



Alicafé



Alicafé



Datuk Remy Ishak  
(Duta Alicafé)

# 2025 ANNUAL REPORT

POWER ROOT BERHAD Registration No.: 200601013517 (733268-U)

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## 19<sup>th</sup> ANNUAL GENERAL MEETING



No. 1, Jalan Sri Plentong,  
Taman Perindustrian Sri Plentong,  
81750 Masai, Johor



Wednesday, 27 August 2025



3.00 p.m.

## ANNUAL REPORT

The online version of PowerRoot Berhad's Annual Report 2025 is available on the website. Go to <https://powerroot.com.my/> or scan the QR Code with your smartphone.

Run the QR Code Reader app and point your camera at the QR Code.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Dato' Afifuddin bin Abdul Kadir**  
*Independent Non-Executive Co-Chairman*

**Y.A.D. Tengku Dato' Setia Putra Alhaj  
bin Tengku Azman Shah Alhaj**  
*Independent Non-Executive Co-Chairman*

**Wong Tak Keong**  
*Executive Director/Chief Executive Officer*

**Dato' How Say Swee**  
*Executive Director*

**Dato' Wong Fuei Boon**  
*Executive Director*

**See Thuan Po**  
*Executive Director*

**Dato' Tea Choo Keng**  
*Independent Non-Executive Director*

**Tan Lay Beng**  
*Independent Non-Executive Director*

**Ong Kheng Swee**  
*Non-Independent Non-Executive Director*

**Low Jun Lee**  
*Non-Independent Non-Executive Director*

**Azahar bin Baharudin**  
*(Resigned on 30<sup>th</sup> August 2024)*  
*Independent Non-Executive Director*

### COMPANY SECRETARIES

**Zuriati binti Yaacob (F)**  
SSM PC No. 202008003191  
(LS0010898)

**Tai Yit Chan (F)**  
SSM PC No. 202008001023  
(MAICSA NO. 7009143)

**Santhi A/P Saminathan (F)**  
SSM PC No. 201908002933  
(MAICSA NO. 7069709)

### REGISTERED OFFICE

Suite 9D, Level 9  
Menara Ansar  
65 Jalan Trus  
80888 IIBD Johor  
Tel : 07 - 224 1035  
Fax : 07 - 221 0891

### CORPORATE OFFICE

No. 30, Jalan Tago 9  
Taman Perindustrian Tago  
52200 Kuala Lumpur  
Website : [www.powerroot.com.my](http://www.powerroot.com.my)

### BUSINESS ADDRESS

No. 1, Jalan Sri Plentong  
Taman Perindustrian Sri Plentong  
81750 Masai, Johor

### PRINCIPAL BANKERS

United Overseas Bank  
(Malaysia) Berhad  
CIMB Islamic Bank Berhad  
Malayan Banking Berhad

### AUDITORS

KPMG PLT  
(LLP0010081-LCA & AF: 0758)  
Level 3, CIMB Leadership Academy  
No. 3, Jalan Medini Utara 1  
Medini Iskandar  
79200 Iskandar Puteri, Johor

### SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor  
Tel : 03 - 7890 4700  
Fax : 03 - 7890 4670

### STOCK EXCHANGE LISTING

The Main Market of  
Bursa Malaysia Securities Berhad  
Stock Name : PWROOT  
Stock Code : 7237  
Date of listing : 14 May 2007

## CORPORATE STRUCTURE



POWER ROOT BERHAD  
200601013517 (733268-U)

### MALAYSIAN COMPANIES

100%	Power Root (M) Sdn. Bhd.	100%	Power Root Marketing Sdn. Bhd.	100%	Power Root Manufacturing Sdn. Bhd.
100%	Nexora Verve Sdn. Bhd. (formerly known as Power Root Nnergy Sdn. Bhd.)	100%	Ali Cafe Sdn. Bhd.	50.1%	Power Root Distributor Sdn. Bhd.
100%	Power Impian International Sdn. Bhd.	95%	Superwrapz International Sdn. Bhd.	100%	Power Root Support Services Sdn. Bhd.
80%	Alicafe Roasters Sdn. Bhd.	80%	FODA Flavour & Ingredients Sdn. Bhd.	92.5%	French Patisserie Sdn. Bhd.
100%	Affari Inversions Sdn. Bhd.	100%	One Percent Brew Sdn. Bhd.	80%	Frenche Roast Roaster Sdn. Bhd.
70%	Viva La Liberica Sdn. Bhd.	33%	Jobtact Sdn. Bhd.	30%	My Liberica Coffee Sdn. Bhd.

### OVERSEAS COMPANIES

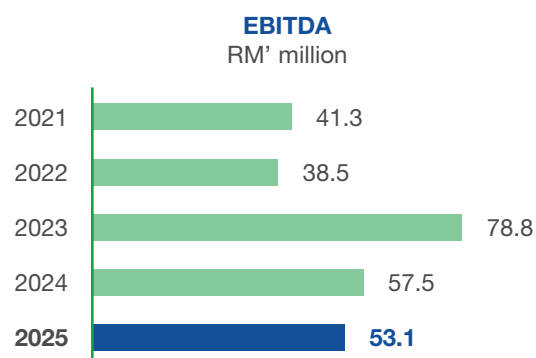
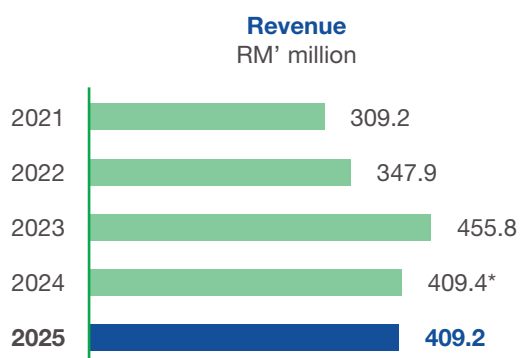
100%	Power Root (Shanghai) Food Trading Co., Ltd.	90%	Power Root HK-China Company Limited	97%	Power Root ME FZCO
100%	PR Global Assets Limited	100%	PT. Natbio Marketing Indonesia	100%	Power Root Egypt for Trading and Distribution (E.S.C.)
100%	PR Food Trading L.L.C-FZ	97%	PR Food Trading FZCO	100%	PRME Foodstuff Trading L.L.C.
				100%	Power Root Food And Beverages Nigeria Ltd

## FINANCIAL HIGHLIGHTS

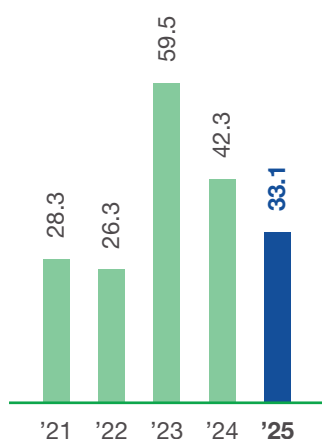
Financial year ended 31 March

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	309,218	347,910	455,763	409,431*	<b>409,217</b>
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	41,259	38,473	78,801	57,492	<b>53,144</b>
Profit Before Taxation ("PBT")	34,925	31,994	70,278	48,049	<b>41,570</b>
Profit After Taxation ("PAT")	28,339	26,319	59,451	42,308	<b>33,055</b>
Earnings Per Share ("EPS") (sen)					
Basic	6.79	6.21	14.02	9.10	<b>7.23</b>
Diluted	6.33	6.11	13.62	8.99	<b>7.10</b>
Dividend Per Share ("DPS") (sen)	6.50	5.40	11.75	7.10	<b>6.50</b>

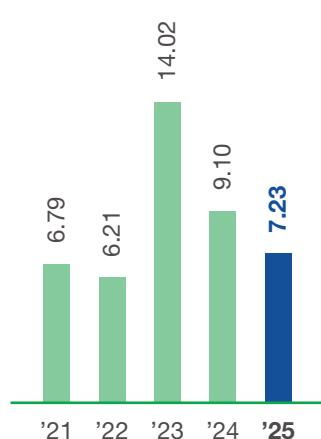
\* Restatement arising from the reclassification of figures to conform with current year's presentation



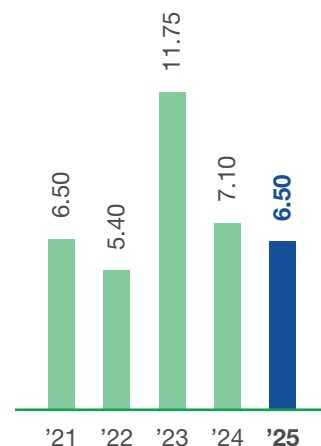
**Profit After Taxation ("PAT")**  
RM' million



**Basic EPS**  
sen



**Dividend Per Share ("DPS")**  
sen





## DIRECTOR'S PROFILE

### DATO' AFIFUDDIN BIN ABDUL KADIR

*Independent Non-Executive  
Co-Chairman*

**Malaysian | Aged 72 | Male**

**Dato' Afifuddin bin Abdul Kadir** was appointed as our Independent Non-Executive Co-Chairman on 16 August 2016. He is also the member of the Audit Committee and the Chairman of the Nominating Committee and Remuneration Committee.

Dato' Afifuddin graduated from Universiti Putra Malaysia with a Bachelor of Science in Agriculture Business degree in 1979. He joined the Malaysian Industrial Development Authority (MIDA) in 1979 as a Technical Professional Officer in the Industrial Studies Division.

He was attached to MIDA Sabah from 1982 – 1985; and from 1986 - 1990 he served as the Deputy Director in MIDA London. Later he was attached to the Transport and Machinery Industries Division as a Deputy Director.

In 1996 he was promoted as the Director in MIDA Paris and held the post until 2001. He was then transferred to London as the Director in MIDA London for four years before returning to MIDA HQ in early 2005 as the Director of the Electronics Industries Division.

At the end of 2005, he was given the task to head the Foreign Investment Promotion Division in MIDA HQ; among others his responsibilities include

overall planning, implementation and co-ordination of investment promotion strategies to attract foreign direct investments into Malaysia.

In March 2007, he was promoted to the post of Senior Director, Investment Promotion. He was responsible for the overall investment promotion activities particularly in promoting foreign and domestic investments as well as cross border investments.

In April 2008, he was promoted to the post of the Deputy Director General II and subsequently to the Deputy Director General I of MIDA in June 2008. He held this position until his retirement on 14 September 2011.

Dato' Afifuddin does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

### Y.A.D. TENGKU DATO' SETIA PUTRA ALHAJ BIN TENGKU AZMAN SHAH ALHAJ

*Independent Non-Executive  
Co-Chairman*

**Malaysian | Aged 74 | Male**

**Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj** was appointed as our Independent Non-Executive Co-Chairman on 5 July 2019. After completing his formal education in the 1960's, Tengku Dato' Setia Putra Alhaj was appointed as the Military Aide-de-Camp to His Royal Highness The Sultan of Selangor. He resigned from this position and entered the corporate world in 1995. Since then, he has extensive interests in civil, building construction and property development. He currently sits on the Board of several other private limited company and he is also the Independent Non-Executive Chairman of CME Group Berhad

which is listed on the Main Market of Bursa Malaysia Securities Berhad.

Tengku Dato' Setia Putra Alhaj does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

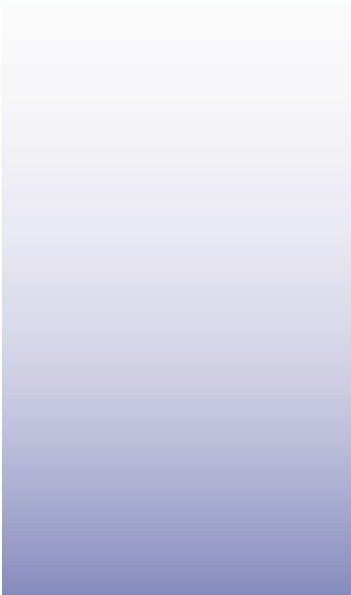
He attended 4 out of 5 Board meetings held during the financial year ended 31 March 2025.

## DIRECTOR'S PROFILE (cont'd)

### WONG TAK KEONG

*Chief Executive Officer*

**Malaysian | Aged 54 | Male**



**Wong Tak Keong** was appointed to our Board on 26 February 2018. He was designated as Chief Executive Officer on 1 July 2020 and was reappointed to our Board on 18 May 2023. He is also a member of the Option Committee.

He graduated from the University of Western Australia in 1991 with a Bachelor Degree in Accounting and Finance. In 1993, Mr. Wong started his career as an audit assistant with Pricewaterhouse Coopers and KPMG. In 1995, Mr. Wong joined Horwath Malaysia (now known as Crowe Malaysia PLT), a member of Horwath International (now known as Crowe Global), an international accounting firm as a Manager where he was then admitted as a partner in 1999. Mr. Wong is a member of both the Malaysian Institute of Accountants and the Certified Practising Accountant (CPA) Australia. He has 13 years of experience in public practice. Mr. Wong resigned as partner from

Horwath in December 2006 and started his own consultancy business in 2007. He joined Power Root as the International Business Manager in 2008 and was promoted as Director of International Business in 2017 and Managing Director in 2018 before he assumed his current position as Chief Executive Officer.

Mr. Wong does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings during the financial year ended 31 March 2025.

### DATO' WONG FUEI BOON

*Executive Director*

**Malaysian | Aged 59 | Male**



**Dato' Wong Fuei Boon** was appointed as our Executive Director on 2 February 2007. He is also one of the founding members of our Group. Prior to his involvement in our business, he owned and operated several mini-markets in Johor Bahru. Together with the other founding members, he formed Power Root (M) Sdn. Bhd. and Power Root Marketing Sdn. Bhd., wholly owned subsidiaries of Power Root Berhad. To further channel his efforts and time on our Group, he divested his mini-markets business in January 2006. He has 37 years of working experience in the sales of consumer products, out of which 25 years were in the food and beverage industry.

Dato' Wong does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

## DIRECTOR'S PROFILE (cont'd)

### DATO' HOW SAY SWEE

*Executive Director*

**Malaysian | Aged 62 | Male**

**Dato' How Say Swee** was appointed as our Executive Director on 2 February 2007. He is also one of the founding members of our Group. He operated several retail food outlets before forming Power Root (M) Sdn. Bhd. and Power Root Marketing Sdn. Bhd., wholly owned subsidiaries of Power Root Berhad with the other founding members. He has been involved in the food retailing business for 33 years.

Dato' How does not have any family relationship with any Director and/or

major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

### SEE THUAN PO

*Executive Director*

**Malaysian | Aged 49 | Male**

**See Thuan Po** was appointed as our Executive Director on 27 October 2007. He is also a member of the Option Committee. He holds a second upper honours degree in Accounting and Finance from the London School of Economics and Political Science and is a member of the Institute of Chartered Accountants of England and Wales.

His career path included auditing with Clarke & Co. Chartered Accountants, London for more than 3 years and investment banking with CIMB Investment Bank Berhad, having placements with the Corporate Finance and Structure Investment Division for approximately 5 years. Since joining the Group, he has

approximately 18 years of experience in the food and beverage industry.

Mr. See does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

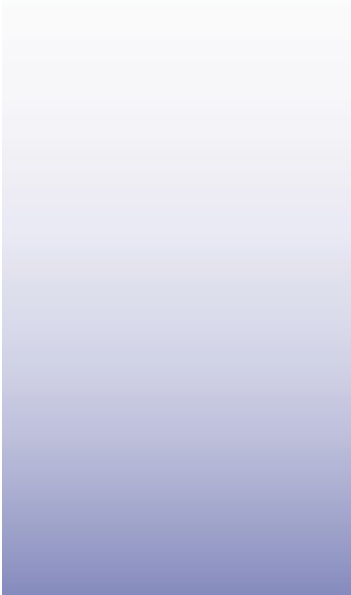


## DIRECTOR'S PROFILE (cont'd)

### ONG KHENG SWEE

*Non-Independent  
Non-Executive Director*

**Malaysian | Aged 67 | Male**



**Ong Kheng Swee** is our Non-Independent Non-Executive Director after having served as our Independent Non-Executive Director from February 2008 until 1 April 2022 when he was redesignated to his current position. He is currently the Chairman of the Options Committee and a member of the Remuneration Committee.

Mr. Ong is a Fellow of the Association of Chartered Certified Accountants of United Kingdom, a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia. He held various senior positions in both the professional sector (having worked with two major international accounting firms) and in the commercial sector including as chief financial officer. He had previously served as an Executive Director and Chief Financial Officer of an automotive components distribution company listed on the Main Market of

Bursa Malaysia Securities Berhad until March 2020 when he left to pursue his interest in management consulting and advisory. He is currently an Independent Non-Executive Director of Haily Group Berhad which is listed on the ACE market of Bursa Malaysia Securities Berhad.

Mr. Ong does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. Save as disclosed above, he does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 5 out of 5 Board meetings during the financial year ended 31 March 2025.

### DATO' TEA CHOO KENG

*Independent  
Non-Executive Director*

**Malaysian | Aged 57 | Male**



**Dato' Tea Choo Keng** was appointed as our Independent Non-Executive Director on 1 September 2019. He graduated with a law degree (LL.B Hons) from the University of Hull (United Kingdom) in 1991. He was called to Bar and admitted as the advocate and solicitor in 1993. He set up his own legal practice under the name of Messrs Tea & Company in year 1994. He is now the managing partner of Messrs Tea, Kelvin Kang & Co, a legal firm in Johor Bahru.

Dato' Tea does not have any family relationship with any Director and/or major shareholder of the Company, nor

does he have any conflict of interest with the Group. He is an Independent Non-Executive Director of Cheetah Holdings Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

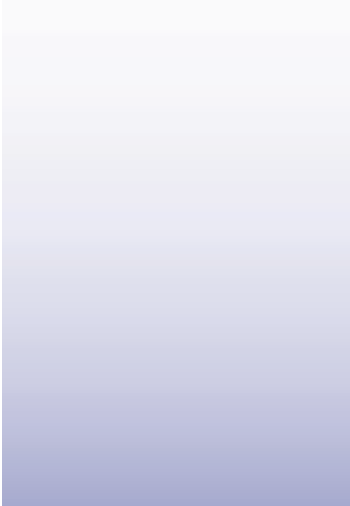
He attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

## DIRECTOR'S PROFILE (cont'd)

### TAN LAY BENG

*Independent  
Non-Executive Director*

**Malaysian | Aged 71 | Female**



**Tan Lay Beng** was appointed as our Independent Non-Executive Director on 3 January 2022. She is also the Chairperson of the Audit Committee, a member of the Remuneration Committee and Nominating Committee.

Ms. Tan is a Fellow of the Association of Chartered Certified Accountants of United Kingdom, a Public Accountant of the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia. She is the past Chairperson for Southern Branch of Chartered Tax Institute of Malaysia and also the past Johor Regional Chairperson of Malaysian Institute of Accountants.

She has wide experience in accounting, audit and tax having worked with a mid-size and an international accounting firm before starting her own consulting practice.

She is presently an Independent Non-Executive Director of Solid Automotive Berhad, AME Elite Consortium Berhad (both listed on the Main Board of Bursa Malaysia) and BMS Holdings Berhad.

Ms. Tan does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

She attended 5 out of 5 Board meetings held during the financial year ended 31 March 2025.

### LOW JUN LEE

*Non-Independent  
Non-Executive Director*

**Malaysian | Aged 25 | Male**



**Low Jun Lee** was appointed as our Non-Independent Non-Executive Director on 30 April 2021.

He graduated from the University of Melbourne in 2023 with a Bachelor Degree in Commerce. In 2024, Mr. Low commenced his career as a strategy consultant in Singapore.

Mr. Low is the son of the late Dato' Low Chee Yen, who was one of the founding members and former Managing Director and substantial shareholder of the Group. He does

not have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

He attended 3 out of 5 Board meetings held during the financial year ended 31 March 2025.

## KEY SENIOR MANAGEMENT'S PROFILE

### NEO MENG PEY

*Group Financial Controller*

**Female | Aged 45 | Malaysian**

**Neo Meng Pey** is a Fellow of the Association of Chartered Certified Accountants of United Kingdom and a member of Malaysian Institute of Accountants. Prior to joining the Power Root Group in January 2020, she has over 18 years of work experience in auditing, accounting, financial management and reporting, tax and treasury in various companies. She assumed the role as Group Financial Controller in the Power Root Group on 3 January 2023.

Ms. Neo does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Group. She does not hold any other directorships in public companies and listed issuers. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

### SOON CHIA CHIA

*Chief Operating Officer*

**Female | Aged 50 | Malaysian**

**Soon Chia Chia** is a Chartered Accountant with Certified Practising Accountant (CPA) Australia qualification. Prior to joining the Power Root Group in March 2023, she has over 26 years of work experience in Financial & Management accounting, Business Analytics, Supply Chain, and R&D across multiple FMCG MNCs and local corporations. She assumed the role as Chief Operating Officer in the Power Root Group on 1 March 2023.

Ms. Soon does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Group. She does not hold any other directorships in public companies and listed issuers. She has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

### SOH JOO THYE

*General Manager – Finance*

**Male | Aged 51 | Malaysian**

**Soh Joo Thye** is an associate member of the Chartered Institute of Management Accountants (CIMA) from UK and Chartered Global Management Accountant (AICPA-CIMA). Prior to joining the Power Root Group in November 2022, he has over 27 years of experience in the field of auditing, controlling, financial management & analysis, tax and treasury. He is involved mainly in manufacturing industries for FMCG as well as hospitality industry. He assumed the role as General Manager - Finance in the Power Root Group on 1 August 2023.

Mr. Soh does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He does not hold any other directorships in public companies and listed issuers. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any and has not been imposed of any public sanction or penalty by relevant bodies during the financial year.

## SIGNIFICANT EVENTS

### CROSS-PRODUCT EVENTS

#### Hari Raya 2025 campaign

‘Bersama Meriahkan Raya’ was the Hari Raya 2025 campaign slogan as Power Root Berhad and its subsidiary companies (“Power Root” or the “Group”) kicked off Hari Raya celebrations with a contest offering prizes worth over RM390,000. The campaign ran from 12 February 2025 to 6 May 2025.

The grand prize was a modified GWM Tank 300, a robust sports utility vehicle (SUV) designed for off-road driving. In addition, there were 10 monthly prizes of iPhone 16 Plus as well as 10 weekly cash prizes of RM500 each up for grabs. The contest promoted five Power Root brands – Alicafé, Per’l, Extra Power Root, Jom Teh and Oligo - with participants having to spend a minimum of RM10 on any of these products to take part in the contest.

Selected key opinion consumers (KOCs) and user-generated content such as videos and reviews were used to promote the contest across social media platforms including TikTok, Instagram, FaceBook and YouTube. Power Root’s newly-formed Social Media team played a significant part in developing 15 and 30-second videos to hype up interest for the campaign.

Our partner outlets which included Aeon, Billion, Longwan and The Store provided promotional support through mailer and digital posting. In-store activities were also held with Alicafé Tongkat Ali and Ginseng, Alicafé Hazelnut and Per’l Hazelnut samples on offer. The contest was a great success with over 25,000 participants.



*Dato' Afifuddin with the grand prize winner, Muhammad Hilmi and his family*



*Power Root Hari Raya Contest - Bersama Meriahkan Raya*



## SIGNIFICANT EVENTS (cont'd)

### Jom Heboh

Jom Heboh carnivals in Kuala Terengganu and Johor Bahru featured multiple brands across the Power Root family. At these two events held respectively in August 2024 and November 2024, Frenché Roast, Alicafé, Per'I, Oligo, and Extra Power Root were on prominent display.

In addition to promoting our products and driving sales, these carnivals helped Power Root gauge consumer response to new products while building brand awareness for existing products. It also provided us with an insight into Power Root's current consumer base, their preferences and buying patterns which will be useful in formulating future campaigns.

Selected participants were treated to a 'Meet and Greet' session with Per'I Ambassador Han Byul in both Kuala Terengganu and Johor Bahru. In the Johor Bahru 'Meet and Greet' session, Han Byul was joined by our outgoing Alicafé ambassador Khai Bahar.



*Power Root Team at Jom Heboh Johor Bahru – Angsana Johor Bahru Mall*



*Meet and Greet with Han Byul and Khai Bahar*

### ALICAFÉ

The Group continued with our effective highway billboard advertising campaign with prominent displays of Power Root products along the North-South highway throughout financial year ended 31 March 2025 ("FY 2025") with 19 billboards in both north-bound and south-bound directions.

Malaysian actor, Datuk Mohammad Zalimei bin Ishak better known as Remy Ishak joined us as the new Alicafé ambassador in June 2025. Remy is well known for his wide array of work across film and television which has been recognised locally and regionally. Remy's high profile as a popular entertainer will help us keep the Alicafé brand in the spotlight.



*Alicafé Billboards along North-South highway*

## SIGNIFICANT EVENTS (cont'd)

### FRENCHÉ ROAST

Building on the successful marketing strategies we have employed in recent years, Power Root continued using cross-category brand collaborations to increase French Roast brand visibility. Recognising Malaysians' love for pairing coffee with bread, we teamed up with Sunshine Bread in offering a combo Value Package comprising an 18 sachet pack Frenché Roast Hazelnut Latte with a loaf of Sunshine soft white bread. This promotion was available at Aeon stores in the Kuala Lumpur, Selangor and Seremban areas throughout the month of November 2024.

### AH HUAT

The Ah Huat marketing year kicked off with strong momentum through our Chinese New Year campaign which ran from December 2024 to February 2025. As with other Power Root brands, we are intensifying Ah Huat's digital presence with consumer engagement and a heavier presence on social media.

At the same time, we remain mindful of our more traditional customer base that resonates with the Chinese characters “人情味” which means “human touch” and references values that the Ah Huat brand has long embodied – filial piety, loyalty, credibility, righteousness and integrity.

As such, Ah Huat's integrated marketing activities is a blend of advertisements across conventional media such as television and radio, as well as digital advertising and videos. Our much anticipated annual festive Ah Huat Chinese New Year video generated excitement in the build up to Chinese New Year festive period and ran across the entire media spectrum. Additionally, Ah Huat's Chinese New Year Triple Pack offerings continue to be popular with over 20,000 packs placed out in the market.



Ah Huat Chinese New Year video 2025

Ah Huat's Singapore 2025 Chinese New Year campaign featured actor-comedians Mark Lee and Henry Thia as we sought to localise content aimed at the Singaporean market. These well-known personalities promoted Ah Huat products via a Chinese New Year greeting video and through their social media feeds.



Ah Huat's Chinese New Year Triple Pack



Mark Lee and Henry Thia promoting Ah Huat Chinese New Year products on Instagram

The Ah Huat Mid-Autumn festival were celebrated on both sides of the Causeway with campaigns throughout August 2024 and September 2024, offering special Ah Huat White Coffee Extra Rich twin packs with an added special gift of a “Huat” mug for Malaysian consumers and a glass container for Singaporean consumers. A catchy theme song and accompanying animated video encapsulated the fun Mid-Autumn spirit and celebrations. This video was released on YouTube, FaceBook and Instagram in August 2024.



Ah Huat White Coffee Extra Rich twin packs – “Huat” Mug and glass container



## SIGNIFICANT EVENTS (cont'd)

Ah Huat products were also featured in cross-category brand collaboration partnerships. Power Root has found this a successful tactic in introducing new flavours into the market. This year, sachets of selected Ah Huat Tea Blend products were paired with certain size boxes of QL eggs at participating Malaysian grocery outlets in January 2025.



QL Eggs x Ah Huat Collaboration

In Singapore, Power Root had a similar collaboration programme where we leveraged on a well-known partner brand. Sachets of the newly launched “Gao Siew Dai” Ah Huat products were packed together with Gardenia Bread loafs at selected stores in October 2024 and November 2024.



“Gao Siew Dai” Ah Huat collaboration with Gardenia Bread

### OLIGO

Power Root’s pro-humanitarian Oligo Gaza Initiative which started in the financial year ended 31 March 2024 (“FY 2024”) continued into the new financial year with a sales campaign running from 1 March 2024 to 12 April 2024. Through public support and contributions from the Group, an additional amount of RM147,787 was raised as donation for victims of the conflict. This sum was channelled to Tabung kemanusiaan Palestin Media Prima in April 2024. Power Root had earlier separately donated RM250,000 in February 2024. In total, the Group managed to raise donations totalling RM397,787.

In collaboration with different partners, Tabung kemanusiaan Palestin Media Prima disbursed a total of RM1.9 million to non-government organization (NGO) missions to provide, amongst others, food and clean water, essential medical supplies and shelter to Palestinians.

## SIGNIFICANT EVENTS (cont'd)

The 2024 Paris Olympics brought with it national excitement, even among casual sports fans, as Malaysia once again dreamed of its first Olympic gold medal. Oligo's brand ambassador, national track cycling icon Dato' Azizulhasni Awang ("Dato' Azizul"), was seen as a strong medal contender.

Although he was unsuccessful in his bid for an Olympic medal, it was an honour for Oligo to be associated with an athlete of his calibre – one who has reached the pinnacle of athletic success and who hasn't given up on his dream despite various setbacks.



*Dato' Azizul promoting Oligo products on his Instagram*

Dato' Azizul's engaging personality and positive image significantly boosted Oligo's brand exposure. His involvement in the "Max Out Your Potential" campaign, which ran across social media from July 2024 to September 2024, led to increased engagement and wider market reach, resulting in higher Oligo demand.



*Oligo "Max Out Your Potential" Advertisement*

## SIGNIFICANT EVENTS (cont'd)

Riding on the enthusiasm which had built during the year, the Oligo Instore Roadshow at Aeon Mall AU2 Setiawangsa, Kuala Lumpur from 30 November 2024 to 1 December 2024 featured, amongst others, a challenge where ordinary people can have a go at trying to emulate Dato' Azizul's speed and strength on a stationary bike. This challenge was eagerly taken up by shoppers of all ages as they gamely put their cycling abilities to the test earnestly with a 'Malaysia Boleh' spirit and attitude. Participants and lucky shoppers were also rewarded with Oligo goodies.



*Oligo Instore Roadshow at Aeon Mall AU2 Setiawangsa*



Our new Oligo ambassador brings with him a different yet similar story. In contrast to Dato' Azizul, Putra Assolihin bin Mohamad Hamim is very much at the start of his journey and still working his way to fulfilling his own dreams despite his age of 13 years old. This youngster from Kedah has shown his potential in the world of badminton with multiple triumphs in junior tournaments and is on an upward path in his chosen sport. His drive to succeed resonates with our Oligo's brand ethos of empowering individuals to exceed their limits and embrace their potential.



*Oligo's participation at Scout Malaysia's Jamboree*

Oligo's outreach to young consumers included taking part in the Scout Malaysia's Jamboree which included participants from different schools at the end of December 2024. The jamboree was held at Taman Tasik Millenium, Kuala Kubu Baru, Selangor.





## SIGNIFICANT EVENTS (cont'd)

### PER'L

As with Alicafé, our social media team has positioned Per'l's digital media profile i.e. women's wellness at the forefront of its activities. Women's health and beauty awareness is a fast-growing market space with social media platforms a favourite avenue of information-gathering among consumers. Han Byul as Per'l Ambassador has played a big part in these efforts to ramp up Per'l profile by actively posting more about Per'l on his own Instagram page.

Per'l was one of the featured brands during Power Root's participation in Jom Heboh carnivals in Kuala Terengganu and Johor Bahru with encouraging interest displayed by consumers.



*Increased postings on Per'l's page to gain more brand awareness*

## MANAGEMENT DISCUSSION AND ANALYSIS



Revenue

**RM409.22**  
million

(2024: RM409.43 million)

Profit After Taxation ("PAT")

**RM33.05**  
million

(2024: RM42.31 million)

Profit Before Taxation ("PBT")

**RM41.57**  
million

(2024: RM48.05 million)

The FY 2025 has seen economies, businesses and individuals enduring economic instability and rising costs-of-living driven by regional conflicts, global economic upheavals and increasing climate-change impacts. The on-going conflicts in the Ukraine and the Middle East continue to fuel uncertainty and supply-chain disruptions well beyond their immediate regions. Such geopolitical and trade tensions, together with nationalistic shows of economic power and the threat of tariff wars, have all added to worldwide tension.

Domestically, policy shifts aimed at strengthening Malaysia's economic structure have also generated uncertainty amongst the populace as can be seen in the wavering spending confidence.

Similar to other businesses, Power Root is endeavouring to manage the impact of these headwinds. We are manoeuvring our way across these choppy macroeconomic conditions which are impacting the pricing of raw materials, logistics and labour, as well as shaping consumer sentiment.

At the same time, the Group is formulating and carrying out strategies which ensure we remain resilient while laying the foundation for our future growth. This includes carrying on with measures to fortify our business internally through continual operational efficiencies which include enhancing our factory processes and workflow efficiencies. Efforts on research and development were also emphasized for continuous product innovation and new production introduction in the current dynamic market.

The Group has also initiated the creation of an internal digital marketing department which allows for increased market visibility and quicker response in engaging consumers. This will enable us to maintain high market visibility and draw more attention to our brands which include Alicafé, Per'l, Ah Huat, Frenché Roast, Oligo and Extra Power Root.

In addition, the Group launched the issuance of RM100 million Sukuk Wakalah during the financial year to enable us to tap into more potential opportunities for business expansion. Beyond these measures, we are expanding our footprint along the value chain. Notably, we acquired a 30 percent stake in My Liberica Coffee Sdn. Bhd. ("MyLiberica") in FY 2025. This allows us to team up with MyLiberica in the upstream activities of planting, production and packaging of coffee beans in the future.

In a fast-changing and challenging economy, Power Root is committed to exploring fresh business opportunities and adapting as needed to continue to grow.

### THE BUSINESS ENVIRONMENT

FY 2025 was shaped by a combination of domestic and global events, resulting in an unsettled business environment and ambivalent consumer sentiment.

Regulatory changes such as the increase in minimum wage requirements have played a part in putting pressure on the Group's operational costs. The current impacts of implemented sugar tax as well as potential

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

further hikes in the domestic sugar tax have prompted us to continue reformulating our product mix. We remain committed to maintaining the taste and quality of our products while ensuring compliance with both local and export regulations, supported by ongoing investment in research and development (R&D).

Energy costs have also contributed to increased operational costs, driven by higher electrical tariffs and increased diesel price that pushed up operational and logistics expenses. Nevertheless, as we progress onwards with our operational sustainability initiatives, Power Root's investment in solar energy power in the past few years have paid off in contributing to offset some of these energy costs.

Currency fluctuations and an increase in commodity prices contributed to cost pressures on raw material costs. There remains a mismatch of supply and higher demand for coffee and cocoa globally with the resulting shortage causing heightened prices. This pricing uncertainty was also influenced by climate and crop yield factors in which fuels further unpredictability. However, Power Root had managed to mitigate this impact somewhat with long term coffee and cocoa supply contracts.

As a result of increasing production costs and ongoing inflationary pressures, the Group made the strategic decision to adjust product prices as a response to market trends and in order to protect margins. These progressive decisions were made in consideration of striking a balance between business resilience and our mindfulness of the economic pressure consumers are facing in lower purchasing power and induced cautious spending behaviour. Furthermore, we are also cognisant of the pricing risk in a highly competitive market where we operate.

### DOMESTIC ACTIVITIES

Amid unpredictable macroeconomic conditions, Power Root has focused on recalibrating our internal operating frameworks, systems and processes to ensure operational efficiency across functions. This included workflow simplification, refinement, alignment and digitalization to ensure agility and adaptability to respond swiftly to changes in the external environment.

One of the necessary measures focused by the Group was to increase productivity and efficiency with more effective workforce management. At our Johor Bahru plant, improved factory efficiency enabled us to optimize the workforce numbers. At our Kuala Lumpur office, sales operations restructuring allowed us to rightsize the number of required merchandisers and promoters.

A key milestone in FY 2025 was the transition of social media management to our newly established in-house Social Media Division, which has become the focal point of our marketing strategy. In the last few years, consumers' media engagement has accelerated towards social media and influencer-driven digital platforms, and moved away from conventional platforms such as television advertising. This trend is especially pronounced among younger consumers who access information primarily via mobile devices.

### MARKETING AND BRANDING DIGITAL MARKETING TEAM EXPANSION BY IN HOUSE MARKETING TEAM

The Social Media Division is tasked with enhancing Power Root's digital marketing presence to better engage consumers and extend our market reach. Of particular note is the ability of our team to showcase content with improved quality featuring subjects which are creative, relatable, trendy, and lifestyle-oriented with our products in mind. Such content is more tailored to specific audiences and platforms amid changing consumer preferences. For example, social media content aimed at younger audiences cater to their preference for interaction, as opposed to conventional media content. Speed-to-market for such content has also led to greater engagement and participation.

### ISSUANCE OF RM100 MILLION SUKUK WAKALAH

FY 2025 was also significant for Power Root in terms of financing strategies. In September 2024, we announced the submission of necessary documents to the Securities Commission of Malaysia for the Islamic Medium Term Notes (IMTN) of up to RM500 million in nominal value, based on the shariah principle of Wakalah Bi Al-Istithmar.

This is the first time in the Group's history that we have chosen to use this financing option leveraged by Power Root's strong credit rating of AA- by the Malaysian Rating Corporation Berhad (MARC). The funds of the sukuk will be utilised for working capital, potential merger and acquisition activities, capital expenditure, and to refinance existing borrowings or future financing. We completed the first issuance for RM100 million on 7 November 2024.

### UPSTREAM OPPORTUNITIES

In pursuing upstream opportunities, the Group has invested in a 30% stake in MyLiberica in FY 2025. Currently, MyLiberica has plantation operations in Johor and processes its own coffee beans which will allow us to tap into the prospects of "bean to cup" process.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

While still in the early stages, we are excited for the bean-to-cup potential this investment and opens up possibilities for Power Root along the entire supply chain to enhance our ability to expand on product type offerings, taste, packaging, and outlets, which are advantageous options as we continue to grow in tandem with market trends.

### NEW PRODUCT DEVELOPMENT

Power Root expanded the Alicafé product range in the financial year with the launch of Alicafé Hazelnut in November 2024. This powdered variant is designed for consumers who enjoy their coffee with a rich and refined hazelnut aroma, offering a sophisticated twist to their daily coffee experience.

In Singapore, our newly developed product Ah Huat Kopi O Gao Siew Dai hits the markets in May 2025 in addition to its white coffee variant which was introduced in FY 2024. “Gao” means thick in Hokkien, while “Siew Dai” refers to it being less sweet. This “less sweet yet rich” flavour is in line with the trend of pursuing simplicity, purity and pleasure in life. Gao Siew Dai focuses more on presenting coffee’s rich taste while maintaining its original “gao” pungent aroma and flavour in place of the traditional cup of sweet coffee.

Per’l Teh Ros Latte is the latest offering from our Per’l line aimed at the ladies’ market. Launched in December 2024, this creamy tea latte is infused with Kacip Fatimah and marine collagen which is generally beneficial to consumers.

### EXPORT ACTIVITIES

It was a challenging year for Power Root in the Middle East and North Africa (MENA) region with performance falling short of expectations. The decline was largely attributed to the combination of softened demand and local regulatory headwinds. Although the sugar tax was introduced several years ago in markets such as the United Arab Emirates and Saudi Arabia, its full impact has now materialised with the resulting price increases dampening consumer demand, especially amid intensified market competition.

During this financial year under review, the Group successfully completed the second phase in implementing our new customer relationship management system - NeoCRM (Customer Resource Management System) which we started in the FY 2024. This new system provides data analytics with customised features to help us drive sales and enhance customer relations for the MENA markets.

In Singapore, Power Root has adapted our marketing strategy to focus on timing our targeted promotions for maximum consumer attention. This strategy was implemented for the launch of our new product Ah Huat Gao Siew Dai which is aimed at meeting the Singaporean consumer’s demand for rich aroma coffee with reduced sugar content.

In addition, we have fine-tuned our marketing strategy with content specially created with the local audience in mind. This includes the use of well-known Singaporean personalities in our videos and social media partners, and partnering up with brands Singaporeans are more familiar with. This has helped Power Root build up further visibility and traction for products aimed specifically at the Singapore market.

Our collaboration with Sappe, our co-investor since FY 2024 in Thailand has been an insightful experience. As we are new in this market, we are still adjusting to the competitor and consumer behaviours in Thailand. The intense competition in the supermarket space has called for a reset in our strategy. This includes introducing our Frenché Roast product into popular convenient store space such as 7-Eleven and CJ convenience stores and via online platforms such as TikTok, Shopee and Lazada.

Globally, the Group is looking beyond our existing export markets. Power Root has successfully expanded sales into Egypt, Ghana, New Zealand, Tanzania and Uzbekistan in FY 2025. The Group intends to explore further into penetrating new markets for our next phase of growth, particularly in the African region.

### OPERATIONS

#### Production facilities and product management

Operational efficiency in manufacturing high quality products is the keystone of Power Root’s internal framework. To this end, we constantly train our workforce as well as upgrade our machines, materials and processes to ensure this objective is met.

During the year, we procured and upgraded machines to raise production capacity, increase efficiency and lower production turnaround time. Our production floor team have successfully modified and fine-tuned machines and processes to reduce housekeeping and turnaround time through better maintenance. Efforts have also been directed to machinery upgrades to improve production accuracy resulting in less rejections in packaging. A more rigorous machinery maintenance program of machine materials we use contributed to reduced wastage and decrease in machine downtime as well.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Other cost-saving measures include upgrade to new ink-saving Fastjet printers for lower maintenance and consumables. The Group has also effectively improved reporting governance which provides management with better clarity in driving business solutions and decisions. This consolidation was achieved by migrating, upgrading and integrating inter-departmental reports, systems and software resulting in increased work efficiencies and reduce reporting turnover downtime.

Power Root has made notable progress in attaining vertical integration by strategically bringing a portion of its coffee roasting and micro-grinding operations in-house. Since FY 2024, the company has been producing the Ah Huat Kopi-O for the Singapore market in-house and we are exploring opportunities to supply for other markets as well.

This is a long-term strategy which will tighten the Group's control over coffee quality and consistency while reducing our dependency on external suppliers. From a cost efficiency standpoint, this development will lead to long-term cost savings and improved profit margins with the increased in-house capabilities providing greater flexibility in meeting market demand. In FY 2025, workflow improvements resulted in increased output and greater efficiency with less manpower required for production.

### FINANCIAL REVIEW

REVENUE	LOCAL (RM'million)	EXPORT (RM'million)
<b>FY 2025</b>	258.4	150.8
<b>FY 2024</b>	242.8	166.6

For the FY 2025, the Group recorded revenue of RM409.2 million, a decrease of approximately 0.05% from the revenue of RM409.4 million recorded in FY 2024.

The increase in local market revenue can be attributed to improved consumer sentiment due to stronger economic growth while the decrease in export revenue was due to regulatory challenges within MENA region.

### PROFIT AFTER TAX

For the FY 2025, the Group recorded a PAT of RM33.1 million, a decrease of 21.7% from the PAT of RM42.3 million in FY 2024.

