

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

(The figures below are unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	3 months ended	3 months ended	9 months ended	10 months ended
	31 DECEMBER 2015	31 DECEMBER 2014	31 DECEMBER 2015	31 DECEMBER 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	85,865	94,450	278,780	282,793
Other income	2,968	1,955	13,738	3,130
Raw material used	(38,573)	(44,291)	(124,590)	(124,263)
Staff cost	(10,100)	(9,488)	(24,872)	(27,780)
Depreciation and amortisation	(1,617)	(1,497)	(4,843)	(4,737)
Other operating expenses	(33,842)	(29,387)	(98,350)	(98,702)
Finance costs	(74)	(176)	(333)	(486)
Profit before taxation	4,627	11,566	39,530	29,955
Taxation	4,434	(602)	(605)	(4,208)
Profit for the period	9,061	10,964	38,925	25,747
Other comprehensive income				
Translation differences on foreign operation	(564)	635	974	704
Other comprehensive income net of tax	(564)	635	974	704
Total comprehensive income	8,497	11,599	39,899	26,451
Profit attributable to:				
Owners of the Company	8,713	9,590	37,540	23,871
Non-controlling interest	348	1,374	1,385	1,876
	9,061	10,964	38,925	25,747
Total comprehensive income attributable to:				
Owners of the Company	8,305	10,055	38,317	24,409
Non-controlling interest	192	1,544	1,582	2,042
	8,497	11,599	39,899	26,451
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	2.9	3.2	12.6	7.9
Diluted (note B10)	2.7	3.1	11.9	7.5

Notes:-

As stated in A2 below, the preceding year's corresponding quarter and period-to-date were being made up for a period of 3 months and 10 months results respectively 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 31 DECEMBER 2015**

(The figures below are unaudited)

	(Unaudited) As at 31 DECEMBER 2015 RM'000	(Audited) As at 31 MARCH 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,761	80,235
Intangible assets	71	82
Investment in unquoted shares	392	392
Goodwill on combination	4,830	4,830
Deferred tax assets	2,282	2,708
	85,336	88,247
Current assets		
Inventories	40,862	54,703
Trade and other receivables	139,813	98,797
Fixed deposits	17,839	17,589
Cash and bank balances	49,644	49,886
Tax recoverable	7,038	7,353
	255,196	228,328
TOTAL ASSETS	340,532	316,575
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,800	60,656
Share premium	102,897	102,452
Other reserves	(4,197)	(4,550)
Retained earnings	78,360	72,163
	237,860	230,721
Non-controlling interest	2,510	4,294
TOTAL EQUITY	240,370	235,015
Non-current liabilities		
Long term borrowings	607	770
Deferred taxation	1,563	2,268
	2,170	3,038
Current liabilities		
Trade payables, other payables and accruals	89,616	64,638
Taxation	144	1,411
Short term borrowings	8,232	12,473
	97,992	78,522
TOTAL LIABILITIES	100,162	81,560
TOTAL EQUITY AND LIABILITIES	340,532	316,575
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.78	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 THIRD QUARTER ENDED
31 DECEMBER 2015**

(The figures below are unaudited)

