

POWER ROOT BERHADCompany No.733268-U
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED
30 JUNE 2016**

(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>30 JUNE 2016 RM'000</u>	<u>30 JUNE 2015 RM'000</u>	<u>30 JUNE 2016 RM'000</u>	<u>30 JUNE 2015 RM'000</u>
Revenue	105,075	108,901	105,075	108,901
Other income	4,086	2,513	4,086	2,513
Raw material used	(47,387)	(48,269)	(47,387)	(48,269)
Staff cost	(10,122)	(9,647)	(10,122)	(9,647)
Depreciation and amortisation	(1,564)	(1,605)	(1,564)	(1,605)
Other operating expenses	(38,519)	(31,989)	(38,519)	(31,989)
Finance costs	(113)	(176)	(113)	(176)
Profit before taxation	11,456	19,728	11,456	19,728
Taxation	(1,121)	(4,379)	(1,121)	(4,379)
Profit for the period	10,335	15,349	10,335	15,349
Other comprehensive income				
Translation differences on foreign operation	275	172	275	172
Other comprehensive income net of tax	275	172	275	172
Total comprehensive income	10,610	15,521	10,610	15,521
Profit attributable to:				
Owners of the Company	9,404	14,678	9,404	14,678
Non-controlling interest	931	671	931	671
	10,335	15,349	10,335	15,349
Total comprehensive income attributable to:				
Owners of the Company	9,624	14,812	9,624	14,812
Non-controlling interest	986	709	986	709
	10,610	15,521	10,610	15,521
Earnings per share attributable to owners of the Company(sen)				
Basic (note B10)	3.1	4.9	3.1	4.9
Diluted (note B10)	3.0	4.7	3.0	4.7

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the financial year ended 31 March 2016)

POWER ROOT BERHAD

Company No.733268-U
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2016**

(The figures below are unaudited)

	(Unaudited) As at 30 JUNE 2016	(Audited) As at 31 MARCH 2016
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	76,058	76,405
Investment properties	1,274	1,279
Intangible assets	63	67
Investment in unquoted shares	392	392
Deferred tax assets	3,923	3,999
	81,710	82,142
Current assets		
Inventories	41,360	46,984
Trade and other receivables	132,172	116,968
Fixed deposits	21,000	24,100
Cash and bank balances	53,463	47,259
Other investment	1,000	-
Tax recoverable	9,871	8,558
	258,866	243,869
TOTAL ASSETS	340,576	326,011
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	60,822	60,815
Share premium	103,186	103,169
Other reserves	(4,405)	(4,716)
Retained earnings	78,725	78,290
	238,328	237,558
Non-controlling interest	3,673	2,687
TOTAL EQUITY	242,001	240,245
Non-current liabilities		
Long term borrowings	500	579
Deferred taxation	1,645	1,065
	2,145	1,644
Current liabilities		
Trade payables, other payables and accruals	86,201	73,669
Taxation	140	135
Short term borrowings	10,089	10,318
	96,430	84,122
TOTAL LIABILITIES	98,575	85,766
TOTAL EQUITY AND LIABILITIES	340,576	326,011
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.78	0.78

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 31 March 2016)

POWER ROOT BERHADCompany No.733268-U
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED
30 JUNE 2016**

(The figures below are unaudited)

