

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED
31 MARCH 2016**

(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	12 months ended	13 months ended
	31 MARCH 2016 RM'000	31 MARCH 2015 RM'000	31 MARCH 2016 RM'000	31 MARCH 2015 RM'000
Revenue	89,030	100,443	367,810	383,236
Other (loss) / income	(116)	3,157	13,622	6,287
Raw material used	(39,447)	(50,882)	(164,037)	(175,145)
Staff cost	(9,998)	(10,155)	(34,870)	(37,935)
Depreciation and amortisation	(1,590)	(1,580)	(6,433)	(6,317)
Other operating expenses	(32,817)	(18,603)	(131,167)	(117,305)
Finance costs	(211)	(270)	(544)	(756)
Share of loss of equity accounted investees, net of tax	-	(320)	-	(320)
Profit before taxation	4,851	21,790	44,381	51,745
Taxation	1,438	(1,203)	833	(5,411)
Profit for the year / period	6,289	20,587	45,214	46,334
Other comprehensive income				
Translation differences on foreign operation	(550)	394	424	1,098
Other comprehensive income net of tax	(550)	394	424	1,098
Total comprehensive income	5,739	20,981	45,638	47,432
Profit attributable to:				
Owners of the Company	5,909	19,554	43,449	43,425
Non-controlling interest	380	1,033	1,765	2,909
	6,289	20,587	45,214	46,334
Total comprehensive income attributable to:				
Owners of the Company	5,448	19,848	43,765	44,257
Non-controlling interest	291	1,133	1,873	3,175
	5,739	20,981	45,638	47,432
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	2.0	6.5	14.6	14.4
Diluted (note B10)	1.9	6.3	13.8	13.8

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 13 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 MARCH 2016**

(The figures below are unaudited)

	(Unaudited) As at 31 MARCH 2016	(Audited) As at 31 MARCH 2015
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,684	80,235
Intangible assets	67	82
Investment in unquoted shares	392	392
Goodwill on combination	-	4,830
Deferred tax assets	3,999	2,708
	82,142	88,247
Current assets		
Inventories	44,012	54,703
Trade and other receivables	118,120	98,797
Fixed deposits	24,100	17,589
Cash and bank balances	47,259	49,886
Tax recoverable	8,394	7,353
	241,885	228,328
TOTAL ASSETS	324,027	316,575
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,815	60,656
Share premium	103,169	102,452
Other reserves	(4,718)	(4,550)
Retained earnings	78,291	72,163
	237,557	230,721
Non-controlling interest	2,687	4,294
TOTAL EQUITY	240,244	235,015
Non-current liabilities		
Long term borrowings	554	770
Deferred taxation	1,065	2,268
	1,619	3,038
Current liabilities		
Trade payables, other payables and accruals	71,685	64,638
Taxation	135	1,411
Short term borrowings	10,344	12,473
	82,164	78,522
TOTAL LIABILITIES	83,783	81,560
TOTAL EQUITY AND LIABILITIES	324,027	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 FOURTH QUARTER ENDED****31 MARCH 2016**

(The figures below are unaudited)

	Current Year To Date 12 months ended 31 MARCH 2016 RM'000	Preceding Year To Date 13 months ended 31 MARCH 2015 RM'000
Cash flows from operating activities		
Profit before tax	44,381	51,745
Adjustments for:-		
Amortisation of intangible assets	15	15
Bad debts written off	-	2
Depreciation on investment properties	-	-
Depreciation of property, plant and equipment	6,418	6,302
Gain on disposal of property, plant and equipment	(2,573)	(347)
Goodwill written off	4,830	397
Finance cost	544	756
Interest income	(1,430)	(1,399)
Unrealised loss/(gain) on foreign exchange	3,977	(969)
Gain on disposal of investment	-	(42)
Impairment loss on trade receivables	1,949	119
Impairment loss on associate	-	164
Reversal of impairment on joint venture	(282)	-
Equity settled share-based payment transactions	531	809
Share of loss of equity-accounted investees, net of tax	-	320
Dividend income on quoted shares	-	(11)
Operating profit before changes in working capital	<u>58,360</u>	<u>57,861</u>
Changes in working capital:-		
Change in property development cost	-	27,116
Change in inventories	10,691	(4,617)
Change in trade and other receivables	(25,379)	9,716
Change in trade and other payables	<u>7,047</u>	<u>(14,676)</u>
Cash generated from operations	50,719	75,400
Interest paid	(544)	(756)
Interest received	1,430	1,399
Tax paid	<u>(3,978)</u>	<u>(9,963)</u>
Net cash from operating activities	<u>47,627</u>	<u>66,080</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,736)	(10,740)
Investment in an associate	-	(320)
Investment in other investment	-	(392)
Proceeds from disposal of other investment	-	1,108
Proceeds from issue of share capital	685	1,515
Dividend received on quoted shares	-	11
Proceeds from disposal of property, plant and equipment	<u>3,936</u>	<u>415</u>
Net cash used in investing activities	<u>(115)</u>	<u>(8,403)</u>
Cash flows from financing activities		
Dividend paid to owners of the Company	(37,321)	(31,579)
Dividend paid to non-controlling interest	(3,480)	(1,360)
(Repayment) / drawdown of other short-term bank borrowings	(2,156)	60
Repurchase of treasury shares	(824)	(7,231)
Acquisition/Subscription of shares by non-controlling interests in a subsidiary	-	3,000
Loan to associate	162	-
Repayment from joint venture	250	-
Repayment of term loans	<u>(189)</u>	<u>(200)</u>
Net cash used in financing activities	<u>(43,558)</u>	<u>(37,310)</u>
Net increase in cash and cash equivalents	3,954	20,367
Effects of changes in foreign exchange rates	(70)	669
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 year	<u>71,359</u>	<u>67,475</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	24,100	17,589
Cash and bank balances	<u>47,259</u>	<u>49,886</u>
	<u>71,359</u>	<u>67,475</u>

