

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

| | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|----------------------------------------------------------------------------------------|---------------------------|------------------|---------------------------|------------------|
| | 3 MONTHS ENDED | | 9 MONTHS ENDED | |
| | 31 DECEMBER 2022 | 31 DECEMBER 2021 | 31 DECEMBER 2022 | 31 DECEMBER 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 106,675 | 95,546 | 347,546 | 251,057 |
| Other income | 990 | 246 | 4,223 | 1,187 |
| Changes in inventories of finished goods and work-in-progress | 576 | 2,845 | 9,647 | 8,810 |
| Raw material used | (51,443) | (47,934) | (169,845) | (127,990) |
| Staff costs | (16,947) | (16,650) | (54,534) | (46,688) |
| Depreciation and amortisation expenses | (2,163) | (1,744) | (6,091) | (5,257) |
| Other operating expenses | (25,313) | (24,847) | (80,420) | (63,789) |
| Results from operating activities | 12,375 | 7,462 | 50,526 | 17,330 |
| Finance income | 275 | 266 | 783 | 593 |
| Finance costs | (310) | (102) | (694) | (130) |
| Net finance (expenses)/income | (35) | 164 | 89 | 463 |
| Profit before taxation | 12,340 | 7,626 | 50,615 | 17,793 |
| Taxation | (1,028) | (1,608) | (8,152) | (4,089) |
| Profit for the period | 11,312 | 6,018 | 42,463 | 13,704 |
| Other comprehensive income/(expenses) | | | | |
| Equity investments measured at fair value through other comprehensive income/(expense) | 395 | (101) | 66 | (209) |
| Foreign currency translation differences | (611) | (74) | 78 | 70 |
| Other comprehensive (expenses)/income net of tax | (216) | (175) | 144 | (139) |
| Total comprehensive income | 11,096 | 5,843 | 42,607 | 13,565 |
| Profit attributable to: | | | | |
| Owners of the Company | 11,279 | 6,027 | 42,165 | 13,633 |
| Non-controlling interests | 33 | (9) | 298 | 71 |
| | 11,312 | 6,018 | 42,463 | 13,704 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 11,092 | 5,855 | 42,301 | 13,491 |
| Non-controlling interests | 4 | (12) | 306 | 74 |
| | 11,096 | 5,843 | 42,607 | 13,565 |
| Earnings per share attributable to owners of the Company(sen) | | | | |
| Basic (note B12) | 2.7 | 1.4 | 10.1 | 3.2 |
| Diluted (note B12) | 2.6 | 1.4 | 9.8 | 3.2 |

(The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report)

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | (Unaudited) As at 31 DECEMBER 2022 RM'000 | (Audited) As at 31 MARCH 2022 RM'000 |
|----------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 103,741 | 97,843 |
| Investment properties | 15,248 | 10,208 |
| Other investments | 3,292 | 3,214 |
| Deferred tax assets | 4,192 | 3,061 |
| | 126,473 | 114,326 |
| Current assets | | |
| Inventories | 117,390 | 78,885 |
| Trade and other receivables | 95,715 | 91,547 |
| Deposits placed with licensed banks | 189 | 2,228 |
| Cash and bank balances | 88,794 | 90,386 |
| Tax recoverable | 6,754 | 9,011 |
| | 308,842 | 272,057 |
| TOTAL ASSETS | 435,315 | 386,383 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 273,496 | 255,528 |
| Other reserves | (21,606) | (6,894) |
| Retained earnings | 24,656 | 17,984 |
| | 276,546 | 266,618 |
| Non-controlling interests | 452 | 62 |
| TOTAL EQUITY | 276,998 | 266,680 |
| Non-current liabilities | | |
| Loans and borrowings | 16,308 | 17,774 |
| Current liabilities | | |
| Trade and other payables | 115,928 | 94,749 |
| Loans and borrowings | 13,432 | 2,148 |
| Dividend payable | 12,649 | 5,032 |
| | 142,009 | 101,929 |
| TOTAL LIABILITIES | 158,317 | 119,703 |
| TOTAL EQUITY AND LIABILITIES | 435,315 | 386,383 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.65 | 0.64 |