	Current Year To Date 9 months ended 31 DECEMBER 2015 RM'000	Preceding Year To Date 10 months ended 31 DECEMBER 2014 RM'000
Cash flows from operating activities		
Profit before tax	39,530	29,955
Adjustments for:-		
Amortisation of intangible assets	11	13
Depreciation of property, plant and equipment	4,832	4,724
Gain on disposal of property, plant and equipment	(2,536)	(92)
Finance cost	333	486
Interest income	(1,104)	(688)
Unrealised loss/(gain) on foreign exchange	1,081	(1,004)
Gain on disposal of investment	-	(42)
Impairment loss/(reversal) on trade receivables	159	(20)
Reversal of impairment on joint venture	(250)	-
Equity settled share-based payment transactions	400	648
Dividend income on quoted shares	-	(11)
Operating profit before changes in working capital	<u>42,456</u>	<u>33,969</u>
Changes in working capital:-		
Change in property development cost	-	3,035
Change in inventories	13,841	(346)
Change in trade and other receivables	(41,857)	(21,029)
Change in trade and other payables	24,978	35,217
Cash generated from operations	<u>39,418</u>	<u>50,846</u>
Interest paid	(333)	(486)
Interest received	1,104	688
Tax paid	(1,836)	(9,220)
Net cash from operating activities	<u>38,353</u>	<u>41,828</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,818)	(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	589	1,492
Dividend received on quoted shares	-	11
Proceeds from disposal of property, plant and equipment	3,923	160
Net cash from/(used in) investing activities	<u>1,694</u>	<u>(5,233)</u>
Cash flows from financing activities		
Dividend paid to owners of the Company	(31,343)	(15,140)
Dividend paid to non-controlling interest	(3,366)	(1,318)
Repayment of other short-term bank borrowings	(4,264)	(247)
Repurchase of treasury shares	(824)	(6,587)
Loan to associate	(400)	(800)
Repayment from joint venture	250	510
Repayment of term loans	(140)	(226)
Net cash used in financing activities	<u>(40,087)</u>	<u>(23,808)</u>
Net (decrease)/increase in cash and cash equivalents	(40)	12,787
Effects of changes in foreign exchange rates	48	552
Cash and cash equivalents at beginning of the year	<u>67,475</u>	<u>46,439</u>
Cash and cash equivalents at end of the period	<u>67,483</u>	<u>59,778</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	17,839	28,610
Cash and bank balances	<u>49,644</u>	<u>31,168</u>
	<u>67,483</u>	<u>59,778</u>

Notes:-

As stated in A2 below, the preceding year's corresponding period-to-date were being made up for a period of 10 months results 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)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED
31 DECEMBER 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	Treasury Shares 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	-	-	-	-	-	23,871	23,871	1,876	25,747
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	538	-	-	538	166	704
Total comprehensive income for the period	-	-	-	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)
Total transactions with owners of the Company	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
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	-	-	-	-	-	37,540	37,540	1,385	38,925
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	777	-	-	777	197	974
Total comprehensive income for the period	-	-	-	777	-	37,540	38,317	1,582	39,899
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	144	445	-	-	-	-	589	-	589
- Share-based payment transaction	-	-	-	-	400	-	400	-	400
- Own shares acquired	-	-	(824)	-	-	-	(824)	-	(824)
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(31,343)	(31,343)	(3,366)	(34,709)
Total transactions with owners of the Company	144	445	(824)	-	400	(31,343)	(31,178)	(3,366)	(34,544)
At 31 December 2015	60,800	102,897	(8,055)	1,578	2,280	78,360	237,860	2,510	240,370

Notes:-

As stated in A2 below, the preceding year's corresponding period-to-date were being made up for a period of 10 months results 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)

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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 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 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.

Due to the change in accounting year end, the preceding year's corresponding quarter and year to date in the current report, were made up for the period of 3 months result from October 2014 to December 2014 and 10 months result from March 2014 to December 2014 respectively.

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.

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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 220,000 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.

A8. Dividend Paid

A first interim single tier dividend of 3.0 sen per ordinary share was paid on 1 October 2015 and a second interim single tier dividend of 3.0 sen per ordinary share was paid on 31 December 2015 for the financial year ending 31 March 2016.

A9. Segmental Reporting

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

	Current quarter ended 31 December 2015	Current year to date 31 December 2015
Revenue	RM'000	RM'000
Malaysia	57,220	177,434
Oversea	28,645	101,346
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	85,865	278,780
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A9. Segmental Reporting (Cont'd)

Analysis by business segment:

9 months ended 31 December 2015

	Fast moving consumer goods RM'000	Property development RM'000	Group RM'000
Revenue	<u>278,780</u>	<u>-</u>	<u>278,780</u>
Segmental operating profit	<u>25,516</u>	<u>609</u>	<u>26,125</u>
Other income			<u>13,738</u>
Profit from operations			<u>39,863</u>
Finance costs			<u>(333)</u>
Profit before taxation			<u>39,530</u>
Taxation			<u>(605)</u>
Profit for the period			<u>38,925</u>

10 months ended 31 December 2014

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

As stated in A2 above, the preceding year's corresponding period-to-date were being made up for a period of 10 months result due to change of financial year end from 28 February to 31 March.

