



POWER ROOT BERHAD

REGISTRATION NO. 200601013517 (733268-U)

(Incorporated in Malaysia)

**QUARTERLY REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

This report is dated 27th February 2024



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 THRID QUARTER ENDED 31 DECEMBER 2023

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		3 MONTHS ENDED		9 MONTHS ENDED	
		31 DECEMBER 2023	31 DECEMBER 2022	31 DECEMBER 2023	31 DECEMBER 2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	92,905	105,193	305,019	342,999
Other income		1,804	990	4,519	4,223
Changes in inventories of finished goods and work-in-pogress		7,016	576	(1,147)	9,647
Raw material used		(51,429)	(51,443)	(146,453)	(169,845)
Staff costs		(19,448)	(16,947)	(53,152)	(54,534)
Depreciation and amortisation expenses		(2,640)	(2,163)	(7,621)	(6,091)
Other operating expenses		(23,377)	(23,831)	(65,930)	(75,873)
Results from operating activities		4,831	12,375	35,235	50,526
Finance income		595	275	1,700	783
Finance costs		(196)	(310)	(707)	(694)
Net finance income/(expense)		399	(35)	993	89
Profit before taxation	B6	5,230	12,340	36,228	50,615
Taxation	B5	1,935	(1,028)	(3,105)	(8,152)
Profit after taxation		7,165	11,312	33,123	42,463
Other comprehensive income/(expense), net of tax					
Equity investments measured at fair value through other comprehensive income		49	395	233	66
Foreign currency translation differences		(785)	(611)	692	78
Other comprehensive income/(expense), net of tax		(736)	(216)	925	144
Total comprehensive income for the period		6,429	11,096	34,048	42,607
Profit attributable to:					
Owners of the Company		7,003	11,279	32,636	42,165
Non-controlling interests		162	33	487	298
		7,165	11,312	33,123	42,463
Total comprehensive income attributable to:					
Owners of the Company		6,293	11,092	33,527	42,301
Non-controlling interests		136	4	521	306
		6,429	11,096	34,048	42,607
Earnings per share attributable to owners of the Company(sen)					
Basic	B12	1.5	2.7	7.2	10.1
Diluted	B12	1.5	2.6	7.1	9.8

(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 2023 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 2023

	NOTE	(Unaudited) As at 31 DECEMBER 2023 RM'000	(Audited) As at 31 MARCH 2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		118,100	111,282
Right-of-use asset		202	-
Investment properties		41,593	16,133
Other investments		2,840	3,178
Deferred tax assets		2,035	2,818
		<u>164,770</u>	<u>133,411</u>
Current assets			
Inventories		101,205	115,701
Trade and other receivables		98,863	102,056
Deposits placed with licensed banks		1,056	210
Cash and bank balances		115,620	76,522
Tax recoverable		10,265	10,253
		<u>327,009</u>	<u>304,742</u>
TOTAL ASSETS		<u>491,779</u>	<u>438,153</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		335,920	277,474
Other reserves		(21,268)	(19,632)
Retained earnings		27,812	31,761
		<u>342,464</u>	<u>289,603</u>
Non-controlling interests		<u>1,614</u>	<u>746</u>
TOTAL EQUITY		<u>344,078</u>	<u>290,349</u>
Non-current liabilities			
Loans and borrowings	B7	33,739	16,004
Lease Liabilities		95	-
		<u>33,834</u>	<u>16,004</u>
Current liabilities			
Trade and other payables		98,772	106,935
Loans and borrowings	B7	5,740	15,311
Lease Liabilities		110	-
Dividend payable		9,245	9,554
		<u>113,867</u>	<u>131,800</u>
TOTAL LIABILITIES		<u>147,701</u>	<u>147,804</u>
TOTAL EQUITY AND LIABILITIES		<u>491,779</u>	<u>438,153</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.74	0.68

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 2023 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 2023