Notes:-

As stated in A2 below, the preceding year's corresponding period-to-date were being made up for a period of 13 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 FOURTH QUARTER ENDED

31 MARCH 2016

(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 March 2014	60,207	100,870	-	(32)	1,586	58,037	220,668	1,761	222,429
Profit for the period	-	-	-	-	-	43,425	43,425	2,909	46,334
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	832	-	-	832	266	1,098
Total comprehensive income for the period	-	-	-	832	-	43,425	44,257	3,175	47,432
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)
- Share swap with/ Acquisition of shares by non-controlling interests in subsidiaries	-	-	-	2	-	2,280	2,282	718	3,000
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(31,579)	(31,579)	(1,360)	(32,939)
Total transactions with owners of the Company	449	1,066	(7,231)	2	809	(29,299)	(34,204)	(642)	(34,846)
Transfer to share premium for share options exercised	-	516	-	-	(516)	-	-	-	-
At 31 March 2015	60,656	102,452	(7,231)	802	1,879	72,163	230,721	4,294	235,015
At 1 April 2015	60,656	102,452	(7,231)	802	1,879	72,163	230,721	4,294	235,015
Profit for the year	-	-	-	-	-	43,449	43,449	1,765	45,214
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Translation differences on foreign operation	-	-	-	316	-	-	316	108	424
Total comprehensive income for the year	-	-	-	316	-	43,449	43,765	1,873	45,638
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	159	526	-	-	-	-	685	-	685
- Share-based payment transaction	-	-	-	-	531	-	531	-	531
- Own shares acquired	-	-	(824)	-	-	-	(824)	-	(824)
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(37,321)	(37,321)	(3,480)	(40,801)
Total transactions with owners of the Company	159	526	(824)	-	531	(37,321)	(36,929)	(3,480)	(40,409)
Transfer to share premium for share options exercised	-	191	-	-	(191)	-	-	-	-
At 31 March 2016	60,815	103,169	(8,055)	1,118	2,219	78,291	237,557	2,687	240,244

Notes:-

As stated in A2 below, the preceding year's corresponding period-to-date were being made up for a period of 13 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 fourth quarter ended 31 March 2016 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 January 2015 to March 2015 and 13 months result from March 2014 to March 2015 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 73,500 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.

A8. Dividend Paid

A third interim single tier dividend of 2.0 sen per ordinary share for the financial year ended 31 March 2016, was paid on 31 March 2016.

A9. Segmental Reporting

Analysis by geographical segment for the period ended 31 March 2016:

	Current quarter ended 31 March 2016	Current year to date 31 March 2016
Revenue	RM'000	RM'000
Malaysia	49,113	226,547
Oversea	39,917	141,263
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	89,030	367,810
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A9. Segmental Reporting (Cont'd)

Analysis by business segment:

12 months ended 31 March 2016

	Fast moving consumer goods RM'000	Property development RM'000	Group RM'000
Revenue	<u>367,810</u>	<u>-</u>	<u>367,810</u>
Segmental operating profit	<u>30,704</u>	<u>599</u>	<u>31,303</u>
Other income			<u>13,622</u>
Profit from operations			<u>44,925</u>
Finance costs			<u>(544)</u>
Profit before taxation			<u>44,381</u>
Taxation			<u>833</u>
Profit for the year			<u>45,214</u>

13 months ended 31 March 2015

	Fast moving consumer goods RM'000	Property development RM'000	Group RM'000
Revenue	<u>326,966</u>	<u>56,270</u>	<u>383,236</u>
Segmental operating profit	<u>29,466</u>	<u>17,068</u>	<u>46,534</u>
Other income			<u>6,287</u>
Profit from operations			<u>52,821</u>
Finance costs			<u>(756)</u>
Share of loss of equity accounted investees, net of tax			<u>(320)</u>
Profit before taxation			<u>51,745</u>
Taxation			<u>(5,411)</u>
Profit for the period			<u>46,334</u>

As stated in A2 above, the preceding year's corresponding period-to-date were being made up for a period of 13 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 March 2016 RM'000
Property, plant and equipment	
Contracted but not provided for	3,817
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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 March 2016

The Group recorded a revenue of RM89.0 million representing a decrease of RM 11.4 million or 11.4% 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 RM40.1 million. As for the Fast Moving Consumer Goods ("FMCG") business, the Group recorded an increase of RM 28.7 million as compared to the previous year's corresponding quarter.

