenging. Despite such conditions, the Group will continue with its efforts to brand build and effectively market its products over the remaining half of the year.

As for the export markets, the Group will also continue its efforts in strengthening its distribution networks and branding position for its products, particularly in the Middle East and North Africa ("MENA") region.

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

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	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
In respect of the current period:-				
Taxation	943	-	3,490	-
Deferred taxation (income)/expenses	(283)	-	1,549	-
	<u>660</u>	<u>-</u>	<u>5,039</u>	<u>-</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>660</u>	<u>-</u>	<u>5,039</u>	<u>-</u>

B6. Notes to the Statement of Comprehensive Income

	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation and amortization	1,621	-	3,226	-
Gain on foreign exchange	(7,064)	-	(7,815)	-
Gain on disposal of property, plant and equipment	-	-	(59)	-
Interest income	(557)	-	(781)	-
Interest expenses	83	-	259	-
Written down of inventories	1,978	-	2,473	-
Impairment loss on trade receivables	-	-	159	-

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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	206
Bankers' Acceptance	11,378
	<u>11,584</u>
<u>Long Term Borrowings</u>	
Term Loans	659
Total	<u>12,243</u>

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 3.0 sen per ordinary share in respect of the financial year ending 31 March 2016.

B10. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Profit attributable to owners of the Company (RM'000)	14,149	-	28,827	-
Weighted average number of shares in issue ('000)	298,439	-	298,376	-
Basic EPS (sen)	<u>4.7</u>	<u>-</u>	<u>9.7</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	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Profit attributable to owners of the Company (RM'000)	14,149	-	28,827	-
Weighted average number of ordinary shares ('000)	298,439	-	298,376	-
Effect of share option in issue ('000)	15,652	-	14,981	-
Total weighted average number of ordinary shares ('000) (diluted)	314,091	-	313,357	-
Diluted EPS (sen)	<u>4.5</u>	<u>-</u>	<u>9.2</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 30 September 2015 RM'000	As at 31 March 2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised profit	107,897	91,646
Unrealised (loss) / profit	(387)	1,409
	<u>107,510</u>	<u>93,055</u>
Less: Consolidation Adjustments	(19,938)	(20,892)
Retained earnings	<u>87,572</u>	<u>72,163</u>