	Attributable to owners of the Company									
	Share capital	Treasury shares	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 2022 (Audited)	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	-	-	-	66	-	-	66	-	66	
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 Warrant	11,015	-	-	-	-	-	11,015	-	11,015	
- Share-based payment transaction	-	-	-	-	3,967	-	3,967	-	3,967	
- Own shares acquired	-	(17,261)	-	-	-	(35,545)	(35,545)	-	(17,261)	
- Dividend to owners of the Company	17,968	(17,261)	-	-	2,414	(35,545)	(32,424)	-	(35,545)	
Change in ownership interests in subsidiaries	17,968	(17,261)	-	-	2,414	(35,545)	(32,424)	84	135	
Total transactions with owners of the Company	273,496	(34,569)	2,483	(308)	10,788	24,656	276,546	452	276,998	
At 30 December 2022 (Unaudited)	277,474	(32,571)	2,516	(422)	10,845	31,761	289,603	746	290,349	
Profit for the period	-	-	-	-	-	32,636	32,636	487	33,123	
Other comprehensive income for the period	-	-	658	-	-	-	658	34	692	
- Translation differences on foreign operation	-	-	-	-	-	-	-	-	-	
- Equity investment measured at fair value through other comprehensive expenses	-	-	658	-	-	-	658	34	692	
Total comprehensive income for the period	-	-	658	233	-	32,636	33,527	521	233	
Contributions by and distribution to owners of the Company	87	-	-	-	(9)	-	78	-	78	
- Issue of ordinary shares pursuant to the ESOS Warrant	58,359	-	-	-	-	-	58,359	-	58,359	
- Share-based payment transaction	-	-	-	-	1,058	-	1,058	-	1,058	
- Own shares acquired	-	(3,576)	-	-	-	(36,606)	(36,606)	-	(3,576)	
- Dividends to owners of the Company	58,446	(3,576)	-	-	1,049	(36,606)	19,313	-	19,313	
Subscription of shares by non-controlling interest	-	-	-	-	-	(36,606)	(36,606)	150	150	
Acquisition of subsidiary	-	-	-	-	-	-	-	218	218	
Change in ownership interests in subsidiary	-	-	-	-	-	21	21	(21)	-	
Total transactions with owners of the Company	58,446	(3,576)	-	-	1,049	(36,585)	19,334	347	19,681	
At 31 December 2023 (Unaudited)	335,920	(36,147)	3,174	(189)	11,894	27,812	342,464	1,614	344,078	

(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 2023 and the accompanying explanatory notes attached to this interim financial report)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023

	NOTE	9 MONTHS ENDED	
		31 DECEMBER 2023 RM'000	31 DECEMBER 2022 RM'000
Cash flows from operating activities			
Profit before tax		36,228	50,615
Adjustments for:-			
Depreciation on:			
- Investment properties		438	210
- Property, plant and equipment		7,068	5,881
Amortization of right-of-use assets		115	-
Gain on disposal of property, plant and equipment		(460)	(179)
Gain on disposal of other investment		(13)	-
Finance costs		707	694
Finance income		(1,700)	(783)
Property, plant and equipment written off		-	12
Impairment loss/(Reversal of impairment loss) on:			
- Trade receivables		(30)	(912)
Negative goodwill		(416)	-
Unrealised loss/(gain) on foreign exchange		53	(315)
Share-based payment transactions		1,058	3,967
Dividend income from other investments		(134)	(140)
Write back of inventories		(24)	(480)
Operating profit before changes in working capital		42,890	58,570
Changes in working capital:-			
Changes in inventories		15,545	(38,025)
Changes in trade and other receivables		3,576	(2,563)
Changes in trade and other payables		(9,615)	21,271
Cash generated from operations		52,396	39,253
Interest received		1,700	783
Tax paid		(2,376)	(7,003)
Net cash generated from operating activities		51,720	33,033
Cash flows from investing activities			
Acquisition of:			
- Property, plant and equipment		(10,603)	(11,639)
- Investment properties		(25,871)	(5,250)
- Subsidiary, net of cash and cash equivalents acquired		(41)	-
- Other investments		-	(5)
Dividend income from other investments		134	140
Proceeds from disposal of property, plant and equipment		828	389
Proceeds from disposal of other investment		590	-
Subscription of shares by non-controlling interests in subsidiaries		150	-
Net cash used in investing activities		(34,813)	(16,365)
Cash flows from financing activities			
Dividend paid to owners of the Company	A7	(36,916)	(27,928)
Subscription of shares by non-controlling interest in a subsidiary		-	45
Interest paid		(707)	(694)
Proceeds from issuance of share capital		58,437	16,415
Net purchase of treasury shares		(3,576)	(17,261)
Net (repayment) / drawdown of other short-term borrowings		(13,489)	11,481
Drawdown of term loans		21,065	-
Repayment of term loans		(1,285)	(1,472)
Repayment of hire purchase obligations		(250)	(191)
Repayments of lease liabilities		(105)	-
Lease interest paid		(14)	-
Net cash generated from/(used in) financing activities		23,160	(19,605)
Net increase/(decrease) in cash and cash equivalents		40,067	(2,937)
Exchange difference on translation of financial statements of foreign operation		(123)	(694)
Cash and cash equivalents at beginning of the period		76,732	92,614
Cash and cash equivalents at end of the period		116,676	88,983
Cash and cash equivalents comprise:			
Deposits placed with licensed banks		1,056	189
Cash and bank balances		115,620	88,794
		116,676	88,983