The decrease in PAT was attributed to lower revenue recorded for the year, lower gain on foreign currency translation, higher staff cost, higher advertising and promotional expenses and higher finance costs.

### STATEMENT OF FINANCIAL POSITION

	FY 2025 (RM'000)	FY 2024 (RM'000)
<b>Total Assets</b>	509,973	505,510
<b>Equity attributable to the owners of the Company</b>	295,027	345,832
<b>Total Liabilities</b>	212,964	157,765
<b>Borrowings</b>	101,432	59,304
<b>Gearing (times)</b>	0.344	0.171

The Total Assets of the Group increased by RM4.5 million in FY 2025 mainly due to purchase of property, plant and equipment, offset by lower trade and other receivables.

The Total Liabilities of the Group increased by RM55.2 million in FY 2025 mainly due to increase in loans and borrowings arising from the Sukuk programme.

With a gearing of 0.344 as at 31 March 2025, the Group's financial position remains sound.

### DIVIDENDS

Financial Year	Dividend Per Share ("DPS") (sen)
2025	6.50
2024	7.10
2023	11.75
2022	5.40
2021	6.50

On 4 October 2024, the Group paid a first interim single tier dividend of 1.2 sen per ordinary share totalling to RM5.4 million in respect of the current financial year.

On 30 December 2024, the Group paid a second interim single tier dividend of 2.0 sen per ordinary share amounting to RM8.6 million in respect of the current financial year.

On 3 April 2025, the Group paid a third interim single tier dividend of 2.0 sen per ordinary share amounting to RM8.5 million in respect of the current financial year.

On 4 July 2025, the Group paid a fourth interim single tier dividend of 1.3 sen per ordinary share amounting to RM5.5 million in respect of the current financial year.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

The Board did not recommend the payment of any final dividend in respect of FY 2025.

As such, the total dividends paid for FY 2025 is 6.5 sen per ordinary share amounting to RM28.0 million, representing a dividend pay-out ratio of approximately 87.6%.

The Group's dividend policy is to maintain a minimum of 50% dividend pay-out ratio. Since our listing on Bursa Malaysia Securities Berhad in 2007, the Group has paid out a total of RM497.8 million in dividends, representing a dividend pay-out ratio of approximately 85.9%. It is our intention to continue to reward our shareholders for their loyalty and participation in our growth.

### BUSINESS OUTLOOK

Power Root will continue to focus on business growth through internal efficiencies, innovative products and the pursuit of market opportunities related to our core business. We remain committed to making on-going improvements to our product quality and range to meet customer satisfaction. Digital marketing will play a vital role as we seek to expand our consumer base and build closer customer relationship through better engagement and visibility.

### AREAS OF RISK

Geopolitical factors are likely to impact business opportunities in the coming year while conflicts in the Middle East and Ukraine remain unresolved. Trade tensions and tariffs disputes between the United States and other countries will also cause disruptions globally impacting trade, currency fluctuations, inflation, the price of raw materials, and global supply chains. We are closely reviewing our strategies for the year ahead to ensure we are able to overcome such uncertainties whilst building on the opportunities it may present.

### APPRECIATION

On behalf of the Board, we would like to thank all stakeholders of Power Root, especially shareholders, distributors, management and staff, for your efforts and continued confidence during this challenging year. Power Root's continuing growth is the combined effort of all stakeholders working together to achieve this common objective.



# SUSTAINABILITY STATEMENT

## About this Statement

As an established beverage producer, Power Root Berhad and its subsidiary companies ("Power Root" or the "Group") recognises the vital role sustainability plays in ensuring long-term business resilience and value creation. As such, we are pleased to present our Sustainability Statement, as we outline our efforts towards responsible practices while setting the foundation for the initiatives that follow.

In advancing climate transparency, we have commenced reporting on climate-related risks and opportunities to better position ourselves in mitigating climate change. As part of our broader strategy to manage both transition and physical risks, we have enhanced our renewable energy initiatives to reduce our carbon footprint. Following the deployment of Phase 1 in FY 2022, Phase 2 of our solar PV system was completed and became operational in October 2024, reinforcing our pursuit towards lower-carbon operations while enhancing cost efficiencies across our business activities.

We also promote responsible waste management through initiatives such as the KITAREcycle Programme, fostering collaboration across departments to enhance recycling practices within our operations. These efforts focus on collecting and recycling plastic, aluminium and paper, including daily complimentary meal box containers. Employees are also encouraged to contribute by bringing recyclable items from their homes, hostels, or other locations to further support the initiative.

## Scope and Boundary

The reporting period for this Statement covers 1 April 2024 to 31 March 2025 ("FY 2025") and includes the operations of our head office and production plants in Johor and our marketing office in Kuala Lumpur.

### Group of Companies

#### Power Root Berhad

- Power Root (M) Sdn. Bhd. ("PRM")
- Power Root Manufacturing Sdn. Bhd. ("PRMFG")
- Power Root Marketing Sdn. Bhd. ("PRMK")
- Affari Inversions Sdn. Bhd. ("AFFARI")
- FODA Flavour & Ingredients Sdn. Bhd. ("FODA")



### Office and Production Plants

#### KL Branch

- Sales, Distribution and Marketing Hub ("PRMK")

#### Johor Branch

- Plant 1 ("PRMFG")
- Plant 2 ("PRM")
- Sales Office and Warehouse ("PRMK") and ("PRMFG")
- Plant 4 ("PRMFG")

Where relevant, historical data has been included for comparative and trend analysis.

## Reporting Frameworks and Guidelines

This Statement was prepared in compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR") and with reference to the Sustainability Reporting Guide (3<sup>rd</sup> edition). Our disclosures are guided by the International Financial Reporting Standards ("IFRS") S2, the Global Reporting Initiative ("GRI") Standards and the United Nations Sustainable Development Goals ("UN SDGs").



## Assurance Statement

To further strengthen the credibility of Power Root's Sustainability Statement, selected indicators presented have been subjected to an internal review by the Group's Internal Auditors, the results of which are reported to the Audit Committee. We have not sought any independent assurance for the Sustainability Statement FY 2025.

## Enquiries and Feedback




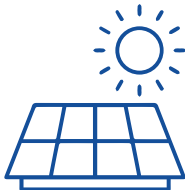









We welcome comments and enquiries as part of our ongoing efforts towards continuous improvement. Kindly direct all feedback to the contact provided below.

Email : [ir@powerroot.com.my](mailto:ir@powerroot.com.my)

Address : No. 30, Jalan Tago 9,  
Taman Perindustrian Tago,  
52200 Kuala Lumpur

## SUSTAINABILITY STATEMENT (cont'd)

### Marking Our Sustainability Achievements in FY 2025

Innovating Product Quality and Safety		Upholding Integrity and Excellence	
	<b>Zero</b> incidents of non-compliance with health and safety regulations or voluntary codes of products		<b>Zero</b> units of products recalled for health and safety reasons
			<b>100%</b> of operations assessed for corruption risks, with <b>zero</b> incidents of corruption reported
Advancing Environmental Stewardship			
	Completed <b>Phase 2 of the solar PV system</b> installation, increasing total installed capacity to <b>1,075 kWp</b>		<b>Zero</b> significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations
			<b>Zero</b> substantiated complaints related to breaches in customer privacy and data loss
		Empowering People and Communities	
	<b>10%</b> of total electricity consumption sourced from on-site solar generation		<b>0.30</b> Lost-time incident rate over <b>2,006,456</b> man-hours
			<b>15</b> average hours of training per employee
	<b>644 tCO<sub>2</sub>e</b> of GHG emissions avoidance		
	<b>26%</b> of company-owned fleet consists of hybrid and electric vehicles (“EVs”)		<b>Zero</b> reported violations of labour standards and substantiated cases of discrimination
			
	<b>53%</b> of total waste generation diverted from disposal		<b>Zero</b> substantiated complaints concerning human rights violations



## SUSTAINABILITY STATEMENT (cont'd)

### The Milestones in Our Sustainability Journey

Our sustainability journey underscores our focus towards responsible growth in the beverage industry. We reduce environmental impact and create long-term value for stakeholders while maintaining product quality and competitiveness.

FY 2018 – FY 2019	FY 2020 – FY 2022	FY 2023 – FY 2024	FY 2025
<ul style="list-style-type: none"> <li>Published our inaugural Sustainability Statement and adopted GRI disclosure requirements</li> <li>Established a Sustainability Policy encompassing the Economic, Environmental and Social (“EES”) pillars</li> <li>Established a Sustainability Governance Structure with defined roles and responsibilities</li> <li>Aligned business practices with five UN SDGs</li> <li>Conducted the first materiality assessment and developed a materiality matrix on 14 sustainability matters in FY 2019</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Bursa Malaysia Sustainability Reporting Guide (2<sup>nd</sup> Edition)</li> <li>Developed a Group-wide Sustainability Framework</li> <li>Conducted materiality reassessments in FY 2020, FY 2021 and FY 2022 on 10 sustainability matters</li> <li>Initiated the first phase of solar photovoltaic (“PV”) installation by commissioning a 573.5 kWp solar panel system at Plant 1</li> </ul>	<ul style="list-style-type: none"> <li>Adopted Bursa Malaysia’s Sustainability Reporting Guide (3<sup>rd</sup> Edition) and aligned with the FTSE4Good Bursa Malaysia Index</li> <li>Enhanced the stakeholder engagement strategy by outlining key interests and focus areas for each group</li> <li>Conducted a materiality reassessment covering 25 material sustainability matters with input from internal and external stakeholders</li> <li>Strengthened sustainability reporting by including quantitative disclosures under the EES pillars</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and updated the Sustainability Framework</li> <li>Commenced reporting on Climate-Related Disclosures</li> <li>Enhanced the stakeholder engagement table by including Power Root’s responses to stakeholders’ concerns</li> <li>Aligned our initiatives with nine UN SDGs</li> <li>Initiated the second phase of the solar PV system at Plant 1 to further enhance renewable energy adoption and reduce carbon emissions</li> </ul>





















# SUSTAINABILITY STATEMENT (cont'd)

## Our Approach to Sustainability

### Sustainability Strategy

Our sustainability strategy aligns with our corporate vision and core values, guiding our pursuit towards sustainable growth in the beverage industry. Built on four core pillars, it aligns with key sustainability priorities and relevant UN SDGs to enhance sustainability performance across our area of operations.

Corporate Vision	To Create Value for our Employees, Shareholders, Consumers & Society Through Excellent Quality, Pioneering Innovations, Joyous Moments & Embracing Environmental, Social and Governance										
Our Strategy	World Class Product Supply Excellence; Safety First, Quality Always, Cost Competitive Product Supply										
Core Values	Accountability - Integrity – Innovative - Diversity, Inclusion & Belonging										
Sustainability Pillars	<b>Innovating Product Quality and Safety</b>	<b>Upholding Integrity and Excellence</b>	<b>Advancing Environmental Stewardship</b>	<b>Empowering People and Communities</b>							
Material Matters	<ul style="list-style-type: none"><li>Product Safety and Quality</li><li>Health and Nutrition</li><li>Product Affordability</li><li>Responsible Marketing Practices</li><li>Technology and Innovation</li></ul>	<ul style="list-style-type: none"><li>Corporate Governance Practices</li><li>Anti-corruption</li><li>Fair Business Practices</li><li>Tax Compliance and Transparency</li><li>Data Privacy</li></ul>	<ul style="list-style-type: none"><li>Energy and Water Conservation</li><li>Emission Discharges</li><li>Climate-related Transition and Physical Risks and Opportunities</li><li>Environmentally-friendly Product Packaging</li><li>Waste and Effluent Management</li><li>Product Life Cycle - Carbon Footprint</li><li>Compliance with Environmental Laws and Regulations</li></ul>	<ul style="list-style-type: none"><li>Employees’ Health, Safety, and Well-being</li><li>Workforce and Management Diversity</li><li>Training and Development</li><li>Human Rights</li><li>Sourcing from Local Suppliers</li><li>Product Life Cycle - Social Impact</li><li>Local Employment Opportunities</li><li>Local Community Investment</li></ul>							
Contribution to UN SDGs											
Key Stakeholder Groups	 Investors	 Financial Institutions	 Distributors	 End Consumers	 Communities	 Media	 Government and Regulators	 Key Account Retailers	 Employees	 Suppliers and Service Providers	 Non-Governmental Organisations (“NGOs”)

## SUSTAINABILITY STATEMENT (cont'd)

### The Policy for a Sustainable Future






The Group's Sustainability Policy underscores our focus on environmental, social and governance principles. We have enhanced the policy to align with our sustainability pillars and ensure its continued relevance to operational requirements.

Sustainability Pillars	Policy Commitments
<b>Innovating Product Quality and Safety</b>	<ul style="list-style-type: none"> <li>To uphold the quality, safety and nutritional value of our products while ensuring compliance with ethical and legal standards; and</li> <li>To ensure that our manufacturing processes and products adhere to Malaysian and international food quality and manufacturing standards.</li> </ul>
<b>Upholding Integrity and Excellence</b>	<ul style="list-style-type: none"> <li>To conduct business in an open, honest and ethical manner, ensuring that conflict-of-interest situations are properly addressed, and to adopt a zero-tolerance approach to all forms of bribery and corruption;</li> <li>To comply with all relevant legislation, rules and regulations applicable in the jurisdictions where we operate, while upholding the highest standards of governance and adhering to the Group's code of conduct;</li> <li>To integrate sustainability considerations into the Group's business strategies and operations; and</li> <li>To maintain clear communication on sustainability initiatives with employees, suppliers and relevant stakeholders, enhancing awareness of policies and a shared commitment to economic, environmental, social and governance principles.</li> </ul>
<b>Advancing Environmental Stewardship</b>	<ul style="list-style-type: none"> <li>To comply with all guidelines and regulations on environmental preservation in the jurisdictions where the Group operates;</li> <li>To prevent or mitigate pollution and enhance environmental management quality;</li> <li>To reduce our carbon footprint through energy-efficient product designs, optimised manufacturing efficiency and investments in energy-efficient production machinery;</li> <li>To conserve water, electricity and other natural resources in our business operations; and</li> <li>To implement the Reduce, Reuse and Recycle ("3R") policy across the Group and throughout the value chain.</li> </ul>
<b>Empowering People and Communities</b>	<ul style="list-style-type: none"> <li>To ensure that all stakeholders are treated fairly and not subjected to or involved in any form of discrimination based on race, nationality, religion, disability, gender, age, or other factors;</li> <li>To provide a safe and healthy workplace for all employees, customers, suppliers and business partners, in compliance with the Occupational Safety and Health Act and other applicable legislation; and</li> <li>To support the economic development of communities in areas where we operate, by considering local impacts when formulating and implementing business strategies.</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

### Aligning with the UN SDGs

Power Root remains resolute in supporting the UN SDGs through focused efforts in key areas. Integrating sustainable practices into our operations contributes significantly to these global objectives and bolsters the broader sustainability agenda.

UN SDG 3: Good Health and Well-Being	
	<b>Target 3.4:</b> Reduce mortality from non-communicable diseases, including diabetes
	<ul style="list-style-type: none"> <li>Implemented sugar reduction initiatives through the introduction of reduced-sugar products</li> <li>Offered vitamin-fortified products enriched with Vitamins B and C</li> </ul>
	<b>Target 3.8:</b> Achieve universal health coverage, including access to quality essential health-care services
	<ul style="list-style-type: none"> <li>Provided insurance coverage for our employees under employment terms, including outpatient and inpatient treatments</li> </ul>
UN SDG 4: Quality Education	
	<b>Target 4.4:</b> Increase the number of people with relevant skills for financial success
	<ul style="list-style-type: none"> <li>Implemented Power Root's internship programmes in collaboration with universities, aimed at developing young talent and supporting their professional growth</li> <li>Consistently organised and provided training to develop a competent workforce</li> </ul>
UN SDG 6: Clean Water and Sanitation	
	<b>Target 6.3:</b> Improve water quality and wastewater treatment
	<ul style="list-style-type: none"> <li>Weekly testing of treated wastewater is conducted to ensure compliance with quality standards specified by the Department of Environment ("DOE")</li> </ul>
UN SDG 7: Affordable and Clean Energy	
	<b>Target 7.2:</b> Increase global percentage of renewable energy
	<ul style="list-style-type: none"> <li>Completed Phase 2 of the solar PV system project in FY 2025 following the deployment of the Phase 1 solar PV system in FY 2022, with a total capacity of 1,075 kWp</li> <li>In FY 2025, 10% of our electricity consumption was sourced from renewable energy</li> </ul>
SDG 8: Decent Work and Economic Growth	
	<b>Target 8.8:</b> Protect labour rights and promote safe working environments
	<ul style="list-style-type: none"> <li>Ensured fair labour practices and safe working conditions through the implementation of the Occupational Health and Safety Management System</li> <li>Recorded zero fatalities and a Lost Time Incident Rate ("LTIR") of 0.30</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

### UN SDG 9: Industry, Innovation and Infrastructure



#### Target 9.4: Upgrade all industries and infrastructures for sustainability

- Upgraded the KL office's air-conditioning system to a Variable Refrigerant Volume ("VRV") system with Auto Variable Refrigerant Temperature ("VRT") technology to enhance energy efficiency. The VRV system has also been installed at Plant 1 and Plant 4 of our Johor operations

### UN SDG 12: Responsible Consumption and Production



#### Target 12.5: Substantially reduce waste generation

- Enhanced recycling efforts by launching the KITAREcycle Programme and the Recycling Impact Leaderboard programme
- Successfully diverted 53% of waste from disposal in FY 2025

### UN SDG 13: Climate Action



#### Target 13.1: Strengthen resilience and adaptive capacity to climate related disasters

- Initiated climate-related disclosure reporting to enhance transparency and accountability in climate risk management
- Reduced reliance on fossil fuels by transitioning our vehicle fleets to more sustainable options, with 26% comprising hybrids and EVs, including battery-operated forklifts, reach trucks, and pallet trucks
- Installed EV charging stations to support the transition to low-emission transportation
- Implemented Microsoft Teams and Lifesize virtual conferencing system across our offices in Malaysia and the Middle East, enabling virtual meetings and reducing emissions associated with business travel

### UN SDG 16: Peace, Justice and Strong Institutions



#### Target 16.5: Substantially reduce corruption and bribery

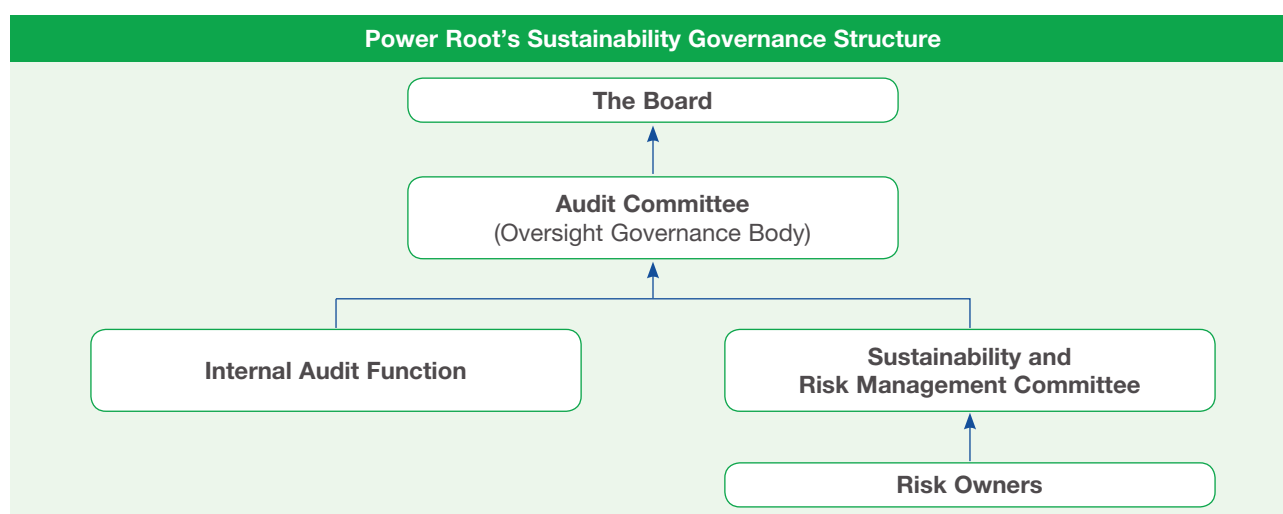
- Established a comprehensive Anti-Bribery & Corruption ("ABC") Policy and conduct regular employee training to ensure ethical business practices and prevent unethical conduct
- Recorded zero reported incidents of bribery and corruption since FY 2024

## SUSTAINABILITY STATEMENT (cont'd)

### Sustainability Governance

Our Sustainability Governance Structure is led by the Board of Directors (“the Board”) which holds ultimate responsibility for the Group's sustainability strategy, management, and performance. The Audit Committee supports the Board by overseeing sustainability management and periodically reporting on progress and outcomes.

At the management level, key function driving the sustainability agenda include the Sustainability Risk Management Committee (“SRMC”), Key Sustainability Risk Officer (“KSRO”), Internal Audit (“IA”) and the relevant Risk Owners across the Group.



Roles	Responsibilities
<b>The Board</b>	<ul style="list-style-type: none"> <li>Determines and approves the sustainability management framework (including the governance structure and process) as well as the management of material sustainability matters;</li> <li>Approves and oversees the implementation of strategies, ensuring that sustainability and climate-related considerations are embedded in all business strategies and major operations.</li> </ul>
<b>AC</b>	<ul style="list-style-type: none"> <li>Oversees the implementation of the sustainability framework by the SRMC;</li> <li>Conducts periodic reviews of the Group's material sustainability matters and evaluates the adequacy of the responses, with subsequent reporting to the Board on the review outcomes and recommendations for decision-making.</li> </ul>
<b>IA</b>	<ul style="list-style-type: none"> <li>Reviews the Group's governance structure and sustainability management processes for adequacy and effectiveness in reporting to the AC;</li> <li>Evaluates the sustainability management system by the SRMC and Risk Owners for adequacy and effectiveness in reporting to the AC.</li> </ul>
<b>SRMC</b>	<ul style="list-style-type: none"> <li>Implements the sustainability framework approved by the Board;</li> <li>Leads the process of identifying, assessing and managing sustainability matters, develops action plans and communicate plans to respective Risk Owners.</li> </ul>
<b>Risk Owners</b>	<ul style="list-style-type: none"> <li>Manages the sustainability matters of operations on a day-to-day basis and reports any changes or newly identified sustainability matters to the SRMC.</li> </ul>
<b>KSRO</b>	<ul style="list-style-type: none"> <li>Acts as the coordinator for all sustainability management issues within the Group, facilitating the implementation of the sustainability framework and the identification, assessment and management of sustainability matters.</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

### Stakeholder Engagement

We engage stakeholders through diverse communication channels to ensure alignment between their priorities and our operations. Insights from these interactions help refine our sustainability strategies in enhancing ESG outcomes to meet stakeholder expectations while aligning with our overarching goals.

Our Key Stakeholders	Investors	Government and Regulators	Financial Institutions
	Investors provide financial capital to Power Root and seek long-term returns, supporting business growth and strategic initiatives.	Government bodies and regulators establish legal frameworks that ensure Power Root's compliance with industry standards and regulations.	Financial institutions provide capital and financial services to support Power Root's financial stability and growth.
	<ul style="list-style-type: none"> <li>Long-term sustainable growth and return on investment</li> <li>Financial performance and responsible governance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental regulations and ethical practices</li> <li>Securing necessary approvals and permits</li> <li>Adherence to standards and certifications</li> </ul>	<ul style="list-style-type: none"> <li>Low carbon footprint</li> <li>Climate change risks and opportunities</li> <li>Prevention of money laundering and fraud</li> </ul>
	<ul style="list-style-type: none"> <li>Report financial performance on a quarterly and annual basis</li> <li>Communication of business strategies through annual reports and regular updates</li> <li>Ensure transparency in regulatory reporting and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Consistently staying abreast of legal and regulatory changes</li> <li>Obtain certifications such as ISO, Good Manufacturing Practices ("GMP") and Hazard Analysis and Critical Control Point ("HACCP") from accredited bodies and the Ministry of Health</li> </ul>	<ul style="list-style-type: none"> <li>Monitor and report our sustainability performance and targets</li> <li>Outline our carbon reduction strategy</li> <li>Implemented Anti-Bribery &amp; Corruption Policy and conduct corruption risk assessment</li> </ul>
Power Root's Responses	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Annual General Meetings</li> <li>Extraordinary General Meetings</li> <li>Regular shareholder communications</li> <li>Announcements through Bursa Securities and Corporate Website</li> <li>Press releases and public announcements</li> <li>Quarterly Financial Reports and analyst briefings</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meetings</li> <li>Emails</li> <li>Online applications</li> <li>Public dialogue involving government officials</li> <li>Periodic audit</li> <li>Public announcements</li> <li>Official submissions and letters</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meetings</li> <li>Phone calls/WhatsApp communications</li> <li>Emails</li> <li>Events</li> </ul>

#### Legends:

■ Daily
 ■ Regularly
 ■ Semi-annual
 ■ Annually
 ■ Ad-hoc



## SUSTAINABILITY STATEMENT (cont'd)

Our Key Stakeholders	Distributors	Key Account Retailers	Suppliers and Service Providers	End Consumers
	Local and overseas distributors supply our products to traditional trade channels, ensuring broad reach and market penetration.	Key account retailers, including large-scale retail partners such as supermarkets and convenience store chains, distribute our products, expanding market accessibility and driving sales growth.	Suppliers of raw materials, packaging, and services enable efficient operations and high-quality product delivery.	End consumers influence product innovation through their preferences and feedback, strengthening brand loyalty.
	<ul style="list-style-type: none"> <li>■ Strengthening distribution platforms and market demand</li> <li>■ Product quality, safety and pricing</li> <li>■ Ethical business practices and packaging</li> <li>■ Health and nutrition of products</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthening distribution platforms and market demand</li> <li>■ Product quality, pricing, safety and packaging</li> <li>■ Ethical business practices and health/nutrition aspects</li> </ul>	<ul style="list-style-type: none"> <li>■ Sustainable sourcing and ethical supply chain practices</li> <li>■ Fair treatment and payment terms</li> <li>■ Prompt settlement of payments</li> </ul>	<ul style="list-style-type: none"> <li>■ Product quality, safety and hygiene</li> <li>■ Health, nutrition and transparency in product information</li> <li>■ Customer satisfaction and brand preference</li> </ul>
	<ul style="list-style-type: none"> <li>■ Innovate and introduce new products that meet consumers' demand</li> <li>■ Deliver high-quality products at competitive prices</li> <li>■ Transparent product labelling along with ethical marketing</li> <li>■ Focus on offering healthier product options through improved nutritional formulations</li> </ul>	<ul style="list-style-type: none"> <li>■ Innovate and introduce new products that meet consumers' demand</li> <li>■ Deliver high-quality products at competitive prices</li> <li>■ Transparent product labelling along with ethical marketing</li> <li>■ Develop healthier product options by enhancing the nutritional value of our formulations</li> </ul>	<ul style="list-style-type: none"> <li>■ Vendor selection and assessment procedure</li> <li>■ Purchasing procedure</li> </ul>	<ul style="list-style-type: none"> <li>■ Compliance with Food Safety System Certification</li> <li>■ Sugar reduction initiatives</li> <li>■ Transparent product labelling along with ethical marketing</li> <li>■ Halal Assurance System</li> </ul>
	<ul style="list-style-type: none"> <li>■ Marketing plans</li> <li>■ Product promotions</li> <li>■ Events and training programmes</li> <li>■ Feedback and surveys</li> <li>■ Weekly engagements on day-to-day operational matters</li> <li>■ Face-to-face meetings</li> </ul>	<ul style="list-style-type: none"> <li>■ Marketing plans</li> <li>■ Product promotions</li> <li>■ Events and training programmes</li> <li>■ Feedback and surveys</li> <li>■ Weekly engagements on day-to-day operational matters</li> <li>■ Face-to-face meetings</li> </ul>	<ul style="list-style-type: none"> <li>■ Face-to-face meetings</li> <li>■ Factory visits</li> <li>■ Meetings and site visits</li> <li>■ WhatsApp communications</li> <li>■ Emails</li> <li>■ Supplier evaluations and appraisals</li> <li>■ Promoters' performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>■ Feedback channels (emails, phone calls and hotlines)</li> <li>■ Marketing/promotional programmes and events</li> <li>■ Product launches and roadshows</li> <li>■ Official letters</li> <li>■ In-store brand activities</li> <li>■ Contests</li> <li>■ Corporate website and social media platforms</li> </ul>

### Legends:

■ Daily   ■ Regularly   ■ Semi-annual   ■ Annually   ■ Ad-hoc

## SUSTAINABILITY STATEMENT (cont'd)

Our Key Stakeholders	Employees	Communities	NGOs	Media
	Employees drive success by contributing skills, expertise and dedication, supporting strategic goals and long-term growth.	Communities where we operate are directly impacted by our activities, as they represent the socio-economic context in which our business functions.	Environmental, social and industry-related NGOs advocate for sustainable and ethical practices, guiding our corporate responsibility efforts.	Media coverage enhances brand visibility, manages reputation and ensures transparent communication with the public.
Areas of Concerns	<ul style="list-style-type: none"> <li>■ Training and development opportunities</li> <li>■ Human rights (non-discrimination, diversity, harassment protection)</li> <li>■ Occupational safety and health</li> <li>■ Work-life balance and employee well-being</li> <li>■ Fair wages and equal opportunities</li> <li>■ Job security and proper accommodation for foreign workers</li> </ul>	<ul style="list-style-type: none"> <li>■ Indirect economic impact and environmental footprint</li> <li>■ Contribution to community well-being and development</li> </ul>	<ul style="list-style-type: none"> <li>■ Environmental conservation and sustainable resource use</li> <li>■ Ethical sourcing practices for coffee production</li> <li>■ Upholding human rights by preventing exploitation and child labour</li> </ul>	<ul style="list-style-type: none"> <li>■ New product launches</li> <li>■ Corporate reputation and image</li> <li>■ Corporate Social Responsibility ("CSR") initiatives</li> <li>■ Environmental impact</li> <li>■ Ethical business practices</li> </ul>
Power Root's Responses	<ul style="list-style-type: none"> <li>■ Internal and external upskilling opportunities</li> <li>■ Zero-tolerance policy against discrimination</li> <li>■ Health and Safety Committee and provide health and safety training</li> <li>■ Employee benefits and competitive compensation, including free accommodations</li> </ul>	<ul style="list-style-type: none"> <li>■ Organise CSR programmes during festive seasons, including product donations and financial assistance</li> <li>■ Provide donations to underprivileged groups</li> <li>■ Collaborate with and support NGOs and charitable organisations through monetary contributions</li> </ul>	<ul style="list-style-type: none"> <li>■ Monitor and report our sustainability performance and targets</li> <li>■ Outline our carbon reduction strategy</li> <li>■ Regular audits on our suppliers</li> <li>■ Adhere to key regulations regarding labour standard</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuously innovate and introduce new products, with support from the Social Media Division</li> <li>■ Adhere to high standards of governance and ethical business practices</li> <li>■ Contribute to our local community through CSR programmes</li> <li>■ Introduce sustainable product packaging</li> </ul>
Engagement Methods	<ul style="list-style-type: none"> <li>■ Management, operational and committee meetings</li> <li>■ Semi-annual performance appraisals</li> <li>■ Briefings and training programmes</li> <li>■ Events, celebrations and sporting activities</li> <li>■ Memorandums</li> <li>■ Employees dialogues</li> <li>■ Emails</li> <li>■ Employees' surveys</li> </ul>	<ul style="list-style-type: none"> <li>■ CSR initiatives</li> <li>■ Face-to-face meetings</li> <li>■ Press releases</li> <li>■ WhatsApp communications</li> <li>■ Emails</li> </ul>	<ul style="list-style-type: none"> <li>■ Media releases</li> <li>■ Public announcements</li> </ul>	<ul style="list-style-type: none"> <li>■ Press releases</li> <li>■ Face-to-face meetings</li> <li>■ Websites and social media</li> <li>■ Emails</li> </ul>

### Legends:

■ Daily   ■ Regularly   ■ Semi-annual   ■ Annually   ■ Ad-hoc

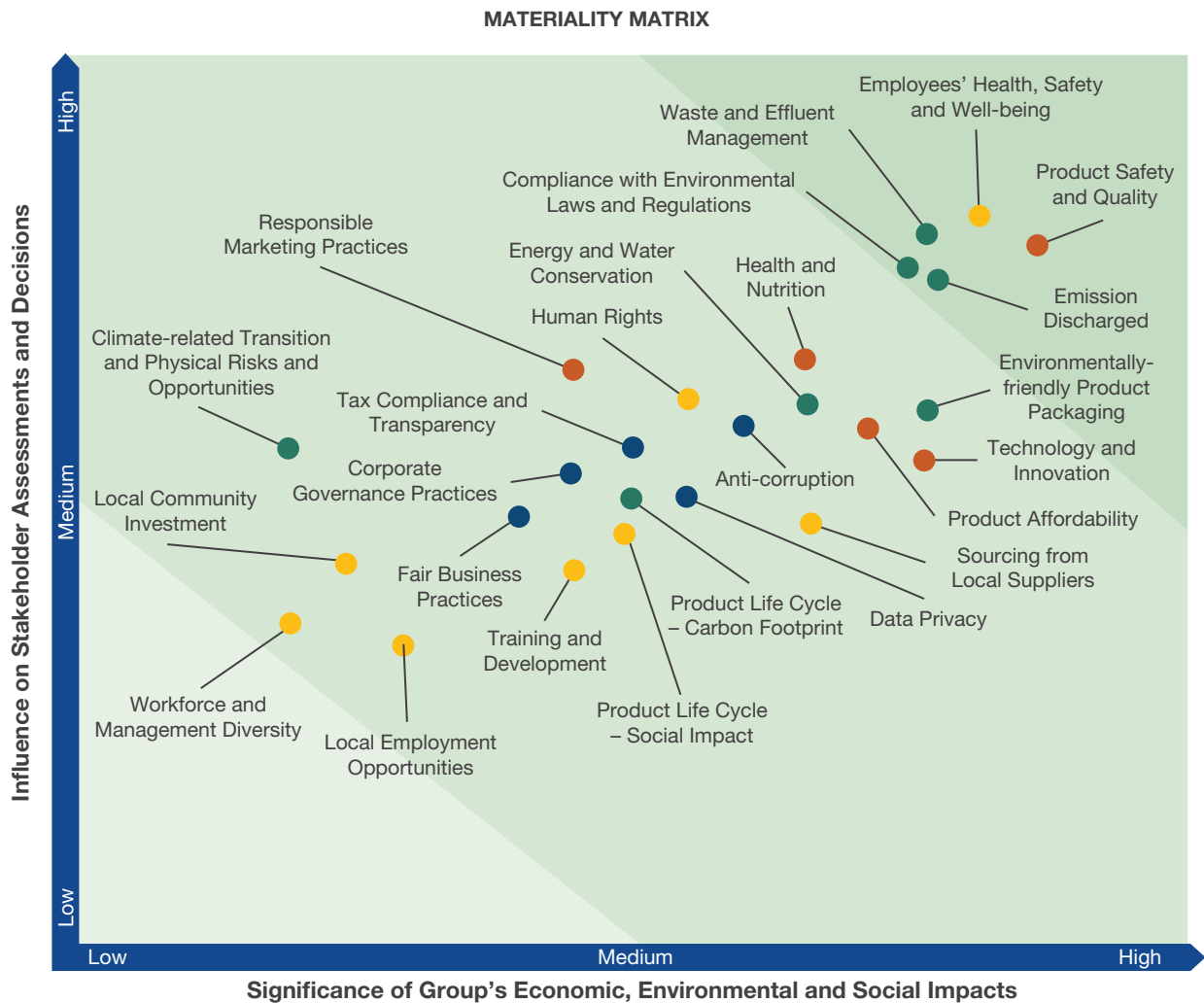
## SUSTAINABILITY STATEMENT (cont'd)

### Materiality Assessment

#### Identifying Material Matters

We reassessed our material sustainability matters in FY 2024, evaluating 25 material matters to develop a materiality matrix that reflects their importance to stakeholders and operations. This helped refine our sustainability focus to ensure greater alignment with our strategic priorities. In FY 2025, we reviewed the materiality matrix and confirmed its relevance within the current business landscape.

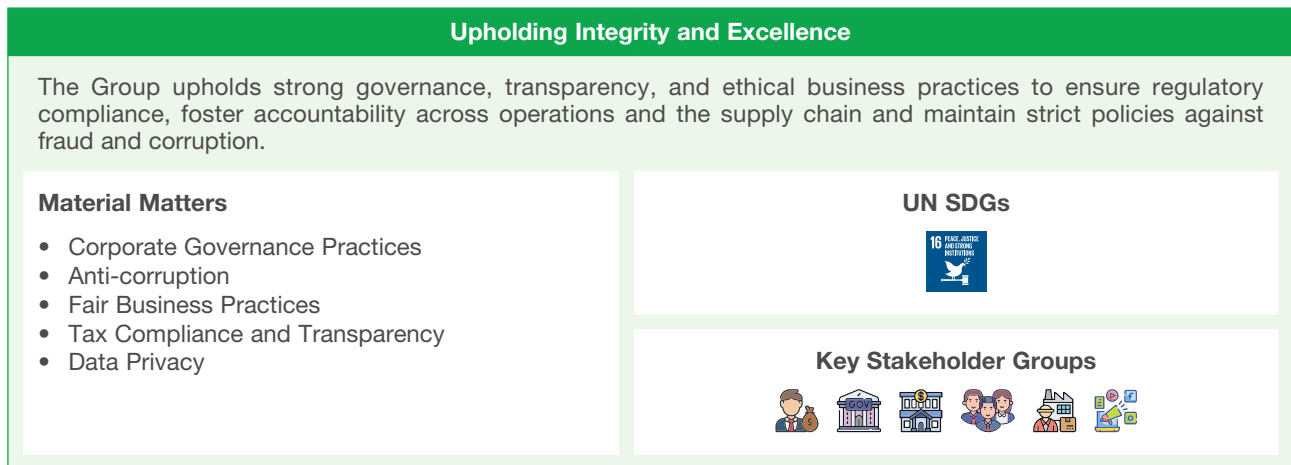
Priority material matters identified through the assessment are Product Safety and Quality, Employees' Health, Safety and Well-being, Waste and Effluent Management, Emission Discharged and Compliance with Environmental Laws and Regulations.














## SUSTAINABILITY STATEMENT (cont'd)

### Aligning Our Material Matters with the UN SDGs

The diagram below illustrates how our material matters align with stakeholder expectations and key UN SDGs within our respective Sustainability Pillars. This approach enables us to focus our ESG efforts on initiatives that drive measurable impact and contribute towards our sustainability objectives.



#### Legend:

	Investors		Financial Institutions		Government and Regulators		Distributors
	Key Account Retailers		End Consumers		Employees		Media
	Suppliers and Service Providers		Communities		NGOs		



## SUSTAINABILITY STATEMENT (cont'd)

### Advancing Environmental Stewardship

We strive to minimise our environmental footprint by optimising energy and water consumption, reducing waste generation, and integrating eco-friendly solutions in our production, packaging and logistics to enhance resource efficiency.

#### Material Matters

- Energy and Water Conservation
- Emission Discharged
- Climate-related Transition and Physical Risks and Opportunities
- Waste and Effluent Management
- Environmentally-friendly Product Packaging
- Product Life Cycle – Carbon Footprint
- Compliance with Environmental Laws and Regulations

#### UN SDGs



#### Key Stakeholder Groups



### Empowering People and Communities

We foster a supportive and inclusive workplace that prioritises employee well-being and development, while actively engaging with communities through social initiatives and empowerment programmes.

#### Material Matters

- Employees' Health, Safety and Well-being
- Workforce and Management Diversity
- Training and Development
- Human Rights
- Sourcing from Local Suppliers
- Product Life Cycle - Social Impact
- Local Employment Opportunities
- Local Community Investment

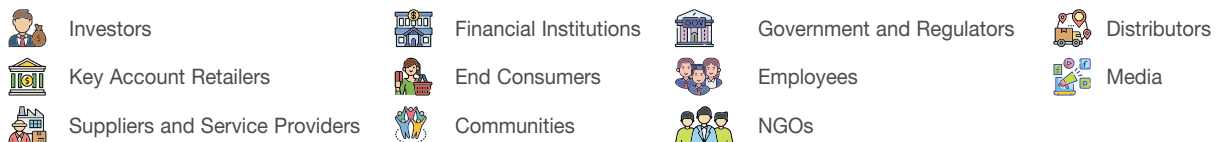
#### UN SDGs



#### Key Stakeholder Groups



#### Legend:



## SUSTAINABILITY STATEMENT (cont'd)

### Our Climate-Related Disclosures

Climate change presents a global challenge that poses growing risks across the supply chain and demands proactive management for long-term growth. Recognising this, Power Root aims to improve our understanding of these risks and opportunities through best reporting practices. Adopting these principles enables us to shape our climate strategy, produce accurate disclosures, and support informed decision-making across our operations.

#### Governance

The Group has commenced the integration of climate-related roles and responsibilities for managing risks and opportunities within our sustainability governance framework. The Board provides strategic oversight of climate-related risks and opportunities, supported by the SRMC in the assessment and management of these matters.

Climate-related Roles and Responsibilities
<b>Board's Oversight</b> <ul style="list-style-type: none"> <li>The Board provides strategic oversight of Power Root's sustainability strategy, management, and performance, including climate-related matters</li> <li>The Board ensures that climate-related risks and opportunities are integrated into the Group's overall business strategies, aligning the Group's long-term goals with climate considerations</li> <li>The AC reports to the Board periodically on the Group's progress and performance regarding sustainability matters, including climate-related issues</li> </ul>
<b>Management's Role</b> <ul style="list-style-type: none"> <li>The SRMC is responsible for implementing the sustainability management framework approved by the Board, ensuring that sustainability matters, including climate-related risks and opportunities, are effectively addressed</li> <li>The SRMC conducts an annual review of all sustainability-related matters, including climate-related risks and opportunities, to assess the effectiveness of the Group's strategies and reports the findings to the AC</li> </ul>

In FY 2025, members of the Board attended various sustainability and climate-related training sessions to strengthen their oversight and enhance their ability to address sustainability risks and opportunities.

- Decoding Greenhouse Gas ("GHG") Emissions Accounting: Scope 1, Scope 2 and Scope 3
- Malaysian Institute of Accountants ("MIA") International Accountants Conference 2024: Navigating New Frontiers, Embracing Sustainability
- GHG Accounting for Sustainability Reporting & Disclosure Management
- Case Study-Based Webinar: ESG Reporting – A Key to Value Creation Today
- MIA Webinar Series: ESG Audit for Internal Auditors – How to Ascertain Methods of Scoping for ESG Performance Audits
- Case Study-Based Webinar: ESG Risk Management – Importance of Identifying and Managing ESG Risks
- Case Study-Based Webinar: ESG and Supply Chain Management
- MIA Webinar Series: Steering Climate Risk and ESG Roadmap for Corporates
- Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")

## SUSTAINABILITY STATEMENT (cont'd)

### Strategy

Power Root has assessed the potential impact of climate-related risks and opportunities on the Group's operations and financial performance. This informs our approach to mitigating and adapting to climate change, ensuring that our strategy aligns with these risks and opportunities.