	Current Year To Date 30 JUNE 2016 RM'000	Preceding Year To Date 30 JUNE 2015 RM'000
Cash flows from operating activities		
Profit before tax	11,456	19,728
Adjustments for:-		
Amortisation of intangible assets	4	4
Depreciation on investment properties	5	-
Depreciation on property, plant and equipment	1,555	1,601
Gain on disposal of property, plant and equipment	-	(59)
Finance cost	113	176
Interest income	(310)	(224)
Unrealised (gain) / loss on foreign exchange	(3,250)	506
Impairment loss on trade receivables	-	159
Equity settled share-based payment transactions	91	160
Operating profit before changes in working capital	<u>9,664</u>	<u>22,051</u>
Changes in working capital:-		
Change in inventories	5,624	12,869
Change in trade and other receivables	(12,005)	(28,964)
Change in trade and other payables	12,532	9,913
Cash generated from operations	<u>15,815</u>	<u>15,869</u>
Interest paid	(113)	(176)
Interest received	310	224
Tax (paid) / refund	(1,773)	2,309
Net cash from operating activities	<u>14,239</u>	<u>18,226</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(883)	(1,507)
Acquisition of other investment	(1,000)	-
Proceeds from issue of share capital	24	17
Proceeds from disposal of property, plant and equipment	-	60
Net cash used in investing activities	<u>(1,859)</u>	<u>(1,430)</u>
Cash flows from financing activities		
Dividend paid to owners of the Company	(8,969)	(13,418)
Dividend paid to non-controlling interest	-	(1,000)
(Repayment) / drawdown of other short-term bank borrowings	(259)	2,283
Repurchase of treasury shares	-	(824)
Repayment from joint venture	51	-
Repayment of term loans	(50)	(46)
Net cash used in financing activities	<u>(9,227)</u>	<u>(13,005)</u>
Net increase in cash and cash equivalents	3,153	3,791
Effects of changes in foreign exchange rates	(49)	135
Cash and cash equivalents at beginning of the year	<u>71,359</u>	<u>67,475</u>
Cash and cash equivalents at end of the period	<u>74,463</u>	<u>71,401</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	21,000	31,046
Cash and bank balances	<u>53,463</u>	<u>40,355</u>
	<u>74,463</u>	<u>71,401</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the financial year ended 31 March 2016)

POWER ROOT BERHAD

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

30 JUNE 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 April 2015	60,656	102,452	(7,231)	801	1,880	72,163	230,721	4,294	235,015
Profit for the period	-	-	-	-	-	14,678	14,678	671	15,349
Other comprehensive income for the period									
- Translation differences on foreign operation	-	-	-	134	-	-	134	38	172
Total comprehensive income for the period	-	-	-	134	-	14,678	14,812	709	15,521
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	5	12	-	-	-	-	17	-	17
- Share-based payment transaction	-	-	-	-	160	-	160	-	160
- Own shares acquired	-	-	(824)	-	-	-	(824)	-	(824)
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(13,418)	(13,418)	(1,000)	(14,418)
Total transactions with owners of the Company	5	12	(824)	-	160	(13,418)	(14,065)	(1,000)	(15,065)
At 30 June 2015	60,661	102,464	(8,055)	935	2,040	73,423	231,468	4,003	235,471
At 1 April 2016	60,815	103,169	(8,055)	1,119	2,220	78,290	237,558	2,687	240,245
Profit for the period	-	-	-	-	-	9,404	9,404	931	10,335
Other comprehensive income for the period									
- Translation differences on foreign operation	-	-	-	220	-	-	220	55	275
Total comprehensive income for the period	-	-	-	220	-	9,404	9,624	986	10,610
Contributions by and distribution to owners of the Company									
- Issue of ordinary shares pursuant to the ESOS	7	17	-	-	-	-	24	-	24
- Share-based payment transaction	-	-	-	-	91	-	91	-	91
- Dividend to owner of the company / non-controlling interests	-	-	-	-	-	(8,969)	(8,969)	-	(8,969)
Total transactions with owners of the Company	7	17	-	-	91	(8,969)	(8,854)	-	(8,854)
At 30 June 2016	60,822	103,186	(8,055)	1,339	2,311	78,725	238,328	3,673	242,001

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the financial year ended 31 March 2016)

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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 first quarter ended 30 June 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 year ended 31 March 2016.

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 31 March 2016.

A2. Audit Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 March 2016 were not subject to any qualification.

A3. 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.

A4. 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.

A5. 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.

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A6. 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 36,000 new ordinary share of RM0.20 each pursuant to the Employees Share Option Scheme.

A7. Dividend Paid

A fourth interim single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 March 2016, was paid on 30 June 2016.

A8. Segmental Reporting

Analysis by geographical segment for the period ended 30 June 2016:

	Current quarter ended 30 June 2016	Current year to date 30 June 2016
Revenue	RM'000	RM'000
Malaysia	61,125	61,125
Oversea	43,950	43,950
	-----	-----
	105,075	105,075
	=====	=====

No other segmental information such as segment assets, liabilities and result are presented as the Group is principally engaged in one industry, which involves the manufacturing and distribution of beverages and operates from Malaysia only.

A9. 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.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

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A11. 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.