The Group recorded a profit after tax of RM 6.3 million for the current quarter which was a decrease of RM 14.3 million from the previous year's corresponding quarter's profit after tax of RM 20.6 million. The decrease in profit after tax was mainly due to the additional profit of RM10.5 million recorded from the property development business in the previous year's corresponding quarter and one-off goodwill written off amounting to RM 4.8 million in the current quarter.

B2. Variation of Results for the Current Quarter Ended 31 March 2016 against the Immediate Preceding Quarter

The Group recorded a revenue of RM89.0 million for the current quarter, representing an increase of RM3.1 million or 3.6% when compared to the revenue recorded for the immediate preceding quarter ended 31 December 2015 of RM85.9 million. The increase was mainly attributable to the increase in the overseas sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group's profit after tax of RM6.3 million for the current quarter, represents a decrease of RM2.8 million or 30.8% as compared to the profit after tax of RM9.1 million for the immediate preceding quarter ended 31 December 2015. The decrease in profit after tax was mainly due to the goodwill written off in the current quarter.

B3. Group's Prospects for the financial year ending 31 March 2017 ("FYE 2017")

The Group is of the view that the local Fast Moving Consumer Goods industry will remain challenging due to the weak consumer sentiment and the ever increasing competitive landscape. The Group will continue with its effort in maintaining its competitive advantage by carrying out attractive advertising and promotional activities as well as focusing on improvements in operational efficiencies.

The Group will keep pursuing its initiatives to strengthen its distribution networks and growing its export market, 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 2017.

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B4. Variance of Profit Forecast

There was no profit forecast made during the financial year under review.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
In respect of the current period:-				
Taxation	1,102	3,447	4,132	7,258
Deferred taxation (income)/expenses	(1,512)	(64)	(663)	333
	<u>(410)</u>	<u>3,383</u>	<u>3,469</u>	<u>7,591</u>
In respect of the previous period:-				
Taxation	(324)	(1,541)	(2,470)	(1,541)
Deferred taxation (income)/expenses	(704)	(639)	(1,832)	(639)
	<u>(1,438)</u>	<u>1,203</u>	<u>(833)</u>	<u>5,411</u>

B6. Notes to the Statement of Comprehensive Income

	Individual quarter ended 31 March		Cumulative quarter ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Depreciation and amortization	1,590	1,580	6,433	6,317
Loss/(gain) on foreign exchange	3,238	(2,243)	(4,125)	(3,898)
Gain on disposal of quoted or unquoted investment	-	-	-	(42)
Gain on disposal of property, plant and equipment	(37)	(255)	(2,573)	(347)
Interest income	(326)	(711)	(1,430)	(1,399)
Interest expenses	211	270	544	756
Written down of inventories	77	1,488	2,567	2,306
Impairment loss on trade receivables	1,790	139	1,949	119
Impairment loss on associate	-	164	-	164
Dividend income on quoted share	-	-	-	(11)
Goodwill written off	4,830	397	4,830	397

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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	215
Bankers' Acceptance	10,129
	<u>10,344</u>
<u>Long Term Borrowings</u>	
Term Loans	554
Total	<u>10,898</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 a fourth interim single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 March 2016.

B10. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit attributable to owners of the Company (RM'000)	5,909	19,554	43,449	43,425
Weighted average number of shares in issue ('000)	298,905	298,691	298,619	301,113
Basic EPS (sen)	<u>2.0</u>	<u>6.5</u>	<u>14.6</u>	<u>14.4</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 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit attributable to owners of the Company (RM'000)	5,909	19,554	43,449	43,425
Weighted average number of ordinary shares ('000)	298,905	298,691	298,619	301,113
Effect of share option in issue ('000)	15,989	12,221	15,794	14,101
Total weighted average number of ordinary shares ('000) (diluted)	314,894	310,912	314,413	315,214
Diluted EPS (sen)	<u>1.9</u>	<u>6.3</u>	<u>13.8</u>	<u>13.8</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 March 2016 RM'000	As at 31 March 2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised profit	76,618	91,646
Unrealised (loss) / profit	(1,043)	1,409
	<u>75,575</u>	<u>93,055</u>
Add / (Less): Consolidation Adjustments	2,716	(20,892)
	<u>78,291</u>	<u>72,163</u>
Retained earnings	<u>=====</u>	<u>=====</u>