Our climate risks are classified into two categories: transition risks and physical risks. Transition risks derive from the global shift toward a lower-carbon economy, while physical risks arise from the direct impacts of climate change, including extreme weather events and rising temperatures.

	Transition Risk	Impact	Opportunities
Medium term (6-10 years) to long-term (≥11 years)	<b>Policy and Legal</b>		
	<ul style="list-style-type: none"> <li>Increased regulations enforcing stricter compliance with environmental requirements</li> </ul>	<ul style="list-style-type: none"> <li>Increased operational costs to comply with stricter environmental regulations</li> <li>Non-compliance may lead to penalties and fines</li> </ul>	<ul style="list-style-type: none"> <li>Early implementation of sustainable practices and technologies enhances operational efficiency</li> <li>Adoption of industry best practices helps prevent non-compliance and ensures environmental performance standards are met</li> </ul>
	<ul style="list-style-type: none"> <li>Standards imposed on sustainable packaging and production</li> </ul>	<ul style="list-style-type: none"> <li>Increased production costs and challenges in meeting demand due to stricter regulations</li> </ul>	<ul style="list-style-type: none"> <li>The integration of sustainable packaging materials enhances Power Root's brand value and meets the growing demand for low-carbon footprint products</li> </ul>
	<ul style="list-style-type: none"> <li>Potential future implementation of carbon tax or other carbon pricing mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Increased production costs, particularly for energy-intensive processes, leading to reduced profit margins</li> </ul>	<ul style="list-style-type: none"> <li>Power Root's investment in solar panels and transition to EV fleets reduces the carbon intensity of operations</li> </ul>
	<b>Technology</b>		
	<ul style="list-style-type: none"> <li>Challenges in research and development ("R&amp;D") to create sustainable product packaging and reduce waste production</li> </ul>	<ul style="list-style-type: none"> <li>Increased R&amp;D costs may impact overall efficiency and hinder progress towards sustainability goals</li> </ul>	<ul style="list-style-type: none"> <li>Integration of sustainable packaging materials enhances waste management practices and can lead to cost savings through improved resource efficiency</li> </ul>
Short term (1-5 years) to long-term (≥11 years)	<ul style="list-style-type: none"> <li>Challenges in adopting new technologies and low-carbon production processes</li> </ul>	<ul style="list-style-type: none"> <li>Significant upfront costs incurred from investments in new technologies, affecting short-term cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Power Root's phased implementation of solar PV systems and transition to EV fleets will result in long-term operational cost savings</li> </ul>
	<b>Market</b>		
	<ul style="list-style-type: none"> <li>Increasing consumer preference for sustainable and ethically sourced products</li> </ul>	<ul style="list-style-type: none"> <li>Potential reduction in revenue as consumers shift to competitors offering more sustainable alternatives</li> </ul>	<ul style="list-style-type: none"> <li>By offering sustainable products with recyclable packaging or made from renewable resources, Power Root can meet the growing demand for eco-friendly options</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

	Transition Risk	Impact	Opportunities
Short term (1-5 years) to long-term (≥11 years)	<b>Supply Chain</b>		
	<ul style="list-style-type: none"> <li>Increased cost of raw ingredients due to supply chain disruptions</li> <li>Rising market demand for sustainably sourced raw materials</li> </ul>	<ul style="list-style-type: none"> <li>The rise in raw ingredient costs will increase overall production costs and reduce profit margins per product</li> <li>Limited availability of sustainable suppliers or increased procurement costs</li> </ul>	<ul style="list-style-type: none"> <li>Diversifying the sourcing of raw ingredients mitigate risks associated with supply chain disruptions</li> <li>Investing in plantations for the in-house cultivation of selected coffee beans can enhance cost efficiency and strengthen long-term supply chain stability</li> </ul>
	<ul style="list-style-type: none"> <li>The shift towards a low-carbon economy may necessitate significant changes to our logistics and distribution processes</li> </ul>	<ul style="list-style-type: none"> <li>Increased logistics costs and supply chain disruptions associated with the transition to low-carbon and renewable energy transport</li> </ul>	<ul style="list-style-type: none"> <li>Adopting hybrid and electric vehicles early reduces long-term logistics costs and lowers the carbon footprint of distribution operations</li> </ul>
	<b>Reputation</b>		
	<ul style="list-style-type: none"> <li>Increased stakeholder concerns and expectations for climate action from Power Root</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet stakeholder expectations may damage our reputation and impact business performance</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable production enhances Power Root's reputation as a socially responsible company, strengthening trust and loyalty among customers, suppliers, communities and other key stakeholders</li> </ul>

Physical Risk	Impact	Opportunities
<b>Acute</b> Short term (1-5 years) to long-term (≥11 years)		
<ul style="list-style-type: none"> <li>Increasingly frequent and extreme weather events such as floods and storms</li> </ul>	<ul style="list-style-type: none"> <li>Severe weather events could disrupt supply chains and delay production, leading to financial losses</li> <li>Unpredictable weather events may damage production plants or warehouses, or cause production halts, resulting in costly repairs and downtime</li> </ul>	<ul style="list-style-type: none"> <li>Diversifying the supply chain and building inventory resilience can prevent shortages and ensure business continuity</li> <li>Developing contingency plans can ensure effective responses to extreme events which safeguards our operations</li> </ul>
<b>Chronic</b> Long-term (≥11 years)		
<ul style="list-style-type: none"> <li>Prolonged climate shifts, including rising average temperatures and changes in precipitation patterns</li> </ul>	<ul style="list-style-type: none"> <li>Rising temperatures may increase cooling demand in facilities, leading to higher energy costs</li> <li>Shifts in climatic conditions may impact raw material availability, leading to higher procurement costs or production delays</li> </ul>	<ul style="list-style-type: none"> <li>Investing in energy-efficient cooling systems and renewable energy can lower long-term operational costs</li> <li>Diversifying raw material sources and building local supplier networks can mitigate supply chain risks, ensuring stable procurement and minimising production delays</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

### Risk Management

The Group employs an Enterprise Risk Management (“ERM”) framework to identify, assess and mitigate risks that could impact our operations and overall performance. Overseen by the SRMC, the framework ensures a systematic and consistent approach to managing all risks, including climate-related risks, across the Group’s operations. The SRMC is responsible for developing climate-related risk strategies in line with the ERM framework, and aligned with the Group’s sustainability objectives. The SRMC reports periodically to the AC, presenting sustainability and climate-related risk assessments, along with recommendations to strengthen risk management practices.

Potential climate risks will be assessed based on their likelihood and impact, ensuring that all identified risks are integrated into strategic decision-making and operational planning.

### Metrics and Targets

The Group monitors and reports Scope 1, Scope 2 and limited Scope 3 GHG emissions on an annual basis. Our GHG emissions data are calculated in accordance with the GHG Protocol Corporate Standard. We track and disclose the following metrics to assess our performance.

Metric	Unit	Description
GHG Emissions	Tonnes of carbon dioxide equivalent (“tCO <sub>2</sub> e”)	Quantifies Scopes 1, 2 and 3 (limited to business travels and employee commute) GHG emissions
Waste	Metric Tonne (“MT”)	Measures total amount of waste generated
Energy Usage	Gigajoule (“GJ”)	Tracks total fuel and electricity consumption
Water Usage	Cubic Metre (“m <sup>3</sup> ”)	Measures total water consumption

The Group plans to develop sustainability KPIs to monitor progress, including targets for emissions reduction and waste minimisation to be achieved over the coming years.





## SUSTAINABILITY STATEMENT (cont'd)

### INNOVATING PRODUCT QUALITY AND SAFETY

Innovation is integral to upholding high standards of product quality and safety. By continually refining processes and employing advanced manufacturing technologies, we minimise risk and ensure consistency across our beverage offerings. Ongoing improvements, supported by research and development, enhance our ability to meet evolving market demands while safeguarding consumer well-being.

#### Material Sustainability Matters

- Product Safety and Quality
- Health and Nutrition
- Product Affordability
- Responsible Marketing Practices
- Technology and Innovation

#### Key Sustainability Highlights in FY 2025

- **Zero** incidents of non-compliance with health and safety regulations or voluntary codes of products
- **Zero** units recalled for health and safety reasons

#### Contribution to the UN SDGs



#### Key Stakeholder Groups



## SUSTAINABILITY STATEMENT (cont'd)

### Product Safety and Quality

Rigorous quality assurance underpins the manufacture and delivery of safe, high-quality beverages. Stringent testing, meticulous manufacturing protocols and continuous improvements preserve product integrity, mitigate risks, meet industry standards and ensure compliance with regulatory requirements while fulfilling consumer expectations.

#### Quality and Food Safety Standards

Power Root ensures that all our products are manufactured in compliance with both national and international quality and food safety standards. Our plants are certified according to global best practices, ensuring robust quality control at every stage of production. To maintain compliance and drive continuous improvement, our facilities and processes undergo regular audits by independent third-party auditors.

##### Regular Risk Review at Management and Board Level

To minimise food hazards and ensure the safety of our products, we continuously assess and manage risks related to product health and safety, with regular reviews at the Management and Board levels. Key findings are discussed by the Audit Committee and escalated to the Board when necessary.

##### Adherence to International Standards

Complying with international quality standards ensures product safety, inspires consumer confidence and facilitates market access. In many markets, meeting these standards is a prerequisite for entry. Adherence to recognised standards streamlines regulatory processes, minimises the need for duplicate testing and accelerates the issuance of health certificates for our products to enter new markets. Independent third-party audits provide assurance of ongoing compliance with these requirements.

#### Applicable International and National Quality and Food Safety Standards

##### HACCP MS 1480:2019

Food Safety according to HACCP system

**Certified by:** Intertek

##### Food GMP MS 1514:2022

GMP for Food

**Certified by:** Intertek

##### ISO 22000:2018

The Food Safety Management System

**Certified by:** Intertek

##### ISO 9001:2015

Quality Management System

**Certified by:** Intertek

##### *Makanan Selamat Tanggungjawab Industri* (“MeSTI”)

Food Safety Responsible Industry

**Certified by:** Ministry of Health, Malaysia

##### GMP

**Certified by:** Ministry of Health, Malaysia

##### MS 1500:2019

Halal Food

**Certified by:** Department of Islamic Development  
Malaysia

## SUSTAINABILITY STATEMENT (cont'd)

### Halal Compliance and Assurance

We are committed to upholding the highest standards of Halal compliance across our entire supply chain to meet the needs of our Muslim consumers globally. As a key manufacturer of Halal-certified beverage products, we ensure that all our products are certified by the Department of Islamic Development Malaysia ("JAKIM"), demonstrating our strict adherence to Halal requirements.

#### Halal Assurance Management System

We have implemented a Halal Assurance Management System that ensures all our production processes meet JAKIM's Halal standards. This system includes a rigorous "sertu cleansing" (Shariah-compliant cleansing) process for any new equipment or machinery brought into our factories, maintaining the purity and Halal integrity of our products at all times.

#### Dedicated Team for Halal Supply Chain

We also established a dedicated team that manages and oversees all aspects of the supply chain, from raw material selection to manufacturing, storage and transportation. This team ensures that each stage of production aligns with Halal standards, upholding the safety and integrity of our products.

### Customer Health and Safety/Product Responsibility

In FY 2025, we recorded zero incidents of non-compliance with regulations or voluntary codes and standards concerning the health and safety impacts of our products and services. No recalls were issued for health and safety reasons.

### Meeting and Adapting to Consumer Preferences

Power Root prioritises consumer preferences to develop beverages that align with evolving lifestyle trends. We carefully select ingredients to formulate products that meet market expectations for quality, taste and innovation. This approach underscores our commitment to staying attuned to changing consumer needs.

#### Sugar Reduction Initiatives

In FY 2025, the Group expanded our product portfolio and reformulated existing offerings to reduce sugar content. The number of reduced-sugar Store Keeping Units ("SKUs") rose to 57 (from 34 in FY 2024), primarily within the tea and coffee categories, which collectively account for approximately 85% of the Group's Malaysian SKUs.

This initiative supports the Malaysian government's efforts to curb the rising prevalence of obesity and diet-related non-communicable diseases such as diabetes. Notably, 85% of the Group's Malaysian SKUs fall below the sugar thresholds defined under the Sugar-Sweetened Beverages excise duty, while continuing to deliver on taste and quality.

**Note:** The percentage of reduced-sugar SKUs is based on active SKUs only and may vary from year to year

In addition, the Group offers fortified products such as Alicafé Tongkat Ali and Ginseng Honey Dates, which are enriched with Vitamins B and C, to diversify our product range and meet evolving consumer preferences.

## SUSTAINABILITY STATEMENT (cont'd)

### Technology and Innovation

Embracing technology and innovation enhances Power Root's production efficiency, product consistency and sustainability efforts. Advanced manufacturing processes improve quality control, reduce waste and optimise resource use, allowing us to develop new beverage formulations that meet evolving consumer preferences while maintaining high industry standards.

The Group has implemented several initiatives to enhance production efficiency, reduce costs and improve product consistency.

<b>Power Root Smart Inventory System ("PORSIS")</b>	Developed in-house by our IT department, this innovative Warehouse Management System ("WMS") is designed to transform warehouse operations by digitalising manual tasks. PORSIS enhances time efficiency, improves data accuracy and streamlines processes to boost overall productivity.
<b>Microsoft Power Business Intelligence ("BI")</b>	We have implemented Power BI to automate and streamline work processes across the Group's functions. This enables real-time information sharing, supports faster decision-making, reduces turnaround time, optimises manpower and improves overall efficiency.
<b>SYSPRO Enterprise Resource Planning ("ERP")</b>	We completed a two-phase digital transformation to SYSPRO 8 ERP, integrating it with PORSIS WMS to manage core business functions such as finance, sales, procurement and production, supporting greater operational efficiency and data integration.
<b>FastJet System</b>	We upgraded our marking system to a laser printing system that reduces consumables and waste, lowers energy consumption, and minimises maintenance costs compared to the previous system, thereby improving overall operational efficiency.
<b>Infotech Human Resources Management System</b>	Since January 2024, we have digitalised our human resource system by adopting a secure Software as a Service ("SaaS") model to manage payroll, claims, attendance, appraisals and leave. Employees can access their records via single sign-on, enhancing efficiency and reducing paper usage. The system also strengthens data security and is equipped with built-in disaster recovery features.
<b>Solar Panel Installation (Plant 2 and 3)</b>	Phase 2 of our solar PV system at Plant 1 was completed and became operational in October 2024. A contract has been awarded for the installation of solar PV systems at Plant 2 and Plant 3, with completion expected in FY 2026. Collectively, these installations will add a total of 307.5 kWp to our renewable energy capacity.



## SUSTAINABILITY STATEMENT (cont'd)

### UPHOLDING INTEGRITY AND EXCELLENCE

Strong governance practices underpin integrity and accountability across all areas of our operations. Prioritising ethical conduct and compliance aligns with our high governance standards and ensures responsible business operations in all locations. With rigorous oversight by the Board and data-driven decision-making processes, risks are managed, operational efficiency is enhanced, and trust and integrity are strengthened.

#### Material Sustainability Matters

- Corporate Governance Practices
- Anti-Corruption
- Fair Business Practices
- Tax Compliance and Transparency
- Data Privacy

#### Key Sustainability Highlights in FY 2025

- **100%** of operations assessed for corruption risks, with **zero** incidents of corruption reported
- **Zero** significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations
- **Zero** substantiated complaints related to breaches in customer privacy and data loss

#### Contribution to the UN SDGs



#### Key Stakeholder Groups













## SUSTAINABILITY STATEMENT (cont'd)

### Corporate Governance and Anti-Corruption

Upholding rigorous corporate governance and anti-bribery and corruption standards reinforces stakeholder trust and ensures regulatory compliance in Power Root's operations. These practices enhance our operational effectiveness, strengthen supply chain integrity and foster confidence among investors, stakeholders and partners.

#### Corporate Governance

Power Root has established corporate policies to promote ethical conduct and effective governance across the Group, ensuring alignment with our strategic and business objectives. These policies are regularly reviewed and updated in line with statutory and regulatory requirements which reinforces compliance and ethical business practices.

Power Root's Key Corporate Policies			
	Code of Conduct		Fit and Proper Policy
	Board Charter		Policy on Board Remuneration
	Board Diversity Policy		Corporate Disclosure Policy
	Anti-Bribery & Corruption Policy		Whistleblowing Policy

For more information on our corporate policies, please visit: <https://powerroot.com.my/investor-relations/corporate-governance/>.

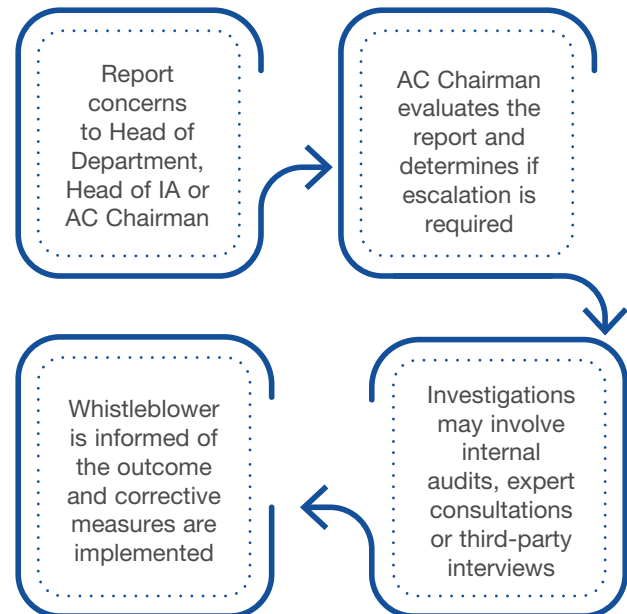
#### Anti-Bribery and Corruption

The Group maintains a zero-tolerance stance on bribery and corruption through our Anti-Bribery & Corruption ("ABC") Policy, established since 2020. This policy is supported by our Code of Conduct which provides guidance on handling improper solicitations, bribery and other corrupt activities. Both the ABC policy and the Code of Conduct align with the principles outlined in the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and the MACC (Amendment) Act 2018. The Group has also implemented a Gift/Hospitality Declaration Procedure, upholding a "No Gift Policy" that prohibits the giving or receiving of gifts during business interactions.

### Whistleblowing Mechanism

Our Whistleblowing Policy aligns with the Group's corporate values and Code of Conduct, providing a confidential platform for reporting genuine concerns or misconduct. It ensures whistleblower protection against retaliation and safeguards their identity in compliance with the Whistleblower Protection Act 2010. If identity disclosure is legally required, the whistleblower will be consulted beforehand to address any concerns. The Board is kept informed of the progress of any substantiated investigations, resolutions and corrective actions.

#### Whistleblowing Reporting and Investigation Procedure



#### Employee Anti-Corruption Training

We ensure effective communication of our ABC policy to all employees through the employee handbook and regular training sessions. Both new and existing employees receive training to understand the ABC framework and the expected workplace conduct. In FY 2025, the following categories of employees completed anti-corruption training.

Employee Category	Percentage of employees who have received training on anti-corruption	
	FY 2024	FY 2025
Managerial and above	59%	1%
Executive and supervisory	40%	9%
Non-Executive	1%	20%
Operators	0%	51%

## SUSTAINABILITY STATEMENT (cont'd)

### Corruption Risk Assessment and Corruption Incidents

The Group regularly assesses the operational areas of our business units for corruption risks. In FY 2025, all 21 operational areas located in Malaysia were assessed, with each area undergoing assessment at least once every three years. There were zero incidents of bribery, corruption, or whistleblowing across the Group.

	FY 2024	FY 2025
Percentage of operations that underwent corruption risk assessments	68%	100%
Number of confirmed corruption incidents	0	0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policies	0	0
No. of incidents of whistleblowing	0	0

### Political Donations and Contributions

In the current reporting year, we did not make any political donations or contributions.

### Regulatory Compliance

The Code of Conduct, Anti-Bribery and Corruption and Whistleblowing policies collectively strengthen the Group's corporate governance, increase stakeholder trust and build confidence among our investors and business partners.

Our internal corporate finance and legal counsel team provides guidance to all departments to ensure compliance with relevant regulatory frameworks. We strictly adhere to regulatory requirements, including compliance with company and securities laws, governance standards and the MMLR. Non-compliance incidents are managed through an internal reporting system, audits and investigations, with corrective actions to prevent recurrence.

During the reporting period, the Group did not incur any significant fines or non-monetary sanctions for non-compliance with social, economic or environmental laws and regulations.

**Note:** Significant fines refer to substantial penalties or monetary sanctions imposed by regulatory bodies, governments or legal authorities for serious violations of laws, regulations or agreements. These fines are typically considerable in amount and are intended to deter similar violations in the future.

### Data Privacy and Cybersecurity

Protecting customer data and privacy is critical for ensuring trust and meeting compliance standards. Power Root complies with the Personal Data Protection Act 2010 ("PDPA") and adopts robust data security measures to minimise cybersecurity risks, uphold regulatory compliance and safeguard the integrity of our operations and consumer relationships.

The Group prioritises data privacy and security, safeguarding our own data as well as that of employees, suppliers and business partners.

#### Power Root's IT Policy

Our IT Policy outlines guidelines to protect data confidentiality, integrity and security across the Group's IT systems. It covers the use of IT equipment, system modifications, data backup and disaster recovery protocols.

Our IT policy is shared with all employees to ensure compliance and protect against data loss, misuse and unauthorised access. Employees are mandated to comply, with any breaches subject to disciplinary action.

The policy is regularly reviewed and updated to address evolving cybersecurity threats and regulatory changes, ensuring continued effectiveness in protecting data privacy and maintaining a secure environment.

There have been no substantiated complaints related to breaches in customer privacy or data loss in the past two reporting years.

## SUSTAINABILITY STATEMENT (cont'd)

### ADVANCING ENVIRONMENTAL STEWARDSHIP

Environmental sustainability is embedded in our beverage production, from responsible ingredient sourcing to efficient resource management. Our efforts focus on optimising water use, reducing waste, lowering emissions and increasing the use of sustainable packaging to minimise environmental impact while maintaining product quality. As we continue to innovate, the goal is to create a sustainable future where ethical production and environmental responsibility go hand in hand.

#### Material Sustainability Matters

- Energy and Water Conservation
- Emission Discharged
- Climate-related Transition and Physical Risks and Opportunities
- Waste and Effluent Management
- Environmentally-Friendly Product Packaging
- Product Life Cycle - Carbon Footprint
- Compliance with Environmental Laws and Regulations

#### Key Sustainability Highlights in FY 2025

- Completed Phase 2 of the solar PV system installation, increasing total installed capacity to **1,075 kWp**
- **10%** of total electricity consumption sourced from on-site solar generation
- **26%** of company-owned fleet consists of hybrid and EVs
- **644 tCO<sub>2</sub>e** of Scope 2 GHG emissions avoidance
- **53%** of total waste generation diverted from disposal

#### Contribution to the UN SDGs



#### Key Stakeholder Groups



## SUSTAINABILITY STATEMENT (cont'd)

### Energy Management and Climate Resilience

Maximising energy efficiency is critical to reduce resource consumption and lower our GHG emissions. Implementing these practices strengthens operational performance, enhances energy efficiency, reduces environmental impact and reinforces our commitment to sustainable production within our operational sector.

The Group has taken steps to improve energy efficiency, embedding sustainable practices across our operations to reduce environmental impact and align with global climate goals. Key initiatives include:

#### Solar PV System Installation Expansion

Power Root has expanded our solar energy initiative with the completion of Phase 2 of the solar PV system in October 2024, following the successful commissioning of Phase 1 at Plant 1 in FY 2022, in line with the Group's renewable energy strategy to increase the proportion of clean energy in our overall energy consumption.

#### Phase 2 Solar PV System



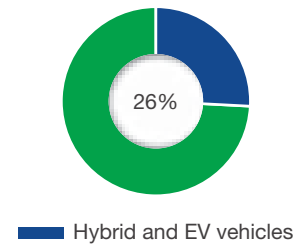
In October 2024, Phase 2 was completed, adding 501.4 kWp to the system's capacity, bringing the total solar capacity to 1,075 kWp. This expanded system now powers Power Root's factory, warehouse and office in Johor Bahru.

Looking ahead, Power Root will install solar PV systems at Plants 2 and 3 in FY 2026, to further reduce reliance on non-renewable energy sources. The proposed additional capacities are 246 kWp for Plant 2 and 61.5 kWp for Plant 3, with an estimated avoidance of 300 tCO<sub>2</sub>e in GHG emissions based on projected output.

#### Hybrid and Electric Vehicle ("EV") Fleet Transition and EV Charging Station Installation

As of FY 2025, hybrid and EVs comprise 26% of Power Root's vehicle fleet, with a total of 11 units.

Proportion of Hybrid and EV Vehicles in Fleet



Johor Office



KL Office

To support the transition to EVs and promote their adoption, we have installed three EV charging stations at the KL office and ten at the Johor office. These stations are accessible to the company's EV fleet, employees and visitors, encouraging the shift to EVs, enhancing charging infrastructure availability and contributing to a more sustainable transport solution across the Group.

#### Enhancing Energy Efficiency with VRV Air Conditioning Systems

The Group has upgraded to VRV air-conditioning systems at our KL and Johor offices to enhance energy efficiency. The system adjusts refrigerant flow to meet precise cooling needs and uses Auto VRT technology to optimise compressor speed and refrigerant temperatures based on real-time demand.

In addition to lowering energy consumption, the VRV system requires minimal refrigerant servicing, further contributing to the reduction of GHG emissions. This intelligent control system is designed to maintain comfortable conditions while reducing energy use, even during low-load operations.



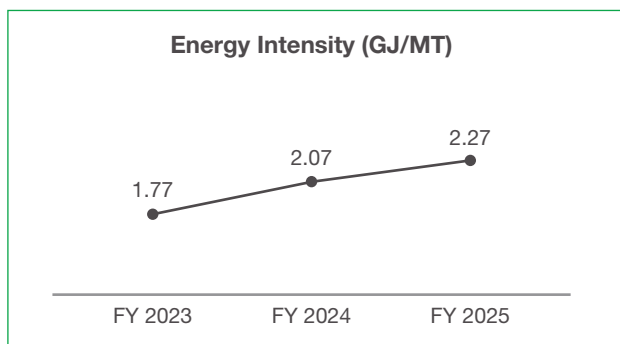
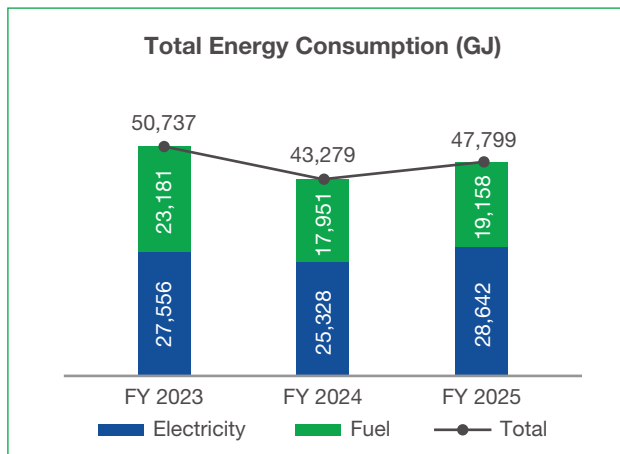
## SUSTAINABILITY STATEMENT (cont'd)

### Digital Platforms to Reduce Travel Emissions

Power Root actively fosters a culture of virtual collaboration across our operations in Malaysia and the Middle East by promoting the use of digital platforms such as Microsoft Teams and Lifesize virtual conferencing systems. This approach enhances communication and productivity, while reducing commuting time and associated transportation emissions.

### Energy Consumption

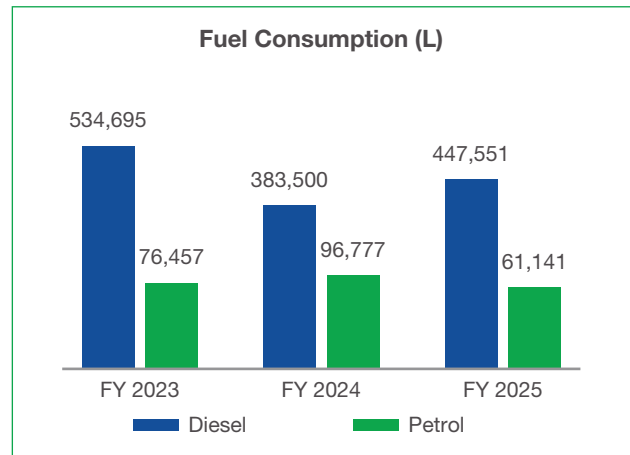
In the current reporting year, the Group's total energy consumption amounted to 47,799 GJ, with an energy intensity of 2.27 GJ per metric tonne of production output.



### Fuel Consumption

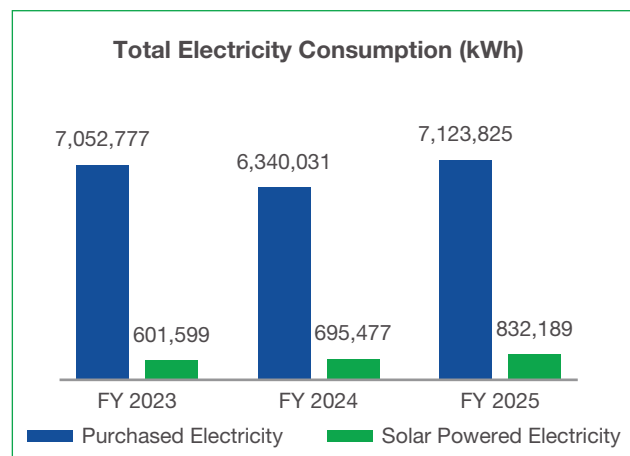
Power Root's fuel consumption is attributed to our company-owned vehicle fleet and production activities. The fleet comprises internal combustion engine and hybrid vehicles, including passenger cars, commercial vans and lorries, which run on petrol and diesel. Additionally, diesel is used to operate the boiler at the Group's production facility.

During the reporting year, a total of 447,551 litres of diesel and 61,141 litres of petrol were consumed to support transportation and manufacturing activities across the Group's operations.



### Electricity Consumption

In FY 2025, our total electricity consumption amounted to 7,956,014 kWh, primarily sourced from grid-supplied electricity. Of this, 10% was generated by the solar PV systems at Plant 1. Our solar energy generation capacity increased by 87%, from 573.5 kWp to 1,075 kWp compared to FY 2024, following the commissioning of Phase 2 of the solar PV system in October 2024. To further enhance our energy efficiency, we are in the process of installing additional solar panels at Plants 2 and 3, which are scheduled for commissioning in FY 2026.

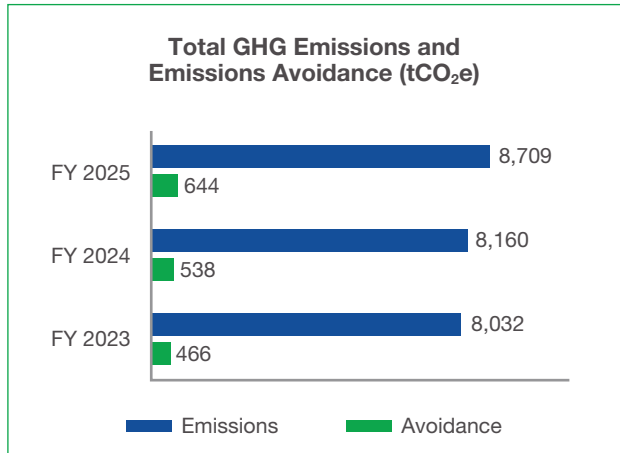




## SUSTAINABILITY STATEMENT (cont'd)

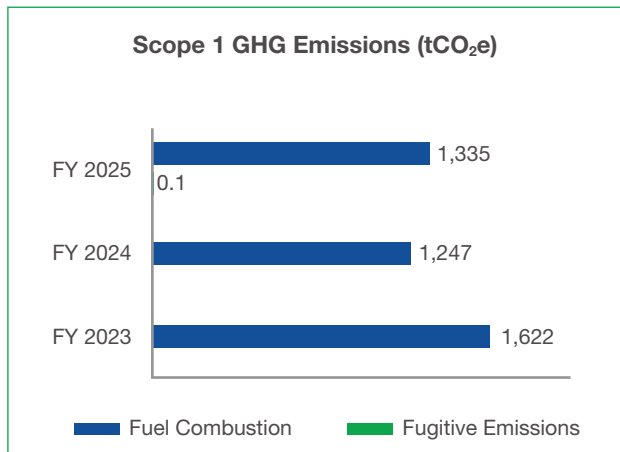
### GHG Emissions

In FY 2025, the Group reported a total of 8,709 tCO<sub>2</sub>e in GHG emissions, with 15% from Scope 1, 63% from Scope 2 and 21% from Scope 3.



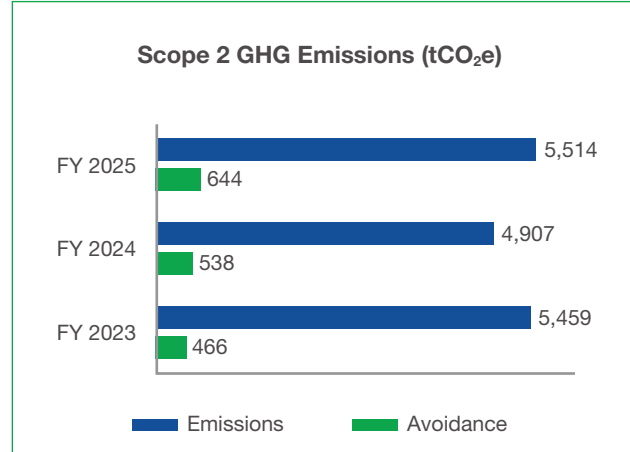
### Scope 1 GHG Emissions

Scope 1 emissions were generated from the consumption of petrol and diesel in company-owned vehicles and the production boiler. For FY 2025, reporting also included emissions from refrigerant use. During the reporting period, we recorded 1,335 tCO<sub>2</sub>e of Scope 1 GHG emissions.



### Scope 2 GHG Emissions

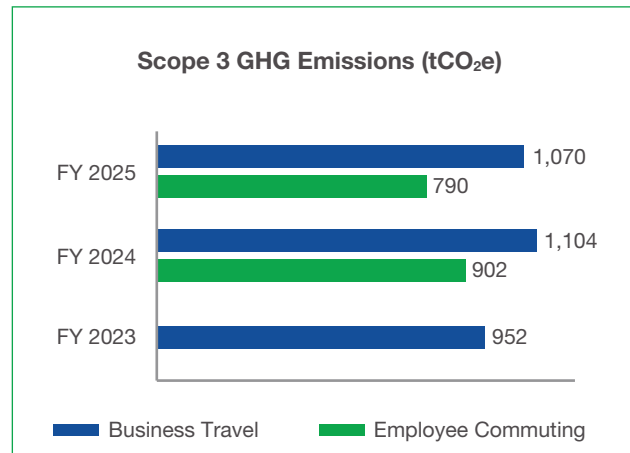
Scope 2 GHG emissions are derived from electricity consumption across our offices, production plants and employee accommodations, with FY 2025 recording a total of 5,514 tCO<sub>2</sub>e emissions and 644 tCO<sub>2</sub>e avoided through on-site solar energy generation.



### Scope 3 GHG Emissions

Our Scope 3 emissions include business travel and employee commuting, with reporting on employee commuting initiated in FY 2024.

In FY 2025, total Scope 3 emissions amounted to 1,860 tCO<sub>2</sub>e. The decrease in employee commuting emissions is due to the exclusion of employees who commute on foot, resulting in a more accurate calculation.



#### Note:

1. Scope 1 emissions were calculated using the emission factors sourced from the UK Government's GHG Conversion Factor 2023 and 2024.
2. Scope 2 emissions were calculated using the 2022 Grid Emission Factor sourced from the National Energy Commission of Malaysia.
3. Scope 3 emissions were calculated using emission factors from the UK Government GHG Conversion Factors for Company Reporting 2023 and 2024.
4. Due to data limitations, the calculation of employee commuting emissions excludes individuals who resigned during the reporting period. For FY 2024, the calculation was based on the assumption that all foreign workers commuted by bus. In FY 2025, the data collection methodology was further refined to exclude foreign workers who commute on foot from the emissions calculation.

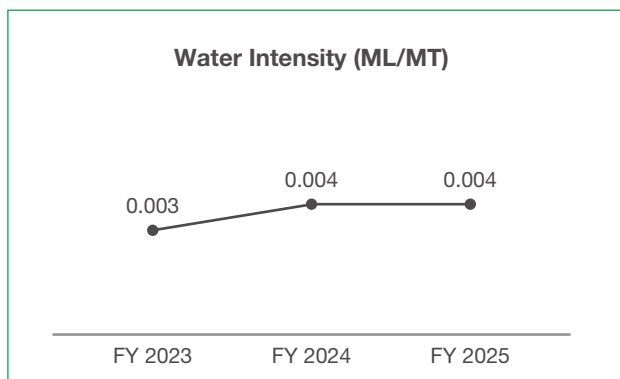
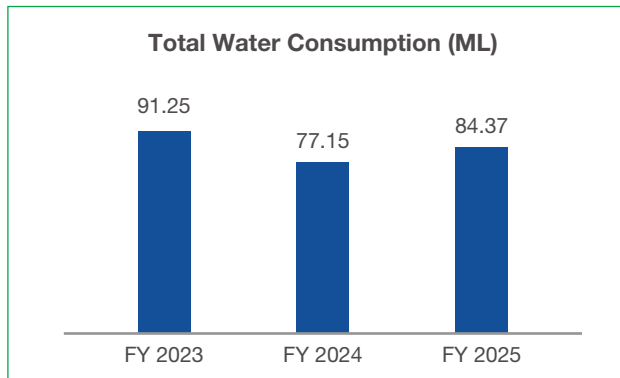
## SUSTAINABILITY STATEMENT (cont'd)

### Water Consumption

Optimised water management remains a key priority for Power Root, ensuring efficient consumption across production processes to minimise waste and reduce environmental impact. Enhancing water efficiency supports operational performance and aligns with our commitment to sustainable water stewardship. Reducing wastewater generation and discharge also remains a continued focus across the Group.

An analysis using the World Resources Institute's Aqueduct Water Risk Atlas tool confirms that none of our operations within the reporting scope in Malaysia are located in water-stressed regions. We also do not withdraw water from any other water-stressed regions for our operational needs in Malaysia.

The Group consumed a total of 84.37 megalitres of water in FY 2025, with a water intensity of 0.004 megalitres per metric tonne of production output.



### Waste and Effluent Management

Managing waste effectively in beverage production reduces ecological impact and optimises resource use. From raw material sourcing to packaging disposal, the integration of waste reduction and recycling strategies enhances production efficiency, ensures regulatory compliance and supports long-term sustainability goals.

#### Waste Management

In line with our Environmental Policy, we ensure that any waste generated during our operations that is not recyclable is promptly collected by licensed contractors approved by the Department of Environment ("DOE"). The disposal process is carried out responsibly, in compliance with Environmental Quality Act of 1974 and the Scheduled Waste Management Regulations 2005.

Additionally, the Group actively promotes recycling initiatives, encouraging the proper segregation and disposal of recyclable materials to further reduce our environmental footprint. As part of our ongoing efforts to go paperless, we have adopted e-business cards in place of traditional physical name cards, and we utilise Microsoft Teams for document sharing, along with digitalised approval processes through our Material Requirements Planning ("MRP") and other IT systems.

#### Power Root's KITARecycle and Recycling Impact Leaderboard Programme

Power Root launched the KITARecycle programme in October 2024 at our Johor office, to increase departmental engagement and contributions towards the Group's recycling and sustainability goals. Employees across all departments were encouraged to collaborate in sorting and disposing of clean recyclable items, including their daily complimentary meal box containers, into the appropriate bins.



## SUSTAINABILITY STATEMENT (cont'd)

### Recycling Made Easy

To ensure accessibility and convenience, designated recycling boxes were placed in strategic locations.

- A central collection point at the canteen area where employees can deposit recyclables on behalf of their department
- Individual recycling boxes are placed in each department for easy access

### Encouraging Employee Participation

To make recycling more engaging, we have introduced a Recycling Impact Leaderboard to track and display each department's contributions, fostering a spirit of teamwork and friendly competition. Employees were also encouraged to bring recyclable items from home, hostels, or other locations to further support the initiative.

This initiative underscores our collective impact, serving as a reminder that small, consistent efforts can drive meaningful positive change towards a more sustainable workplace.



### Organic Waste Recycling Initiative Through Food Composting

We launched a food composting initiative at our Johor office with the acquisition of a food composting machine to convert food waste into fertiliser thereby reducing landfill contributions and supporting circular waste management.

Employees received training on proper recycling methods and food waste segregation to ensure effective participation and maximise the initiative's benefits. The machine is operated by trained personnel to ensure correct usage and maintenance. Packets of the resulting organic fertiliser are made available for employees to take home for personal use, encouraging sustainable practices beyond the workplace.

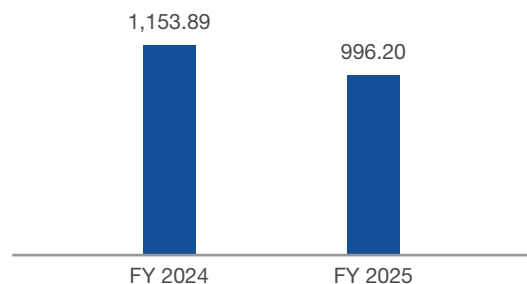


### Total Waste Generation and Disposal

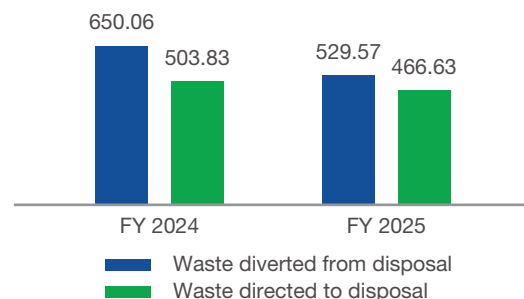
The Group generates both scheduled and non-scheduled waste from our production and office activities. Scheduled waste includes hazardous materials such as sludge, chemical containers, used contaminated rags, ink and solvent waste. Non-scheduled waste primarily consists of cartons, plastics, wood, metals and other general waste.

In FY 2025, our operations generated 996.20 MT of waste, including 62.92 MT of scheduled waste. This reflects a 14% reduction in total waste generated compared to FY 2024. Of the total waste generated, 53% was diverted from disposal through recovery and recycling initiatives.