Notes:-

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report)

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

| | 9 MONTHS ENDED | |
|----------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| | 31 DECEMBER 2022 RM'000 | 31 DECEMBER 2021 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 50,615 | 17,793 |
| Adjustments for:- | | |
| Depreciation on: | | |
| - Investment properties | 210 | 73 |
| - Property, plant and equipment | 5,881 | 5,184 |
| Gain on disposal of property, plant and equipment | (179) | (127) |
| Finance costs | 694 | 130 |
| Finance income | (783) | (593) |
| Property, plant and equipment written off | 12 | - |
| Reversal of impairment loss on trade receivable | (912) | (90) |
| Impairment loss on other investments | - | 170 |
| Unrealised (gain)/loss on foreign exchange | (315) | 249 |
| Share-based payment transactions | 3,967 | 358 |
| Dividend income from other investments | (140) | (145) |
| (Write back)/Write down of inventories | (480) | 217 |
| Operating profit before changes in working capital | 58,570 | 23,219 |
| Changes in working capital:- | | |
| Changes in inventories | (38,025) | (7,721) |
| Changes in trade and other receivables | (2,563) | (14,494) |
| Changes in trade and other payables | 21,271 | 25,549 |
| Cash generated from operations | 39,253 | 26,553 |
| Interest received | 783 | 593 |
| Tax paid | (7,003) | (6,241) |
| Net cash generated from operating activities | 33,033 | 20,905 |
| Cash flows from investing activities | | |
| Acquisition of: | | |
| - property, plant and equipment | (11,639) | (3,809) |
| - investment properties | (5,250) | (34) |
| Increase in other investments | (5) | (1,158) |
| Dividend income from other investments | 140 | 145 |
| Proceeds from disposal of property, plant and equipment | 389 | 235 |
| Net cash used in investing activities | (16,365) | (4,621) |
| Cash flows from financing activities | | |
| Dividend paid to owners of the Company | (27,928) | (10,589) |
| Dividend paid to non-controlling interests | - | (483) |
| Subscription of shares by non-controlling interest in a subsidiary | 45 | - |
| Interest paid | (694) | (130) |
| Proceeds from issuance of share capital | 16,415 | 2,745 |
| Net purchase of treasury shares | (17,261) | (11,217) |
| Net drawdown of other short-term borrowings | 11,481 | - |
| Drawdown of term loans | - | 20,405 |
| Repayment of hire purchase obligations | (191) | (383) |
| Repayment of other short-term borrowings | - | (112) |
| Repayment of term loans | (1,472) | - |
| Net cash (used in)/generated from financing activities | (19,605) | 236 |
| Net (decrease)/increase in cash and cash equivalents | (2,937) | 16,520 |
| Exchange difference on translation of financial statements of foreign operation | (694) | 16 |
| Cash and cash equivalents at beginning of the period | 92,614 | 86,132 |
| Cash and cash equivalents at end of the period | 88,983 | 102,668 |
| Cash and cash equivalents comprise: | | |
| Deposits placed with licensed banks | 189 | - |
| Cash and bank balances | 88,794 | 102,668 |
| | 88,983 | 102,668 |

(The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report)