A12. Material Capital Commitments

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

	Current quarter ended 30 June 2016
	RM'000
Property, plant and equipment	
Contracted but not provided for	3,392
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A13. 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 June 2016

The Group recorded a revenue of RM 105.1 million for the first quarter ended 30 June 2016 representing a decrease of RM 3.8 million or 3.5% as compared to the previous year's corresponding quarter of RM 108.9 million. The decrease was mainly attributable to the decrease in local sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group recorded a profit after tax of RM 10.3 million for the current quarter which was a decrease of RM 5.0 million from the previous year's corresponding quarter's profit after tax of RM 15.3 million. The decrease in profit after tax was mainly due to additional Advertisement and Promotion ("A&P") expenses incurred relating to the launch of a new product in Middle East region.

B2. Variation of Results for the Current Quarter Ended 30 June 2016 against the Immediate Preceding Quarter

The Group recorded a revenue of RM105.1 million for the current quarter, represented an increase of RM16.1 million or 18.1% when compared to the revenue recorded for the immediate preceding quarter ended 31 March 2016 of RM 89.0 million. The increase was mainly attributable to the increase in the local and overseas sales from the Group's Fast Moving Consumer Goods ("FMCG") business.

The Group's profit after tax of RM10.3 million for the current quarter, represented an increase of RM 4.0 million or 63.5% as compared to the profit after tax of RM 6.3 million for the immediate preceding quarter ended 31 March 2016. The increase in profit after tax was mainly due to improved FMCG sales in the current quarter.

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

The Group believes that the consumer sentiment will remain weak and the competition will continue to be intense. To maintain its competitive edge, the Group will focus on improving its operational efficiencies and carry out various attractive advertising and promotional activities over the coming year.

The Group will also continue to strengthen its distribution networks and grow its export markets, 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 period under review.

B5. Tax Expense

Taxation comprises the following:-

	Individual quarter ended		Cumulative quarter ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
In respect of the current period:-				
Taxation	465	2,547	465	2,547
Deferred taxation (income)/expenses	656	1,832	656	1,832
	<u>1,121</u>	<u>4,379</u>	<u>1,121</u>	<u>4,379</u>
In respect of the previous period:-				
Taxation	-	-	-	-
Deferred taxation (income)/expenses	-	-	-	-
	<u>1,121</u>	<u>4,379</u>	<u>1,121</u>	<u>4,379</u>

B6. Notes to the Statement of Comprehensive Income

	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Depreciation and amortization	1,564	1,605	1,564	1,605
Gain on foreign exchange	(1,813)	(751)	(1,813)	(751)
Gain on disposal of property, plant and equipment	-	(59)	-	(59)
Interest income	(310)	(224)	(310)	(224)
Interest expenses	113	176	113	176
Written down of inventories	3	495	3	495
Impairment loss on trade receivables	-	159	-	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	219
Bankers' Acceptance	9,870
	<u>10,089</u>
<u>Long Term Borrowings</u>	
Term Loans	500
Total	<u>10,589</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 first interim single tier dividend of 2.5 sen per ordinary share in respect of the financial year ending 31 March 2017.

B10. Earnings Per Share ("EPS")

Basic EPS

	Current quarter ended		Cumulative quarter ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Profit attributable to owners of the Company (RM'000)	9,404	14,678	9,404	14,678
Weighted average number of shares in issue ('000)	298,960	298,312	298,960	298,312
Basic EPS (sen)	<u>3.1</u>	<u>4.9</u>	<u>3.1</u>	<u>4.9</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	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Profit attributable to owners of the Company (RM'000)	9,404	14,678	9,404	14,678
Weighted average number of ordinary shares ('000)	298,960	298,312	298,960	298,312
Effect of share option in issue ('000)	15,595	14,516	15,595	14,516
Total weighted average number of ordinary shares ('000) (diluted)	314,555	312,828	314,555	312,828
Diluted EPS (sen)	<u>3.0</u>	<u>4.7</u>	<u>3.0</u>	<u>4.7</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 June 2016 RM'000	As at 31 March 2016 RM'000
Total retained earnings of the Company and its subsidiaries:-		
Realised profit	74,817	80,078
Unrealised profit / (loss)	5,528	(1,042)
	<u>80,345</u>	<u>79,036</u>
Less: Consolidation Adjustments	(1,620)	(746)
Retained earnings	<u>78,725</u> =====	<u>78,290</u> =====