**Total Waste Generated (MT)**



**Total Waste Disposed (MT)**

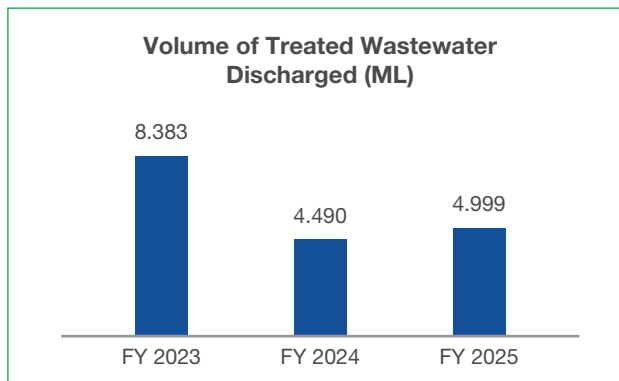


## SUSTAINABILITY STATEMENT (cont'd)

### Effluent Management

Recognising the potential environmental impact of wastewater discharge, we conduct weekly testing and monitoring to ensure strict adherence to water quality standards and regulatory requirements set by DOE. Our treatment process combines chemical treatment to reduce pH and biological treatment to lower Chemical Oxygen Demand ("COD") and Biological Oxygen Demand ("BOD") levels.

In FY 2025, we discharged 4.999 megalitres of treated wastewater, with zero substantiated instances of non-compliance with the Environmental Quality Act 1974 and the Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B). Our monitoring results consistently showed that COD readings remained well within the regulatory limits.



### Sustainable Product Packaging

Power Root prioritises sustainable packaging to reduce environmental impact while maintaining product quality and safety. We further optimise materials and adopt eco-friendly solutions to minimise waste, enhance supply chain efficiency and meet consumer demand for responsible packaging.

### Power Root's Approach to Sustainable Product Packaging

In FY 2024, we incorporated two types of sustainable packaging materials into a selected range of SKUs, in line with the Circular Economy for Flexible Packaging ("CEFLEX") guidelines which provide recommendations for the sustainable management of flexible packaging and promote circular economy principles.

The sustainable packaging materials currently adopted are as follows:

- **Polyolefin-based resins**  
These consist specifically of Polypropylene ("PP") and Polyethylene ("PE"), with a minimum of 90% Polyolefin content. The high polyolefin content improves recyclability and overall environmental performance, in compliance with CEFLEX criteria.
- **Combibloc packaging**  
Made from liquid packaging board ("LPB") composed of Forest Stewardship Council ("FSC")-certified fresh wood fibres, combined with aluminium foil and polyethylene layers. These materials comply with the European Directive 94/62/EC, which sets environmental requirements for packaging design and production. They are developed in accordance with technical standards that support waste reduction and recyclability.

As of FY 2025, these sustainable packaging materials were utilised in the Group's SKUs, representing 6% of the Group's total packaging materials consumption.

Moving forward, we plan to increase the use of sustainable materials and adopt circular economy practices more widely across our operations to reduce our environmental footprint, meet industry standards and consumer expectations.

## SUSTAINABILITY STATEMENT (cont'd)

### EMPOWERING PEOPLE AND COMMUNITIES

We prioritise creating a positive social impact by fostering community engagement, ensuring fair labour practices, and promoting diversity and inclusion. As we implement and participate in various social initiatives, we aim to enhance stakeholder well-being while contributing to a more inclusive and supportive community.

#### Material Sustainability Matters

- Employees' Health, Safety and Well-being
- Workforce and Management Diversity
- Training and Development
- Human Rights
- Sourcing from Local Suppliers
- Product Life Cycle - Social Impact
- Local Employment Opportunities
- Local Community Investment

#### Key Sustainability Highlights in FY 2025

- **0.30** Lost-time incident rate over **2,006,456** man-hours
- **Zero** substantiated complaints concerning human rights violations
- **Zero** reported violations of labour standards and substantiated cases of discrimination
- **15** average hours of training per employee

#### Contribution to the UN SDGs



#### Key Stakeholder Groups





## SUSTAINABILITY STATEMENT (cont'd)

### Occupational Health and Safety

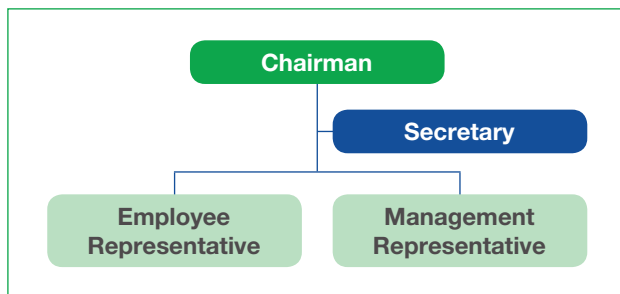
Power Root enforces strict safety protocols to protect employees, contractors and visitors, ensuring a safe and secure work environment for all. Our Occupational Safety and Health ("OSH") Policy aligns with industry best practices and complies with the Occupational Safety and Health Act ("OSHA") 1994 and its amendments, providing a robust framework for maintaining a safe and healthy workplace across all operations.

#### Management of OSH

The Board oversees the Group's health and safety performance, with the Chief Operating Officer providing regular updates to the Chief Executive Officer, who is also an Executive Director. This ensures continuous high-level monitoring of Health, Safety and Environment ("HSE") risks and corrective actions, fostering a culture of accountability and continuous improvement.

#### Safety and Health Committee

Comprising both employees and management representatives, the Safety and Health Committee conducts regular audits, promptly identifies and addresses workplace hazards. It also reviews incidents, tracks safety performance and implements corrective actions to enhance HSE practices.



The Safety and Health Officer reviews audit findings, enforces corrective actions and ensures compliance with safety protocols. They work closely with the committee and report to management regularly, ensuring the effective implementation of safety measures and timely resolution of issues.

In addition, we prioritise the well-being of our employees by implementing rigorous safety measures and regular maintenance practices across our premises.

#### Hazard Identification, Risk Assessment and Risk Control ("HIRARC") Assessment

HIRARC assessment was conducted across various work units and processes annually, in compliance with ISO 45001:2018 standards. This systematic approach enables us to identify potential hazards, assess the associated risks and implement effective control measures to safeguard the health and safety of our workforce.

#### Fire Safety and Emergency Preparedness

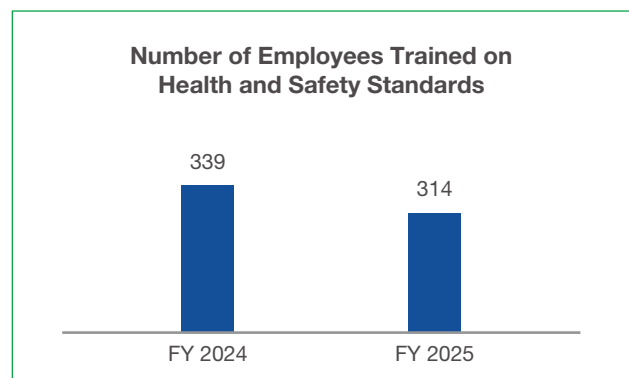
To ensure compliance with fire safety regulations, we installed fire prevention equipment and systems in accordance with the Fire and Rescue Department of Malaysia's requirements. Regular inspections are conducted to ensure functionality, fire drills are routinely carried out and employees are briefed on emergency procedures. Clear escape route plans are prominently displayed throughout the workplace to ensure preparedness in the event of an emergency.

#### Equipment Maintenance and Safety

We strictly adhere to the recommended service and maintenance schedules for all plant and equipment. This proactive approach maximises equipment availability and safety by enabling early detection and resolution of potential defects, thereby reducing the risk of machinery breakdowns and accidents while maintaining a safer working environment.

#### Health and Safety Training

Health and safety training sessions were conducted for 314 employees this year, covering workplace organisation, emergency preparedness, equipment safety, personal protective equipment ("PPE") usage and chemical hazard management. These sessions reinforced safe work practices to minimise risks, prevent incidents and strengthen our safety culture across operations.



## SUSTAINABILITY STATEMENT (cont'd)



Emergency Response Team ("ERT") Training



ERT Training



Hearing Conservation Training



Safe Welding Practices



Chemical Handling and Spill Response Training



To ensure a safe working environment, employees across various operations and departments are required to wear complete PPE appropriate to their job functions. This includes surgical masks, gowns, earmuffs, hair nets, gloves and safety shoes, where applicable.



In 2025, we recorded a LTIR of 0.30 and zero fatalities across a total of 2,006,456 hours worked.

Health and safety parameters	FY 2023	FY 2024	FY 2025
Number of work-related fatalities	0	0	0
Lost time incident rate ("LTIR")	1.46	0.74	0.30

**Note:**

1. The LTIR data for FY 2023 and FY 2024 have been recalculated and restated using the standard multiplier of 200,000 total hours worked, in alignment with the methodology outlined as per the Bursa Sustainability Reporting Guideline.
2. The LTIR data for FY 2023 data is limited to PRM and PRMFG only. However, it may not accurately reflect the actual rate due to data limitations, particularly the unavailability of working hour information required for the LTIR calculation.

## SUSTAINABILITY STATEMENT (cont'd)

### Human Rights and Labour Standards

Prioritising employee well-being fosters a productive and positive work environment, enabling our people to thrive in the dynamic beverage industry. Upholding high standards of fairness and workplace safety nurtures a supportive culture, driving Power Root's continuous growth and operational excellence.

The Group is guided by key legislations, including the Employment Act 1955, the Employment Act (Amendment) 2022, and the Industrial Relations Act 1967, ensuring all employment practices comply with legal requirements. This includes respecting employees' right to collective bargaining.

#### Ensuring Fair Compensation

In line with the Minimum Wages Order 2024, Power Root upholds fair and competitive compensation practices. To ensure consistency and equity, we conduct semi-annual assessments of employee compensation. These assessments help define and evaluate compensation packages, ensuring they accurately reflect employees' contributions.

Furthermore, the Group conducts promotion exercises in conjunction with annual assessments to provide high-performing employees with opportunities for career advancement, by offering them roles with greater responsibilities within the company.











#### Protecting Children and Young Workers

In compliance with the Children and Young Persons (Employment) Act 1966, the Group does not employ minors or young persons, as prohibited by the Act, ensuring the protection of children and young workers in the workplace.

### Employee Benefits

At Power Root, we offer a comprehensive benefits package that includes healthcare coverage and accommodation with essential amenities.

#### Power Root's Employee Benefits

 Leave entitlement	 Disability and invalidity coverage ("SOCSO")
 Hospital and surgical insurance	 Retirement provision ("KWSP")
 Petrol card for eligible roles	 Mobile phone allowances
 Accommodation for foreign workers	 Long service award
 Daily complimentary meals	 Staff purchase discounts

#### Supporting Employee Wellness Through Nutritious Meals

We support employee well-being by providing healthy, balanced meals to both office and factory staff, promoting better nutrition and encouraging healthy eating habits in the workplace.

#### Safe and Comfortable Housing

The Group provides free, safe and comfortable accommodation for foreign workers at our Johor plants, promoting inclusivity and a sense of belonging. In compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990, we ensure that all accommodations meet the required standards and possess the Certificate for Accommodation issued by the Director General of Labour, Malaysia.

Beyond basic facilities, we offer additional amenities such as a table tennis area, lounge and mini library to enhance the living environment and overall well-being of our workers.

## SUSTAINABILITY STATEMENT (cont'd)

### Staff Grievance and Whistleblowing Mechanism

Power Root has established robust Grievance Procedures and a Whistleblowing Policy to provide employees and affected individuals with comprehensive channels for lodging complaints and raising concerns directly with Management. These mechanisms ensure confidentiality and protect the identity of the complainant. Additionally, the procedures outline clear timeframes and processes for the escalation and resolution of cases. The Grievance Procedures and Whistleblowing Policy are published on the Company's website.

In FY 2025, the Group received



**Zero** reported grievances



**Zero** reported violations of labour standards



**Zero** substantiated cases of discrimination

In FY 2025, the Group did not receive any substantiated complaints regarding human rights violations for the third consecutive year.

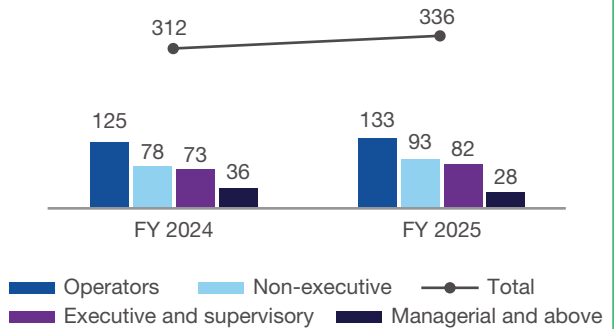
### Employee Turnover

During the reporting year, the Group recorded 336 employee departures, resulting in a turnover rate of 35%.



**35%**  
**Turnover Rate**  
(FY 2024: 36%)

### Employee Turnover by Employee Category



### Workplace Diversity and Talent Management

Embracing diversity and inclusiveness at Power Root strengthens our operations by integrating diverse perspectives and ideas. Attracting talent from various backgrounds further enriches our team and fosters broader perspectives that contribute to overall success.

We distribute our products across various countries, enabling engagement with a diverse range of stakeholders. To ensure effective collaboration and communication, we have built a diverse workforce that enhances our ability to meet the needs of the business. We are focused on maintaining a workplace free from discrimination based on age, gender, religion, or disability, fostering an inclusive environment where all employees can contribute meaningfully.

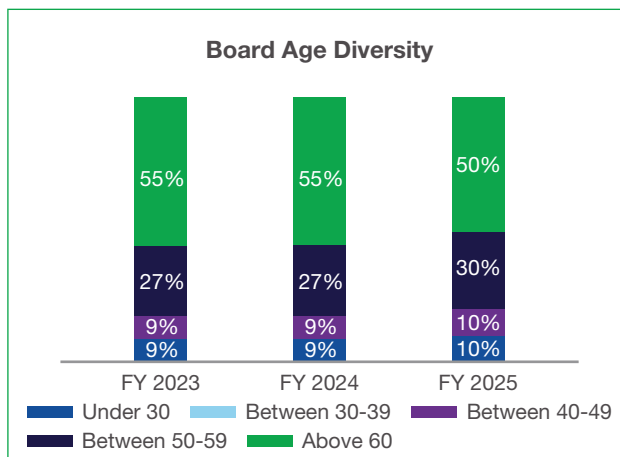
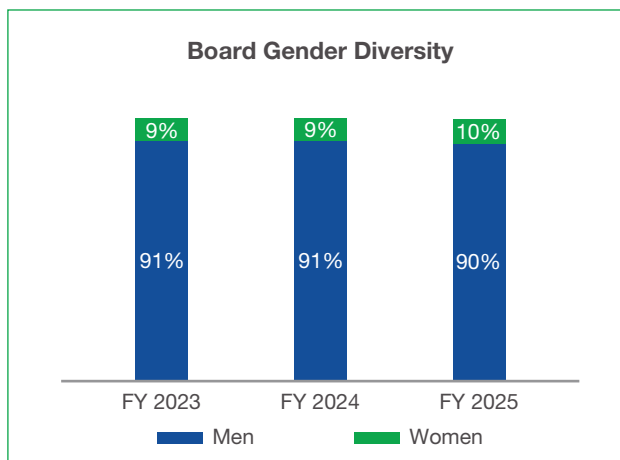
### Non-Discrimination Policy

Our non-discrimination policy, outlined in our Code of Conduct and Employee Handbook, ensures fair and equitable hiring, promotions and career progression, irrespective of race, gender, sexual orientation, religion, national or social origin, age, or disability. In line with this, the Group enforces a strict zero-tolerance policy against gender-based discrimination and sexual harassment. Continuous awareness initiatives are conducted through induction briefings, internal communications and workplace notices, ensuring a safe and respectful work environment for all employees.

## SUSTAINABILITY STATEMENT (cont'd)

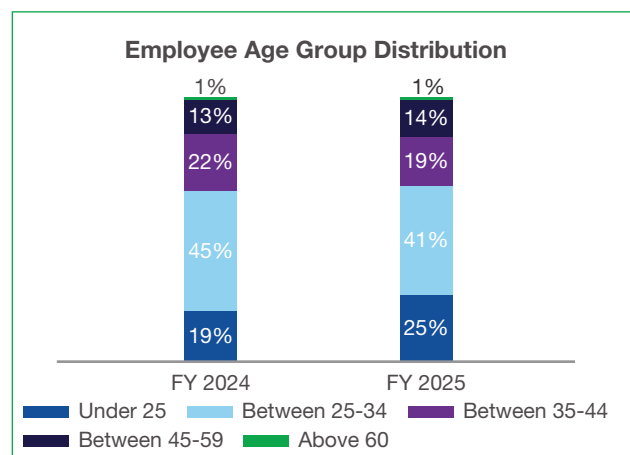
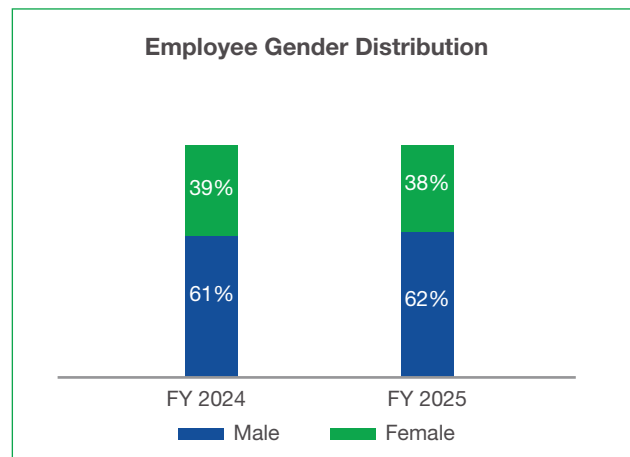
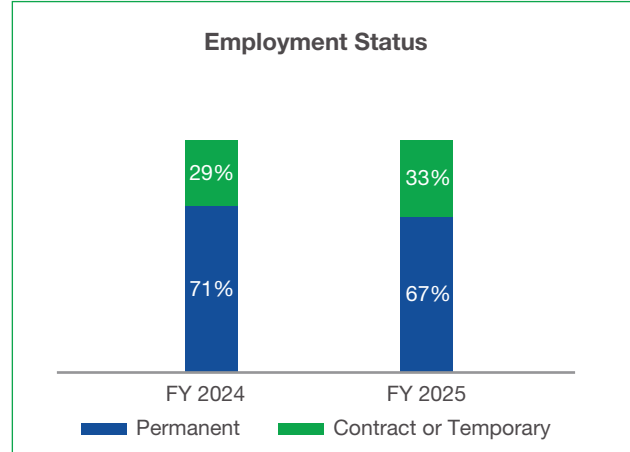
### Board Diversity

Aligned with our Board Charter, the Board recognises the value of diversity in gender, ethnicity and age in enhancing perspectives and strengthening decision-making, and will continue to promote diversity in future Board appointments. Our Board comprises 10 members, with 10% female representation. In terms of age, the majority are over 50, with representation from individuals under 30 and those between 40 and 49.



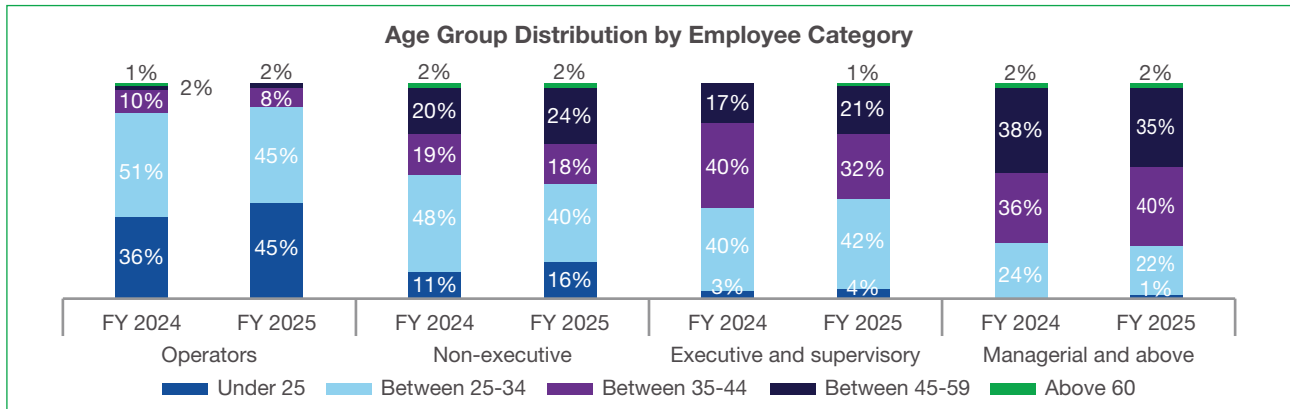
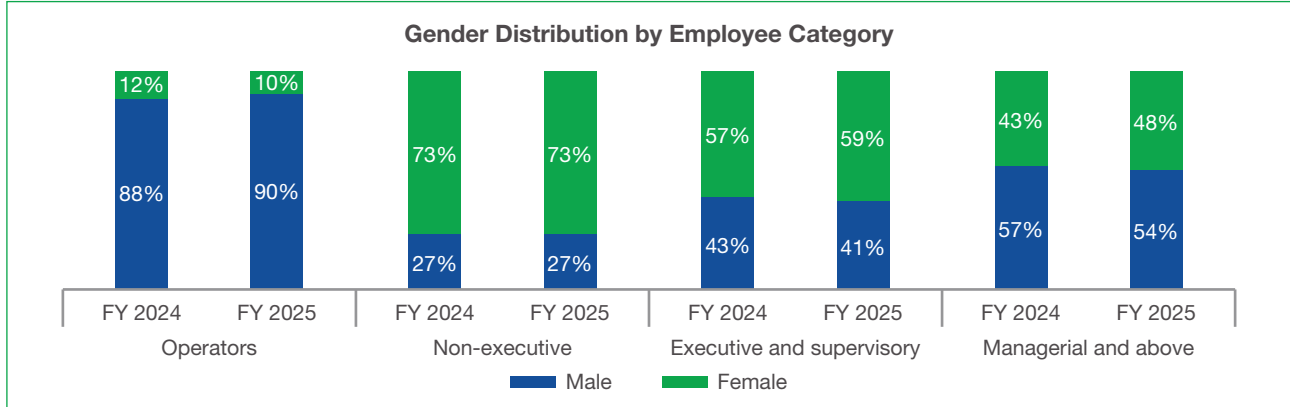
### Employee Diversity

The Group's workforce in FY 2025 comprised 891 employees (FY 2024: 948 employees), with the majority holding permanent positions. Due to the manufacturing nature of our operations, our workforce is predominantly male, with the largest age group being between 25 and 34 years old.





## SUSTAINABILITY STATEMENT (cont'd)

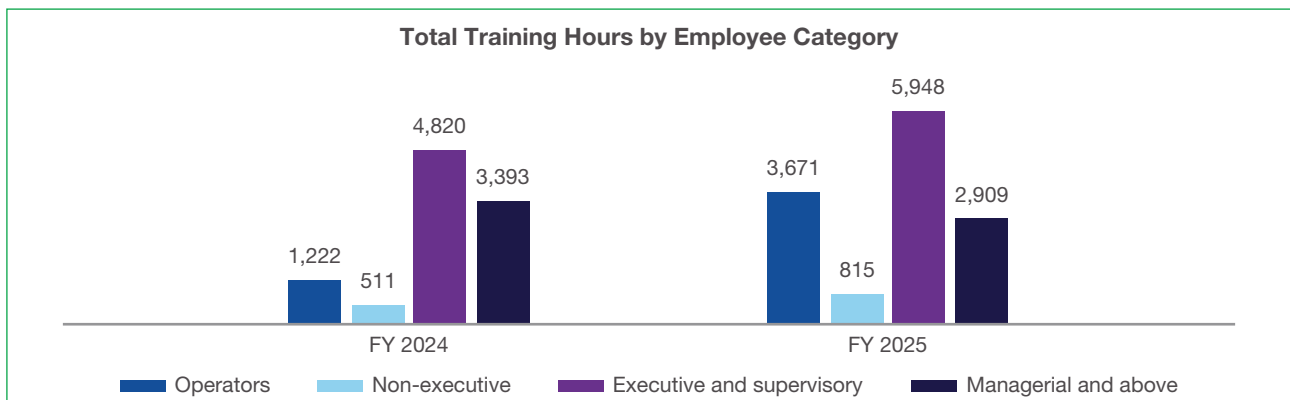


	FY 2024	FY 2025
Percentage of global staff with a disability	0.11%	0.00%

### Employee Development

Investing in training and talent development strengthens Power Root's workforce as it enhances skills and productivity across our operations. Equipping employees with the latest industry knowledge ensures efficient manufacturing, upholds quality standards and drives innovation, enabling us to meet evolving market demands while maintaining a high-performing team.

In FY 2025, we provided training across various key areas, including soft skills, IT, safety, food safety, accounting, internal audit, quality assurance and induction programmes. A total of 13,342 training hours were delivered to 891 employees.



## SUSTAINABILITY STATEMENT (cont'd)

	FY 2024	FY 2025
Total training hours	9,946	13,342
Total number of employees	948	891
Average training hours per employee	10	15

### Employee Engagement Programmes

We cultivate an inclusive and dynamic workplace through regular engagement initiatives, including sports activities, festive celebrations and our annual dinner to strengthen team spirit and well-being.

#### Teambuilding 2024 – Swiss Garden Hotel Melaka

Held from 14 to 15 November 2024 in Melaka, the Teambuilding 2024 programme at Swiss Garden Hotel brought together employees from both the KL and Johor offices. A range of indoor and outdoor group activities and competitions was conducted to promote teamwork, resilience, creativity and collaboration.



#### Annual Dinner – Golden Gala Night 2024

The highlight of the year, our annual dinner featured live performances by brand ambassadors Jang Han-byul and Khai Bahar. Employees enjoyed an evening of celebration, recognition and entertainment in a festive atmosphere.



## SUSTAINABILITY STATEMENT (cont'd)

### Sports Club Activities

Weekly badminton and futsal sessions were organised as part of our Sports Club initiative to encourage physical activity, teamwork and work-life balance.



*Weekly Badminton and Futsal Session*

### Festive Celebrations

Festive events were organised across both KL and Johor Bahru offices to celebrate major cultural occasions such as Chinese New Year, Hari Raya, Deepavali and Christmas. Activities included festive lunches and dinners, gift exchanges, cultural performances and staff appreciation speeches, creating a warm and inclusive atmosphere for all employees.



*Hari Raya Buffet Dinner*



*Christmas Buffet*

### Durian Party

A staff favourite at the KL and Johor offices, the Durian Party provided an enjoyable opportunity for employees to bond over Malaysia's beloved fruit.



### Semi-annual Performance Review

All employees undergo semi-annual performance reviews as part of the regular assessment of their work performance. This review is a key part of the assessment process to evaluate whether employees have received sufficient training or if further development is needed to improve their skills and performance.

### Internship Programme for Future Talent

To support talent development and workforce sustainability, we launched an internship programme in collaboration with universities such as UTM and UiTM, providing students with hands-on industry experience. We also plan to expand our partnerships with other institutions. In FY 2025, two interns joined the Group's operations, focusing on logistics and safety and health.

This initiative enhances our industry reputation and employer appeal while demonstrating our commitment to nurturing young talent. By offering a structured and relevant internship programme, Power Root supports students' personal development and professional growth and strengthens its future talent pipeline.

### Supply Chain Management

Effective supply chain management is essential for Power Root to efficiently meet our financial and operational requirements. The timely delivery of raw materials, ingredients, packaging materials and other resources ensures uninterrupted production, minimising disruptions and supporting our efforts to enhance overall performance in beverage production.



## SUSTAINABILITY STATEMENT (cont'd)

The Group has established a structured procurement and vendor management framework to ensure ethical and efficient supply chain operations. Implementing this approach aligns with our policies and prioritises fair and performance-driven supplier relationships.

### Supplier Management Process

Standard Operating Procedures (“SOPs”) are established for purchasing and vendor management, ensuring transparency, quality, and compliance with company standards.

#### Purchasing Procedure

Our SOP for purchasing ensures that all purchasing decisions:

- Align with the best interests of the company and customers
- Comply with internal policies and ethical standards
- Support transparency and responsible sourcing

#### Vendor Selection and Assessment

Our SOP for vendor selection and assessment ensures:

- Identification of vendors that meet operational and quality standards
- Clear guidelines for qualification, selection and re-evaluation
- Fair and consistent supplier evaluation based on standardised criteria

We maintain a rigorous supplier selection and evaluation process to ensure quality and compliance. All suppliers are required to complete the Third Party Declaration Form, affirming their commitment to Power Root’s Code of Conduct Policy, ABC Policy, Standard Operating Procedures and Whistleblowing Policy and Procedures.

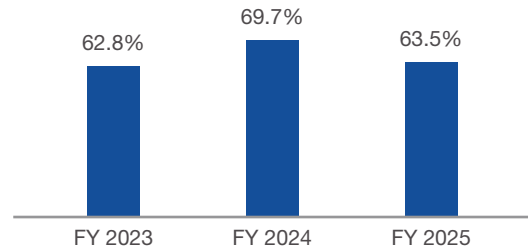
New suppliers undergo assessments by the relevant departments, submit the required documentation and may be subject to audits or sample evaluations. Upon completion of due diligence, approved suppliers are added to the Approved Vendor List after due diligence.

Existing suppliers are assessed annually, with audits conducted as needed. Those failing to meet minimum standards must implement corrective actions, while non-compliant suppliers are removed and must reapply for reinstatement.

### Sourcing from Local Suppliers

In FY 2025, local suppliers accounted for 63.5% of our total supplier distribution.

#### Group Proportion of Spending on Local Suppliers



### Community Engagement and Contribution

Engaging with local communities strengthens relationships and builds support for our initiatives. To this end, Power Root plays an active role in the community to enhance our impact, fostering positive relations that benefit both the organisation and the communities we serve.

Our community engagement focuses on education, sports, disaster relief and charitable initiatives. In FY 2025, we supported educational institutions such as Foon Yew High School and Southern University College in Johor, and sponsored youth sports tournaments, including the Johor Bahru Furniture Association Youth Golf Tournament.

We also made in-kind contributions to the Royal Malaysia Police, Fire and Rescue Department of Malaysia and other law enforcement agencies. These included donations and support for community programmes and operational needs, such as goodie bags for community engagement events and contributions to local police stations and customs units. Additionally, we provided monetary disaster relief aid through Yayasan Raja Zarith Sofiah and the Malaysian Red Crescent Society.

This year, Power Root contributed a total of RM31,481 to support various community initiatives. Through these efforts, Power Root continues to uphold its commitment to long-term community development and well-being.

	FY 2024	FY 2025
Total amount invested (RM)	859,566.60	31,481.57
Total number of beneficiaries	239	9,011

#### Note:

1. The total number of beneficiaries in FY 2024 includes 237 individuals and two organisations.
2. The total number of beneficiaries in FY 2025 includes 9,006 individuals and five organisations.

## SUSTAINABILITY STATEMENT (cont'd)

### Ah Huat's Mid-Autumn and CNY CSR Initiatives

In celebration of the Mid-Autumn Festival and Chinese New Year, we visited nine charity homes across the Klang Valley, including homes for the elderly and children. Ah Huat product donations and festive gifts were distributed to spread joy and foster a spirit of care and community.



### Donation of Oligo Products to Victims in Putra Height

In response to a fire incident in Putra Heights, Power Root donated Oligo products to support affected individuals and frontliners. A total of 30 cartons of Oligo Choco Malt Calcium (200ml) were donated and distributed at Masjid Putra Heights, benefitting 399 victims and 100 frontliners stationed at the venue. This initiative reflects Power Root's commitment to supporting communities in times of need.





## SUSTAINABILITY STATEMENT (cont'd)

### Fostering a Sustainable Future

Power Root will continue integrating sustainable practices across our operations by optimising energy and water efficiency, minimising emissions and waste and ensuring responsible sourcing. Strengthening social impact initiatives and maintaining stringent governance standards will further support long-term operational resilience. Moving forward, we will explore innovative solutions to enhance sustainability performance and drive a more sustainable future.

### Performance Data Table

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Managerial and above	Percentage	-	59.00	1.00
Executive and supervisory	Percentage	-	40.00	9.00
Non-executive	Percentage	-	1.00	20.00
Operators	Percentage	-	0.00	51.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	68.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	859,566.60	31,481.57
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	239	9,011
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Managerial and above Under 25	Percentage	-	0.00	1.00
Managerial and above Between 25-34	Percentage	-	24.00	22.00
Managerial and above Between 35-44	Percentage	-	36.00	40.00
Managerial and above Between 45-59	Percentage	-	38.00	35.00
Managerial and above Above 60	Percentage	-	2.00	2.00
Executive and supervisory Under 25	Percentage	-	3.00	4.00
Executive and supervisory Between 25-34	Percentage	-	40.00	42.00
Executive and supervisory Between 35-44	Percentage	-	40.00	32.00
Executive and supervisory Between 45-59	Percentage	-	17.00	21.00
Executive and supervisory Above 60	Percentage	-	0.00	1.00
Non-executive Under 25	Percentage	-	11.00	16.00
Non-executive Between 25-34	Percentage	-	48.00	40.00
Non-executive Between 35-44	Percentage	-	19.00	18.00
Non-executive Between 45-59	Percentage	-	20.00	24.00
Non-executive Above 60	Percentage	-	2.00	2.00
Operators Under 25	Percentage	-	36.00	45.00
Operators Between 25-34	Percentage	-	51.00	45.00
Operators Between 35-44	Percentage	-	10.00	8.00
Operators Between 45-59	Percentage	-	2.00	2.00
Operators Above 60	Percentage	-	1.00	0.00
Gender Group by Employee Category				
Managerial and above Male	Percentage	-	57.00	54.00
Managerial and above Female	Percentage	-	43.00	46.00
Executive and supervisory Male	Percentage	-	43.00	41.00

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT (cont'd)

Indicator	Measurement Unit	2023	2024	2025
Executive and supervisory Female	Percentage	-	57.00	59.00
Non-executive Male	Percentage	-	27.00	27.00
Non-executive Female	Percentage	-	73.00	73.00
Operators Male	Percentage	-	88.00	90.00
Operators Female	Percentage	-	12.00	10.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	91.00	91.00	90.00
Female	Percentage	9.00	9.00	10.00
Under 30	Percentage	9.00	9.00	10.00
Between 30-39	Percentage	0.00	0.00	0.00
Between 40-49	Percentage	9.00	9.00	10.00
Between 50-59	Percentage	27.00	27.00	30.00
Above 60	Percentage	55.00	55.00	50.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	14,094.00 *	12,022.00 *	13,278.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.46 *	0.74 *	0.30
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	339	314
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Managerial and above	Hours	-	3,393	2,909
Executive and supervisory	Hours	-	4,820	5,948
Non-executive	Hours	-	511	815
Operators	Hours	-	1,222	3,671
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	29.00	33.00
Bursa C6(c) Total number of employee turnover by employee category				
Managerial and above	Number	-	36	28
Executive and supervisory	Number	-	73	82
Non-executive	Number	-	78	93
Operators	Number	-	125	133
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	63.00	70.00 *	63.00
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	91.250000 *	77.150000 *	84.370000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	1,153.89 *	996.20
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	650.06 *	529.57
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	503.83 *	466.63
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	1,622.00 *	1,247.00 *	1,335.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	5,459.00 *	4,907.00 *	5,514.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	952.00 *	2,006.00 *	1,860.00

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT (cont'd)

### GRI Content Index

<b>Statement of use</b>	Power Root Berhad has reported the information cited in this GRI content index for the period 1 April 2024 to 31 March 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION (PAGE)</b>
GRI 2: General Disclosures 2021	2-1 Organisational details	23
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	23
	2-4 Restatements of information	66 - 67
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	23
	2-7 Employees	60 - 61
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	30
	2-10 Nomination and selection of the highest governance body	-
	2-11 Chair of the highest governance body	-
	2-12 Role of the highest governance body in overseeing the management of impacts	30, 37
	2-13 Delegation of responsibility for managing impacts	30, 37
	2-14 Role of the highest governance body in sustainability reporting	-
	2-15 Conflicts of interest	-
	2-16 Communication of critical concerns	30, 37
	2-17 Collective knowledge of the highest governance body	37
	2-18 Evaluation of the performance of the highest governance body	-
	2-19 Remuneration policies	46
	2-20 Process to determine remuneration	-
	2-21 Annual total compensation ratio	-
	2-22 Statement on sustainable development strategy	26
	2-23 Policy commitments	27
	2-24 Embedding policy commitments	27
	2-25 Processes to remediate negative impacts	38 - 39
	2-26 Mechanisms for seeking advice and raising concerns	46, 59
	2-27 Compliance with laws and regulations	46 - 47
	2-28 Membership associations	-
	2-29 Approach to stakeholder engagement	31 - 33
	2-30 Collective bargaining agreements	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics	34
	3-2 List of material topics	35 - 36
	3-3 Management of material topics	41 - 65

## SUSTAINABILITY STATEMENT (cont'd)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	38 - 39
	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	64
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	47
	205-2 Communication and training about anti-corruption policies and procedures	46
	205-3 Confirmed incidents of corruption and actions taken	47
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	50
	302-2 Energy consumption outside of the organisation	-
	302-3 Energy intensity	50
	302-4 Reduction of energy consumption	-
	302-5 Reductions in energy requirements of products and services	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	52
	303-2 Management of water discharge-related impacts	54
	303-3 Water withdrawal	52
	303-4 Water discharge	54
	303-5 Water consumption	52
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51
	305-2 Energy indirect (Scope 2) GHG emissions	51
	305-3 Other indirect (Scope 3) GHG emissions	51
	305-4 GHG emissions intensity	-
	305-5 Reduction of GHG emissions	51
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	52 - 53
	306-2 Management of significant waste-related impacts	52 - 53
	306-3 Waste generated	53
	306-4 Waste diverted from disposal	53
	306-5 Waste directed to disposal	53
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	59
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58
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## SUSTAINABILITY STATEMENT (cont'd)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	56
	403-2 Hazard identification, risk assessment, and incident investigation	56
	403-3 Occupational health services	56
	403-4 Worker participation, consultation, and communication on occupational health and safety	56
	403-5 Worker training on occupational health and safety	56 - 57
	403-6 Promotion of worker health	58
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
	403-8 Workers covered by an occupational health and safety management system	-
	403-9 Work-related injuries	-
	403-10 Work-related ill health	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	62
	404-2 Programmes for upgrading employee skills and transition assistance programs	61
	404-3 Percentage of employees receiving regular performance and career development reviews	63
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	60 - 61
	405-2 Ratio of basic salary and remuneration of women to men	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	59
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	64 - 65
	413-2 Operations with significant actual and potential negative impacts on local communities	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	43
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Power Root Berhad (“Power Root” or “the Company”) is committed to ensuring that good corporate governance practices are applied throughout the Company and its subsidiaries (“the Group”) and form the fundamentals of corporate sustainability pursued by the Group for long-term shareholder value creation. Hence, the Board fully supports the Principles and Practices of good corporate governance (including the Intended Outcomes) as promulgated by the Malaysian Code on Corporate Governance 2021 (“MCCG”) in directing and managing the business and affairs of the Group towards promoting business prosperity and corporate accountability, with the ultimate objective of realising long-term shareholder value while considering the interest of other stakeholders.

This statement sets out the overview under which the Company applied the Principles set out in the MCCG and the extent of compliance with the Principles of the MCCG advocated therein in accordance with paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The application of each practice set out in the MCCG during the financial year is disclosed in the Corporate Governance Report prescribed by Bursa Securities (“CG Report”) and released together with the announcement of this Annual Report in accordance with paragraph 15.25 and Practice Note 9 of the MMLR. The CG Report for the financial year ended 31 March 2025 is available for viewing at the company’s website at <https://powerroot.com.my/investor-relations/corporate-governance>.

This Corporate Governance Overview Statement should be read in tandem with the CG Report as they provide comprehensive disclosures of the application of the Principles and each Practice, as set out in the MCCG, during the financial year ended 31 March 2025.

The following disclosure statements provide an overview of the Company’s application of the Principles set out in the MCCG that has been in place throughout the financial year ended 31 March 2025.

### PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

#### A. Board Responsibilities

The Board is responsible for the success of the Group by providing entrepreneurial leadership and direction, strategic management, enterprise risk management, sustainability management and management oversight. It is also accountable for measuring and monitoring performances, upholding standards of conduct as well as determining critical business issues and decisions. The Board comprises directors who are entrepreneurs as well as experienced professionals in the fields of food and beverage, auditing, taxation, accounting, banking, law, finance, and business consultancy and advisory. These collective skills enable the Board to effectively lead and control the Group. The Board is guided by the Board Charter approved by the Board and is led by Independent Non-Executive Co-Chairmen to ensure its effectiveness. Together with other Directors, the Independent Non-Executive Co-Chairmen lead the Board in discussions on the strategies and policies recommended by the Management. A summary of the responsibilities of the Co-Chairmen is disclosed in Practice 1.2 of the CG Report.

The Board is responsible for overseeing the management of the Company. The Board fully understands its responsibilities in ensuring sound and sustainable operations and optimal corporate governance in order to safeguard shareholder value. It is the duty of the Board to lead the Group towards its vision and mission and the success of the Group by providing entrepreneurial leadership and direction. The Chief Executive Officer is delegated with the authority and responsibility in ensuring proper execution of strategies as well as effective and efficient business operations throughout the Group. Authorisation procedures for key processes are stated in the Group’s policies and procedures.

The Board has established and approved the Group’s Board Charter and relevant board policies and the Chief Executive Officer, with the assistance of the Executive Directors and Management, is responsible for the implementation of operating policies and procedures that are in line with the Group’s Board Charter and relevant board policies.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### A. Board Responsibilities (cont'd)

As stated in the *Board Charter*, the Board assumes the following broad categories of roles and responsibilities:-

- a) To review and approve the strategic business plans to ensure it supports the Group's corporate objectives and integrates economic, environmental and social sustainability considerations as well as monitoring the implementation by the Management;
- b) To oversee the conduct and the performance of the Group's businesses;
- c) To review and manage the principal risks affecting the Group through a sound risk management framework;
- d) To review and ensure that the Senior Management team is of sufficient calibre and succession planning for Senior Management is put in place;
- e) To review the adequacy and integrity of the Group's internal control systems and management information systems;
- f) To approve the policies relating to investor relations and shareholder communication programmes;
- g) To ensure compliance with applicable laws and regulations relevant to the Group's operations;
- h) To set corporate values and vision as well as clear lines of responsibility and accountability;
- i) To review the overall corporate governance practices of the Group;
- j) To establish and maintain the ethical standards through a code of conduct which will be applicable throughout the Group, while ensuring the compliance of this code of conduct;
- k) To review and approve proposals for the allocation of capital and other resources within the Group;
- l) To review and approve the capital expenditure budget and annual budget (including major changes to such budgets); and
- m) To ensure the financial statements are prepared in accordance with applicable financial reporting standards.