POWER ROOT BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

| | Attributable to owners of the Company | | | | | | | | | |
|---------------------------------------------------------------------------------|---------------------------------------|-----------------|------------------------------------------------|--------------------|----------------------|---------------------------------|----------|--------------------------|--------------|--------|
| | Share capital | Treasury shares | Non-distributable Exchange fluctuation reserve | Fair value reserve | Share option reserve | Distributable Retained earnings | Total | Non-controlling interest | Total equity | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 April 2021 (Audited) | 251,524 | (3,090) | 2,276 | (120) | 8,841 | 6,098 | 265,529 | 472 | 266,001 | |
| Profit for the period | - | - | - | - | - | 13,633 | 13,633 | 71 | 13,704 | |
| Other comprehensive income for the period | - | - | 67 | - | - | - | 67 | 3 | 70 | |
| - Translation differences on foreign operation | - | - | - | - | - | - | - | - | - | |
| - Equity investment measured at fair value through other comprehensive expenses | - | - | - | (209) | - | - | (209) | - | (209) | |
| Total comprehensive income for the period | - | - | 67 | (209) | - | 13,633 | 13,491 | 74 | 13,565 | |
| Contributions by and distribution to owners of the Company | 3,606 | - | - | - | (861) | - | 2,745 | - | 2,745 | |
| - Issue of ordinary shares pursuant to the ESOS | - | - | - | - | 358 | - | 358 | - | 358 | |
| - Share-based payment transaction | - | (11,217) | - | - | - | - | (11,217) | - | (11,217) | |
| - Own shares acquired | - | - | - | - | - | (9,283) | (9,283) | - | (9,283) | |
| - Dividend to owners of the Company | 3,606 | (11,217) | - | - | (503) | (9,283) | (17,397) | - | (17,397) | |
| Dividend to non-controlling interests in subsidiaries | - | - | - | - | (503) | - | (503) | (483) | (483) | |
| Total transactions with owners of the Company | 255,130 | (14,307) | 2,343 | (329) | 8,338 | 10,448 | 261,623 | 63 | 261,686 | |
| At 31 December 2021 (Unaudited) | 255,528 | (17,308) | 2,413 | (374) | 8,374 | 17,985 | 266,618 | 62 | 266,680 | |
| Profit for the period | - | - | - | - | - | 42,165 | 42,165 | 298 | 42,463 | |
| Other comprehensive income for the period | - | - | 70 | - | - | - | 70 | 8 | 78 | |
| - Translation differences on foreign operation | - | - | - | - | - | - | - | - | - | |
| - Equity investment measured at fair value through other comprehensive expenses | - | - | 70 | - | - | - | 70 | 8 | 78 | |
| Total comprehensive income for the period | - | - | 70 | 66 | - | 42,165 | 42,301 | 306 | 42,607 | |
| Contributions by and distribution to owners of the Company | 6,953 | - | - | - | (1,553) | - | 5,400 | - | 5,400 | |
| - Issue of ordinary shares pursuant to the ESOS | - | - | - | - | - | - | - | - | - | |
| - Issue of ordinary shares pursuant to the exercise of Warrant | 11,015 | - | - | - | 3,967 | - | 11,015 | - | 11,015 | |
| - Share-based payment transaction | - | (17,261) | - | - | - | - | (17,261) | - | (17,261) | |
| - Own shares acquired | - | - | - | - | - | (35,545) | (35,545) | - | (35,545) | |
| - Dividends to owners of the Company | 17,968 | (17,261) | - | - | 2,414 | (35,545) | (32,424) | - | (32,424) | |
| Change in ownership interests in subsidiary | - | - | - | - | - | 51 | 51 | 84 | 135 | |
| Total transactions with owners of the Company | 17,968 | (17,261) | - | - | 2,414 | (35,494) | (32,373) | 84 | (32,289) | |
| At 31 December 2022 (Unaudited) | 273,496 | (34,569) | 2,483 | (308) | 10,788 | 24,656 | 276,546 | 452 | 276,998 | |

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The unaudited condensed consolidated interim financial statements for the third quarter ended 31 December 2022 have been prepared in accordance with Malaysian 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 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., Ali Cafe Sdn. Bhd., Power Root Support Services Sdn. Bhd., PT Natbio Marketing Indonesia, Power Root (Shanghai) Food Trading Co. Ltd., Power Root HK-China Company Limited, PR Global Assets Limited, Power Root ME FZCO, PRME Foodstuff Trading LLC (*formerly known as PRME Food Manufacturing LLC*), Alicafe Roasters Sdn Bhd, Superwrapz International Sdn. Bhd., French Patisserie Sdn. Bhd., Affari Inversions Sdn. Bhd. and PR Food Trading L.L.C.-FZ (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 2022.

The accounting policy and method of computation adopted in these interim financial statements of the Group are consistent with those adopted for the annual financial statements for the financial year ended 31 March 2022.

A2. Auditors’ Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 March 2022 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 current quarter and financial period under review.