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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 31 December 2015 RM'000
Property, plant and equipment	
Contracted but not provided for	5,343
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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 31 December 2015

The Group recorded a revenue of RM85.9 million representing a decrease of RM 8.6 million or 9% as compared to the previous year's corresponding quarter. The decrease was due to additional revenue recorded from the property development business in the previous year's corresponding quarter of RM16.2 million. As for the Fast Moving Consumer Goods ("FMCG") business, the Group recorded an increase of RM 7.6 million as compared to the previous year's corresponding quarter.

The Group recorded a profit after tax of RM 9.1 million for the current quarter which was a decrease of RM 1.9 million from the previous year's corresponding quarter's profit after tax of RM 11.0 million. The decrease in profit after tax was mainly due to the increase in the advertising and promotional expenses.

B2. Variation of Results for the Current Quarter Ended 31 December 2015 against the Immediate Preceding Quarter

The Group recorded a revenue of RM85.9 million for the current quarter, representing an increase of RM1.9 million or 2.3% when compared to the revenue recorded for the immediate preceding quarter ended 30 September 2015 of RM84.0 million. The increase was mainly attributable to the increase in the local sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group's profit after tax of RM9.1 million for the current quarter, represents a decrease of RM5.4 million or 37.2% as compared to the profit after tax of RM14.5 million for the immediate preceding quarter ended 30 September 2015. The decrease in profit after tax was mainly due to the gain on foreign exchange in the immediate preceding quarter and higher operating expenses incurred in the current quarter.

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

The local FMCG industry will continue to be challenging and competitive. In view of this, the Group will continue with its efforts to market its products through promotional and advertising activities with the objective of attracting more consumers.

The Group will also focus on strengthening its distribution network and developing its markets abroad, particularly in the Middle East and the North Africa ("MENA") region.

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

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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 December 2015 RM'000	31 December 2014 RM'000	31 December 2015 RM'000	31 December 2014 RM'000
In respect of the current period:-				
Taxation	(460)	811	3,030	3,811
Deferred taxation (income)/expenses	(700)	(209)	849	397
	<u>(1,160)</u>	<u>602</u>	<u>3,879</u>	<u>4,208</u>
In respect of the previous period:-				
Taxation	(2,146)	-	(2,146)	-
Deferred taxation (income)/expenses	(1,128)	-	(1,128)	-
	<u>(4,434)</u>	<u>602</u>	<u>605</u>	<u>4,208</u>

B6. Notes to the Statement of Comprehensive Income

	Individual quarter ended 31 December		Cumulative quarter ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation and amortization	1,617	1,479	4,843	4,737
Loss/(gain) on foreign exchange	452	(1,851)	(7,363)	(1,655)
Gain on disposal of quoted or unquoted investment	-	-	-	(42)
Gain on disposal of property, plant and equipment	(2,477)	(54)	(2,536)	(92)
Interest income	(323)	(312)	(1,104)	(688)
Interest expenses	74	176	333	486
Written down of inventories	17	-	2,490	818
Impairment loss/(reversal) on trade receivables	-	(20)	159	(20)
Dividend income on quoted share	-	-	-	(11)

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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	211
Bankers' Acceptance	8,021
	<u>8,232</u>
<u>Long Term Borrowings</u>	
Term Loans	607
Total	<u>8,839</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 2.0 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	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit attributable to owners of the Company (RM'000)	8,713	9,590	37,540	23,871
Weighted average number of shares in issue ('000)	298,818	300,666	298,523	301,840
Basic EPS (sen)	<u>2.9</u>	<u>3.2</u>	<u>12.6</u>	<u>7.9</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 2015	31 December 2014	31 December 2015	31 December 2014
Profit attributable to owners of the Company (RM'000)	8,713	9,590	37,540	23,871
Weighted average number of ordinary shares ('000)	298,818	300,666	298,523	301,840
Effect of share option in issue ('000)	16,843	12,827	15,890	14,599
Total weighted average number of ordinary shares ('000) (diluted)	315,661	313,493	314,413	316,439
Diluted EPS (sen)	<u>2.7</u>	<u>3.1</u>	<u>11.9</u>	<u>7.5</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 2015 RM'000	As at 31 March 2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised profit	97,981	91,646
Unrealised (loss) / profit	(362)	1,409
	<u>97,619</u>	<u>93,055</u>
Less: Consolidation Adjustments	(19,259)	(20,892)
Retained earnings	<u>78,360</u>	<u>72,163</u>