The roles and responsibilities of the Board and the application of the MCCG's practice are disclosed in Practice 1.1 of the CG Report.

In addition to the core responsibilities listed above, significant matters requiring deliberation and approval from the Board are clearly defined in the *Board Charter* as *Matters Reserved for the Board* for consideration and approval during Board meetings.

The Board has delegated specific duties to Board Committees which operate within clearly defined *Terms of Reference* approved by the Board.

To ensure that there is a balance of power and authority within the Board, the positions of the Co-Chairmen and the Chief Executive Officer are separated and there is a clear division of responsibilities between the Co-Chairmen and the Chief Executive Officer. The Co-Chairmen are responsible for the governance, orderly conduct and effectiveness of the Board, while the Chief Executive Officer is responsible for implementing the Group's strategies and execution of effective operations within the Group. A summary of the separation of the roles of Co-Chairmen and Chief Executive Officer is disclosed in Practice 1.3 of the CG Report.

The Independent Non-Executive Directors play an important role in ensuring objective and independent deliberation, review and decision-making and that strategies proposed by the Management are fully deliberated and examined, to ensure that the interests of all stakeholders are given due consideration during the decision-making process.

The Board has not nominated a Senior Independent Non-Executive Director whom the shareholders and other stakeholders can access fully and directly or to chair the Nominating Committee as the Independent Non-Executive Co-Chairmen are directly accessible to shareholders and other stakeholders, and the Chairman of the Nominating Committee is an Independent Non-Executive Director/Co-Chairman of the Board, who possesses the required skills, knowledge and experience to lead the Nominating Committee to ensure an effective and well-balanced Board composition in order to meet the needs of the Company and the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### A. Board Responsibilities (cont'd)

All Board members shall notify the Co-Chairmen of the Board before accepting any new directorship or significant commitments outside the Company, including an indication of the time that will be spent on the new appointment. The Co-Chairmen shall also notify the Board if they have any new significant commitments outside the Company. In addition, all Directors of the Company will ensure that their directorship in listed companies does not exceed five (5) to meet the expectation on time commitment and in line with the MMLR.

In discharging its duties efficiently and effectively, the Board is assisted by qualified and licensed Company Secretaries and details of the Company Secretaries are disclosed in Practice 1.5 of the CG Report.

#### i. Board Charter

The Board is guided by a formal Board Charter approved by the Board. The *Board Charter* was last reviewed and updated on 8 May 2024. The *Board Charter* sets out the composition, roles, functions, responsibilities and authorities of the Board and the Board Committees of the Company, including the roles and responsibilities of the Co-Chairmen of the Board, the Chief Executive Officer and the Company Secretary.

The *Board Charter* further defines the specific responsibilities and matters reserved for the Board, delegation of authorities, commitment by the Directors, independence of Directors, tenure of Independent Directors, Board Committees, unrestricted rights for access to information and independent advice, Board and member assessment, Directors' training and continuing education, Board activities and processes, code of conduct and sustainable economic, environmental and social practices.

Further disclosure on the details of the *Board Charter* is stated in Practice 2.1 of the CG Report. The *Board Charter* is available at the company's website at <https://powerroot.com.my/investor-relations/corporate-governance>.

#### ii. Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblowing Policy

The Board, individually and collectively, is fully committed to the highest standards of integrity, corporate governance, transparency and accountability in the conduct of the Group's business and operations to ensure business sustainability. The Board is focused on the key principles of serving with integrity, ethical behaviour, respecting stakeholders, avoiding conflicts of interest, preserving confidentiality and privacy, good corporate citizenship, establishing clear reporting channels as well as being resolute against bribery and corruption.

The Board incorporated the above key values and principles of expected conduct into the Group's *Code of Conduct* to govern the standards of ethics and good conduct applicable to all the Group's employees, customers and vendors and subsidiaries worldwide. To further promote ethical values throughout the Group, the *Anti-Bribery and Corruption Policy*, which was last reviewed and updated by the Board on 16 June 2025, sets out the Group's stance against bribery, corruption and conflict of interest within the Group.

Please refer to Practice 3.1 of the CG Report for details.

To foster an environment where the highest level of integrity and ethical behaviour are encouraged and maintained, the Board has put in place a *Whistleblowing Policy* with a direct incident-reporting avenue to the Audit Committee Chairperson and the Head of the In-House Internal Audit function to encourage concerned parties to disclose concerns or incidents of fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of property or breaches of the laws.

Please refer to Practice 3.2 of the CG Report for details.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### A. Board Responsibilities (cont'd)

#### ii. Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblowing Policy (cont'd)

In addition, a Grievance Procedures has been established by the Board to manage grievances received from employees.

The *Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblowing Policy* and *Grievance Procedures* are available at the company's website at <https://powerroot.com.my/investor-relations/corporate-governance>.

#### iii. Board Meetings

In discharging its duties efficiently and effectively, the Board is assisted by qualified and licensed Company Secretaries and the details of the Company Secretaries are disclosed in Practice 1.5 of the CG Report.

The Board meets regularly to perform its main functions of developing and monitoring of strategic plans, formulation of policies, oversight of the conduct, operations and performances of the businesses of the Group, succession planning, sustainability and ensuring the appropriateness of internal controls and effectiveness of risk management. Prior to each Board meeting, all Board members are furnished with relevant documents and sufficient information, i.e. minutes of board committee meetings, minutes of previous meetings as well as Board papers, normally at least seven (7) days before the meeting, to enable them to have sufficient time to obtain a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.

In furtherance of its responsibilities, the Board met five (5) times during the financial year ended 31 March 2025 and the attendance of each Director at the Board Meetings was as follows:

Name of Director	Designation	No. of Meetings Attended
Dato' Afifuddin bin Abdul Kadir	Co-Chairman, Independent Non-Executive Director	5/5
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	Co-Chairman, Independent Non-Executive Director	4/5
Wong Tak Keong	Chief Executive Officer	5/5
Dato' Wong Fuei Boon	Executive Director	5/5
Dato' How Say Swee	Executive Director	5/5
See Thuan Po	Executive Director	5/5
Ong Kheng Swee	Non-Independent Non-Executive Director	5/5
Azahar bin Baharudin (resigned on 30 August 2024)	Independent Non-Executive Director	3/3
Dato' Tea Choo Keng	Independent Non-Executive Director	5/5
Low Jun Lee	Non-Independent Non-Executive Director	3/5
Tan Lay Beng	Independent Non-Executive Director	5/5

The Board plans to meet at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions are required to be made between the scheduled meetings.

Audit Committee meetings were not combined with the Board Meetings during the financial year under review. Other Directors and employees attended a particular Audit Committee meeting only at the invitation of Audit Committee in order for the Audit Committee to discharge its delegated oversight duties by the Board and such invitations were specific to the relevant agenda item of the meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### A. Board Responsibilities (cont'd)

#### iii. Board Meetings (cont'd)

All meetings of the Board were duly recorded in the Board minutes by the Company Secretary. The Company Secretary also attended all Board Meetings of the Company. The Company Secretary ensured that all Board meetings were properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed were recorded and maintained in the statutory register kept at the registered office of the Company. In the interval between Board meetings, for exceptional matters requiring urgent Board decisions, the Board's approval was sought via circular resolutions, which were accompanied by sufficient and relevant information required for an informed decision to be made.

#### iv. Supply of Information

The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information, i.e., Board papers, normally at least seven (7) days before the meeting, to enable them to have sufficient time to obtain a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.

Besides direct access to Management, external independent professional advisers are also available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors also have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board's procedures are adhered to.

Please refer to Practice 1.6 of the CG Report for details of the Board's proceedings on meeting materials and supply of information.

### B. Board Composition

It is the responsibility of the Nominating Committee to review the composition of the Board periodically, based on the Board and Board members' evaluation and performance results, including consideration of the tenure of each Director.

Please refer to Practice 5.1 of the CG report for the detailed disclosure on the review of Board composition.

It is the responsibility of the Board to ensure that all members of the Board possess the necessary leadership experience, skill and background diversity, integrity and professionalism to discharge their duties and responsibilities diligently and effectively.

The Board currently has ten (10) members comprising two (2) Independent Non-Executive Co-Chairmen, four (4) Executive Directors (including the Chief Executive Officer), two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. The composition of Independent Non-Executive Directors is in compliance with Paragraph 15.02(1) of the MMLR which states that "a listed issuer must ensure that at least 2 Directors or 1/3 of the Board of Directors of a listed issuer, whichever is the higher, are Independent Directors".

Although the Board composition is a departure from Practice 5.2 of the MCGG which requires at least half of the Board to comprise Independent Non-Executive Directors, the Board is of the opinion that an adequate degree of independence is maintained notwithstanding the fact that only four (4) out of ten (10) members of the Board are Independent Non-Executive Directors. The Independent Non-Executive Directors had demonstrated their independence and objectivity and actively participated during the Board and Board Committees' proceedings. Therefore, there is no disproportionate imbalance of power and authority on the Board between the Non-Independent Directors and Independent Directors.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### i. Board and Key Senior Management Diversity

It is the Board's responsibility to ensure that the diversity within the Board and Key Senior Management is maintained so that the required mix of knowledge, skills, expertise and experience, as well as age, ethnic and gender diversity is brought to the Board and the Group. The Board is satisfied that, through the formal nomination and selection process and the annual performance appraisal of the Board, the Board Committees, individual Directors and Key Senior Management (including the Chief Operating Officer, General Manager – Finance, Chief Commercial Officer and Group Financial Controller), the current Board's composition represents an appropriate mix of knowledge, skills and experience required to discharge the Board's duties and responsibilities effectively as well as to ensure that no individual, or small groups of individuals dominate the Board's decision-making process.

The Board reviewed and updated the *Board Diversity Policy* on 8 May 2024. Whilst the Board supports gender diversity within the Board and Key Senior Management, the Board also believes that appointments to the Board and Key Senior Management should be based on the merit of the candidates as well as a required mix of knowledge, skills, expertise and experience to be brought to the Board and the Group, instead of purely based on gender consideration alone. Presently, there is one (1) female Director on the Board of Directors and the Board will continue to seek to strengthen diversity for new appointments to the Board and Key Senior Management.

Please refer to Practice 5.5 of the CG Report for detailed disclosures on Boardroom Diversity and Practice 5.10 of the CG Report for detailed disclosures on gender diversity.

#### ii. Independence of Independent Non-Executive Directors

The independence of candidates for appointment as an Independent Non-Executive Director is assessed by the Nominating Committee based on a formal nomination and selection process. The result of the assessment is then reported to the Board for its consideration and decision.

On an annual basis, all Independent Non-Executive Directors are subjected to an independence assessment by the Nominating Committee based on a prescribed criteria via the *Independent Directors' Self-Assessment Checklist* (with criteria adopted from the Corporate Governance Guide issued by Bursa Malaysia Berhad) to determine his/her independence, objectivity and self-declaration of interests in the Group, any corporation, partnership, business transactions and/or services with the Group. The Nominating Committee will conduct the independence and objectivity review and provide a recommendation to the Board. Based on the above assessment performed for the financial year ended 31 March 2025, the Board is satisfied with the level of independence and objectivity demonstrated by all Independent Non-Executive Directors, and their ability to bring independent and objective judgement to bear during Board deliberations.

The tenure of an Independent Non-Executive Director, as stated in the Board Charter, shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, such Independent Non-Executive Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Non-Executive Director. In the event that such Director is to be retained as an Independent Director after the ninth (9<sup>th</sup>) year, the Board shall seek the shareholders' approval through a two-tier voting process at the Annual General Meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### ii. Independence of Independent Non-Executive Directors (cont'd)

Dato' Afifuddin bin Abdul Kadir (Dato' Afifuddin) has served as an Independent Non-Executive Director and Co-Chairman of the Board since 16 August 2016 which exceeds the cumulative term of nine (9) years. The Board of Directors via the Nominating Committee had assessed the independence of Dato' Afifuddin bin Abdul Kadir, who has served on the Board as Independent Non-Executive Director/Co-Chairman for a cumulative term of more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to retain Dato' Afifuddin bin Abdul Kadir as Independent Non-Executive Director/Co-Chairman, based on the following justifications:

- (a) He fulfilled the criteria under the definition of Independent Director as stated in Chapter 1 and Practice Note 13 of the MMLR of Bursa Malaysia Securities Berhad and therefore able to give independent opinion to the Board;
- (b) During the past nine (9) years, Dato' Afifuddin bin Abdul Kadir effectively guided the Board during its meetings, and demonstrated his leadership, independence and objectivity during the conduct of the Board meetings and General Meetings;
- (c) He has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
- (d) He has demonstrated objective and independent judgement in Board Committee deliberations and decision making; and

Dato' Afifuddin bin Abdul Kadir's retention as an Independent Non-Executive Director shall be subject to the shareholders' approval via a two tier voting process at the forthcoming Annual General Meeting in accordance with the Malaysian Code on Corporate Governance.

Please refer to Practice 5.3 of the CG Report for further details.

#### iii. Appointment of Directors and Re-appointment of Directors

All proposals for appointment of Director(s) to the Board or Board Committees are first presented to the Nominating Committee for consideration and evaluation, taking into account the Company's *Diversity Policy* and *Fit and Proper Policy* and if suitable recommend to the Board for approval in accordance with the Company's *Policy and Procedures on Nomination and Selection of Directors*. It is the practice of the Board that highly qualified candidates with sufficient and relevant knowledge, skills and competency are sought out to serve as members of the Board in discharging its responsibilities and duties effectively and contributing to the governance of the Group and taking cognisance of the need for diversity within the Board as well.

The process for the nomination and selection of new Directors per the *Policy and Procedures on Nomination and Selection of Directors* entails identification of potential candidates (including candidates proposed by independent sources), evaluation of the suitability of candidates based on an agreed-upon criterias including work experience, knowledge, skill and boardroom diversity, interviews with candidate(s) and background checks, final deliberation by the Nominating Committee and recommendation to the Board. Subject to prior discussions concerning the costs, the Nominating Committee may seek independent professional advice, at the Company's expense, to perform its responsibilities in the nomination and selection of new Directors.

All Board members who are newly appointed during the year are subject to retirement at the subsequent Annual General Meeting of the Company in accordance with the Clause 107 of the Company's Constitution. All Directors (including the Chief Executive Officer who is an Executive Director) shall retire at regular intervals by rotation at least once every three (3) years and shall be eligible for re-election under Clause 100 of the Company's constitution.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### iii. Appointment of Directors and Re-appointment of Directors (cont'd)

The recommendations for re-appointment of retiring Directors at the forthcoming Nineteenth Annual General Meeting (19<sup>th</sup> AGM) were made by the Nominating Committee to the Board and the Board to the shareholders of the Company upon satisfactory results of the independence assessment (for Independent Non-Executive Directors) and performance evaluation of all the retiring Directors by the Nominating Committee. To facilitate an informed decision by the shareholders on the re-appointment of retiring Directors during the forthcoming 19th AGM, disclosures on the interest, position and relationship of such Directors as well as the Nominating Committee and Board's evaluation and recommendation to the shareholders are made in the explanatory notes to the agenda of the Annual General Meeting.

Please refer to Practice 5.6 and 5.7 of the CG Report for details on the nomination, appointment and re-appointment process of the Directors.

#### iv. Performance Assessment and Evaluation of Board, Board Committees, Individual Directors and Key Senior Management

The Nominating Committee reviews the required mix of skills, competencies, experience and other qualities on an annual basis, including core competencies of individual Directors which the Directors should bring to the Board. The Nominating Committee undertakes an annual assessment of the independence of the Independent Directors to determine and ensure that they can continue to bring independent and objective judgment to Board deliberations. The Board has implemented a process, carried out by the Nominating Committee annually, for the assessment on the effectiveness of the Board as a whole and the contribution of each individual Director, for review and deliberations by the NC before its recommendations are tabled to the Board for its review and conclusion.

On an annual basis, the Company Secretary circulates to each Director the relevant evaluations and assessment forms/checklists in relation to the evaluation of the Board, Board Committees, individual Directors and Key Senior Management. Sufficient time is given to all the Directors to read, comprehend, complete and return the assessment forms/checklists in advance of the meeting of the Nominating Committee. The assessment/evaluation results are then collated and summarised for the Nominating Committee's review and subsequent reporting of its recommendations to the Board for its review and deliberation.

During the financial year under review, the Board, through the Nominating Committee, conducted the assessment and evaluation on the Board and Board Committees, self and peer evaluation for individual Directors, independence assessment for Independent Directors, assessment on the composition and effectiveness of the Audit Committee and performance evaluation on Key Senior Management.

Based on the above assessments/evaluations conducted for the financial year ended 31 March 2025 and the recommendations of the Nominating Committee, the Board, after due deliberations, was satisfied with the composition, competency and effectiveness of the present Board, the Board Committees and contribution of individual Directors and Key Senior Management. In particular, based on the assessments/evaluations conducted and review of the terms of office and performance of the Audit Committee and its members by the Nominating Committee and its recommendations, the Board is of the opinion that the Audit Committee and its members had effectively discharged their duties in accordance with its terms of reference.

Please refer to Practice 6.1 of the CG Report for details on the performance evaluation of the Board, Board Committees, individual Directors and Key Senior Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### v. Directors' Training

As per the *Board Charter*, the Board is assigned with the responsibility of assessing the training needs of the Directors (via the Nominating Committee) and ensuring that all Directors have access to continuing education programmes and continuously update their knowledge and enhance their skills through such training programs.

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities. In addition, any newly-appointed Director will be given briefings and orientation by the Executive Directors and Senior Management on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

All members of the Board have completed the Mandatory Accreditation Programs prescribed by Bursa Securities and they are mindful that they should undertake appropriate continuous training and attend seminars and briefings in order to broaden their perspective and to keep abreast of new developments for the furtherance of their duties. Specifically, Audit Committee members shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

On an annual basis, the Board through the Nominating Committee reviews and identifies training programmes for its members via an assessment conducted on the Directors' training needs, pursuant to Paragraph 15.08(2) of the MMLR.

During the financial year ended 31 March 2025, members of the Board received regular briefings and updates on the Group's business and operations as well as updates on amended/new regulations and statutory requirements. All members of the Board have attended training programs that were organised by regulatory bodies, professional organisations and other organisations to be continuously updated on the latest developments and enhance their skills and knowledge. The training programs attended by individual Board members during the financial year under review were as follows:

Name of Directors	Seminars and Briefing Attended	Conducted by
Dato' Afifuddin bin Abdul Kadir	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Wong Tak Keong	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Dato' Wong Fuei Boon	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Dato' How Say Swee	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
See Thuan Po	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### v. Directors' Training (cont'd)

Name of Directors	Seminars and Briefing Attended	Conducted by
Ong Kheng Swee	Case Study-Based Webinar: ESG Reporting: A Key to Value Creation Today	Malaysian Institute of Accountants (MIA)
	Decoding Greenhouse Gas Emissions (GHG) Accounting: Scope 1, Scope 2 and Scope 3	Association of Chartered Certified Accountants (ACCA)
	Greenhouse Gas (GHG) Accounting For Sustainability Reporting & Disclosure Management	Association of Chartered Certified Accountants (ACCA)
	MIA International Accountants 2024 : Navigating New Frontiers Embracing Sustainability	Malaysian Institute of Accountants (MIA)
	MIA Webinar Series: ESG Audit For Internal Auditors How to ascertain methods of scoping for ESG Performance Audits	Malaysian Institute of Accountants (MIA)
	Case Study-Based Webinar: ESG Risk Management-Important of Identifying and Managing ESG Risks	Malaysian Institute of Accountants (MIA)
	Case Study-Based Webinar: ESG and Supply Chain Management	Malaysian Institute of Accountants (MIA)
	MIA Webinar Series: MIA Steering Climate Risk and ESG Roadmap for Corporate	Malaysian Institute of Accountants (MIA)
	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Dato' Tea Choo Keng	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Low Jun Lee	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
Tan Lay Beng	Mandatory Accreditation Programme (MAP) II - Leading for Impact	Institute of Corporate Directors Malaysia
	AI Master Class	Academy of Artificial Intelligence
	E-invoice implementation in Malaysia	Crowe CPE Sdn. Bhd.

#### vi. Board Committees

In discharging its fiduciary duties, the Board has delegated specific duties to four (4) Board Committees, namely the Audit Committee, the Nominating Committee, the Remuneration Committee and the Option Committee, with each having clearly defined terms of reference. The Board Committees have the authority to examine particular issues and report to the Board on the matters arising and outcome of the Committee meetings including their recommendations. The ultimate responsibility and the final decision on all matters, however, lies with the Board of Directors.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### vi. Board Committees

- Audit Committee**

The terms of reference, the number of meetings held, and activities carried out during the financial year, as well as the attendance of each member can be found on pages 96 to 101 of the Audit Committee Report.

Please refer to Practice 9.1, 9.2, 9.3, 9.4 and 9.5 of the CG Report on disclosures in relation to the Audit Committee.

- Nominating Committee**

During the financial year under review, the Nominating Committee comprised exclusively Independent Non-Executive Directors, which is in compliance with the MMLR and is chaired by an Independent Non-Executive Director appointed from among its members. The Nominating Committee is guided by written Terms of Reference duly approved by the Board which states the authorities, duties and responsibilities of the Committee.

The Terms of Reference for the Nominating Committee is available on the company's website at <https://powerroot.com.my/investor-relations/corporate-governance>.

The Nominating Committee members and their attendance records for meetings held during the financial year ended 31 March 2025 are as follows:

Nominating Committee	Position & Designation	No. of Meetings Held	Attendance
Dato' Afifuddin bin Abdul Kadir	Chairman, Independent Non-Executive Director	1	1/1
Tan Lay Beng	Member, Independent Non-Executive Director	1	1/1
Azahar bin Baharudin (resigned on 30 August 2024)	Member, Independent Non-Executive Director	1	1/1
Ong Kheng Swee (appointed on 5 September 2024)	Member, Non-Independent Non-Executive Director	1	0/0

During the financial year ended 31 March 2025, the Nominating Committee conducted evaluations and assessments on the performance of the Board, the Board Committees, the Audit Committee (including its members), the contribution by each individual Director, Key Senior Management and independence assessments of Independent Directors based on the pre-determined processes and evaluation/review criteria. The Nominating Committee reported the results of all evaluations and assessments to the Board for review and deliberation to enable effective actions (including identified training to be attended via Training Needs Analysis) to be formulated and implemented for the proper and effective functioning of the Board and its Committees.

Please refer to Practice 5.1, 5.2, 5.3, 5.5, 5.6, 5.7, 5.8 and 6.1 of the CG Report for details on the Nominating Committee and its activities for the financial year ended 31 March 2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### vi. Board Committees (cont'd)

##### • Remuneration Committee

The Remuneration Committee was formed to assist the Board in determining, developing and recommending an appropriate remuneration policy and remuneration package for Directors so as to attract, retain and motivate the Directors. The Remuneration Committee is guided by formal Terms of Reference approved by the Board which states the composition requirement, authorities, roles and responsibilities of the committee. The Terms of Reference for the Remuneration Committee is available on the company's website at <https://powerroot.com.my/investor-relations/corporate-governance>. Further disclosure on the Remuneration Committee (and its activities) and the remuneration policy and procedure established by the Board can be found in Practice 7.1 and 7.2 of the CG Report.

During the financial year ended 31 March 2025, the Remuneration Committee comprised of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Remuneration Committee members and their attendance records for meetings held during the financial year ended 31 March 2025 are as follows:

Remuneration Committee	Position & Designation	No. of Meetings Held	Attendance
Dato' Afifuddin bin Abdul Kadir	Chairman, Independent Non-Executive Director	1	1/1
Ong Kheng Swee	Member, Non-Independent Non-Executive Director	1	1/1
Azahar bin Baharudin (resigned on 30 August 2024)	Member, Independent Non-Executive Director	1	1/1
Tan Lay Beng	Member, Independent Non-Executive Director	1	1/1

The Remuneration Committee met once during the financial year ended 31 March 2025 to review the proposed remuneration package of Executive Directors and proposed Directors' fees for Non-Executive Directors with such recommended remuneration packages and Directors' fees submitted to the Board for review, approval and recommendation to shareholders for approval, as applicable. Individual Directors abstained from all deliberation and approval of his/her own remuneration/fees.

##### • Option Committee

During the financial year under review, the Option Committee consisted of two (2) Executive Directors and one (1) Non-Independent Non-Executive Director who is the Chairman of the Committee. The primary responsibility of the Option Committee is to administer the Employees' Share Option Schemes ("ESOS"), of which currently subsisting are the ESOS established on 11 June 2019 and expiring on 10 June 2029 ("ESOS Y2019") and the ESOS established on 28 August 2024 and expiring on 27 August 2034 ("ESOS Y2024"), both of which are for Eligible Directors and Key Employees).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### vi. Board Committees (cont'd)

##### • Option Committee (cont'd)

The Option Committee members and their attendance records for meetings held during the financial year ended 31 March 2025 are as follows:

Option Committee	Position & Designation	No. of Meetings Held	Attendance
Ong Kheng Swee	Chairman, Non-Independent Non-Executive Director	4	4/4
Wong Tak Keong	Member, Chief Executive Officer	4	4/4
See Thuan Po	Member, Executive Director	4	4/4

The functions of the Option Committee are:

- The Option Committee shall be vested with such powers and duties as conferred upon it by the Board to administer the ESOS in such manner as it deems fit. The Option Committee may, for the purpose of administering this ESOS, enter into any transactions, agreements, deeds, documents of arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESOS which the Option Committee may in its discretion consider to be necessary;
- To select any eligible employees or eligible persons to participate in the ESOS Scheme, whose decision shall be binding and final;
- To determine the basis of allotment and the number of shares to be offered and allotted to the eligible employees or eligible persons;
- To determine the terms and conditions of offer to eligible employees in accordance with the established criteria of allocation;
- To administer the offer to eligible employees or eligible persons and the acceptance thereof;
- To determine the option price;
- To determine the limits on the exercise of option, including the number of shares exercisable and the prescribed option period and to impose any other terms and/or conditions it deems fit;
- To administer the exercise of option;
- To suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its absolute discretion; and
- Carry out any duties deemed incidental or ancillary in relation thereto.

During the financial year, the Option Committee met four (4) times to review the allocated options list to determine its compliance with the *ESOS By-Laws* and determined the issuance of new ordinary shares in the Company in relation to the exercise of options granted in accordance with the *ESOS By-Laws*.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### B. Board Composition (cont'd)

#### viii. Sustainability Oversight and Management

In order to promote the sustainability of the Group's businesses, one of the key business strategies adopted by the Board is to ensure that the sustainability aspects of the businesses undertaken are well-managed. The Group upholds the principle of maintaining effective sustainability management continuously in order to contribute positively to the socio-economic development of the communities we operate in, to promote environmentally-friendly business practices and to uphold good social practices.

The Board is responsible for regularly evaluating the economic, environmental and social issues of the Group and assume the ultimate responsibility for the oversight role of sustainability management on a group wide basis. The sustainability management of the Group is governed by the *Sustainability Framework* established by the Board. The formal governance structure, stakeholder engagement and process to identify, assess and formulate and monitor responses to material sustainability issues are prescribed in the Sustainability Framework with the assessment results and responses incorporated into the risk management process of the Group for continuous monitoring.

Please refer to the Sustainability Statement for the governance structure and process employed as well as the identification, assessment, management and reporting of sustainability matters during the financial year under review and up to the date of this Annual Report and Practice 4.1, 4.2, 4.3, 4.4 and 4.5 of the CG Report.

### C. Remuneration

The Board assumes the overall responsibility for establishing and implementing effective remuneration policies for members of the Board in order to attract, retain and motivate Directors and that is aligned with the Group's strategic and long term objectives. Such remuneration shall be reflective of their experience and level of responsibilities.

The Board has put in place a *Board Remuneration Policy* as guidance for the Remuneration Committee in its review and consideration of proposed remuneration packages for members of the Board. Major components of the remuneration package for Executive Directors and Non-Executive Directors are identified for review based on the criteria established in the formal policy.

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration packages of Board members (i.e., Executive Directors and Non-Executive Directors). None of the Directors participated in any way in determining his/her own remuneration. Individual Directors abstained from all deliberation and approval of his/her own remuneration.

Please refer to Practice 7.1 and 7.2 of the CG Report for details of the remuneration policy established by the Board and summary of the terms of reference of the Remuneration Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (cont'd)

### C. Remuneration (cont'd)

The Board is of the opinion that detailed disclosure on a named basis of the remuneration of individual Directors may jeopardize the personal security of the Directors. As such, a summary on the remuneration packages of the Directors of the Company who served during the financial year ended 31 March 2025 in each successive band of RM50,000, distinguishing between Executive Directors and Non-Executive Directors is as follows:

	Company			Group		
	Basic Salary, Bonus, Incentives, Allowance, EPF, SOCSO	Fees	Others	Basic Salary, Bonus, Incentives, Allowance, EPF, SOCSO	Fees	Others
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Executive Directors	-	-	-	12,715	-	180
Non-Executive Directors	187	881	-	187	881	-

The number of Directors whose remuneration fall into the following bands are as follows:

Remuneration bands per annum	Company		Group	
	Executive	Non-Executive	Executive	Non-Executive
RM50,001 to RM100,000	-	4	-	4
RM100,001 to RM150,000	-	2	-	2
RM150,001 to RM200,000	-	1	-	1
RM200,001 to RM250,000	-	-	1	-
RM250,001 to RM300,000	-	-	1	-
RM300,001 to RM350,000	-	-	1	-
RM350,001 to RM400,000	-	-	1	-

The detailed disclosure on a named basis of the remuneration of Key Senior Management in bands of RM50,000 for the financial year ended 31 March 2025 was not adopted as the Board is of the opinion that such detailed disclosure may jeopardise their personal security and increases the risk of loss of key personnel if the individual Key Senior Management's remuneration packages are published publicly.

Please refer to Practice 8.2 of the CG Report for the explanation on the departure in relation to disclosure on Key Senior Management's remuneration component in bands of RM50,000.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

The Audit Committee is tasked with the oversight role on the effectiveness of audit and risk management of the Group. The composition of the Audit Committee and activities carried out during the financial year under review, including the number of meetings held and member's attendance are disclosed in Practice 9.1 to 9.5 of the CG Report and the Audit Committee Report set out in this Annual Report.

#### i. Relationship with External Auditors

The Audit Committee maintains a close and transparent relationship with the Group's External Auditors in seeking professional advice and ensuring compliance with the approved accounting standards and relevant regulations in Malaysia and the countries where it has operations and the Group's policies and procedures.

The roles and responsibilities of the Audit Committee in relation to the External Auditors are set out in the Audit Committee's Terms of Reference.

The engagement of the External Auditors is governed by the engagement letter with terms of engagement (which includes, amongst others, the scope of coverage, the responsibilities of the external auditors, confidentiality, independence and the proposed fees), which is reviewed by the Audit Committee and recommended to the Board. Prior to the commencement of the audit work and upon completion of the audit engagement, the External Auditors of the Group reaffirmed their independence in relation to the audit work and their commitment to communicate to the Audit Committee on their independence status in an ongoing manner.

The Audit Committee met with the External Auditors twice during the financial year under review to discuss their Audit Plans, their audit findings and other special matters that require the Audit Committee's attention in relation to the financial statements. In addition, the Audit Committee met privately with the External Auditors on 21 November 2024 and 25 February 2025 without the presence of the Executive Directors and Management, to encourage free flow of information and views and for the External Auditors to freely express their opinion without undue pressure.

The Audit Committee had also considered the nature of other non-audit services provided during the year by the External Auditors and the quantum of the fees, as tabulated in the table below, and was satisfied that the provision of these non-audit services did not in any way compromise their independence.

The oversight of the External Auditors was enhanced by the annual assessment/evaluation on the External Auditors by the Audit Committee and the results subsequently reported to the Board.

The audit and non-audit fees incurred for services rendered by KPMG (the External Auditors) and their affiliated firms and companies to the Company and its subsidiaries for the financial year were as follows:

	Company	Group	Description
Audit Fees (RM)	74,000	284,000	Audit services rendered – statutory audit in respect of FY 2025.
Non-Audit Fees (RM)	21,500	137,000	Tax return and compliance, review of Statement on Risk Management and Internal Control and aged upon procedures on pioneer compliance.

The summary of the Audit Committee's activities and oversight of the External Auditors during the financial year under review is set out in the Audit Committee Report on pages 97 to 99 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

### II. Risk Management and Internal Control Framework

#### i. Risk Management

The Board affirms its overall responsibility for maintaining a sound risk management and internal control system in pursuing the Company's objectives and have in place a formal *Group Risk Management Framework*. The details of the *Group Risk Management Framework* and risk management process are disclosed in Practice 10.1 and 10.2 of the CG Report and the Statement on Risk Management and Internal Control on pages 102 to 104 of this Annual Report.

#### ii. Internal Control and Internal Audit Functions

The Board acknowledges its overall responsibility for maintaining a sound internal control system to safeguard shareholders' investment and the Group's assets. This includes ensuring the review of the adequacy and integrity of the system of internal control in managing the principal risks of the Group. As such, the Internal Audit Function was established to perform the review of the adequacy and integrity of the system of internal control in managing the principal risks of the Group. The Internal Audit Function of the Group comprises an in-house Internal Audit Function with the primary responsibility of reviewing the key internal control processes within the Group, and an outsourced Internal Audit Function with the primary responsibility for reviewing the internal control processes of the distributorship management system implemented by the Group. The in-house Internal Audit Function and the outsourced Internal Audit Function report directly to the Audit Committee and provide the Audit Committee with the assurance it requires on the adequacy and effectiveness of the Group's internal control system.

The state of the internal control system and Internal Audit Function of the Group is explained in greater detail in the Statement on Risk Management and Internal Control on pages 105 to 109 of this Annual Report and Practice 11.1 and 11.2 of the CG Report.

#### iii. Uphold Integrity in Financial Reporting

The Board strives to ensure that a balanced, clear and meaningful assessment of the financial positions and prospects of the Group are made in disclosures to shareholders, investors and the regulatory authorities via timely release of quarterly reports, annual reports and timely announcements on material information.

All financial statements, including annual financial statements to shareholders and quarterly announcements of financial results, were reviewed by the Audit Committee and thereafter recommended to the Board for approval to ensure the accuracy, adequacy and completeness of information, and compliance with relevant accounting standards and regulations prior to their release to the public and regulatory authorities.

The Board, through the review by the Audit Committee and in consultation with the Management and the External Auditors, presents fair and meaningful assessments of the Group's financial performance and position.

A summary of the activity of the Audit Committee in the discharge of its functions and duties during the financial year is set out in the Audit Committee Report on pages 97 to 101 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Engagement with Stakeholders

The core communication channel with stakeholders employed by the Company is via announcements made through Bursa Securities. All announcements made through Bursa Securities are approved by the Board prior to its release. The Board observes all disclosure requirements as laid down by the MMLR and Capital Markets and Services Act 2007 in order to have all material events and information disseminated publicly and transparently on a timely basis to ensure fair and equitable access by all stakeholders without selective disclosure of such information to specific individual or groups. The corporate disclosure by the Company is further enhanced by way of the Co-Chairmen of the Board, Chief Executive Officer and Executive Director (Corporate Affairs) assuming the role of authorised spokesperson for the Company during press conferences and analyst briefings to ensure factual, accurate and consistent disclosure.

The Board has adopted such practice for the disclosure of material information of the Group to ensure that communication to the relevant stakeholders is timely, factual, accurate, and complete. The corporate disclosure process and mechanism is guided by the *Corporate Disclosure Policy* approved by the Board. The Board also provides timely disclosure of all material information on the Group to stakeholders through announcements made on Bursa Securities and such announcements are also made available on the company's website at <https://powerroot.com.my/investor-relations/bursa-announcements/>.

The Annual Report, quarterly interim financial reports, public announcements to Bursa Malaysia and quarterly analyst briefing serve as the primary communication channels between the Company and its stakeholders. The Annual Report communicates comprehensive information on the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the Annual Report are governed by the MMLR.

Furthermore, the Company's website has a "Contact Us" section at <https://powerroot.com.my/investor-relations/bursa-announcements/> which lists out the contact details (including email and contact numbers) of representatives from the Corporate Finance Department where stakeholders can direct their enquiries to.

Please refer to Practice 12.1 of the CG Report for further disclosures on stakeholders' communication.

### II. Conduct of General Meetings

The Company's general meetings serve as one of the key avenues of communication and the principal forum for dialogue with the shareholders. Shareholders are given the opportunity and are encouraged to participate in the general meetings of the Company and to raise questions or seek clarifications on the agenda items of the meeting from the Company's Directors. The agenda of the meeting and proposed resolutions including the voting rights and procedures for shareholders to exercise their rights to appoint their proxy in relation to the general meeting are provided to the shareholder at least twenty-eight (28) days prior to the meeting to ensure that shareholders are given sufficient time and information prior to attending the general meeting.

Adequate time is given during general meetings to encourage and allow shareholders to seek clarification or ask questions on pertinent and relevant matters. In order to facilitate and provide a more meaningful response to questions raised by shareholders, all Directors, except for one (1) Non-Independent Executive Director, attended the 18<sup>th</sup> Annual General Meeting ("AGM") and the External Auditors were also present at the same meeting to provide professional and independent clarification on any issues and concerns that may be raised by the shareholders during the meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

#### II. Conduct of General Meetings (cont'd)

In addition, the Company schedules meetings and interviews with professionals from the investment community and meets up with institutional investors, when requested.

##### i. Poll Voting

Pursuant to Paragraph 8.29A(1) of the MMLR, the Company is required to ensure that any resolution set out in the notice of general meetings is to be voted by poll. All resolutions put forth for shareholders' approval at the forthcoming 18<sup>th</sup> AGM are to be voted by way of poll voting.

To further promote the participation of members in the poll voting and general meetings through proxy(ies), the Company has amended its Constitution to include explicitly the right of proxies to speak at general meetings, to allow a member to appoint not more than two (2) proxies to attend on his/her behalf and expressly disallow any restriction on proxy qualification. In addition, the Constitution allows exempt authorised nominees to appoint multiple proxies for each omnibus account it holds.

##### ii. Leverage on Information Technology for General Meetings

In order to promote transparency and thoroughness in the public dissemination of material information, the Company's website incorporates an "Investor Relations" section which provides all relevant information on the Company and is accessible by the public via <https://powerroot.com.my/investor-relations/bursa-announcements/>. The "Investor Relations" section enhances the Investor Relations function by including all announcements made by the Company, the Annual Reports of the Company, *Board Charter* and prescribed policies as well as the *Terms of Reference* of the relevant Board Committees.

During the financial year under review, the Company held the Annual General Meeting fully physically as it did not conduct its general meeting by leveraging technology to facilitate voting in absentia and webcast for remote shareholder participation.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the annual financial statements of the Group and the Company are prepared in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards of Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2025, and of the results of their operations and cash flows for the financial year ended on that date.

In preparing the annual audited financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgments and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going-concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

### Additional Compliance Statement

#### • Material Contracts or Loan Involving the interests of the Directors, Chief Executive or Major Shareholders

The following is the material contract involving the interests of the Directors, Chief Executive Officer who is not a Director or major shareholders, either still subsisting at the end of the financial year ended 31 March 2025 or, if not then subsisting, entered into since the end of the previous financial year ended 31 March 2024:

- On 31 March 2021, the Company had entered into separate Put Option Agreements ("Put Option") with the Company's Chief Executive Officer (the "Grantee"), to grant the Grantee a put option over all his shares held ("Option shares") in the Company's subsidiaries, namely Power Root Distributor Sdn. Bhd. ("PRD"), Alicafe Roasters Sdn. Bhd. ("ARSB"), Power Root HK-China Company Limited ("PRHK") and Superwrapz International Sdn. Bhd. ("SISB") (individually referred to as "Subsidiary" and collectively referred to as "Subsidiaries") ("Put Option(s)").

The salient terms of the Put Option Agreements are, amongst others, as set out below:

- Through the agreement, the Grantee has the option to require the Company to purchase his entire equity interest in the Subsidiaries at the date of the exercise of the Option Shares. The consideration for the Option Shares will be by way of issuance of new Company's shares ("Consideration Shares"). The basis for the calculation for the Consideration Shares is as follows:

#### Step 1: Calculation of Option Ratio

To be based on the latest audited consolidated PAT ("Profit After Tax") of the Group (inclusive of 100% consolidated PAT of the Subsidiary) and the latest audited PAT of the respective Subsidiaries based on the following formula:

Option Ratio	=	$\frac{\text{Audited PAT of Subsidiary in RM}}{\text{Audited PAT of the Group (inclusive of 100\% consolidated PAT of the Subsidiary)}}$	x	% of shareholding of Grantee in the Subsidiary at the date of exercise of the Put Option
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#### Step 2: Calculation of Consideration Shares

Consideration Shares	=	Option Ratio	x	$\frac{\text{Total number of shares of the Grantor in issue as at the date of the exercise of the Put Option}}{(100\% - \text{Option Ratio})}$
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The number of Consideration Shares (which is a function of the Option Ratio) will be subject to the quantum of profit contributions of the respective Subsidiaries to the Group.

- The issuance of new ordinary shares by the Company to fulfil the consideration in the Put Options is conditional upon approvals being obtained (where applicable) from the following:
  - Bursa Malaysia Securities Berhad, for the approval for the listing of and quotation for the new ordinary shares;
  - The shareholders of the Company at an Extraordinary General Meeting of the Company to be convened, if required; and
  - Any other relevant authorities, if required.

As at the date of this Statement, the Put Options remained unexercised.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

- Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")**

The breakdown of the aggregate value of the RRPT of a revenue or trading nature during the financial year ended 31 March 2025 are as follows:

Name of Related Party	Nature of RRPT	Interested Director and Shareholder	Aggregate Value of Transactions RM'000
Power Root HK-China Company Limited	Sale of beverage products by Power Root Manufacturing Sdn. Bhd. to Power Root HK-China Company Limited	Wong Tak Keong @	7,862
Power Root HK-China Company Limited	Advertising and Promotional support by Power Root Manufacturing Sdn. Bhd. to Power Root HK-China Company Limited	Wong Tak Keong @	1,179
Power Root HK-China Company Limited	Distribution of Power Root's products by Power Root HK-China Company Limited to Power Root (Shanghai) Food Trading Co Ltd	Wong Tak Keong @	8,179
Power Root HK-China Company Limited	Advertisement and Promotional support by Power Root HK-China Company Limited to Power Root (Shanghai) Food Trading Co Ltd	Wong Tak Keong @	-
Power Root Distributor Sdn. Bhd.	Sale of non-food related products being cling wraps and aluminium foil products by Power Root Distributor Sdn. Bhd. to Power Root (Shanghai) Food Trading Co Ltd	Wong Tak Keong @	-
Superwrapz International Sdn. Bhd.	Sale of non-food related products being cling wraps and aluminium foil products by Superwrapz International Sdn. Bhd. to Power Root ME FZCO	Wong Tak Keong @	-
Alicafe Roasters Sdn. Bhd.	Sale of coffee beans by Alicafe Roasters Sdn. Bhd. to Power Root Manufacturing Sdn. Bhd.	Wong Tak Keong @	3,264
Alicafe Roasters Sdn. Bhd.	Royalty fee payable by Power Root Manufacturing Sdn. Bhd. to Alicafe Roasters Sdn. Bhd. for the sale of roasted coffee products	Wong Tak Keong @	573

@ Wong Tak Keong, the Chief Executive Officer who is also an Executive Director and substantial shareholder of the Company, is an Interested Director and Shareholder by virtue of his directorships, direct and indirect shareholdings in the Related Parties.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

### • Employees' Share Option Schemes

During the financial year under review, there were two (2) subsisting Employees' Share Option Scheme ("ESOS").