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (continued)

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 current quarter and financial period under review.

A6. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current quarter and financial period under review other than the following:

- Issuance of 6,666,600 new ordinary share of RM1.54 each arising from the exercise of warrants.
- Repurchase of 704,500 of its own shares from the open market for a total consideration of RM1,466,453. The repurchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act, 2016.

A7. Dividend Paid/Payable

During the current quarter and financial period under review, the Board of Directors had declared:

- (i) A first interim single tier dividend of 2.0 sen per ordinary share and a special interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 March 2023, was paid on 12 October 2022.
- (ii) A second interim single tier dividend of 2.0 sen per ordinary share and a special interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 March 2023, was payable on 5 January 2023.

A8. Segmental Reporting

The Group operates principally in Malaysia with the manufacturing and distribution of beverages products (i.e. Fast Moving Consumers Goods) being the core business of the Group. The Group's assets and liabilities are concentrated mainly in Malaysia.

The Group has two reportable segments, distinguished by Malaysia entities and overseas entities, which form the main basis of how the Chief Operating Decision Maker ("CODM")(i.e. the Chief Executive Officer) reviews the Group's operations on a quarterly basis. The Malaysia entities include the manufacturing and marketing companies in Malaysia, while the overseas entities include the marketing companies in Middle East, China and Hong Kong. Non-reportable entities include the other subsidiaries.

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (continued)

A8. Segmental Reporting (Cont'd)

Performance is measured based on segment profit before tax as the management believes that such information is the most relevant in evaluating the results of the operation.

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment assets and liabilities.

Individual Quarter - 3 months ended 31 December 2022

| | Reportable Segment | | Non-Reportable Segment | Total RM'000 |
|--------------------------------------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------|
| | Malaysia Entities RM'000 | Overseas Entities RM'000 | Other Entities RM'000 | |
| Segment Profit/(loss) | 14,517 | 561 | (694) | 14,384 |
| <i>Included in the measure of segment profit/(loss) are:</i> | | | | |
| Revenue from external customers | 80,909 | 25,458 | 308 | 106,675 |
| Inter-segment revenue | 27,134 | 529 | 117 | 27,780 |

Current Financial Period ended 31 December 2022

| | Reportable Segment | | Non-Reportable Segment | Total RM'000 |
|--------------------------------------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------|
| | Malaysia Entities RM'000 | Overseas Entities RM'000 | Other Entities RM'000 | |
| Segment Profit/(loss) | 50,663 | 6,756 | (1,227) | 56,192 |
| <i>Included in the measure of segment profit/(loss) are:</i> | | | | |
| Revenue from external customers | 263,507 | 83,190 | 849 | 347,546 |
| Inter-segment revenue | 81,898 | 3,221 | 309 | 85,428 |

POWER ROOT BERHAD

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(Incorporated in Malaysia)

A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING (continued)

A8. Segmental Reporting (Cont'd)

Reconciliation of reportable segment profit:

| | Individual Quarter 3 Months ended 31 December 2022 RM'000 | Cumulative Quarter 9 Months ended 31 December 2022 RM'000 |
|---------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Total segment profit | 14,384 | 56,192 |
| Consolidation adjustments | (2,044) | (5,577) |
| Total consolidated profit | <u>12,340</u> | <u>50,615</u> |

Analysis of revenue by geographical segment for the period ended 31 December 2022:

| | Individual Quarter 3 Months ended 31 December 2022 RM'000 | Cumulative Quarter 9 Months ended 31 December 2022 RM'000 |
|----------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Revenue | | |
| Malaysia | 63,244 | 203,632 |
| Overseas: | | |
| - Middle East | 27,588 | 105,864 |
| - Others | 15,843 | 38,050 |
| | <u>106,675</u> | <u>347,546</u> |

A9. Material Events Subsequent to the end of the Current Quarter under review

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

A10. Changes in the composition of the Group

During the 2 preceding quarters, the Group had completed the following:

- On 12 April 2022, the group completed the voluntary liquidation of its wholly owned subsidiary, Power Root Manufacturing ME W.L.L ("PRMMW").
- On 1 July 2022, the Group has increased its direct interest in a subsidiary company, French Patisserie Sdn. Bhd. from 57.5% to 92.5% by ways of:
 - (i) Acquisition of 700,000 ordinary shares at cash consideration of RM4.00, and
 - (ii) Subscription for an allotment of 555,000 new ordinary shares at a cash consideration of RM555,000.