Notes:-

(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 2023 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 2023 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, Alicafe Roasters Sdn Bhd, Superwrapz International Sdn. Bhd., French Patisserie Sdn. Bhd., Affari Inversions Sdn. Bhd., PR Food Trading L.L.C.-FZ and Foda Flavour & Ingredients Sdn. Bhd. (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 2023.

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 2023.

A2. Auditors’ Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 March 2023 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.



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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:

- Repurchase of 556,700 of its own shares from open market for a total consideration of RM 1,031,946. The repurchase transaction 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 third interim single tier dividend of 2.0 sen per ordinary share and a special interim single tier dividend of 0.25 sen per ordinary share in respect of the financial year ended 31 March 2023, amounting to RM 9,554,455, which was paid on 7 April 2023.
- (ii) A fourth interim single tier dividend of 2.0 sen per ordinary share and a special interim single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 March 2023, amounting to RM15,790,277, which was paid on 3 July 2023.
- (iii) A first interim single tier dividend of 2.0 sen per ordinary share and special interim single tier dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 March 2024, amounting to RM11,570,921, which was payable on 12 October 2023.
- (iv) A second interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 March 2024, amounting to RM9,245,141, which was payable on 5 January 2024.



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

A8. Segmental Reporting

The Group operates principally in Malaysia with the manufacturing and distribution of beverage 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.

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 2023

	Reportable Segment		Non-Reportable Segment	Total RM'000
	Malaysia Entities RM'000	Overseas Entities RM'000	Other Entities RM'000	
Segment Profit/(loss)	3,780	2,833	(16)	6,597
<i>Included in the measure of segment profit/(loss) are:</i>				
Revenue from external customers	78,212	14,375	318	92,905
Inter-segment revenue	19,428	648	3,128	23,204



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

A8. Segmental Reporting (Cont'd)

Current Financial Period ended 31 December 2023

	Reportable Segment		Non-Reportable Segment	Total RM'000
	Malaysia Entities RM'000	Overseas Entities RM'000	Other Entities RM'000	
Segment Profit/(loss)	18,658	15,282	(218)	33,722
<i>Included in the measure of segment profit/(loss) are:</i>				
Revenue from external customers	226,452	77,468	1,099	305,019
Inter-segment revenue	72,506	1,577	4,898	78,981

Reconciliation of reportable segment profit:

	Individual Quarter 3 Months ended 31 December 2023 RM'000	Cumulative Quarter 9 Months ended 31 December 2023 RM'000
Total segment profit	6,597	33,722
Consolidation adjustments	(1,367)	2,506
Total consolidated profit	5,230	36,228

Analysis of revenue by geographical segment for the period ended 31 December 2023:

	Individual Quarter 3 Months ended 31 December 2023 RM'000	Cumulative Quarter 9 Months ended 31 December 2023 RM'000
Revenue		
Malaysia	60,038	179,808
Overseas:		
- Middle East	17,539	84,800
- Others	15,328	40,411
	92,905	305,019



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

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 second quarter and financial period under review, the Group had on 18 September 2023 increased its interest in a subsidiary company, Superwrapz International Sdn Bhd from 69.6% to 95.0% by way of acquisition of 51,000 ordinary shares at a cash consideration of RM41,645.