#### 1. ESOS established on 11 June 2019 and expiring on 10 June 2029 for eligible directors and key employees ("ESOS Y2019")

The maximum number of ESOS Shares to be offered and allotted to eligible directors and key employees under ESOS Y2019 shall not exceed in aggregate Twenty Million (20,000,000) or any limit prescribed by any guidelines, rules and regulations of the relevant authorities during the duration of ESOS Y2019 as referred to in *ESOS By-Laws*.

At any one time during the duration of ESOS Y2019 and any other schemes involving issuance of new shares to eligible directors and employees which have been implemented by the Company, the total number of new shares which may be issued under ESOS Y2019 and any other schemes involving issuance of new shares to eligible Directors and employees which are still subsisting must not exceed 15% of the total number of issued shares of the Company.

The basis of allotment and maximum allowable allocation of ESOS Shares under ESOS Y2019 are as follows:

- i. Not more than ten percent (10%) of new shares available under ESOS Y2019 shall be allocated to any eligible director or key employee who, singly or collectively through persons connected with such directors or employees, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company; and
- ii. the decision of the Option Committee shall be final, conclusive and binding provided that the executive directors and senior management of the Group must not participate in the deliberation or discussion of their own allocation of the ESOS Options.

The directors and key employees were granted with options under ESOS Y2019 to exercise for shares representing 4.2% of the issued share capital of the Company since the commencement of ESOS Y2019 as at 31 March 2025. There was no grant of new options to directors during the financial year ended 31 March 2025 in relation of ESOS Y2019.

There was no grant of new options during the financial year ended 31 March 2025 and a total of 20,000,000 options has been granted and accepted since the commencement of ESOS Y2019.

	Financial Year Ended 31 March 2025					Since Commencement			
	No. Options Outstanding (No. of Options) (b/f)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options) (c/d)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options)
All Options Granted	17,955,000	-	(165,000)	-	17,790,000	20,000,000	(2,165,000)	(45,000)	17,790,000
There in:									
Directors and Chief Executive Officer	16,000,000	-	-	-	16,000,000	16,000,000	-	-	16,000,000

There was no option offered to and exercised by any non-executive directors pursuant to ESOS Y2019 during financial year ended 31 March 2025 and since the commencement of ESOS Y2019.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

### • Employees' Share Option Schemes (cont'd)

#### 2. ESOS established on 9 August 2022 and expiring on 8 August 2032 for eligible directors and key employees ("ESOS Y2022")

The maximum number of ESOS Shares to be offered and allotted to eligible directors and key employees of the Group under the ESOS Y2022 shall not exceed ten percent (10%) of the total number of issued shares of our Company (excluding treasury shares) at any point in time or any limit prescribed by any guidelines, rules and regulations of the relevant authorities during the duration of the ESOS Y2022 as referred to in *ESOS By-Laws*.

At any one time during the duration of the ESOS Y2022 and any other schemes involving issuance of new shares to eligible Directors and employees which have been implemented by the Company, the total number of new shares which may be issued under ESOS Y2022 and any other schemes involving issuance of new shares to eligible Directors and employees which are still subsisting must not exceed 15% of the total number of issued shares of the Company.

The basis of allotment and maximum allowable allocation of ESOS Shares under ESOS Y2022 are as follows:

- i. Not more than ten percent (10%) of new shares available under the ESOS Y2022 shall be allocated to any eligible Director or key employee who, singly or collectively through persons connected with such Directors or employees, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company; and
- ii. the decision of the Option Committee shall be final, conclusive and binding provided that the Executive Directors and Senior Management of the Group must not participate in the deliberation or discussion of their own allocation of the ESOS Options.

There was no grant of new options during the financial year ended 31 March 2025 and a total of 41,890,000 options has been granted and accepted since the commencement of the ESOS Y2022.

	Financial Year Ended 31 March 2025					Since Commencement			
	No. Options Outstanding (No. of Options) (b/f)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options) (c/d)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options)
All Options Granted	34,850,000	-	(34,850,000)	-	-	41,890,000	(41,890,000)	-	-
There in:									
Directors and Chief Executive Officer	24,000,000	-	(24,000,000)	-	-	24,900,000	(24,900,000)	-	-

The ESOS Y2022 was terminated effective 28 August 2024 and replaced by a new ESOS established in 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

### • Employees' Share Option Schemes (cont'd)

#### 3. ESOS established on 28 August 2024 and expiring on 27 August 2034 for eligible directors and key employees ("ESOS Y2024")

The maximum number of ESOS Shares to be offered and allotted to eligible directors and key employees of the Group under ESOS Y2024 shall not exceed ten percent (10%) of the total number of issued shares of our Company (excluding treasury shares) at any point in time or any limit prescribed by any guidelines, rules and regulations of the relevant authorities during the duration of ESOS Y2024 as referred to in *ESOS By-Laws*.

At any one time during the duration of ESOS Y2024 and any other schemes involving issuance of new shares to eligible directors and employees which have been implemented by the Company, the total number of new shares which may be issued under ESOS Y2024 and any other schemes involving issuance of new shares to eligible directors and employees which are still subsisting must not exceed 15% of the total number of issued shares of the Company.

The basis of allotment and maximum allowable allocation of ESOS Shares under ESOS Y2024 are as follows:

- i. Not more than ten percent (10%) of new shares available under ESOS Y2024 shall be allocated to any eligible director or key employee who, singly or collectively through persons connected with such directors or employees, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of the Company; and
- ii. the decision of the Option Committee shall be final, conclusive and binding provided that the executive directors and senior management of the Group must not participate in the deliberation or discussion of their own allocation of the ESOS Options.

The executive directors and key employees were granted with options under ESOS Y2024 to exercise for shares totalling 7.3% of the issued share capital (excluding treasury shares) of the Company since the commencement of ESOS Y2024 to 31 March 2025.

A total of 30,850,000 options has been granted and accepted since the commencement of ESOS Y2024.

	Financial Year Ended 31 March 2025					Since Commencement			
	No. Options Outstanding (No. of Options) (b/f)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options) (c/d)	No. Options Granted (No. of Options)	No. Options Forfeited (No. of Options)	No. Options Exercised (No. of Options)	No. Options Outstanding (No. of Options)
All Options Granted	-	30,855,000	-	-	30,850,000	30,850,000	-	-	30,850,000
There in:									
Directors and Chief Executive Officer	-	24,000,000	-	-	24,000,000	24,000,000	-		24,000,000

There was no option offered to and exercised by any non-executive directors pursuant to ESOS Y2024 during financial year ended 31 March 2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

## DIRECTORS' RESPONSIBILITY STATEMENT (cont'd)

- **Utilisation of Proceeds**

The net proceeds from the exercise of options by eligible directors and key employees granted in accordance with the *ESOS By-Laws* of the relevant subsisting ESOS (after deducting expenses incurred in the issuance of new shares, if any) were and will be utilised for the working capital requirements of the Group.

### Key Focus Areas and Future Priorities

The Board will continue to strengthen the independence and diversity elements within the Board and Board Committees. Should there be any addition of new Board members, the Board will also consider gender diversity and increasing the number of Independent Directors on the Board as well as utilising independent sources to identify suitably qualified candidates instead of solely relying on recommendations from existing Board members, the Management or major shareholders. It is also the intention of the Board to consider further improvements in the transparency of disclosure of the remuneration of the Board members and Key Senior Management and taking into consideration the impact of such disclosure on the personal security of the individual Directors and Key Senior Management, and the risk of loss of Key Management personnel.



# AUDIT COMMITTEE REPORT

## A. ESTABLISHMENT AND COMPOSITION

The Audit Committee (“AC”) comprises the following members for the financial year ended 31 March 2025 and as at the date of this report:-

*Chairperson:*

Tan Lay Beng (*Independent Non-Executive Director*)

*Members:*

Dato’ Afifuddin bin Abdul Kadir (*Co-Chairman of the Board, Independent Non-Executive Director*)

Dato’ Tea Choo Keng (*Independent Non-Executive Director*)

The composition of the AC is in compliance with paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), where the AC consists of three (3) Independent Non-Executive Directors. Ms. Tan Lay Beng, who is the AC Chairperson, is a member of the Malaysian Institute of Accountants (“MIA”) which fulfils the requirement under paragraph 15.09(1)(c)(i) and paragraph 7.1 of Practice Note 13 of the MMLR. In compliance with Practice 9.1 of the Malaysian Code on Corporate Governance (“MCCG”), the AC Chairperson is not the Chairperson of the Board of Directors of the Company.

The AC also meets the requirement under Step Up Practice 9.4 of the MCCG whereby all members of the AC (including the Chairperson) are Independent Non-Executive Directors. No alternate Director had been appointed as a member of the AC.

The Board through the Nominating Committee reviews the terms of office of the AC members and assesses the performance of the AC and each of its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that each of the members of the AC as well as the AC as a whole had carried out their duties and discharged their responsibilities in accordance with the AC’s Terms of Reference. The AC were functioning effectively, meeting the objectives as set out in its Terms of Reference and assisting the Board in fulfilling its statutory and fiduciary responsibilities adequately.

The profile of the members is presented on pages 5 to 9 of this Annual Report.

## B. TERMS OF REFERENCE

The Terms of Reference of the AC is available on the Company’s website at <https://powerroot.com.my/investor-relations/corporate-governance/>.

## C. MEETINGS OF THE AUDIT COMMITTEE

During the financial year ended 31 March 2025, the AC held five (5) meetings. Details of each member’s meeting attendance are as follows: -

Name of Directors	No. of Meetings Attended
Tan Lay Beng	5/5
Dato’ Afifuddin bin Abdul Kadir	5/5
Azahar Bin Baharudin *	3/3
Dato’ Tea Choo Keng **	2/2

\* Resigned on 30 August 2024

\*\* Appointed on 5 September 2024

## AUDIT COMMITTEE REPORT (cont'd)

### C. MEETINGS OF THE AUDIT COMMITTEE (cont'd)

The meetings were conducted with the quorum of a majority of the members present at all of these meetings as required under the AC's Terms of Reference.

The meetings were appropriately structured through the use of agendas, which were distributed together with the minutes of the meeting and relevant papers and reports to the members, normally at least seven (7) days before the meeting with sufficient time allowed for review by the members of the AC for the proper discharge of its duties and responsibilities diligently and effectively in compliance with the MMLR and its terms of reference. The Company Secretary, the appointed secretary of the AC, attended all the meetings during the financial year.

The External Auditors, Internal Auditors, Chief Executive Officer, Executive Directors, Chief Operating Officer ("COO"), General Manager - Finance, Group Financial Controller and Corporate Finance Manager, at the invitation of the AC, attended the AC meetings to present their reports/findings or required information and explanations for the proper deliberation of the matters at hand.

The AC reported and updated the Board on significant issues and matters discussed during the AC's meetings and where appropriate, made the necessary recommendations to the Board.

Minutes of the AC's meetings were made available to all Board Members for review and for them to seek clarification and confirmation from the AC Chairperson where necessary.

### D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The AC carried out its duties in accordance with its terms of reference during the financial year under review. The summary of activities undertaken by the AC during the financial year included the following:

#### 1. Reviewed the Quarterly Financial Reports

During the quarterly meetings, the General Manager - Finance and Group Financial Controller presented the draft unaudited quarterly financial results for the AC's review, briefed the AC on the contents of the draft interim financial reports (including the unaudited condensed statement of financial position, unaudited condensed statement of profit or loss and other comprehensive income, unaudited condensed statement of cash flow, unaudited condensed statement of changes in equity and explanatory notes and additional information thereto), and answered all queries raised and clarifications sought by the AC. The review focused on key financial results and comparison to the corresponding quarter of the preceding year as well as the immediate preceding quarter, with reasons for variances provided by the Group Financial Controller. In addition, the business prospects of the Group for the rest of the financial year were provided by the Management to the AC for discussion.

The review of the interim financial reports performed by the AC was supplemented by the review of key financial information (such as debtor ageing, inventory ageing analysis and major expenses) as well as comparison of actual financial results against budgeted financial results.

The unaudited interim financial reports reviewed by the AC were then recommended to the Board for approval prior to announcement to Bursa Malaysia Securities Berhad ("Bursa Securities").

#### 2. Reviewed the Company's Compliance with Regulatory, Statutory and Accounting Standards

During the quarterly meeting, with respect to the interim financial reports and annual financial statements, the AC reviewed the Company's compliance with the MMLR, accounting standards promulgated by Malaysian Accounting Standards Board and other legal and regulatory requirements.

## AUDIT COMMITTEE REPORT (cont'd)

### D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (cont'd)

#### 3. Reviewed the Latest Changes of Pronouncements Issued by the Accountancy, Statutory and Regulatory Bodies

At such quarterly meetings, the AC was kept informed of the application and impact of new and revised accounting standards by the External Auditors and on changes to the MMLR compliance requirements by the Company Secretary. The AC members also underwent training conducted by professional organisations during the financial year to update themselves on the financial reporting and compliance requirements.

#### 4. Reviewed the External Auditors' Audit Plan, Scope of Work and Audit Fee

During the financial year, the External Auditors presented their audit plan and strategy to the AC for review and approval prior to the commencement of the audit to ensure that the audit scope was adequate and reasonable time was allowed to ensure that the audit could be carried out effectively without undue time pressure.

The audit plan presented included information on the engagement team, audit scope, materiality, audit methodology and timing of audit, involvement of component auditors, other independent auditors, significant accounting policies and disclosures, audit focus areas (including potential key audit matters, other significant risks and other matter), emerging issues, key milestones, reported observations in prior year's audit, fraud consideration, newly effective Malaysian Financial Reporting Standards ("MFRS"), as well as the responsibilities of Directors and External Auditors. The audit plan was discussed and clarifications were sought from the External Auditors prior to the approval of the said plan by the AC.

During the same meeting, the proposed audit and non-audit fees were presented by the External Auditors for review by the AC to ensure that the proposed fees commensurate with the work to be performed by the External Auditors, and the independence and objectivity of the External Auditors were not compromised by the proposed non-audit fees, which was then recommended to the Board for approval.

During the financial year under review, in line with the Malaysian Institute of Accountants' (MIA) revised By-Laws (On Professional Ethics, Conduct and Practice) (By-Laws) Part A which stipulates that "*A firm communicates with those charged with governance of a public interest entity before the firm or network firm provides non-assurance services to entities within the corporate structure of which the public interest entity forms part that might create threats to the firm's independence from the public interest entity. The purpose of the communication is to enable those charged with governance of the public interest entity to have effective oversight of the independence of the firm that audits the financial statements of that public interest entity. [MIA By-Laws 600.20 A1]*", the AC reviewed and approved the provision of non-assurance services by the External Auditors.

#### 5. Reviewed the Audited Financial Statements and Audit Results with External Auditors

The audit findings on the significant risk areas, deficiencies in internal control (if any) and status of the audit were presented by the External Auditors to the AC. Subsequent to the deliberations and clarifications of the audit findings by the AC with the External Auditors and conclusions derived therefrom, the audit findings and recommendations were presented to the Board by the Chairperson of the AC.

Following the review with the External Auditors and the Management and having satisfied itself that the audit had been carried out in accordance with the approved audit plan and approved auditing standards, and that the presentation of the financial statements was in compliance with the statutory requirements and applicable approved accounting standards, the AC recommended for the Board's approval and adoption of the audited statutory financial statements for the financial year ended 31 March 2025 of the Company and the Group.

## AUDIT COMMITTEE REPORT (cont'd)

### D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (cont'd)

#### 6. Private Sessions with External Auditors

For the financial year ended 31 March 2025, the Audit Committee met on 21 November 2024 and 25 February 2025 with the External Auditors without the presence of the Executive Directors and Management in order for the AC and the External Auditors to freely exchange observations and opinions as well as to discuss any significant audit issues.

#### 7. Reviewed the Performance, Independence and Objectivity of the External Auditors

During the financial year under review, the AC conducted an evaluation of the performance, independence and objectivity of the External Auditors via the *External Auditor Performance and Independence Checklist* per the Corporate Governance Guide issued by Bursa Malaysia Berhad with criteria such as calibre of the firm, quality processes and performance, knowledge and skill sets of the audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. In addition, during the meetings with the External Auditors, the External Auditors reaffirmed their independence of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and their commitment to communicate to the AC on their independence status on an ongoing manner. The AC also considered information in the Annual Transparency Report presented by the External Auditors during the meeting as part of the criteria to guide the AC in its assessment on the reappointment of the External Auditors.

Based on the satisfactory results of the assessment of the performance, independence and objectivity of the External Auditors, the AC recommended the reappointment of the External Auditors to the Board for the financial year ended 31 March 2025.

#### 8. Reviewed the Adequacy and Relevance of the Scope, Functions and Resources, Internal Audit Plan and Results from the Internal Audit Reviews with the Group's Internal Audit Functions

The AC received internal audit reports from both the in-house internal audit function and outsourced internal audit function, on a quarterly basis, that contained the findings, recommendations and agreed management action plans for internal audits conducted based on the approved internal audit plans. In addition to reporting on the audit findings, the status of agreed management action plans for previous internal audit findings and the status of approved internal audit plans were also presented to the AC for their review and deliberations. Additionally, the AC assessed the adequacy and effectiveness of the respective Internal Audit Function through the review of the resources, experience and continuous professional development of the Internal Audit Function. Further, the AC conducted a formal evaluation of the performance, independence and objectivity of both the in-house internal audit function and the outsourced internal audit function via the *In-House Internal Audit Function Evaluation Checklist and External/Outsourced Internal Audit Function Evaluation Checklist* per the Corporate Governance Guide issued by Bursa Malaysia Berhad.

During the financial year under review, the internal audit plans (including updates on the progress of approved internal audit plans) and subsequent changes, if any, were presented by the in-house internal audit function for the review and approval by the AC prior to commencement of audit work.

The oversight role of the AC on the internal audit function is detailed in the Statement on Risk Management and Internal Control set out on pages 107 to 109 of this Annual Report.

#### 9. Private Session with the Internal Audit Functions

For the financial year ended 31 March 2025, the AC, on 21 November 2025, met with the in-house internal audit function and the outsourced internal audit function separately, without the presence of the Executive Directors and Management in order for the AC and the respective internal audit functions to freely exchange observations and opinions as well as to discuss any significant audit issues.

## AUDIT COMMITTEE REPORT (cont'd)

### D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (cont'd)

#### 10. Reviewed the Related Party Transactions

During the quarterly meetings, updates on the value of the individual Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") and comparison with the shareholders' mandate amounts (for the period from the previous annual general meeting to the forthcoming annual general meeting) were reported to the AC for its review. The AC noted that all RRT and RRPT were within the approved mandate by the shareholders at the 18<sup>th</sup> Annual General Meeting ("AGM"). Other than RRPT approved by the shareholders at the 18<sup>th</sup> AGM, the AC noted that there were no other material transactions entered into by the Group with related parties during the financial year ended 31 March 2025.

#### 11. Review of Allocation of Options or Shares Pursuant to a Share Issuance Scheme

During the quarterly meetings, the AC reviewed the options listing and confirmed that the options had been granted in accordance with the relevant Employees' Share Option Scheme ("ESOS") By-Laws during the financial year ended 31 March 2025.

#### 12. Reviewed the Statements and Reports Disclosed in the Annual Report

The AC reviewed the Corporate Governance Report, Corporate Governance Overview Statement, AC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement, the Directors' Responsibility Statement for preparing the annual audited financial statements, other information required for disclosure (such as the profile of directors and key management, RRPT, etc.) and the audited financial statements of the Group and the Company to ensure compliance with the MMLR, MCGG and other guidelines for publication in the Company's Annual Report and recommended these to the Board for approval.

#### 13. Reviewed the Draft Circular to Shareholders on the 'Proposed New and Renewal of Shareholders' Mandate for RRPTs of a Revenue or Trading Nature' and 'Share Buy-Back Statement in relation to the Proposed Renewal of Authority to Buy-Back its Own Shares by the Company' ("draft circular to Shareholders").

The AC reviewed the draft circular to Shareholders to ensure the contents and presentation were in compliance with the MMLR and recommended to the Board for its review and approval to be tabled at the forthcoming 19<sup>th</sup> AGM for the shareholders approval.

#### 14. Reviewed the Updated Enterprise Risk Management Report of the Group

The AC reviewed and deliberated on the updated Risk Management Report of the Group (including but not limited to, the key risk profile, key risk registers (comprising strategic, governance and key operational risks) and the proposed internal audit plan derived therefrom) on its adequacy and effectiveness. Based on the review, the AC was satisfied with the results of the risk assessment and its responses and subsequently reported the results of the review to the Board.

#### 15. Reviewed the Sustainability Matters Assessment Results of the Group

In May 2024, the AC reviewed and approved the Sustainability Matters Assessment Report on sustainability management and stakeholders engagement activities performed by the Group during the financial year under review and recommended it to the Board for adoption.

The AC also reviewed the sustainability matters assessment results presented by the SRMC. The review was on updates of identified material sustainability matters. Based on the review, the AC was satisfied with the process and results of the sustainability matters assessment and subsequently reported the results of the review to the Board.



## AUDIT COMMITTEE REPORT (cont'd)

### D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (cont'd)

#### 16. Others

- The proceedings of the AC meetings, significant issues and concerns discussed and where appropriate, recommendations were reported to the Board by the AC Chairperson, with the minutes of the AC made available to all board members for review. Clarification and confirmation from AC Chairperson were also provided where required.
- The AC reviewed its term of reference and proposed updates and changes in the term of reference to the Board for its review and approval.
- The AC reviewed and approved the Annual Budget for the Group prior to its recommendation to the Board for approval.
- The AC reviewed amendments to the Grievance procedures and Whistle Blowing policy.
- Reviewed the solvency statements in connection with the declaration of 4<sup>th</sup> interim single tier dividend for the financial year ended 31 March 2024, and 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> interim single tier dividend for the financial year ended 31 March 2025 before recommending to the Board for consideration and approval of the distributions.

### E. INTERNAL AUDIT FUNCTION

The internal audit function of the Group is made up of an in-house internal audit function with the primary responsibility to conduct internal control reviews of key internal processes within the Group, and an outsourced internal audit function with the primary responsibility to conduct internal control reviews of the distributorship management system implemented by the Group and to conduct such reviews independently, objectively and regularly. The in-house internal audit function and the outsourced internal audit function report directly to the AC. The appointment and resignation of the internal auditors as well as the proposed/budgeted audit fees are subject to review and approval by the AC for its reporting to the Board for ultimate approval.

The AC ensures the adequacy of the internal audit scope by way of review of the proposed internal audit plans tabled by the respective internal audit functions for its adequacy of coverage and scope in relation to the key business risk exposure and risk appetite of the Group prior to its approval for execution. The approved internal audit plans are duly executed by the internal audit functions with any subsequent changes to the plan reviewed and approved by the AC. The in-house internal audit function and the outsourced internal audit function tabled the results of their review to the AC during their scheduled meetings, highlighting their findings, recommendations, areas of improvement opportunities, management response and action plan.

In addition, the internal audit functions performed follow-up reviews to ascertain the status of implementation of agreed management action plans. The results of the follow-up reviews were reported to the AC for their review and deliberation.

The AC ensures the effectiveness and adequacy of the internal audit functions, their competency and the adequacy of resources allocated to the internal audit functions, through the review of their resources in terms of qualification and experience/exposure and continuous professional development for the employees of these internal audit functions which are tabled by the in-house internal audit function and the outsourced internal audit function at the AC meetings during the financial year under review.

Further details of the internal audit functions and the oversight roles of the AC in relation to risk management and internal control are disclosed in the Statement on Risk Management and Internal Control set out in pages 102 to 109 of this annual report.

This AC Report was approved by the Board on 23 July 2025.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements in relation to the requirement to prepare a statement about the state of risk management and internal controls of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Board of Directors ("the Board") of Power Root Berhad ("the Company") (collectively with its subsidiaries, "the Group") is pleased to present the statement on the state of the risk management and internal controls of the Group for the financial year ended 31 March 2025 and up to the date of approval of this statement. The scope of this Statement includes the Company and all operating subsidiaries.

## BOARD RESPONSIBILITY

As per the Board Charter, the Board assumes the ultimate responsibility of maintaining a sound governance, risk management and internal control system, and of reviewing their adequacy and effectiveness so as to achieve the Group's mission, core values, strategies and business objectives, and to establish the risk appetite of the Group based on the risk capacity, strategies, internal and external business context, business nature, and corporate/product lifecycle. Furthermore, it is also the responsibility of the Board to safeguard stakeholders' interests and protect the Group's assets. The Board has established an appropriate governance, risk management and internal control system that is embedded into the corporate culture, processes and strategies of the Group, which articulates the importance of an adequate and effective governance, risk management and internal control system.

The Audit Committee, as a Board Committee, is governed by its terms of reference and is delegated with the duty to review the adequacy and effectiveness of the risk management and internal control system of the Group and to provide assurance to the Board on the adequacy and effectiveness of such risk management and internal control system. The Audit Committee keeps the Board informed on all significant risks and control issues brought to its attention by the Sustainability and Risk Management Committee ("SRMC"), the internal audit function and the external auditors.

However, as there are inherent limitations in any risk management and internal control system, such system is designed to manage, rather than eliminate risks that may impede the achievement of the Group's business and corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of losses and fraud.

The Board does not review the risk management and internal control system of its associate company as the Group does not have management control over the associate company. Notwithstanding that, the Group's interests are served through representation on the Board of Directors of the associate company and the Executive Director provides the Board with information on the performance of the Group's associate company on a yearly basis.

## RISK MANAGEMENT

The Board recognises that a sound risk management system is critical in the pursuit of its strategic objectives and maintains an on-going commitment to identifying, evaluating and managing the significant risks faced by the Group. The Board has put in place a formal Group Risk Management Framework to govern the risk management process.

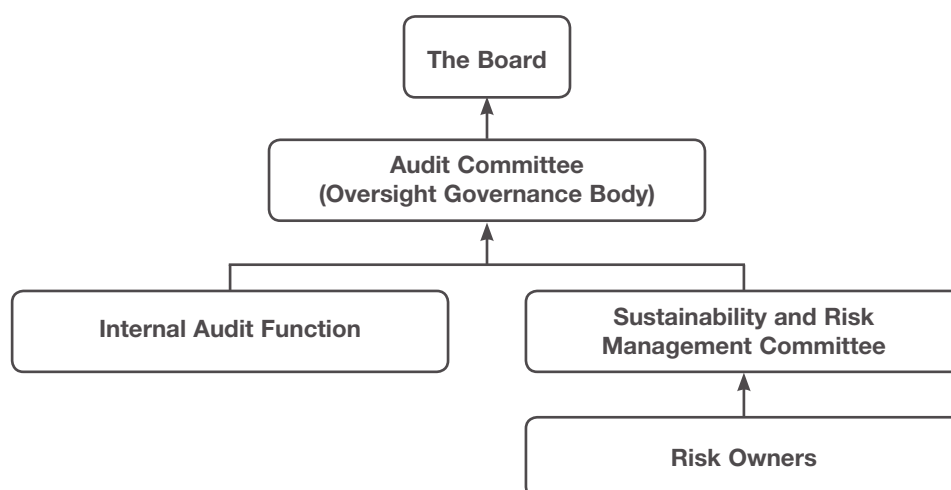
The principles, practices and processes of the Group Risk Management Framework established by the Board are, in all material aspects, guided by ISO 31000:2018 – Risk Management Guidelines and the updated Enterprise Risk Management-Integrated Framework (2017) by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The Group Risk Management Framework clearly defines the risk management objectives and processes, along with clear roles and responsibilities of the Board, Audit Committee, Internal Audit Function, SRMC and risk owners which are defined in the terms of reference of the respective committees.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### RISK MANAGEMENT (cont'd)

The Group Risk Management Framework lays down the risk management principles and processes defined by the Board with a formalised governance structure of the risk management activities of the Group as follows:



The Board delegates the duty of identification, assessment and management of key business risks to the SRMC, led by an Executive Director as Chairman of the Committee, which reports to the Audit Committee on a periodic basis (at least on an annual basis) or when appropriate. The roles and responsibilities of the SRMC in relation to risk management includes the following:

- implement the Group Risk Management Framework approved by the Audit Committee and the Board;
- implement the risk management process which includes the identification of key risks (including sustainability matters) and the devising of appropriate action plan(s) in cases where existing controls are ineffective, inadequate or non-existent, and communicating such action plans to the risk owners;
- ensure that the risk strategies adopted are aligned with the Group's organisational strategies (e.g. vision/mission, corporate strategies/business objectives, etc.), Group Risk Management Framework (including policies and processes), risk tolerance and risk appetite;
- review and update of the Key Risk Registers (including changes (increase or decrease) in identified risk events/ levels and incorporation of new or emerging risks or integration of business risks from the implementation and integration of new strategies and business objectives, or removal of superseded risk matters), compilation of the Key Risk Profile and Key Risk Report of the Group due to changes in the internal and external business context, business processes, business strategies or external environment, and determine the management action plan(s), if required; and
- update the Board, through the Audit Committee, on changes to the Key Risk Profile on a periodical basis (at least on an annual basis) or when appropriate (due to significant changes to the internal and external business context) and the course of action(s) to be taken by management in managing the changes.

The roles and responsibilities of the Head of Departments, designated as risk owners, as defined in the Group Risk Management Framework are as follows:

- manage the risks of the business processes under his/her control;
- identify risks and evaluate existing controls. If controls are deemed ineffective, inadequate or non-existent, to establish and implement the necessary controls to reduce the risk likelihood and/or impact;
- report to the SRMC on the emergence of new business risks or changes in the existing business risks annually, and assist the SRMC;
- assist with the development of the management action plans and implement these action plans;
- assist the SRMC with the annual update of changes in the Key Risks Registers, management action plans and the status of these plans;
- ensure that departmental staff understand the risk exposure of the relevant processes under their responsibilities and the importance of the related controls; and
- ensure that staff are adequately trained on risk and improvement opportunity management.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### RISK MANAGEMENT (cont'd)

The structured risk management process as defined in the Group Risk Management Framework is employed by the SRMC and the risk owners for risk and improvement opportunity identification, evaluation, control identification, treatment and monitoring activities. Risk assessment at gross and residual levels are guided by the likelihood rating and impact rating established, based on the acceptable risk appetite level as determined by the Board. Based on the risk management process, Key Risk Registers are updated by the SRMC and risk owners, with the relevant key risks identified and rated based on the agreed upon risk rating scale. Key Risks Registers are used for the identification of high residual risks which are above the risk appetite of the Group that require the SRMC, Audit Committee and the Board's immediate attention and risk response(s) as well as for future risk monitoring.

As an important risk monitoring mechanism, the SRMC and risk owners review the Key Risks Registers and assess emerging risks identified at strategic, governance and operational levels (including sustainability, fraud and bribery-related risks) on an annual basis or on a more frequent basis (if circumstances require) and report to the Audit Committee and the Board on the results of the review and assessment to ensure that key risks are managed within the risk appetite established by the Board.

During the financial year under review, the SRMC and the risk owners conducted a review and assessment exercise whereby existing strategic, governance, and key operational risks (including sustainability, fraud and bribery-related risks) were reviewed and any new emerging risks identified were assessed and incorporated into the Key Risks Registers for on-going risk monitoring and assessment, after taking into consideration the internal audit findings. The Risk Management Report, which consists of key risk profiles (comprising strategic, governance and key operational risks (including sustainability, fraud and bribery-related risks)), key risk observations and likelihood and impact rating used during the risk management process by the SRMC, was compiled and tabled to the Audit Committee and Board for review and deliberation. Thereafter, risks above the risk appetite level or with inadequate or ineffective control activities were prioritised for internal audit activities to be carried out by the in-house internal audit function.

At the strategic level, business plans, business strategies and investment proposals with risk considerations are formulated by the Chief Executive Officer and Senior Management and presented to the Board for review and deliberation to ensure that the proposed plans, strategies and investment proposals are in line with the Group's risk appetite. In addition, specific strategic and key operational risks are highlighted and deliberated by the Audit Committee and Board during the review of the financial performance of the Group at scheduled meetings.

The risk owners are responsible for managing the risks of the business processes under their control. Risk owners are responsible for the effective and efficient operational monitoring and management, by way of maintaining effective internal controls and ensuring compliance with risk and control procedures on a day-to-day basis. Changes in the key risks or emergence of new risks are identified by the respective levels of Management through daily operational management, review of operational and management reports generated by the internal management information system and supplemented by external data and information received or collected. The risk owners are responsible for assessing any material changes to the existing risks or emergence of new risks, and for formulating and implementing effective controls to manage these risks. Such material risks are highlighted to the SRMC for the final decision on the formulation and implementation of effective internal controls and reported to the Audit Committee and the Board.

The monitoring of the risk management process by the Group is enhanced by the internal audits carried out by the in-house internal audit function with specific business risks identified for each internal audit cycle based on the internal audit plans approved by the Audit Committee.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

## INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are made up of five core components, i.e., Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities with principles representing the fundamental concepts associated with each component as follows:

- **Board of Directors/Board Committees**

The roles, functions, composition, operations and processes of the Board are guided by a formal Board Charter whereby the roles and responsibilities of the Board, Independent Non-Executive Chairmen and Chief Executive Officer are specified to preserve the independence of the Board from the Management.

Board Committees (i.e., Audit Committee, Remuneration Committee, Nominating Committee and Option Committee) have been established to carry out the duties and responsibilities delegated by the Board and are governed by written terms of reference.

Meetings of the Board of Directors and the Audit Committee are carried out on a quarterly basis (or more frequently as necessary) to review the performance of the Group from both financial and operational perspectives or to discuss significant key issues. Business plans and business strategies are proposed by the Chief Executive Officer to the Board for their review and approval after taking into account risk considerations and responses.

- **Integrity and Ethical Values**

The tone from the top on integrity and ethical values are enshrined in the formal Code of Conduct established and approved by the Board. This formal code forms the foundation of integrity and ethical values for the Group.

To further enhance the level of integrity and ethics practiced throughout the Group, the Group has in place a formalised Anti-Bribery & Corruption Policy that has been reviewed by the Audit Committee and approved by the Board, to prevent the risk of bribery and conflict of interest within the Group, coupled with the formalised Whistleblowing Policy and Grievance Procedures for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

Compliance with the Code of Conduct and relevant policies on ethics are monitored via monitoring mechanisms and reporting channels implemented to ensure non-compliances reported or detected are investigated in a timely manner with appropriate corrective action, including but not limited to disciplinary actions and other actions, to rectify non-compliance.

- **Organisation Structure, Accountability and Authorisation Procedures**

The Group has a formal organisation structure in place with clear lines of reporting and accountability with the Board assuming the oversight roles. The Group is committed to employing suitably qualified staff so that the appropriate level of authority and responsibilities can be delegated, while accountability of performance and controls are assigned accordingly to competent staff to ensure operational effectiveness and efficiency. The establishment and communication of job responsibilities as well as accountability of performance and controls for key positions are further enhanced via job descriptions established by the Management.

The authorisation requirements for key processes are incorporated into all relevant operating processes and documents and are stated in the Group's policies and procedures.

- **Annual Budget and Performance Measurement**

The Annual Budget for the Group is presented to and approved by the Audit Committee and Board on an annual basis and forms one of the bases to monitor actual business performance and to identify significant variances for prompt actions to be taken.



## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### INTERNAL CONTROL SYSTEM (cont'd)

- **Succession Planning and Human Resources**

It is the Board's commitment that the Group identifies and seeks to meet the aspirations of employees and continuously develop their knowledge, skills and competencies for personal development and corporate excellence. The Succession Planning Policy adopted by the Board ensures employees with potential are identified and groomed for key positions within the Group for business continuity management and to minimise the impact of abrupt vacancies or departure of key personnel.

Guidelines on human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by attracting, employing and retaining adequate competent employees possessing the necessary knowledge, skills and experiences (which are enhanced by continuous training thereafter) in order to carry out their job duties and responsibilities effectively and efficiently.

Performance evaluations are carried out for staff of all levels to identify performance gaps, training needs and talent development.

- **Risk Assessment and Control Activities**

Risk assessment (including sustainability, fraud and bribery-related risks) is performed by risk owners at scheduled intervals (at least on an annual basis) or whenever there is a material change in the internal and/or business environment in accordance with the Group Risk Management Framework. Internal controls, as with risk responses, are formulated and put in place to mitigate risks identified at a level acceptable by the Board, i.e. the risk appetite.

The Group has documented policies and procedures in place that are reviewed as and when circumstances dictate to ensure its relevance, to regulate key operational areas as well as for internal control requirements and compliance with International Organisation for Standardisation ("ISO"), Hazard Analysis and Critical Control Points ("HACCP"), Good Manufacturing Practices ("GMP") certifications among others.

- **Information and Communication**

At operational levels, clear reporting lines are established across the Group. Operations and management reports are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group to facilitate timely decision-making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision-making on a timely basis.

The Group has in place effective and efficient information communication infrastructures and channels (i.e. computerised enterprise resources planning system, mobile applications, secure electronic mail system and modern telecommunication system) so that operational data and management information can be collected and processed into relevant and adequate information and communicated timely, reliably and securely to the appropriate personnel within the Group for decision-making and for communication with relevant external stakeholders. Apart from that, financial and management reports are generated and provided to the relevant level of employees in the Group for information dissemination, review and/or decision making. Management and board meetings are held for effective two-way communication of information at different levels of management and the Board.

Communication of policies and procedures of the Group are conducted via written format, electronic mail system and in-house training by the respective risk or control owners.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### INTERNAL CONTROL SYSTEM (cont'd)

- **Monitoring and Review**

As the Executive Directors are closely and directly involved in the day-to-day operations of the Group, regular reviews of operational and management data including production, sales and marketing, and financial data are performed by the Executive Directors.

At the operational level, monitoring activities are embedded into the policies and procedures established by the Management with incidents of non-compliance and exceptions noted and escalated to the appropriate level of management. The Audit Committee and Board meetings are held quarterly to discuss and review the financial and operational performance of key divisions of the Group, including review of key financial indicators/ratios and comparison against budgeted financial results and the preceding corresponding period's financial results.

Furthermore, internal audits are carried out by the in-house internal audit function (which reports directly to the Audit Committee) on key risk areas identified based on the key risk profile of the Group. The in-house internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlights potential risks and implications of its findings and/or observations that may impact the Group as well as recommends improvements to mitigate the risks. The results of the internal audits carried out are reported to the Audit Committee.

The monitoring of compliance with relevant laws and regulations is further enhanced by independent reviews of specific areas of Occupational Safety, Health and Environment ("OSHE") by the relevant regulatory authorities and/or independent consultants engaged by the Group.

Corrective actions are formulated and implemented for incidents of non-compliance and exceptions reported with its implementation monitored.

### INTERNAL AUDIT FUNCTION

The Group relies on the internal audit functions to provide the Board and the Management with the required level of assurance that the governance, risk management and internal control system is adequate and effective in mitigating organisational risks to achieve the Group's corporate objectives.

The internal audit functions of the Group comprise an in-house internal audit function with the primary responsibility of the internal control review of key internal processes within the Group and an outsourced internal audit function provided by an independent consulting company, NeedsBridge Advisory Sdn. Bhd., with the primary responsibility for the internal control review of the distributorship management system implemented by the Group.

The Head of the In-house Internal Audit function is an Associate Member of The Institute of Internal Auditors Malaysia. The engagement director of the outsourced internal audit function is a Certified Internal Auditors accredited by the Institute of Internal Auditors Global. Both the in-house internal audit function and the outsourced internal audit function report to the Audit Committee directly and provide the Audit Committee with the assurances it requires on the adequacy and effectiveness of the Group's governance, risk management and internal control system. Internal audits carried out by the in-house internal audit function and outsourced internal audit function are, in all material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The in-house internal audit function comprised 1 (one) Internal Audit Assistant Manager, 1 (one) Senior Internal Audit Executive, 1 (one) Internal Audit Executive and 1 (one) Internal Audit Officer.

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### INTERNAL AUDIT FUNCTION (cont'd)

The in-house internal audit function is governed by the Internal Audit Charter while the outsourced internal audit function is governed by a formal engagement letter with key terms including mission/purpose and scope of work, accountability, independence, the internal audit function's responsibilities and the authority accorded to the internal audit function. The internal audit functions are accorded unrestricted access to all functions, records (for highly sensitive information, a higher authority's prior approval is required), property, personnel, Audit Committee members and other specialised services from within or outside the Group and, where necessary, the assistance of personnel in the relevant business units of the Group. To preserve their independence and objectivity, both the in-house internal audit function and the outsourced internal audit function are independent of the activities audited and to be audited, as stated in the Internal Audit Charter and engagement letter respectively.

The oversight of the in-house and outsourced internal audit functions by the Audit Committee is enhanced with the annual review by the Audit Committee of the resources of the in-house and outsourced internal audit functions in terms of qualification and experience/exposure, and continuous professional development for the employees of the in-house and outsourced internal audit functions, details of which are tabled by the in-house and outsourced internal audit functions during the Audit Committee meetings held for the financial year under review.

During the financial year under review, the Audit Committee conducted a formal evaluation of the performance, independence and objectivity of both the in-house internal audit function and outsourced internal audit function via the In-House Internal Audit Function Evaluation Checklist and External/Outsourced Internal Audit Function Evaluation Checklist in line with the Corporate Governance Guide issued by Bursa Malaysia Berhad, focusing on the professional qualification, scope, accountability, responsibilities, independence, authorities, knowledge and competencies, resources, compliance with internationally recognised standard, and communication channel.

Based on the above review and performance evaluation, the approved internal audit plans, internal audit work performed and reports by the in-house internal audit function and outsourced internal audit function, the Audit Committee is satisfied that:

- the scope, functions (including independence), competency, resources, authorities granted to the internal audit functions, approved internal audit plans and results of internal audits, management action plans and follow up reports are adequate to provide the Audit Committee with reasonable assurance that governance, risk and control structures and processes of the Group are adequate and effective;
- the results of the internal audit plan, processes or investigation undertaken are adequately communicated to the Audit Committee and appropriate actions are taken on the recommendations of the internal audit functions; and
- both internal audit functions had undertaken continuous professional development to equip themselves with the relevant knowledge and skills to discharge their responsibilities.