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A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (continued)

A10. Changes in the composition of the Group (Cont’d)

- On 1 August 2022, the Company incorporated a wholly owned subsidiary, PR Food Trading L.L.C.-FZ (“PRFT”). PRFT is a limited liability company incorporated in Meydan Free Zone, United Arab Emirates and has an issued share capital of RM119,953 comprising of 100 shares. The principal activity of the subsidiary company is wholesale of food and beverage products. The subsidiary has not commenced its business operations.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets that have arisen 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 |
|------------------------------------------|------------------------------|
| | 31 December 2022 |
| | RM’000 |
| Contracted but not provided for:- | |
| Property, plant and equipment | 6,927 |
| | <hr/> |

A13. Material Related Party Transactions

There were no material transactions entered by the Group with any related party.

POWER ROOT BERHAD

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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 Current Quarter Ended 31 December 2022

The Group recorded a revenue of RM 106.7 million for the third quarter ended 31 December 2022 representing an increase of RM 11.2 million or 11.7% as compared to the previous year's corresponding quarter of RM 95.5 million. The increase was mainly attributable to higher revenue for the local and export markets in the current quarter compared to the corresponding quarter in the previous year.

The Group recorded a profit before tax of RM 12.3 million for the current quarter which was an increase of RM 4.7 million from the previous year's corresponding quarter's profit before tax of RM 7.6 million. The higher profit before tax in the current quarter was mainly attributable to the higher revenue in the current quarter as compared to previous year's corresponding quarter.

B2. Variation of Results for the Current Quarter Ended 31 December 2022 against the Immediate Preceding Quarter

The Group recorded a revenue of RM 106.7 million for the current quarter, representing a decrease of RM 22.1 million or 17.2% when compared to the revenue recorded of RM 128.8 million for the immediate preceding quarter ended 30 September 2022. The decrease was mainly attributable to lower revenue for the local and export markets in the current quarter compared to the immediate preceding quarter.

The Group's profit before tax of RM 12.3 million for the current quarter, showed a decrease of RM 7.5 million or 37.9% when compared to the profit before tax of RM 19.8 million for the immediate preceding quarter ended 30 September 2022. The lower profit before tax in the current quarter as compared to the immediate preceding quarter was mainly attributable to lower revenue for the current quarter and higher foreign exchange gain recorded in the immediate preceding quarter.

B3. Group's Prospects for the financial year ending 31 March 2023 ("FY 2023")

The business environment remains challenging due to inflationary cost pressures, global uncertainties in commodity prices and potential changes in regulations. Foreign exchange rate fluctuations and increase in operating costs are also factors contributing to a challenging business environment.

We continue to seek for opportunities to attain sustainable growth in the local and overseas market by the introduction of new product offerings and enhancing our existing products. We will continue to focus our efforts on operational efficiencies and distribution channels effectiveness to mitigate the impacts of external headwinds.

B4. Variance of Profit Forecast

There was no profit forecast issued during the current quarter and financial period under review.

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B. ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (continued)**B5. Tax Expense**

Taxation comprises the following:-

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| | 31 December 2022 RM'000 | 31 December 2021 RM'000 | 31 December 2022 RM'000 | 31 December 2021 RM'000 |
| Taxation | | | | |
| - Current period | 3,019 | 1,803 | 10,084 | 5,345 |
| - Prior period | (781) | (212) | (781) | (212) |
| | <u>2,238</u> | <u>1,591</u> | <u>9,303</u> | <u>5,133</u> |
| Deferred tax income | | | | |
| - Current period | (1,379) | 38 | (1,320) | (1,023) |
| - Prior period | 169 | (21) | 169 | (21) |
| | <u>(1,210)</u> | <u>17</u> | <u>(1,151)</u> | <u>(1,044)</u> |
| | <u>1,028</u> | <u>1,608</u> | <u>8,152</u> | <u>4,089</u> |