On 19 October 2023, the Group had completed its acquisition of 80% of the issued and paid-up share capital in FODA FLAVOUR & INGREDIENTS SDN. BHD. (“FODA”) representing 240,000 shares for a total cash consideration of Ringgit Malaysia Four Hundred Fifty-Four Thousand Six Hundred Ten and Forty Sen (RM454,610.40) only. The principal activity of FODA is manufacturing of flavours, food ingredients, fragrances and other related products.

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 and financial period under review are as follows:

	Current quarter ended
	31 December 2023
	RM'000
Contracted but not provided for:-	
Property, plant and equipment	5,348
	<hr/>

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 Current Quarter Ended 31 December 2023

The Group recorded a revenue of RM92.9 million for the third quarter ended 31 December 2023 representing a decrease of RM12.3 million or 11.7% as compared to the previous year's corresponding quarter of RM105.2 million. The decrease was mainly attributable to lower revenue for the export and local markets in the current quarter compared to the corresponding quarter in the previous year.

The Group recorded a profit before tax of RM5.2 million for the current quarter which was a decrease of RM7.1 million or 57.7% from the previous year's corresponding quarter's profit before tax of RM12.3 million. The lower profit before tax in the current quarter was mainly attributable to the lower revenue and higher advertising and promotion spending in the current quarter as compared to previous year's corresponding quarter.

B2. Variation of Results for the Current Quarter Ended 31 December 2023 against the Immediate Preceding Quarter

The Group recorded a revenue of RM92.9 million for the current quarter, representing a decrease of RM6.8 million or 6.8% when compared to the revenue recorded of RM99.7 million for the immediate preceding quarter ended 30 September 2023. The decrease was mainly attributable to lower revenue for the export markets in the current quarter compared to the immediate preceding quarter.

The Group's profit before tax of RM5.2 million for the current quarter, showed a decrease of RM7.1 million or 57.7% when compared to the profit before tax of RM12.3 million for the immediate preceding quarter ended 30 September 2023. The lower profit before tax in the current quarter as compared to the immediate preceding quarter was mainly attributable to lower revenue and higher advertising and promotion spending for the current quarter as compared to the immediate preceding quarter.

B3. Group's Prospects for the financial year ending 31 March 2024 ("FY 2024")

The current business climate continues to be challenging due to the on-going geopolitical instabilities influencing global retail demand. The fluctuations in commodity prices and foreign exchange remain as factors contributing to cost pressures.

We will remain prudent to seek growth in our local and oversea markets by strategizing our market penetration activities as well as improving existing products and introduction of new products. In striving to maintain business resilience, we continuously explore for opportunities on integration of upstream activities to improve our operational and distribution activities as we navigate throughout the unpredictable global markets and mitigate the impacts of external volatilities.



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

B4. Variance of Profit Forecast

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

B5. Tax Expense

Taxation comprises the following: -

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Taxation				
- Current period	1,788	3,019	4,949	10,084
- Prior period	(2,586)	(781)	(2,588)	(781)
	<u>(798)</u>	<u>2,238</u>	<u>2,361</u>	<u>9,303</u>
Deferred tax (Income)/Expense				
- Current period	(1,084)	(1,379)	776	(1,320)
- Prior period	(53)	169	(32)	169
	<u>(1,137)</u>	<u>(1,210)</u>	<u>744</u>	<u>(1,151)</u>
	<u>(1,935)</u>	<u>1,028</u>	<u>3,105</u>	<u>8,152</u>