The risk-based internal audit plan in respect of the financial year ended 31 March 2025 was prepared after taking into consideration the existing and emergent key business risks identified in the Group's key risk profile. The audit plan and any subsequent amendments (if any) were reviewed and approved by the Audit Committee prior to its execution.

The internal control review procedures performed by the internal audit functions are designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes, and the recommendations formulated by both internal audit functions are based on the root cause(s) of the observations noted during the internal audit process. The internal audit procedures applied principally consisted of process evaluations through interviews with relevant personnel involved in the process under review, review of the Standard Operating Procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented Standard Operating Procedures and/or process flows.

For the financial year ended 31 March 2025, the internal audit functions conducted reviews for:

- Instant Powder (IP) Production Management of the Manufacturing division
- Credit Control (Export) Management of PR Food Trading LLC-FZ & Power Root ME FZCO, (PRME FZCO)
- Safety and Security Management of Malaysian Operating Entities
- Sales and Marketing Management of the Power Root Marketing Sdn. Bhd. (PRMK)
- Quality Assurance Management of the Manufacturing division
- Distribution Management System for selected key dealers

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### INTERNAL AUDIT FUNCTION (cont'd)

Upon the completion of the internal audit work, the internal audit reports were presented to the Audit Committee during its quarterly meetings. During such meetings, the internal audit findings, risk/potential implication and recommendations as well as management responses and action plans were presented to and deliberated by the Audit Committee. Updates on the status of action plans identified in the previous internal audit reports were also presented during these meetings for the Audit Committee's review and deliberation. The Audit Committee reported the results of the review and deliberations to the Board in order for the Board to discharge its responsibility of ensuring that sound governance, risk management and internal control system is in place to manage the risks within the risk appetite of the Group and for regulatory compliance.

The cost incurred in maintaining the in-house and outsourced internal audit functions for the financial year ended 31 March 2025 amounted to RM503,000.00.

### ASSURANCE PROVIDED BY CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER - FINANCE

In accordance with the Guidelines, the Chief Executive Officer, being the highest-ranking executive in the Group and the General Manager – Finance, being the person primarily responsible for the management of the financial affairs of the Group, have provided assurance to the Board that the Group's risk management and internal control system has operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

### OPINION AND CONCLUSION

Based on the review of the risk management results and processes, results of the internal audit activities, monitoring and review mechanisms stipulated above coupled with the assurance provided by the Chief Executive Officer and the General Manager – Finance, the Board is of the view that the governance, risk management and internal control system is operating satisfactorily and has not resulted in any material losses, contingencies or uncertainties during the financial year under review that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to review and, where necessary, enhance the Group's governance, risk management and internal control system to meet the Group's strategic objectives.

The Board is committed towards maintaining a sound governance, risk management and internal control system throughout the Group and reaffirms its commitment to continuously review and, where necessary, enhance further the system.

### REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2025, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

For the year ended 31 March 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

## RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	31,986,481	71,373,847
Non-controlling interests	1,068,074	-
	<hr/> 33,054,555	<hr/> 71,373,847

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Notes 13, 21 and 22 to the financial statements.

## DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 March 2024 as reported in the Directors' Report of that year:
  - a third interim single tier dividend of 1.30 sen per ordinary share totalling RM6,001,742 declared on 27 February 2024 and paid on 9 April 2024; and
  - a fourth interim single tier dividend of 1.30 sen per ordinary share totalling RM5,977,199 declared on 23 May 2024 and paid on 5 July 2024.
- ii) In respect of the financial year ended 31 March 2025:
  - a first interim single tier dividend of 1.20 sen per ordinary share totalling RM5,399,027 declared on 27 August 2024 and paid on 4 October 2024;
  - a second interim single tier dividend of 2.00 sen per ordinary share totalling RM8,602,856 declared on 21 November 2024 and paid on 30 December 2024;
  - a third interim single tier dividend of 2.00 sen per ordinary share totalling RM8,505,735 declared on 25 February 2025 and paid on 3 April 2025; and
  - a fourth interim single tier dividend of 1.30 sen per ordinary share totalling RM5,514,313 declared on 28 May 2025 and paid on 4 July 2025.

## DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

### DIVIDENDS (cont'd)

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

### DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dato' How Say Swee\*\*  
Dato' Wong Fuei Boon\*\*  
Mr. Wong Tak Keong\*\*  
Mr. See Thuan Po\*\*  
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj  
Dato' Afifuddin bin Abdul Kadir  
Mr. Ong Kheng Swee  
Dato' Tea Choo Keng  
Mr. Low Jun Lee  
Ms. Tan Lay Beng  
En. Azahar bin Baharudin (resigned on 30 August 2024)

\*\* These Directors are also Directors of the Company's subsidiaries

The name of the Director of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) is:

Drs. Iskandar

### DIRECTORS' INTERESTS IN SHARES

The direct and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (*including the interests of the spouses or children of the Directors who themselves are not Directors of the Company*) as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares				
Name of Directors	Interest	At 1 April 2024	Bought	Sold	Transfer	At 31 March 2025
Company						
Dato' How Say Swee	Direct	82,789,442	-	-	-	82,789,442
	Deemed	3,000,000	-	-	-	3,000,000
Dato' Wong Fuei Boon	Direct	74,361,182	-	-	-	74,361,182
	Deemed	11,000,000	-	-	-	11,000,000
Mr. Wong Tak Keong	Direct	45,455,500	-	-	-	45,455,500
	Deemed	6,050,800	-	-	-	6,050,800
Dato' Tea Choo Keng	Direct	3,480	-	-	-	3,480
Mr. See Thuan Po	Direct	4,578,000	-	-	-	4,578,000
	Deemed	6,870,000	330,000	-	-	7,200,000
Mr. Ong Kheng Swee	Direct	255,315	-	-	-	255,315
	Deemed	154,000	-	-	-	154,000
Mr. Low Jun Lee	Direct	-	-	-	5,500,000	5,500,000
	Deemed	54,909,575	-	-	(11,000,000)	43,909,575

## DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

### DIRECTORS' INTERESTS IN SHARES (cont'd)

		Number of options over ordinary shares ('000)			
		At 1 April 2024	Granted	Cancelled	At 31 March 2025
Name of Directors	Option price				
Company					
Dato' How Say Swee	RM2.000	2,000	-	(2,000)	-
	RM1.238	-	2,000	-	2,000
Dato' Wong Fuei Boon	RM2.000	2,000	-	(2,000)	-
	RM1.238	-	2,000	-	2,000
Mr. Wong Tak Keong	RM1.291	14,000	-	-	14,000
	RM2.000	15,000	-	(15,000)	-
Mr. See Thuan Po	RM1.238	-	15,000	-	15,000
	RM1.291	2,000	-	-	2,000
	RM2.000	5,000	-	(5,000)	-
	RM1.238	-	5,000	-	5,000

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2025 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees	881,004	-
Remuneration	187,300	12,715,259
Share-based payments	-	3,830,536
Estimated monetary value of any other benefits	-	179,898
Fees paid to a firm in which a Director is a partner	10,800	104,822
Transactions with companies related to Directors		
- Management fees	-	584,520
- Secretarial fees	-	39,165
	1,079,104	17,454,200

Other than the options granted pursuant to the Employees' Share Option Scheme ("ESOS"), there were no other arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### ISSUE OF SHARES

There were no changes in the issued and paid-up capital of the Company during the financial year.

## DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

### TREASURY SHARES

At the Annual General Meeting held on 27 August 2024, the shareholders of the Company renewed their approval for the Company to repurchase its own shares. During the financial year, the Company repurchased from the open market a total of 37,027,300 of its issued ordinary shares with an average repurchase price of RM1.45 per share. The repurchase transactions were financed by internally generated funds. During the year, the Company cancelled a total of 37,634,900 treasury shares.

At 31 March 2025, the Company held 150,100 treasury shares out of its 424,545,232 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM208,022 as disclosed in Note 13 to the financial statements.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Shares Options Scheme ("ESOS").

At the Extraordinary General Meeting held on 10 June 2019, the Company's shareholders approved the establishment of a second ESOS ("ESOS 2") to eligible key employees and Directors of the Group.

The salient features of the ESOS 2 are, inter alia, as follows:

- a) The ESOS is administered by a committee appointed by the Board of Directors.
- b) The aggregate number of options exercised and options offered and to be offered under the ESOS shall not exceed fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS. Furthermore, not more than ten percent (10%) of ESOS Shares available under the Scheme shall be allocated to any Directors or employee, who singly or collectively through persons connected with such Directors or employee, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.
- c) Any Executive Director or key employee of the Group shall be eligible to participate in the Scheme if they attained eighteen (18) years of age and (i) must not be an undischarged bankrupt nor subject to any bankruptcy proceedings; (ii) must have complied with any other criteria imposed by the ESOS Committee from time to time; and (iii) must be an existing Director or be a full time employee confirmed in writing by Power Root Berhad and its subsidiaries.
- d) The option price for each share shall be at a discount to the five (5) days weighted average market price of the shares of the Company immediately preceding the date of the offer, provided that the discount shall not exceed ten percent (10%).
- e) The ESOS shall be in force for a period of ten (10) years commencing from the date of offer, which is 11 June 2019.

At the Extraordinary General Meeting held on 8 August 2022, the Company's shareholders approved the establishment of a third ESOS ("ESOS 3") to eligible key employees and Directors of the Group.

The salient features of the ESOS 3 are, inter alia, as follows:

- a) The ESOS is administered by a committee appointed by the Board of Directors.
- b) The aggregate number of options exercised and options offered and to be offered under the ESOS shall not exceed fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS. Furthermore, not more than ten percent (10%) of ESOS Shares available under the Scheme shall be allocated to any Directors or employee, who singly or collectively through persons connected with such Directors or employee, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.

## DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

The salient features of the ESOS 3 are, inter alia, as follows: (cont'd)

- c) The aggregate maximum allocation to the Directors and senior management of our Group (excluding dormant subsidiaries) shall not be more than 70% of the total number of shares to be made available under the Scheme.
- d) Any Director or key employee of the Group shall be eligible to participate in the Scheme if they attained eighteen (18) years of age and (i) must not be an undischarged bankrupt nor subject to any bankruptcy proceedings; (ii) must have complied with any other criteria imposed by the ESOS Committee from time to time; and (iii) must be an existing Director or be a full time employee confirmed in writing by Power Root Berhad and its subsidiaries.
- e) The option price for each share shall be at a discount to the five (5) days weighted average market price of the shares of the Company immediately preceding the date of the offer, provided that the discount shall not exceed ten percent (10%).
- f) The ESOS shall be in force for a period of ten (10) years commencing from the date of offer, which is 9 August 2022. The ESOS was terminated effective on 28 August 2024 and replaced by new ESOS 4.

At the Extraordinary General Meeting held on 27 August 2024, the Company's shareholders approved the establishment of a fourth ESOS ("ESOS 4") to eligible key employees and Directors of the Group.

The salient features of the ESOS 4 are, inter alia, as follows:

- a) The ESOS is administered by a committee appointed by the Board of Directors.
- b) The aggregate number of options exercised and options offered and to be offered under the ESOS shall not exceed fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of the ESOS. Furthermore, not more than ten percent (10%) of ESOS Shares available under the Scheme shall be allocated to any Directors or employee, who singly or collectively through persons connected with such Directors or employee, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.
- c) The aggregate maximum allocation to the Directors and senior management of our Group (excluding dormant subsidiaries) shall not be more than 80% of the total number of shares to be made available under the Scheme.
- d) Any Director or key employee of the Group shall be eligible to participate in the Scheme if they attained eighteen (18) years of age and (i) must not be an undischarged bankrupt nor subject to any bankruptcy proceedings; (ii) must have complied with any other criteria imposed by the ESOS Committee from time to time; and (iii) must be an existing Director or be a full time employee confirmed in writing by Power Root Berhad and its subsidiaries.
- e) The option price for each share shall be at a discount to the five (5) days weighted average market price of the shares of the Company immediately preceding the date of the offer, provided that the discount shall not exceed ten percent (10%).
- f) The date of expiry of this ESOS is 27 August 2034.



# DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

## OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

The options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price RM	Number of options over ordinary shares('000')			
		At 1 April 2024	Granted	Forfeited/ Cancelled	At 31 March 2025
11 June 2019	1.291	16,000	-	-	16,000
14 April 2020	1.740	1,955	-	(165)	1,790
9 August 2022	2.000	31,850	-	(31,850)	-
1 March 2023	2.000	3,000	-	(3,000)	-
30 September 2024	1.238	-	30,850	-	30,850
		52,805	30,850	(35,015)	48,640

## INDEMNITY AND INSURANCE COSTS

During the financial year, the premium paid for insurance effected for Directors and officers of the Company is RM43,156.

There were no indemnity given to or insurance effected for auditors of the Company during the financial year.

## QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' reports on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- all known bad debts have been written off and adequate provision has been made for doubtful debts, and
- any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

## DIRECTORS' REPORT

For the year ended 31 March 2025 (cont'd)

### OTHER STATUTORY INFORMATION (cont'd)

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The details of auditors' remuneration of the Group and of the Company during the year are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit		
- KPMG PLT	284,000	74,000
- Other auditors	106,496	-
- Non-audit fees		
- KPMG PLT	21,000	9,000
- Local affiliates of KPMG PLT	116,000	12,500
	527,496	95,500

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Dato' How Say Swee**

Director

**See Thuan Po**

Director

Date: 23 July 2025

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Assets</b>					
Property, plant and equipment	2	158,213,761	130,696,001	16,856	18,137
Right-of-use assets	3	266,851	181,566	-	-
Investment properties	4	34,234,532	34,281,538	-	-
Intangible assets	5	1,179,883	-	-	-
Investments in subsidiaries	6	-	-	206,715,612	214,296,920
Investments in associates	7	2,256,671	-	2,250,000	-
Other investments	8	1,037,412	3,160,609	1,037,412	3,160,609
Deferred tax assets	9	310,356	-	1,000	-
<b>Total non-current assets</b>		197,499,466	168,319,714	210,020,880	217,475,666
Inventories	10	117,215,898	99,150,887	-	-
Trade and other receivables	11	89,344,840	112,162,841	195,158,154	81,530,367
Current tax assets		10,365,806	12,103,076	131,462	37,371
Cash and cash equivalents	12	95,547,147	113,772,994	42,890,259	57,022,929
<b>Total current assets</b>		312,473,691	337,189,798	238,179,875	138,590,667
<b>Total assets</b>		509,973,157	505,509,512	448,200,755	356,066,333
<b>Equity</b>					
Share capital	13	293,596,193	319,622,779	293,596,193	319,622,779
Reserves	13	1,430,591	26,209,528	43,469,515	24,076,829
<b>Equity attributable to owners of the Company</b>		295,026,784	345,832,307	337,065,708	343,699,608
<b>Non-controlling interests</b>	6	1,982,871	1,912,459	-	-
<b>Total equity</b>		297,009,655	347,744,766	337,065,708	343,699,608
<b>Liabilities</b>					
Loans and borrowings	14	100,504,498	32,677,711	100,000,000	-
Lease liabilities		139,744	68,126	-	-
Deferred tax liabilities	9	-	376,592	-	68,000
<b>Total non-current liabilities</b>		100,644,242	33,122,429	100,000,000	68,000
Loans and borrowings	14	927,878	26,626,684	-	-
Lease liabilities		134,453	114,835	-	-
Trade and other payables	15	102,751,194	91,899,056	2,629,312	6,296,983
Dividend payable		8,505,735	6,001,742	8,505,735	6,001,742
<b>Total current liabilities</b>		112,319,260	124,642,317	11,135,047	12,298,725
<b>Total liabilities</b>		212,963,502	157,764,746	111,135,047	12,366,725
<b>Total equity and liabilities</b>		509,973,157	505,509,512	448,200,755	356,066,333

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	Group		Company	
		2025 RM	2024 RM Restated	2025 RM	2024 RM
Revenue	16	409,217,478	409,431,103	72,091,074	9,033,658
Other income		3,741,603	6,018,517	2,959,342	1,023,109
Changes in finished goods		(5,785,649)	(1,615,444)	-	-
Raw materials used		(192,141,299)	(202,692,535)	-	-
Marketing expenses					
- advertising and promotional expenses		(32,112,787)	(27,468,700)	-	-
Staff costs		(78,773,753)	(71,977,017)	(1,390,024)	(898,848)
Depreciation and amortisation		(10,829,577)	(10,436,573)	(11,321)	(14,327)
Other expenses		(51,002,034)	(54,203,960)	(2,940,023)	(1,892,315)
Total expenses		(370,645,099)	(368,394,229)	(4,341,368)	(2,805,490)
<b>Results from operating activities</b>		42,313,982	47,055,391	70,709,048	7,251,277
Finance income		2,855,135	2,127,676	2,810,662	1,051,192
Finance costs	17	(3,606,098)	(1,134,178)	(1,881,863)	-
<b>Net finance (costs)/income</b>		(750,963)	993,498	928,799	1,051,192
Share of profit of equity-accounted associates, net of tax		6,671	-	-	-
<b>Profit before tax</b>		41,569,690	48,048,889	71,637,847	8,302,469
Tax expense	18	(8,515,135)	(5,740,960)	(264,000)	(533,924)
<b>Profit for the year</b>	19	33,054,555	42,307,929	71,373,847	7,768,545
<b>Other comprehensive (expense)/ income, net of tax</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences		(4,528,779)	1,825,651	-	-
Equity investments measured at fair value through other comprehensive (expense)/ income		(107,023)	548,770	(107,023)	548,770
<b>Other comprehensive (expense)/ income for the year, net of tax</b>		(4,635,802)	2,374,421	(107,023)	548,770
<b>Total comprehensive income for the year</b>		28,418,753	44,682,350	71,266,824	8,317,315

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025 (cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Profit attributable to:</b>					
Owners of the Company		31,986,481	41,558,993	71,373,847	7,768,545
Non-controlling interests		1,068,074	748,936	-	-
<b>Profit for the year</b>		<b>33,054,555</b>	<b>42,307,929</b>	<b>71,373,847</b>	<b>7,768,545</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		27,485,201	43,862,709	71,266,824	8,317,315
Non-controlling interests		933,552	819,641	-	-
<b>Total comprehensive income for the year</b>		<b>28,418,753</b>	<b>44,682,350</b>	<b>71,266,824</b>	<b>8,317,315</b>
Basic earnings per ordinary share (sen)	20	7.23	9.10		
Diluted earnings per ordinary share (sen)	20	7.10	8.99		

The accompanying notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Note	Attributable to owners of the Company						
		Non-distributable				Distributable		
		Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Exchange fluctuation reserve RM	Retained earnings RM	Total equity RM
<b>Group</b>								
<b>At 1 April 2023</b>		277,474,304	(32,571,424)	10,845,128	(421,712)	2,516,182	31,760,757	289,603,235
Foreign currency translation differences for foreign operations		-	-	-	-	1,754,946	-	1,754,946
Equity investments measured at fair value through other comprehensive expense		-	-	-	548,770	-	-	548,770
<b>Total other comprehensive income for the year</b>		-	-	-	548,770	1,754,946	-	2,303,716
Profit for the year		-	-	-	-	-	41,558,993	41,558,993
<b>Total comprehensive income for the year</b>		-	-	-	548,770	1,754,946	41,558,993	43,862,709
<b>Contributions by and distributions to owners of the Company</b>								
Own shares acquired	13	-	(4,835,221)	-	-	-	-	(4,835,221)
Own shares cancelled	13	(16,297,839)	36,147,431	-	-	-	(19,849,592)	-
Issue of shares pursuant to Employees' Share Option Scheme	13	86,825	-	(8,525)	-	-	-	78,300
Exercise of Warrants	13	58,359,489	-	-	-	-	-	58,359,489
Share-based payment transactions	21	-	-	1,350,940	-	-	-	1,350,940
Dividends to owners of the Company	22	-	-	-	-	-	(42,608,081)	(42,608,081)
Changes in ownership interests in subsidiaries		42,148,475	31,312,210	1,342,415	-	-	(62,457,673)	12,345,427
Subscription of shares by non-controlling interest		-	-	-	-	-	20,936	196,623
		-	-	-	-	-	-	150,000
<b>Total transactions with owners of the Company</b>		42,148,475	31,312,210	1,342,415	-	-	(62,436,737)	12,366,363
<b>At 31 March 2024</b>		319,622,779	(1,259,214)	12,187,543	127,058	4,271,128	10,883,013	345,832,307

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025 (cont'd)

Attributable to owners of the Company										
Non-distributable										
Distributable										
Retained earnings/Non-										
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# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

Attributable to owners of the Company						
	Non-distributable				Distributable	
Note	Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
<b>Company</b>						
<b>At 1 April 2023</b>	277,474,304	(32,571,424)	10,845,128	(421,712)	67,710,570	323,036,866
Equity investments measured at fair value through other comprehensive income/ <b>Total other comprehensive income for the year</b>	-	-	-	548,770	-	548,770
Profit for the year	-	-	-	-	7,768,545	7,768,545
<b>Total comprehensive income for the year</b>	-	-	-	548,770	7,768,545	8,317,315
<i>Contributions by and distributions to owners of the Company</i>						
Own shares acquired	13	-	(4,835,221)	-	-	(4,835,221)
Own shares cancelled	13	(16,297,839)	36,147,431	-	-	-
Issue of shares pursuant to Employees' Share Option Scheme	13	86,825	-	(8,525)	-	78,300
Exercise of Warrants	13	58,359,489	-	-	-	58,359,489
Share-based payment transactions	21	-	-	1,350,940	-	1,350,940
Dividends to owners of the Company	22	-	-	-	(42,608,081)	(42,608,081)
<b>Total transactions with owners of the Company</b>	42,148,475	31,312,210	1,342,415	-	(62,457,673)	12,345,427
<b>At 31 March 2024</b>	319,622,779	(1,259,214)	12,187,543	127,058	13,021,442	343,699,608

The accompanying notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025 (cont'd)

Attributable to owners of the Company						
		Non-distributable			Distributable	
Note	Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Company						
At 1 April 2024	319,622,779	(1,259,214)	12,187,543	127,058	13,021,442	343,699,608
Equity investments measured at fair value through other comprehensive expense/ Total other comprehensive expense for the year	-	-	-	(107,023)	-	(107,023)
Profit for the year	-	-	-	-	71,373,847	71,373,847
Total comprehensive (expense)/income for the year	-	-	-	(107,023)	71,373,847	71,266,824
Contributions by and distributions to owners of the Company						
Own shares acquired	13	-	(53,713,011)	-	-	(53,713,011)
Own shares cancelled	13	(26,026,586)	54,764,203	-	-	-
Share-based payment transactions	21	-	-	4,297,104	-	4,297,104
Dividends to owners of the Company	22	-	-	-	(28,484,817)	(28,484,817)
Total transactions with owners of the Company	(26,026,586)	1,051,192	4,297,104	-	(57,222,434)	(77,900,724)
At 31 March 2025	293,596,193	(208,022)	16,484,647	20,035	27,172,855	337,065,708

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the year ended 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>					
Profit before tax		41,569,690	48,048,889	71,637,847	8,302,469
Adjustments for:					
Depreciation and amortisation:					
- Property, plant and equipment		10,560,744	9,953,999	11,321	14,327
- Right-of-use assets		138,259	155,679	-	-
- Investment properties		47,006	326,895	-	-
- Intangible assets		83,568	-	-	-
Finance costs		3,606,098	1,134,178	1,881,863	-
Gain on disposal of:					
- Property, plant and equipment		(326,162)	(546,206)	-	-
- Other investments		(612,302)	(24,150)	(612,302)	(24,150)
Impairment loss on trade receivables		43,323	12,016	-	-
Negative goodwill arising from acquisition of a subsidiary		-	(415,628)	-	-
Share-based payment transactions	21	4,297,104	1,350,940	-	(28,938)
Dividend income from other investments	8	(116,194)	(133,658)	(116,194)	(133,658)
Finance income		(2,855,135)	(2,127,676)	(2,810,662)	(1,051,192)
Net unrealised gain on foreign exchange		(125,369)	(745,885)	(110,342)	(299,334)
(Reversal of write down)/Write down of obsolete and slow-moving inventories		(309,530)	51,754	-	-
Share of profit of equity-accounted associates, net of tax		(6,671)	-	-	-
<b>Operating profit before changes in working capital</b>		55,994,429	57,041,147	69,881,531	6,779,524
Change in inventories		(17,755,481)	17,523,031	-	-
Change in trade and other receivables		22,900,047	(8,954,410)	(21,745,341)	8,397,518
Change in trade and other payables		8,970,275	(16,487,190)	(5,549,534)	(267,060)
<b>Cash generated from operations</b>		70,109,270	49,122,578	42,586,656	14,909,982
Finance income received		2,855,135	2,127,676	2,810,662	1,051,192
Tax paid		(7,521,145)	(4,439,837)	(427,091)	(282,160)
<b>Net cash from operating activities</b>		65,443,260	46,810,417	44,970,227	15,679,014
<b>Cash flows from investing activities</b>					
Acquisition of:					
- Property, plant and equipment	2.2	(38,320,649)	(16,234,951)	(10,040)	(4,461)
- Investment properties		-	(28,026,282)	-	-
- Intangible assets	5	(1,263,451)	-	-	-
- A subsidiary, net of cash and cash equivalents		-	(40,573)	-	(454,610)
- An associate		(2,250,000)	-	(2,250,000)	-
- Other investments	8	(194,236)	-	(194,236)	-
Dividend income from other investments		116,194	133,658	116,194	133,658
Capital repayment from a subsidiary		-	-	7,700,000	-
Additional investment in subsidiaries		-	-	(118,692)	(641,644)
Proceeds from disposal of:					
- Property, plant and equipment		346,351	896,764	-	-
- Other investments		2,822,712	590,029	2,822,712	590,029
Advances to subsidiaries		-	-	(87,475,000)	-
<b>Net cash (used in)/from investing activities</b>		(38,743,079)	(42,681,355)	(79,409,062)	(377,028)

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the year ended 31 March 2025 (cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from financing activities</b>					
Interest paid		(1,724,235)	(1,134,178)	-	-
Issuance of share capital		-	58,437,789	-	58,437,789
Subscription of shares by non-controlling interest		3,621	150,000	-	-
Dividends paid to:					
- Owners of the Company		(25,980,824)	(46,160,794)	(25,980,824)	(46,160,794)
- Non-controlling interests		(1,256,761)	-	-	-
Repurchases of treasury shares		(53,713,011)	(4,835,221)	(53,713,011)	(4,835,221)
Repayment of bankers' acceptances		(40,509,591)	(17,531,000)	-	-
Drawdown of bankers' acceptances		19,598,619	24,953,972	-	-
Repayment of term loans		(36,680,423)	(2,396,057)	-	-
Drawdown of term loans		-	21,250,000	-	-
Repayment of hire purchase liabilities		(830,624)	(409,000)	-	-
Repayment of lease liabilities		(132,308)	(154,284)	-	-
Drawdown of Sukuk Wakalah		100,000,000	-	100,000,000	-
<b>Net cash (used in)/from financing activities</b>		(41,225,537)	32,171,227	20,306,165	7,441,774
Exchange difference on translation of the financial statements of foreign operations		(3,700,491)	740,276	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(18,225,847)	37,040,565	(14,132,670)	22,743,760
<b>Cash and cash equivalents at 1 April</b>		113,772,994	76,732,429	57,022,929	34,279,169
<b>Cash and cash equivalents at 31 March</b>	12	95,547,147	113,772,994	42,890,259	57,022,929

## Cash outflows for leases as a lessee

		Group	
	Note	2025 RM	2024 RM
<b>Included in net cash from operating activities</b>			
Payment relating to short-term leases	19	1,782,118	1,266,394
<b>Included in net cash from financing activities</b>			
Payment of interest expense on lease liabilities	17	8,918	5,500
Payment of lease liabilities		132,308	154,284
Total cash outflows for leases		1,923,344	1,426,178

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

For the year ended 31 March 2025 (cont'd)

## Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2024 RM	Acquisition of new hire purchase liabilities (Note 2.2) RM	Acquisition of new lease RM	Net change from financing cash flows RM	At 31 March 2025 RM
<b>Group</b>					
Hire purchase liabilities	1,713,000	550,000	-	(830,624)	1,432,376
Bankers' acceptances	20,910,972	-	-	(20,910,972)	-
Term loans	36,680,423	-	-	(36,680,423)	-
Lease liabilities	182,961	-	223,544	(132,308)	274,197
Sukuk Wakalah	-	-	-	100,000,000	100,000,000
<b>Total liabilities from financing activities</b>	<b>59,487,356</b>	<b>550,000</b>	<b>223,544</b>	<b>41,445,673</b>	<b>101,706,573</b>

	At 1 April 2023 RM	Acquisition of new hire purchase liabilities (Note 2.2) RM	Acquisition of new lease RM	Net change from financing cash flows RM	At 31 March 2024 RM
<b>Group</b>					
Hire purchase liabilities	-	2,122,000	-	(409,000)	1,713,000
Bankers' acceptances	13,488,000	-	-	7,422,972	20,910,972
Term loans	17,826,480	-	-	18,853,943	36,680,423
Lease liabilities	-	-	337,245	(154,284)	182,961
<b>Total liabilities from financing activities</b>	<b>31,314,480</b>	<b>2,122,000</b>	<b>337,245</b>	<b>25,713,631</b>	<b>59,487,356</b>

	At 1 April 2023 RM	At 31 March 2024/ 1 April 2024 RM	Net change from financing cash flows RM	At 31 March 2025 RM
<b>Company</b>				
Sukuk Wakalah/ <b>Total liabilities from financing activities</b>	-	-	100,000,000	100,000,000

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Power Root Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

**Principal place of business**

No. 1, Jalan Sri Plentong  
Taman Perindustrian Sri Plentong  
81750 Masai  
Johor  
Malaysia

**Registered office**

Suite 9D, Level 9  
Menara Ansar  
65, Jalan Trus  
80888 IIBD  
Johor

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates. The financial statements of the Company as at and for the financial year ended 31 March 2025 do not include other entities.

The principal activities of the Company consist of investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 23 July 2025.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 1. BASIS OF PREPARATION (cont'd)

### (a) Statement of compliance (cont'd)

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company upon their first adoption.

### (b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Equity securities at fair value through other comprehensive income ("FVOCI")	Fair value
Equity settled share-based transactions	Fair value

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in Note 21 - employee benefits.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles, office equipment, furniture and fittings RM	Renovation and electrical installation RM	Construction -in-progress RM	Total RM
<b>Group</b>							
<b>At cost</b>							
At 1 April 2023		93,583,034	54,636,184	30,070,769	5,441,443	2,070,235	185,801,665
Acquisition through business combinations		-	1,042,318	223,095	11,925	-	1,277,338
Additions		4,378,724	7,516,061	5,142,883	773,303	545,980	18,356,951
Disposals/Written off		(68,611)	(634,072)	(2,014,010)	-	-	(2,716,693)
Transfer from investment properties	4	7,368,708	-	1,012,758	1,882,661	-	10,264,127
Effect of movements in exchange rates		881,030	-	309,951	-	147,819	1,338,800
At 31 March 2024/1 April 2024		106,142,885	62,560,491	34,745,446	8,109,332	2,764,034	214,322,188
Additions		25,499,756	7,743,241	4,176,445	1,383,273	67,934	38,870,649
Disposals/Written off		-	(665,005)	(1,178,636)	-	(2,218,054)	(4,061,695)
Transfer		-	286,558	72,724	130,813	(490,095)	-
Effect of movements in exchange rates		(925,464)	-	(334,077)	-	-	(1,259,541)
At 31 March 2025		130,717,177	69,925,285	37,481,902	9,623,418	123,819	247,871,601
<b>Accumulated depreciation</b>							
At 1 April 2023		13,921,583	34,128,098	21,204,352	2,332,898	-	71,586,931
Acquisition through business combinations		-	148,875	34,836	723	-	184,434
Depreciation charge		1,561,116	4,334,481	3,571,386	487,016	-	9,953,999
Disposals/Written off		(23,421)	(202,967)	(1,997,843)	-	-	(2,224,231)
Transfer from investment properties	4	253,270	-	310,330	149,605	-	713,205
Effect of movements in exchange rates		205,687	-	267,489	-	-	473,176
At 31 March 2024/ 1 April 2024		15,918,235	38,408,487	23,390,550	2,970,242	-	80,687,514
Depreciation charge		1,711,186	4,350,334	3,813,834	685,390	-	10,560,744
Disposals/Written off		-	(664,950)	(1,158,502)	-	-	(1,823,452)
Effect of movements in exchange rates		(239,181)	-	(248,404)	-	-	(487,585)
At 31 March 2025		17,390,240	42,093,871	25,797,478	3,655,632	-	88,937,221

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles, office equipment, furniture and fittings RM	Renovation and electrical installation RM	Construction -in-progress RM	Total RM
<b>Accumulated impairment losses</b>						
At 1 April 2023	-	486,627	209,124	166,772	2,070,235	2,932,758
Disposal/Written off	-	(141,904)	-	-	-	(141,904)
Effect of movements in exchange rate	-	-	-	-	147,819	147,819
At 31 March 2024/1 April 2024	-	344,723	209,124	166,772	2,218,054	2,938,673
Disposal/Written off	-	-	-	-	(2,218,054)	(2,218,054)
At 31 March 2025	-	344,723	209,124	166,772	-	720,619
<b>Carrying amounts</b>						
At 1 April 2023	79,661,451	20,021,459	8,657,293	2,941,773	-	111,281,976
At 31 March 2024/1 April 2024	90,224,650	23,807,281	11,145,772	4,972,318	545,980	130,696,001
At 31 March 2025	113,326,937	27,486,691	11,475,300	5,801,014	123,819	158,213,761
						<b>Office equipment, furniture and fittings/ Total RM</b>
<b>Company</b>						
<b>At cost</b>						
At 1 April 2023						130,634
Addition						4,461
At 31 March 2024/1 April 2024						135,095
Addition						10,040
At 31 March 2025						145,135
<b>Accumulated depreciation</b>						
At 1 April 2023						102,631
Depreciation charge						14,327
At 31 March 2024/1 April 2024						116,958
Depreciation charge						11,321
At 31 March 2025						128,279
<b>Carrying amounts</b>						
At 1 April 2023						28,003
At 31 March 2024/1 April 2024						18,137
At 31 March 2025						16,856

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Group	
	2025 RM	2024 RM
<b>Carrying amounts of land and buildings comprises:</b>		
Freehold land	67,613,572	42,601,667
Buildings	45,713,365	47,622,983
	113,326,937	90,224,650

#### 2.1 Security

- (i) Included in the property, plant and equipment of the Group were motor vehicles with carrying amount of RM2,279,037 (2024: RM2,330,376) acquired under hire purchase arrangements.
- (ii) Certain land and buildings of the Group with carrying amount of NIL (2024: RM26,311,074) are charged to banks for banking facilities granted to the Group as disclosed in Note 14.

#### 2.2 Acquisition of property, plant and equipment

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash paid for acquisition</b>				
Current year's acquisition of property, plant and equipment	38,870,649	18,356,951	10,040	4,461
Less: Amount financed by hire purchase	(550,000)	(2,122,000)	-	-
	38,320,649	16,234,951	10,040	4,461

#### 2.3 Material accounting policy information

##### (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

##### (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	20 - 50 years
Plant and machinery	5 - 10 years
Motor vehicles, office equipment, furniture and fittings	3 - 5 years
Renovation and electrical installation	5 - 10 years



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 3. RIGHT-OF-USE ASSETS

	Total RM
<b>Group</b>	
At 1 April 2023	-
Addition	337,245
Depreciation	(155,679)
At 31 March 2024/1 April 2024	181,566
Addition	223,544
Depreciation	(138,259)
At 31 March 2025	266,851

The Group leases premises and machinery that run for 3 years which will end in October 2025.

#### 3.1 Judgements and assumptions in relation to lease

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

#### 3.2 Material accounting policy information

##### (a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

##### (b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 4. INVESTMENT PROPERTIES

	Note	RM
<b>Group</b>		
<b>At cost</b>		
At 1 April 2023		16,976,079
Addition		28,026,282
Transfer to property, plant and equipment	2	(10,264,127)
At 31 March 2024		34,738,234
At 1 April 2024/31 March 2025		34,738,234
<b>Accumulated depreciation</b>		
At 1 April 2023		843,006
Depreciation charge		326,895
Transfer to property, plant and equipment	2	(713,205)
At 31 March 2024/1 April 2024		456,696
Depreciation charge		47,006
At 31 March 2025		503,702
<b>Carrying amounts</b>		
At 1 April 2023		16,133,073
At 31 March 2024/1 April 2024		34,281,538
At 31 March 2025		34,234,532

Included in the above are:

	Group	
	2025 RM	2024 RM
Freehold land	27,863,494	27,863,494
Buildings	6,349,038	6,396,044
Construction-in-progress	22,000	22,000
	34,234,532	34,281,538

Investment properties comprise shoplot and hotel that are leased to third parties.

The following is recognised in profit or loss in respect of investment properties:

	Group	
	2025 RM	2024 RM
Lease income	551,070	953,208
Direct operating expenses on income generating investment properties	(47,642)	(55,384)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 4. INVESTMENT PROPERTIES (cont'd)

#### 4.1 Fair value information

Fair value of investment properties is categorised as follows:

	Group	
	2025 RM	2024 RM
Freehold land and buildings	37,300,000	37,022,000

#### Level 3 fair value

Level 3 fair value of land and buildings is derived using comparison method. Sales price of comparable properties in close proximity are adjusted for difference in key attributes such as property size. The significant unobservable input is the price per square foot of the comparable properties.

#### Valuation process applied by the Group for Level 3 fair value

The fair value of investment properties is determined by the Directors based on similar properties' price per square foot located in the surrounding area.

#### 4.2 Leases as lessor

The operating lease payments to be received are as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one year	323	245
One to two years	262	-
Total undiscounted lease payments	585	245

#### 4.3 Security

Certain land and buildings of the Group with carrying amount of NIL (2024: RM27,863,494) are charged to banks for banking facilities granted to the Group as disclosed in Note 14.

#### 4.4 Material accounting policy information

##### (a) Recognition and measurement

Investment properties are measured at cost less any accumulated depreciation and any impairment losses.

##### (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives. Freehold land is not depreciated. Investment properties under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Renovation, electrical installation, equipment and furnishings	5 - 10 years

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 5. INTANGIBLE ASSETS

	Product formula RM	Trademark RM	Total RM
<b>Group</b>			
<b>At cost</b>			
At 1 April 2023/31 March 2024	304,480	-	304,480
At 1 April 2024	304,480	-	304,480
Additions	-	1,263,451	1,263,451
At 31 March 2025	304,480	1,263,451	1,567,931
<b>Accumulated amortisation</b>			
At 1 April 2023/31 March 2024	304,480	-	304,480
At 1 April 2024	304,480	-	304,480
Amortisation charge	-	83,568	83,568
At 31 March 2025	304,480	83,568	388,048
<b>Carrying amounts</b>			
At 1 April 2023	-	-	-
At 31 March 2024/1 April 2024	-	-	-
At 31 March 2025	-	1,179,883	1,179,883

#### 5.1 Material accounting policy information

##### (a) Recognition and measurement

Intangible assets have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### (b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

Product formula	20 years
Trademark	10 years

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Cost of investments	219,003,576	226,584,884
Less: Impairment loss	(12,287,964)	(12,287,964)
	206,715,612	214,296,920

Details of the subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
Power Root (M) Sdn. Bhd.	Manufacture and distribution of beverage products	Malaysia	100	100
Power Root Marketing Sdn. Bhd.	Distribution of various beverage products	Malaysia	100	100
Power Root Manufacturing Sdn. Bhd.	Manufacture and distribution of beverage products	Malaysia	100	100
PT. Natbio Marketing Indonesia*#	Distribution of various beverage products	Indonesia	100	100
Power Root (Shanghai) Food Trading Co. Ltd.*#	Distribution of various beverage products	Republic of China	100	100
Power Root Distributor Sdn. Bhd.	Distribution of various beverage products, trading of cling wraps and aluminium foil products	Malaysia	50.1	50.1
Power Root Support Services Sdn. Bhd.	Operation in coffee plantation and leasing of plantation land	Malaysia	100	100
Nexora Verve Sdn. Bhd. (Formerly known as Power Root Nnergy Sdn. Bhd.)^	Operation of café and restaurants	Malaysia	100	100
PR Global Assets Limited*#	Dormant	British Virgin Island	100	100
Power Impian International Sdn. Bhd.	Investment holding	Malaysia	100	100
Ali Cafe Sdn. Bhd.	Dormant	Malaysia	100	100

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
			2025 %	2024 %
Power Root ME FZCO*	Distribution of various beverage products	United Arab Emirates	97	97
Alicafe Roasters Sdn. Bhd.	Wholesale of coffee, tea, cocoa and other beverages	Malaysia	80	80
Superwrapz International Sdn. Bhd.	Dormant	Malaysia	95	95
Power Root HK-China Company Limited**	Distribution of various beverage products	Hong Kong	90	90
French Patisserie Sdn. Bhd.**	Dormant	Malaysia	92.5	92.5
FODA Flavour & Ingredients Sdn. Bhd.	Manufacturing of flavours, food ingredients, fragrances and other related products	Malaysia	80	80
Affari Inversions Sdn. Bhd.**	Operation of café and restaurants	Malaysia	100	100
Viva La Liberica Sdn. Bhd.**	Dormant	Malaysia	70	-
French Roast Roaster Sdn. Bhd.**	Dormant	Malaysia	80	-
PR Food Trading L.L.C.-FZ**	Wholesale of food and beverage products	United Arab Emirates	100	100
PR Food Trading FZCO**	Wholesale of food and beverage products	United Arab Emirates	97	-
Power Root Food And Beverages Nigeria Ltd**	Dormant	Nigeria	100	100
<b>Subsidiaries of Power Root ME FZCO</b>				
Power Root Egypt for Trading and Distribution (E.S.C.)**	Dormant	Egypt	97	97
PRME Foodstuff Trading LLC**	Dormant	United Arab Emirates	97	97

\* Not audited by KPMG PLT

# Consolidated based on the management account

^ During the year, Nexora Verve Sdn. Bhd. (formerly known as Power Root Nenergy Sdn. Bhd.) has carried out a capital reduction exercise and RM7,700,000 was returned to the Company while maintaining the same effective ownership and voting interest in the subsidiary.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INVESTMENTS IN SUBSIDIARIES (cont'd)

There is no disclosure of summarised financial information of non-controlling interests in subsidiaries as the amount is not material to the Group.