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**ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA SECURITIES (continued)****B6. Notes to the Unaudited Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income**

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| | 31 December 2022 RM'000 | 31 December 2021 RM'000 | 31 December 2022 RM'000 | 31 December 2021 RM'000 |
| Depreciation and amortisation | 2,163 | 1,744 | 6,091 | 5,257 |
| Loss/(Gain) on foreign exchange | 184 | 47 | (1,949) | (280) |
| Gain on disposal of: - property, plant and equipment | (54) | - | (179) | (127) |
| Property, plant and equipment written off (Reversal of impairment loss)/Impairment loss on: | 12 | - | 12 | - |
| - trade receivables | (910) | 6 | (912) | (90) |
| - other investments | - | - | - | 170 |
| Dividend income from other investments | (74) | (53) | (140) | (145) |
| Finance income | (275) | (266) | (783) | (593) |
| Finance costs | 310 | 102 | 694 | 130 |
| (Write back)/Write down of inventories | 155 | (178) | (480) | 217 |

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

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ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (continued)

B7. Group Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and unsecured, as at the end of the current quarter and financial period under review are as follows:

| | As at 31 December 2022 RM'000 | As at 31 March 2022 RM'000 |
|------------------------------|--------------------------------------------------|-------------------------------------------|
| <u>Short Term Borrowings</u> | | |
| Term Loans | 1,951 | 1,957 |
| Hire purchase liabilities | - | 191 |
| Bankers' acceptance | 11,481 | - |
| | <hr/> 13,432 | <hr/> 2,148 |
| <u>Long Term Borrowings</u> | | |
| Term Loans | 16,308 | 17,774 |
| Total | <hr/> 29,740 | <hr/> 19,922 |

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 defendants 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 had on 22 February 2023 declared an interim dividend of 2.25 sen per share comprising of (i) a third interim single tier dividend of 2.0 sen per ordinary share and (ii) a special interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ending 31 March 2023. The dates of entitlement and payment will be announced at a later date.

B10. Derivatives

There were no outstanding derivatives at the end of the current quarter and financial period under review.

POWER ROOT BERHAD

Registration No. 200601013517 (733268-U)

(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (continued)

B11. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group does not have any financial liabilities measured at fair value through profit and loss at the end of the current quarter and financial period under review.

B12. Earnings Per Share ("EPS")

Basic EPS

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|-------------------------------------------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 |
| Profit attributable to owners of the Company (RM'000) | 11,279 | 6,027 | 42,165 | 13,633 |
| Weighted average number of shares in issue ('000) | 419,952 | 420,457 | 417,331 | 423,120 |
| Basic EPS (sen) | <u>2.7</u> | <u>1.4</u> | <u>10.1</u> | <u>3.2</u> |

Basic EPS is calculated by dividing the net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

POWER ROOT BERHAD

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B. ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (continued)

B12. Earnings Per Share ("EPS") (Cont'd)

Diluted EPS

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|---------------------------------------------------------------------------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|
| | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 |
| Profit attributable to owners of the Company (RM'000) | 11,279 | 6,027 | 42,165 | 13,633 |
| Weighted average number of ordinary shares in issue ('000) | 419,952 | 420,457 | 417,331 | 423,120 |
| Effect of share options in issue and warrants conversion ('000) | 5,964 | 6,586 | 11,669 | 7,418 |
| Weighted average number of ordinary shares adjusted for the effect of dilution ('000) | 425,916 | 427,043 | 429,000 | 430,538 |
| Diluted EPS (sen) | <u>2.6</u> | <u>1.4</u> | <u>9.8</u> | <u>3.2</u> |

The diluted EPS is calculated by dividing the net profit attributable to the equity holder of the Company by the weighted average number of ordinary shares in issue during the financial period, adjusted for the dilutive effects of all potential ordinary shares, i.e. Employees Share Option Scheme and Warrants conversion.

B13. Authorisation for issue

This interim financial report was authorized for issue by the Board of Directors on 22 February 2023.