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B. 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 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation and amortisation	2,640	2,163	7,621	6,091
Loss/(Gain) on foreign exchange	411	184	(1,697)	(1,949)
Gain on disposal of: - property, plant and equipment	(240)	(54)	(460)	(179)
Property, plant and equipment written off	-	12	-	12
Reversal of impairment loss on:				
- trade receivables	(107)	(910)	(30)	(912)
Dividend income from other investments	(45)	(74)	(134)	(140)
Finance income	(595)	(275)	(1,700)	(783)
Finance costs	196	310	707	694
Write down/(Write back) of inventories	173	155	(24)	(480)



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B. 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 2023 RM'000	As at 31 March 2023 RM'000
<u>Short Term Borrowings</u>		
Term Loans	4,984	1,823
Hire purchase liabilities	756	-
Bankers' acceptance	-	13,488
	<u>5,740</u>	<u>15,311</u>
<u>Long Term Borrowings</u>		
Term Loans	32,623	16,004
Hire purchase liabilities	1,116	-
	<u>33,739</u>	<u>16,004</u>
Total	<u><u>39,479</u></u>	<u><u>31,315</u></u>

The Group does not have any foreign borrowings and debts securities as at the date of this report.



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

B8. Material Litigation

The Power Root group (“Power Root”) is currently engaged in 2 litigation suits that are deemed material.

Suit No. 1 – Power Root (M) Sdn Bhd (“PRM”) v CV Ego Sun Star Sukses Mandiri & Others

PRM commenced the above suit against CV Ego Sun Star Sukses Mandiri (“CV Ego”) on the basis that CV Ego registered Power Root’s AH HUAT trademark in bad faith (“TM Cancellation Action”). The TM Cancellation Action was filed in the Central Jakarta Commercial Court (“CJCC”) on 13 January 2023. The registration of AH HUAT was made by CV Ego on 21 February 2012, one day before CV Ego was formally appointed as Power Root’s distributor (i.e. on 22 February 2012).

The TM Cancellation Action was dismissed by the CJCC due to technical grounds on 31 October 2023. PRM filed an appeal against the CJCC’s ruling to the Indonesian Supreme Court on 13 November 2023, and is currently awaiting the outcome of the appeal.

Suit No. 2 – CV Ego v Power Root Manufacturing Sdn Bhd (“PRMFG”) and Power Root Marketing Sdn Bhd (“PRMK”)

To counter the TM Cancellation Action, CV Ego filed a suit against PRMFG and PRMK at the CJCC on 30 January 2023, claiming for damages of up to USD5 million due to the alleged infringement by PRMFG and PRMK against CV Ego’s AH HUAT trademark registered in Indonesia.

Despite the requirement for CJCC to give at least 3 formal notices to summon PRMFG and PRMK to attend legal proceedings in Indonesia, no such formal notice was received by PRMFG and PRMK. Nevertheless, the court proceeded to give its verdict in favour of CV Ego’s claim on 15 November 2023, in the absence and without the knowledge of PRMFG and PRMK. PRMFG and PRMK was only made aware of the suit when they received CJCC’s formal notification of the verdict dated 2 January 2024.

PRMFG and PRMK have filed their respective appeals against the abovementioned verdict on 12 January 2024 and is currently awaiting the outcome of the appeal.



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

B9. Dividend Proposed

The Board of Directors had on 27 February 2024 declared a third interim single tier dividend of 1.3 sen per ordinary share in respect of the financial year ending 31 March 2024. 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.

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 2023	31 December 2022	31 December 2023	31 December 2022
Profit attributable to owners of the Company (RM'000)	7,003	11,279	32,636	42,165
Weighted average number of shares in issue ('000)	462,418	419,952	454,811	417,331
Basic EPS (sen)	<u>1.5</u>	<u>2.7</u>	<u>7.2</u>	<u>10.1</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.



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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 2023	31 December 2022	31 December 2023	31 December 2022
Profit attributable to owners of the Company (RM'000)	7,003	11,279	32,636	42,165
Weighted average number of ordinary shares in issue ('000)	462,418	419,952	454,811	417,331
Effect of share options in issue and warrants conversion ('000)	5,282	5,964	6,951	11,669
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	467,700	425,916	461,762	429,000
Diluted EPS (sen)	<u>1.5</u>	<u>2.6</u>	<u>7.1</u>	<u>9.8</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 27 February 2024.