#### 6.1 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

### 7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Investment in shares	2,650,000	400,000	2,650,000	400,000
Share of post-acquisition reserves	(393,329)	(400,000)	-	-
Less: Impairment loss	-	-	(400,000)	(400,000)
	2,256,671	-	2,250,000	-

Name of entity	Principal place of business/ Country of incorporation	Nature of relationship	Effective ownership interest and voting interest	
			2025	2024
			%	%
Jobtact Sdn. Bhd.	Malaysia	Engaged in providing information technology support and products to the Group	32.99	32.99
My Liberica Coffee Sdn. Bhd.	Malaysia	Engaged in providing upstream support of the coffee production chain encompassing plantation, cultivation, processing and distributing of coffee cherries	30.00	-

There is no disclosure of summarised financial information as the investment in associates is not material to the Group.

#### 7.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 8. OTHER INVESTMENTS

#### 8.1 Equity investments designated at fair value through other comprehensive income

The Group and the Company designated the investments shown below as equity instruments at fair value through other comprehensive income because these equity instruments represent investments that the Group and the Company intend to hold for long-term strategic purposes.

	Group/Company	
	Fair value at 31 March 2025	Dividend recognised during the year
	RM	RM
<b>Fair value through other comprehensive income</b>		
Equity instruments (Quoted shares):	1,037,412	55,965

	Group/Company	
	Fair value at 31 March 2024	Dividend recognised during the year
	RM	RM
<b>Fair value through other comprehensive income</b>		
Equity instruments (Quoted shares)	3,160,609	114,231

The Group disposed the following investment which is carried at fair value through other comprehensive income due to strategic decision.

	Group/Company		
	Fair value at derecognition	Cumulative gain on disposal	Dividend income
	RM	RM	RM
<b>2025</b>			
Equity instruments (Quoted shares)	2,822,712	612,302	60,229
<b>2024</b>			
Equity instruments (Quoted shares)	590,029	24,150	19,427

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 9. DEFERRED TAX ASSETS/(LIABILITIES)

#### 9.1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	(7,049,430)	(6,317,376)	(1,000)	(2,000)
Provisions	6,712,649	5,440,409	28,000	8,000
Others	647,137	500,375	(26,000)	(74,000)
	310,356	(376,592)	1,000	(68,000)

#### 9.2 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items in certain subsidiaries (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Deductible temporary differences	505	372
Unabsorbed capital allowances	1,219	1,164
Unutilised tax losses	3,790	3,780
	5,514	5,316

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which these subsidiaries within the Group can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised unabsorbed capital allowances, deductible temporary differences and tax losses carry-forward available to these subsidiaries.

The unutilised tax losses will expire in the following year of assessment:

	Group	
	2025 RM'000	2024 RM'000
2028	3,755	3,755
2031 and beyond	35	25
	3,790	3,780

The deductible temporary differences and unabsorbed capital allowances do not expire under the current tax legislation.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 9. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

#### 9.3 Movement in temporary differences during the year

	At 1 April 2023 RM	Acquisition of subsidiary RM	Recognised in profit or loss (Note 18) RM	At 31 March/ 1 April 2024 RM	Recognised in profit or loss (Note 18) RM	At 31 March 2025 RM
<b>Group</b>						
Property, plant and equipment	(5,486,451)	(40,304)	(790,621)	(6,317,376)	(732,054)	(7,049,430)
Provisions	8,144,216	-	(2,703,807)	5,440,409	1,272,240	6,712,649
Unutilised tax losses	160,000	-	(160,000)	-	-	-
Others	-	-	500,375	500,375	146,762	647,137
	2,817,765	(40,304)	(3,154,053)	(376,592)	686,948	310,356
<b>Company</b>						
Property, plant and equipment	(4,080)	-	2,080	(2,000)	1,000	(1,000)
Provisions	52,080	-	(44,080)	8,000	20,000	28,000
Others	-	-	(74,000)	(74,000)	48,000	(26,000)
	48,000	-	(116,000)	(68,000)	69,000	1,000

### 10. INVENTORIES

	Group	
	2025 RM	2024 RM
Raw materials	82,348,363	58,764,429
Finished goods	32,436,298	38,221,947
Consumables	2,431,237	2,164,511
	117,215,898	99,150,887
Recognised in profit or loss:		
- Inventories recognised as changes in finished goods and raw materials used	197,926,948	204,307,979
- (Reversal of write down)/Write down of obsolete and slow-moving inventories (included in changes in finished goods and raw materials used)	(309,530)	51,754

#### 10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using first-in first-out method.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables	76,718,816	97,024,236	-	-
Other receivables	5,723,217	3,089,725	-	-
Deposits and prepayments	6,902,807	12,048,880	38,043	36,215
Due from subsidiaries				
- non-trade	-	-	107,645,111	81,494,152
- advances	-	-	87,475,000	-
	89,344,840	112,162,841	195,158,154	81,530,367

The non-trade amounts due from subsidiaries are unsecured, interest free and repayable on demand.

The advances to subsidiaries are unsecured, repayable on demand and charged at a fixed rate of 5.17% (2024: NIL) per annum.

### 12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	91,656,643	112,705,605	39,112,775	56,069,716
Deposits placed with licensed banks	3,890,504	1,067,389	3,777,484	953,213
	95,547,147	113,772,994	42,890,259	57,022,929

### 13. CAPITAL AND RESERVES

#### Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2025 RM	2024 RM	2025	2024
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	319,622,779	277,474,304	462,180,132	448,003,860
Exercise of ESOS	-	86,825	-	45,000
Exercise of Warrants	-	58,359,489	-	37,895,772
Cancellation of treasury shares	(26,026,586)	(16,297,839)	(37,634,900)	(23,764,500)
At 31 March	293,596,193	319,622,779	424,545,232	462,180,132

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 13. CAPITAL AND RESERVES (cont'd)

#### Reserves

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Distributable</b>				
Retained earnings	-	10,883,013	27,172,855	13,021,442
<b>Non-distributable</b>				
Accumulated losses	(14,742,940)	-	-	-
Treasury shares	(208,022)	(1,259,214)	(208,022)	(1,259,214)
Share option reserve	16,484,647	12,187,543	16,484,647	12,187,543
Exchange fluctuation reserve	(123,129)	4,271,128	-	-
Fair value reserve	20,035	127,058	20,035	127,058
	1,430,591	26,209,528	43,469,515	24,076,829

#### 13.1 Treasury shares

The shareholders of the Company, by a special resolution passed in the Extraordinary General Meeting held on 28 April 2014, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

At the Annual General Meeting held on 27 August 2024, the shareholders of the Company renewed their approval for the Company to repurchase its own shares.

During the financial year, the Company repurchased from the open market a total of 37,027,300 (2024: 2,523,800) of its issued ordinary shares with an average repurchase price of RM1.45 (2024: RM1.92). The repurchase transactions were financed by internally generated funds and the repurchased shares are being held as treasury shares and carried at cost. During the year, the Company cancelled a total of 37,634,900 (2024: 23,764,500) treasury shares.

At 31 March 2025, a total of 150,100 (2024: 757,700) repurchased shares are being held as treasury shares. The number of outstanding shares issue after the set off is 424,395,132 (2024: 461,422,432).

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

#### 13.2 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings. Share option is disclosed in Note 21.

#### 13.3 Exchange fluctuation reserve

Exchange fluctuation reserve represents all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

#### 13.4 Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of equity investments measured at fair value through other comprehensive income.



	<b>Group</b>	
	<b>2025 RM</b>	<b>2024 RM</b>
<b>Non-current <i>Secured</i></b>		
Hire purchase liabilities	504,498	1,005,645
Term loans	-	31,672,066
	<b>504,498</b>	<b>32,677,711</b>
<b><i>Unsecured</i></b>		
Sukuk Wakalah	100,000,000	-
	<b>100,504,498</b>	<b>32,677,711</b>
<b>Current <i>Secured</i></b>		
Hire purchase liabilities	927,878	707,355
Term loans	-	5,008,357
	<b>927,878</b>	<b>5,715,712</b>
<b><i>Unsecured</i></b>		
Bankers' acceptances	-	20,910,972
	<b>927,878</b>	<b>26,626,684</b>
	<b>101,432,376</b>	<b>59,304,395</b>

	<b>Company</b>	
	<b>2025 RM</b>	<b>2024 RM</b>
<b>Non-current <i>Unsecured</i></b>		
Sukuk Wakalah	100,000,000	-

## Sukuk Wakalah

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## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 15. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables	26,078,063	23,421,401	-	-
Other payables	6,717,308	5,741,943	74,854	45,412
Accrued advertising and promotional expenses	39,485,988	38,377,550	-	-
Other accrued expenses	30,469,835	24,358,162	2,350,808	290,026
Due to subsidiaries	-	-	203,650	5,961,545
	102,751,194	91,899,056	2,629,312	6,296,983

The amount due to subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand.

### 16. REVENUE

	Group		Company	
	2025 RM	2024 RM Restated	2025 RM	2024 RM
<b>Revenue from contracts with customers</b>				
- At a point in time	408,973,678	408,898,103	-	-
<b>Other revenue</b>				
- Dividend income	-	-	72,091,074	9,033,658
- Lease income	243,800	533,000	-	-
	243,800	533,000	72,091,074	9,033,658
	409,217,478	409,431,103	72,091,074	9,033,658

	Group	
	2025 RM	2024 RM Restated
<b>Disaggregation of revenue from contracts with customers</b>		
- Local	258,209,286	242,339,089
- Export	150,764,392	166,559,014
	408,973,678	408,898,103

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. REVENUE (cont'd)

#### 16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable elements in consideration
Beverages	Revenue is recognised when the goods are delivered and accepted by the customers	Credit period ranging from 14 - 90 days from invoice date	Sales incentives and other sales related expenses are given to customers subject to certain terms and conditions

The revenue from contract with customers of the Group is not subject to obligation for return or refunds and warranty.

The Group applies the practical expedient for exemption on disclosure of information on remaining performance obligation that have original expected durations of one year or less.

### 17. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance costs of financial liabilities that are not at fair value through profit or loss	3,597,180	1,128,678	1,881,863	-
Interest expense on lease liabilities	8,918	5,500	-	-
	3,606,098	1,134,178	1,881,863	-

### 18. TAX EXPENSE

#### 18.1 Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current tax expense</b>				
- Current year	9,956,751	5,180,979	333,000	414,000
- (Over)/Under provision in prior year	(754,668)	(2,594,072)	-	3,924
	9,202,083	2,586,907	333,000	417,924
<b>Deferred tax (income)/expense</b>				
- Origination and reversal of temporary differences	(711,948)	1,313,053	12,000	116,000
- Under/(Over) provision in prior year	25,000	1,841,000	(81,000)	-
	(686,948)	3,154,053	(69,000)	116,000
	8,515,135	5,740,960	264,000	533,924

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 18. TAX EXPENSE (cont'd)

#### 18.2 Reconciliation of tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	41,570	48,049	71,638	8,302
Income tax calculated using Malaysian tax rate of 24%	9,977	11,532	17,193	1,992
Non-deductible expenses	1,889	1,054	454	706
Non-taxable income	(1,482)	(1,425)	(17,302)	(2,168)
Effect of unrecognised deferred tax assets	48	29	-	-
Effect of different tax rates in foreign jurisdictions	(1,187)	(4,696)	-	-
	9,245	6,494	345	530
(Over)/Under provision in prior year	(730)	(753)	(81)	4
Tax expense	8,515	5,741	264	534

### 19. PROFIT FOR THE YEAR

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Profit for the year is arrived at after charging/(crediting)</b>					
Audit fees:					
- Statutory audit					
- KPMG PLT		284,000	279,000	74,000	69,000
- Other auditors		106,496	80,602	-	-
- Non-audit fees					
- KPMG PLT		21,000	9,000	9,000	9,000
- Local affiliates of KPMG PLT		116,000	116,000	12,500	5,000
Expenses relating to short-term leases	a	1,782,118	1,266,394	-	-
Impairment loss on trade receivables		43,323	12,016	-	-
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,977,068	5,251,962	119,810	75,045
- Wages, salaries and others		69,499,581	65,374,115	1,270,214	852,741
- Share-based payment transactions	21	4,297,104	1,350,940	-	(28,938)
Dividend income from other investments		(116,194)	(133,658)	(116,194)	(133,658)
Gain on disposal of:					
- Property, plant and equipment		(326,162)	(546,206)	-	-
- Other investments		(612,302)	(24,150)	(612,302)	(24,150)
Net gain on foreign exchange:					
- Realised		(1,661,472)	(2,043,085)	(976,022)	(68,478)
- Unrealised		(125,369)	(745,885)	(110,342)	(299,334)
Lease income		(551,070)	(953,208)	-	-
Negative goodwill arising from acquisition of a subsidiary		-	(415,628)	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 19. PROFIT FOR THE YEAR (cont'd)

#### Note a

The Group leases hostels and offices which are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

### 20. EARNINGS PER ORDINARY SHARE

#### Group

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2025 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group	
	2025	2024
	RM	RM
Profit for the year attributable to ordinary shareholders	31,986,481	41,558,993

Weighted average number of ordinary shares are determined as follows:

	Group	
	2025	2024
Weighted average number of ordinary shares at 31 March	442,556,299	456,529,958
Basic earnings per ordinary share (sen)	7.23	9.10

#### Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March 2025 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

*Profit attributable to ordinary shareholders (diluted)*

	Group	
	2025	2024
	RM	RM
Profit attributable to ordinary shareholders (diluted)	31,986,481	41,558,993
Weighted average number of ordinary shares (basic)	442,556,299	456,529,958
Effect of share options in issue	8,086,242	5,757,527
Weighted average number of ordinary shares (diluted) at 31 March	450,642,541	462,287,485
	2025	2024
Diluted earnings per ordinary share (sen)	7.10	8.99

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 21. EMPLOYEE BENEFITS

#### Share-based payments arrangement

##### Share option programme (equity settled)

On 11 June 2019, the Group granted a second share options to eligible Directors and key employees of the Company and its subsidiaries to purchase shares in the Company under the Employees' Share Option Scheme approved by the shareholders of the Company on 10 June 2019. On 14 April 2020, the Group further granted share options on similar terms (except for exercise price) to qualified employees.

On 9 August 2022, the Group granted a third share options to eligible Directors and key employees of the Company and its subsidiaries to purchase shares in the Company under the Employees' Share Option Scheme approved by the shareholders of the Company on 8 August 2022. On 1 March 2023, the Group further granted share options on similar terms (except for exercise price) to qualified employees.

On 30 September 2024, the Group granted a fourth share options to eligible Directors and key employees of the Company and its subsidiaries to purchase shares in the Company under the Employees' Share Option Scheme approved by the shareholders of the Company on 27 August 2024. The fourth share options were issued to replace the third share options.

The terms and conditions relating to the grants of the share option programme existed during the period are as follows; all options are to be settled by physical delivery of shares:

Grant date/employees entitled	Number of options '000	Vesting conditions	Contractual life of options
Options granted to eligible Directors on 11 June 2019	16,000	100% non-KPI related	10 years
Options granted to eligible employees of the Company and its subsidiaries on 14 April 2020	5,910	100% KPI related	10 years
Options granted to eligible employees including Directors of the Company and its subsidiaries on 9 August 2022	38,790	71% non-KPI related 29% KPI related	10 years
Options granted to eligible employees of the Company and its subsidiaries on 1 March 2023	3,100	100% KPI related	10 years
Options granted to eligible employees including Directors of the Company and its subsidiaries on 30 September 2024	30,850	86% non-KPI related 14% KPI related	10 years
	94,650		



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 21. EMPLOYEE BENEFITS *cont'd*

#### Share-based payments arrangement *cont'd*

#### Share option programme (equity settled) *cont'd*

The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price RM	Number of options (‘000)	Weighted average exercise price RM	Number of options (‘000)
Outstanding at 1 April	1.776	52,805	1.797	58,570
Granted during the year	1.238	30,850	-	-
Cancelled/Forfeited during the year	1.999	(35,015)	1.951	(5,720)
Exercised during the year	-	-	1.740	(45)
Outstanding at 31 March	1.274	48,640	1.776	52,805
Exercisable at 31 March	1.266	36,905	1.291	30,865

The options outstanding at 31 March 2025 have an exercise price in the range of RM1.238 to RM1.740 (2024: RM1.291 to RM2.000) and a weighted average contractual life of 7.5 years (2024: of 8 years).

In prior year, 45,000 share options were exercised. The weighted average share price at the date of exercise in prior year was RM1.74.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial tree method, with the following inputs:

**ESOS 4**  
**(30 September 2024)**  
**Eligible employee 2025**

#### Fair value of options, significant assumptions and estimates

Fair value at grant date	RM0.1495
Share price at grant date	RM1.4100
Expected volatility (weighted average volatility)	27.03%
Option life (expected weighted average life)	10 years
Expected dividends	5.45%
Risk-free interest rate (based on Malaysian Government Securities)	3.71%

#### Value of employee services received for issue of share options

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Share options granted in 2021	-	(63)	-	-
Share options granted in 2023	-	1,414	-	(29)
Share options granted in 2025	4,297	-	-	-
Total expense recognised as share-based payments	4,297	1,351	-	(29)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 22. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
<b>2025</b>			
Fourth interim single tier dividend 2024	1.30	5,977,199	5 July 2024
First interim single tier dividend 2025	1.20	5,399,027	4 October 2024
Second interim single tier dividend 2025	2.00	8,602,856	30 December 2024
Third interim single tier dividend 2025	2.00	8,505,735	3 April 2025
		28,484,817	
<b>2024</b>			
Fourth interim single tier dividend 2023	2.00	9,023,015	3 July 2023
Special interim single tier dividend 2023	1.50	6,767,262	3 July 2023
First interim single tier dividend 2024	2.00	9,256,737	12 October 2023
Special interim single tier dividend 2024	0.50	2,314,184	12 October 2023
Second interim single tier dividend 2024	2.00	9,245,141	5 January 2024
Third interim single tier dividend 2024	1.30	6,001,742	9 April 2024
		42,608,081	

After the end of the financial year, the Directors declared a fourth interim single tier dividend of 1.30 sen per ordinary share totalling RM5,514,313 in respect of the year ended 31 March 2025 on 28 May 2025 which was paid on 4 July 2025.

The fourth interim single tier dividend will be accounted for in the statement of changes in equity as an appropriation of retained earnings in subsequent financial year.

### 23. OPERATING SEGMENTS

#### Group

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. 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 as disclosed in Note 6.

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

#### Segment assets and liabilities

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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 23. OPERATING SEGMENTS *cont'd*

	Reportable segment				Non reportable segment		Total	
	Malaysia entities		Overseas entities		Other entities			
	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		Restated		Restated				Restated
Segment profit/(loss)	36,433	26,167	7,020	19,689	(1,736)	(472)	41,717	45,384
Included in the measure of segment profit are:								
Revenue from external customers	304,303	305,635	102,974	102,385	1,940	1,411	409,217	409,431
Inter-segment revenue	99,184	96,667	810	2,683	4,542	9,032	104,536	108,382
Depreciation and amortisation	(8,912)	(8,655)	(1,136)	(967)	(830)	(860)	(10,878)	(10,482)
Impairment loss on trade receivables	(43)	(12)	-	-	-	-	(43)	(12)
Write down/(Reversal of write down) of obsolete and slow moving inventories	310	(52)	-	-	-	-	310	(52)
Finance costs	(1,333)	(725)	-	-	(2,895)	(409)	(4,228)	(1,134)
Finance income	1,041	1,035	10	5	2,426	1,088	3,477	2,128

Reconciliations of reportable segment profit or loss and other material items.

	Segment profit RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000
<b>Group</b>				
<b>2025</b>				
Total segments	41,717	(10,878)	(4,228)	3,477
Consolidation adjustments	(147)	48	622	(622)
Total consolidated	41,570	(10,830)	(3,606)	2,855
<b>2024</b>				
Total segments	45,384	(10,482)	(1,134)	2,128
Consolidation adjustments	2,665	45	-	-
Total consolidated	48,049	(10,437)	(1,134)	2,128

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 23. OPERATING SEGMENTS *cont'd*

#### Geographical segments

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with the Middle East Region as the principal market segment.

Revenue from sales to external customers by location of customers are as follows:

	Group	
	2025 RM'000	2024 RM'000 Restated
Local	258,453	242,872
Overseas:		
- Middle East	111,310	116,503
- Others	39,454	50,056
	409,217	409,431

#### Major customers

As at the end of the reporting period, one (2024: one) major customer from local segment with its revenue equals or more than 10% of the Group's total revenue have contributed RM48,607,521 (2024: RM40,734,062) to the Group's total revenue.

### 24. FINANCIAL INSTRUMENTS

#### 24.1 Categories of financial instruments

All financial assets and liabilities are categorised as amortised cost ("AC") in accordance with the Group's accounting policies except as stated below:

- (a) Fair value through other comprehensive income ("FVOCI")
  - Equity instruments designated upon initial recognition ("EIDUIR")

	FVOCI-EIDUIR	
	2025 RM'000	2024 RM'000
<b>Group/Company</b>		
<b>Financial assets</b>		
Other investments	1,037	3,161

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on:				
Equity instruments at fair value through other comprehensive income (Note 24.2.1)				
- recognised in profit or loss	728	157	728	157
- recognised in other comprehensive income	(107)	549	(107)	549
	621	706	621	706
Financial assets at AC (Note 24.2.2)	4,599	4,905	3,897	1,419
Financial liabilities at AC (Note 24.2.3)	(3,597)	(1,129)	(1,882)	-
	1,623	4,482	2,636	2,125

##### 24.2.1 Equity instruments at FVOCI

Included in the net gains and losses on equity instruments at FVOCI are dividends, gains and losses on disposal of other investments which are recognised as income in profit or loss. Fair value gains and losses are recognised in other comprehensive income.

##### 24.2.2 Financial assets at AC

Included in the net gains and losses on financial assets at AC are interest income, foreign exchange gains and losses, and impairment losses which are recognised in profit or loss.

##### 24.2.3 Financial liabilities at AC

Included in the net gains and losses on financial liabilities at AC are interest expense and foreign exchange gains and losses which are recognised in profit or loss.

#### 24.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 24.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior period.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.4 Credit risk *cont'd*

##### Trade receivables

##### *Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

The Group considers the probability of default on initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information especially when there is a significant changes in the expected performance and behaviour of the debtors.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

The Group considers a financial asset to be in default when:

- the debtors is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions; and
- the promotional funds, sales incentives, sales rebates and trade offers entitled by the debtors are insufficient to offset their credit obligation.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

There are no significant changes as compared to prior period.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

##### *Concentration of credit risk*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2025 RM'000	2024 RM'000
Local	48,598	45,851
Overseas	28,121	51,173
	76,719	97,024



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.4 Credit risk *cont'd*

##### Trade receivables *cont'd*

##### *Recognition and measurement of impairment loss*

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than the respective credit terms, which are deemed to have higher credit risk, are monitored individually.

The Company assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable.

The following table provides information about the exposure to credit risk and expected credit loss ("ECLs") for trade receivables as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>Group</b>			
<b>2025</b>			
Current (not past due)	61,089	-	61,089
1 - 30 days past due	7,892	-	7,892
31 - 60 days past due	2,164	-	2,164
61 - 90 days past due	1,128	-	1,128
	72,273	-	72,273
<b>Credit impaired</b>			
More than 90 days past due	4,446	-	4,446
Individually impaired	787	787	-
	77,506	787	76,719
<b>2024</b>			
Current (not past due)	79,093	-	79,093
1 - 30 days past due	10,530	-	10,530
31 - 60 days past due	2,505	-	2,505
61 - 90 days past due	365	-	365
	92,493	-	92,493
<b>Credit impaired</b>			
More than 90 days past due	4,531	-	4,531
Individually impaired	746	746	-
	97,770	746	97,024

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.4 Credit risk *cont'd*

##### Trade receivables *cont'd*

##### *Recognition and measurement of impairment loss cont'd*

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Credit impaired	
	2025 RM'000	2024 RM'000
<b>Group</b>		
At 1 April	746	766
Net remeasurement of loss allowance	43	12
Exchange difference	(2)	(32)
At 31 March	787	746

No further impairment loss is required for credit impaired receivables mainly because these customers are entitled for promotional funds, sales incentives, sales rebates and trade offers. As at year end, the accruals for promotional funds, sales incentives, sales rebates and trade offers payable to these customers amounted to approximately RM39,485,988 (2024: RM38,377,550), which is included in the accrued advertising and promotional expenses in Note 15.

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance are not material and hence, it is not provided for.

##### Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Group and the Company do not recognise any allowance for impairment losses.

##### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.4 Credit risk *cont'd*

##### **Financial guarantees** *cont'd*

###### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to NIL (2024: RM36,680,423) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

###### *Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligation to the bank in full; or
- The subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

##### **Inter-company balances**

###### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured advances to subsidiaries. The advances are repayable on demand. The Company monitors the results of the subsidiaries regularly.

###### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company considers amounts due from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers amounts due from subsidiaries to be credit impaired when:

- The subsidiaries are unlikely to repay its amount due to the Company in full; or
- The subsidiaries are continuously loss making and is having a deficit shareholders' fund.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.4 Credit risk *cont'd*

##### Inter-company balances *cont'd*

##### *Exposure to credit risk, credit quality and collateral cont'd*

The following table provides information about the exposure to credit risk and ECLs for subsidiaries as at the end of the reporting period.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
<b>Company</b>			
<b>2025</b>			
Low credit risk	194,950	-	194,950
Credit impaired	2,177	2,007	170
	197,127	2,007	195,120
<b>2024</b>			
Low credit risk	81,213	-	81,213
Credit impaired	2,288	2,007	281
	83,501	2,007	81,494

The movements in the allowance for impairment in respect of subsidiaries during the financial year were:

	Credit impaired	
	2025 RM'000	2024 RM'000
<b>Company</b>		
At 1 April/31 March	2,007	2,007

#### 24.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.5 Liquidity risk *cont'd*

##### *Maturity analysis*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Profit rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2025</b>							
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Secured hire purchase liabilities	1,432	2.24 - 3.35	1,534	952	582	-	-
Trade and other payables	102,751	-	102,751	102,751	-	-	-
Lease liabilities	274	4.00 - 4.61	289	153	82	54	-
Dividend payable	8,506	-	8,506	8,506	-	-	-
Sukuk Wakalah	100,000	4.77	133,403	4,770	4,770	9,553	114,310
	212,963		246,483	117,132	5,434	9,607	114,310
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	2,629	-	2,629	2,629	-	-	-
Dividend payable	8,506	-	8,506	8,506	-	-	-
Sukuk Wakalah	100,000	4.77	133,403	4,770	4,770	9,553	114,310
	111,135		144,538	15,905	4,770	9,553	114,310
<b>2024</b>							
<b>Group</b>							
<i>Non-derivative financial liabilities</i>							
Secured hire purchase liabilities	1,713	2.24 - 3.35	1,833	756	756	321	-
Secured term loans	36,680	4.32 - 4.65	42,800	6,529	6,529	19,591	10,151
Unsecured bankers' acceptance	20,911	2.33 - 3.14	20,911	20,911	-	-	-
Trade and other payables	91,899	-	91,899	91,899	-	-	-
Lease liabilities	183	4.61	190	120	70	-	-
Dividend payable	6,002	-	6,002	6,002	-	-	-
	157,388		163,635	126,217	7,355	19,912	10,151

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.5 Liquidity risk *cont'd*

##### *Maturity analysis cont'd*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments: *cont'd*

	Carrying amount RM'000	Contractual interest rate/ Profit rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2024</b>							
<b>Company</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	6,297	-	6,297	6,297	-	-	-
Dividend payable	6,002	-	6,002	6,002	-	-	-
Financial guarantee*	-	-	36,680	36,680	-	-	-
	12,299		48,979	48,979	-	-	-

\* The amount represents the outstanding banking facilities of subsidiaries as at the end of reporting period.

#### 24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

##### **Currency risk**

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The major currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Yuan ("CNY") and Thai Baht ("THB").

##### *Risk management objectives, policies and processes for managing the risk*

The Group does not hedge its financial assets and liabilities.

Foreign exchange exposures in transactional currencies other than the functional currency of the Group is kept to an acceptable level.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.6 Market risk *cont'd*

##### Currency risk *cont'd*

##### *Exposure to foreign currency risk*

The Group's exposure to foreign currency (currencies which is other than the functional currencies of Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in			
	USD RM'000	SGD RM'000	CNY RM'000	THB RM'000
<b>Group</b>				
<b>2025</b>				
Trade and other receivables	14,775	6,795	12	645
Cash and cash equivalents	18,689	1,749	4,322	1,573
Trade and other payables	(18,973)	(2,712)	-	(2,159)
	14,491	5,832	4,334	59
<b>2024</b>				
Trade and other receivables	42,041	7,553	-	761
Cash and cash equivalents	19,628	2,540	1,481	811
Trade and other payables	(11,855)	(1,693)	-	(656)
	49,814	8,400	1,481	916

##### *Currency risk sensitivity analysis*

A 10% (2024: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2025 RM'000	2024 RM'000
<b>Group</b>		
USD	(1,101)	(3,786)
SGD	(443)	(638)
CNY	(329)	(113)
THB	(4)	(70)

A 10 % (2024: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 24. FINANCIAL INSTRUMENTS *cont'd*

### 24.6 Market risk *cont'd*

#### Interest rate risk

The Group's investments in fixed rate deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

*Risk management objectives, policies and processes for managing the risk*

Exposure to interest risk is monitored on an ongoing basis and the Group and the Company endeavour to keep the exposure at an acceptable level.

*Exposure to interest rate risk*

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Fixed rate instruments</b>				
Financial assets	3,891	1,067	3,777	953
Financial liabilities	(101,432)	(22,624)	(100,000)	-
Lease liabilities	(274)	(183)	-	-
	(97,815)	(21,740)	(96,223)	953
<b>Floating rate instruments</b>				
Financial liabilities	-	(36,680)	-	-

*Interest rate risk sensitivity analysis*

#### (a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### (b) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points ("bp") in interest rates at the end of the reporting period would have decreased post-tax profit by NIL (2024: RM279,000). A 100 bp decrease in interest rates would have had equal but opposite effect on profit or loss. This analysis assumes that all other variables, remained constant.

#### Other price risk

Price risk arises from the Group's investment in quoted shares.

*Risk management objectives, policies and processes for managing the risk*

Management of the Group monitors the investment on portfolio basis.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.6 Market risk *cont'd*

##### Other price risk *cont'd*

##### Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% strengthening/(weakening) in FBMKLCI at the end of the reporting period would have increased/(decreased) equity by RM104,000 (2024: RM316,000) for investments in quoted shares classified as fair value through other comprehensive income. A 10% weakening in FBMKLCI would have had equal but opposite effect on equity.

#### 24.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of the term loans and Sukuk Wakalah approximates their fair value as the effective interest rate is comparable to the movements in the market interest rate.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
<b>Group</b>				
<b>2025</b>				
<b>Financial assets</b>				
Quoted shares	1,037	-	1,037	1,037
<b>Financial liabilities</b>				
Hire purchase liabilities	-	(1,482)	(1,482)	(1,432)
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)
	-	(101,482)	(101,482)	(101,432)
<b>2024</b>				
<b>Financial assets</b>				
Quoted shares	3,161	-	3,161	3,161
<b>Financial liabilities</b>				
Hire purchase liabilities	-	(1,761)	(1,761)	(1,713)
Term loans	-	(36,680)	(36,680)	(36,680)
	-	(38,441)	(38,441)	(38,393)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 24. FINANCIAL INSTRUMENTS *cont'd*

#### 24.7 Fair value information *cont'd*

	Fair value of financial instruments carried at fair value  Level 1 RM'000	Fair value of financial instruments not carried at fair value  Level 3 RM'000	Total fair value  RM'000	Carrying amount  RM'000
<b>Company</b>				
<b>2025</b>				
<b>Financial assets</b>				
Quoted shares	1,037	-	1,037	1,037
<b>Financial liabilities</b>				
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)
<b>2024</b>				
<b>Financial assets</b>				
Quoted shares	3,161	-	3,161	3,161

#### Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

#### *Financial instruments not carried at fair value*

Type	Description of valuation technique and inputs used
Hire purchase liabilities/ Sukuk Wakalah/Term loans	Discounted cash flows using a rate based on the current market rate of borrowings of the Group entities at the reporting date.

### 25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and maintain an optimal capital and debt-to-equity ratio that enables the Group to operate effectively.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 25. CAPITAL MANAGEMENT *cont'd*

During the financial year ended 31 March 2025, the Group's strategy was to maintain the debt to-equity ratio at below 1.0. The debt and equity position and debt to-equity ratio of the Group were as follows:

	Group	
	2025	2024
	RM'000	RM'000
Loans and borrowings (Note 14)	101,432	59,304
Lease liabilities	274	183
Total debts	101,706	59,487
Less: Cash and cash equivalents (Note 12)	(95,547)	(113,773)
	6,159	(54,286)
Total equity	297,010	347,745
Debt to-equity ratio	0.02	(0.16)

There were no changes in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirement.

### 26. CAPITAL COMMITMENT

	Group	
	2025	2024
	RM'000	RM'000
<b>Capital expenditure commitment</b>		
<b>Property, plant and equipment</b>		
Contracted but not provided for	2,940	4,827

### 27. RELATED PARTIES

#### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 15.

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>A. Subsidiaries</b>				
Dividend income (gross)	-	-	(71,974,880)	(8,900,000)
Management fees	-	-	(1,251,106)	(816,345)
Finance income	-	-	(1,194,392)	-
Rental expense	-	-	10,800	10,800
Advances to	-	-	87,475,000	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 27. RELATED PARTIES *cont'd*

#### Significant related party transactions *cont'd*

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>B. Fees paid to a firm in which a Director is a partner</b>	115,622	134,343	10,800	12,000
<b>C. Company related to Directors</b>				
Management fees	584,520	426,088	-	-
Secretarial fees	39,165	30,164	-	2,800
<b>D. Key management personnel</b>				
<b>Directors</b>				
- Fees	881,004	902,004	881,004	902,004
- Remuneration	12,902,559	13,622,739	187,300	172,400
- Share-based payments	3,830,536	408,899	-	(13,105)
	17,614,099	14,933,642	1,068,304	1,061,299

The estimated monetary value of Directors' benefit-in-kind for the Group is RM179,898 (2024: RM165,549).

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Other key management personnel</b>				
- Remuneration	1,972,703	1,410,829	-	-
- Share-based payments	55,042	25,900	-	-
	2,027,745	1,436,729	-	-

The estimated monetary value of other key management personnel's benefit-in-kind for the Group is RM89,018 (2024: RM91,855).

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

### 28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.



## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 118 to 168 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Dato' How Say Swee**  
Director

**See Thuan Po**  
Director

Date: 23 July 2025

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Soh Joo Thye, the officer primarily responsible for the financial management of POWER ROOT BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 118 to 168 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Soh Joo Thye, NRIC: 741006-01-6723, (CIMA membership number: 1-Kerl) at Johor Bahru in the State of Johor on 23 July 2025.

**Soh Joo Thye**

Before me:

**Lau Lay Sung**  
Commissioner for Oaths  
J-246

# INDEPENDENT AUDITORS' REPORT

To the Members of Power Root Berhad

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Power Root Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 118 to 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Advertising and promotional expenses

Refer to Statement of Profit or Loss and Other Comprehensive Income and Note 15 - Trade and other payables.

### The key audit matter

The Group incurred various types of advertising and promotional expenses, such as television, newspaper, print, radio, internet and in-store advertising expenses. The arrangements are based on planned and approved advertising and promotional activities on a yearly basis.

We have identified this area as the key audit matter due to high volume of transactions incurred during the financial year. Accruals as at year end also took into consideration whether the promotional activities have been carried out.

# INDEPENDENT AUDITORS' REPORT (cont'd)

To the Members of Power Root Berhad

## KEY AUDIT MATTERS *cont'd*

### How the matter was addressed in our audit:

Our audit procedures performed in this area included, amongst others:

- We obtained understanding of the process, evaluated the design and implementation and tested the operating effectiveness of controls over the authorisation of advertising and promotional activities and accruals process as at year end.
- We agreed the samples selected to approved budgets and suppliers' invoices.
- We evaluated the Group's accruals for advertising and promotional expenses by testing claims received subsequent to reporting date to determine whether the promotional activities have been carried out before the reporting date.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT (cont'd)

To the Members of Power Root Berhad

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT (cont'd)

To the Members of Power Root Berhad

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

## OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Chan Yen Ing**  
Approval Number: 03174/04/2027 J  
Chartered Accountant

Johor Bahru

Date: 23 July 2025

## LIST OF PROPERTIES

As at 31 March 2025

Location	Existing use	Tenure	Approximately Age of Building	Land area/ built up area (sq feet)	NBV as at 31 March 2025 (RM)	Date of acquisition
No. 2, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai, Johor Bahru Johor on H.S.(D) 212188 P.T.No.111286 in the Mukim of Plentong, District of Johor Bahru	Factory	Freehold	26 years	41,354/ 21,269	3,026,315	9-Jun-2004
No. 4, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai, Johor Bahru Johor on H.S.(D) 212189 P.T.No.111287 in the Mukim of Plentong, District of Johor Bahru	Warehouse cum office	Freehold	26 years	41,801/ 24,177	2,042,904	28-Jul-2006
No. 1, Jalan Sri Plentong Taman Perindustrian Sri Plentong 81750 Masai, Johor Bahru Johor on H.S.(D) 212276-212285 P.T.No.111376-111385 in the Mukim of Plentong, District of Johor Bahru	Warehouse, factory cum office	Freehold	17 years	772,098/ 201,404	40,198,652	15-Feb-2008
Lot 945, Springs 10 Street 7, Villa 33, Type 3E The Springs Emirates Living Dubai	Residential	Freehold	18 years	4,080/ 2,275	865,844	20-Jul-2011
No. 30, Jalan Tago 9 Taman Perindustrian Tago 52200 Kuala Lumpur on H.S.(D) 24024 P.T. No. 30916 in the Mukim of Mukim Batu District of Gombak	Warehouse cum office	Freehold	28 years	19,493/ 14,516	6,057,531	10-Sep-2004
No. 32, Jalan Tago 9 Taman Perindustrian Tago 52200 Kuala Lumpur on H.S.(D) 36191 P.T. No. 30915 in the Mukim of Mukim Batu District of Gombak	Warehouse cum office	Freehold	28 years	19,300/ 14,512	3,416,993	21-Apr-2008
No. 305, 3rd Floor Sobha Sapphire Business Bay (Al Khail Road Entrance) Dubai.	Office	Freehold	11 years	2,510	1,684,230	25-Jun-2013
No. 43, 43-01 & 43-02 Jalan Serangkai 11 Taman Bukit Dahlia 81700 Pasir Gudang, Johor on PN64162 Lot 203760 in the Mukim of Plentong District of Johor Bahru	3 Storey Shop House	Leasehold for 99 years expiring on 18.02.2112	9 years	2,099/ 6,297	494,036	14-Sep-2016
Villa 575, Maple 1-Maple Community, Dubai Hills Estate, Dubai, UAE.	Residential	Freehold	4 year	2,228/ 1,683	1,958,227	30-Jun-2015
Villa 548, Maple 1-Maple Community, Dubai Hills Estate, Dubai, UAE.	Residential	Freehold	4 year	2,462/ 1,897	2,514,533	30-Jun-2015



## LIST OF PROPERTIES

As at 31 March 2025 (cont'd)

Location	Existing use	Tenure	Approximately Age of Building	Land area/ built up area (sq feet)	NBV as at 31 March 2025 (RM)	Date of acquisition
No 20, Jalan Perniagaan Setia 1/1, Taman Perniagaan Setia, 81100 Johor Bahru, Johor. Title No : Lot No 167028 (HS(D) 524555 PTD 167028)	Factory	Freehold	9 years	14,400/ 8,570	2,348,413	25-Jun-2020
No 22, Jalan Perniagaan Setia 1/1, Taman Perniagaan Setia, 81100 Johor Bahru, Johor. Title No : Lot No 167029 (HS(D) 524556 PTD 167029)	Factory	Freehold	9 years	14,400/ 8,570	2,348,413	25-Jun-2020
No 26, Jalan Perniagaan Setia 1/1, Taman Perniagaan Setia, 81100 Johor Bahru, Johor. Title No : Lot No 167030 (HS(D) 524557 PTD 167030)	Factory	Freehold	9 years	14,400/ 8,570	2,348,413	25-Jun-2020
No. 1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai, Johor Bahru Johor on H.S.(D) 250460, Lot 182939 in the Mukim of Plentong, District of Johor Bahru.	Factory	Freehold	26 years	41,351/ 21,727	6,389,305	21-Aug-2020
PTD 111275 Jalan Sri Plentong 4 Taman Perindustrian Sri Plentong 81750 Masai, Johor Bahru Johor on H.S.(D) 250535 No. Lot 182932 in the Mukim of Plentong, District of Johor Bahru	Vacant Land	Freehold	N.A.	181,933	12,775,841	25-Aug-2020
No 44,44-01,44-02,44-03 & 44-04, Jalan Rosmerah 2/11, Taman Johor Jaya, 81100, Johor Bahru, Johor. Title No : HS(D) 455657, Lot 26291, HS(D)455658, Lot 26244	5 Storey Hotel	Leasehold for 99 years expiring on 18.03.2107	16 years	4,688/ 23,439	4,723,479	17-Nov-2022
116 undeveloped parcels of freehold land located at the intersection of Jalan Hajah Fatimah and Persiaran Bumi Hijau, Johor Bahru, Johor.	Vacant Land	Freehold	N.A	71,715/ (771,949)	27,863,494	27-Jun-2023
306, 3rd Floor, Sobha Sapphire, Business Bay, Dubai, United Arab Emirates	Office	Freehold	11 years	1,125	1,470,943	21-Dec-2023
2 plots of agricultural lands in Kota Tinggi. GM1446 & GM302, Lot 710-711, Mukim Kota Tinggi, Daerah Kota Tinggi, Johor	Agricultural Land	Freehold	N.A	807,498	4,122,420	24-Nov-2024
5 plots of agricultural lands held under HS(D) 80907-80911 PTD 62288-62292 in the Mukim of Sedenak, District of Kulai, State of Johor, located at Jalan Layang-layang, Kampung Murni Jaya, 81850 Layang-layang Johor.	Agricultural Land	Freehold	N.A	3,483,600	20,889,485	6-Dec-2024

## ANALYSIS OF SHAREHOLDINGS

As at 30 June 2025

Issued Capital	:	424,545,232 ordinary shares (including 548,300 treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Number of Holders	:	5,069

Size of Shareholdings	No. of Shareholders	%*	No. of Shares	%*
1 - 99	191	3.77	6,636	0.00
100 - 1,000	1,017	20.06	590,514	0.14
1,001 - 10,000	2,765	54.55	12,213,268	2.88
10,001 - 100,000	937	18.48	27,099,160	6.39
100,001 to less than 5% of issued shares	155	3.06	229,712,059	54.18
5% and above of issued shares	4	0.08	154,375,295	36.41
<b>Total</b>	<b>5,069</b>	<b>100.00</b>	<b>423,996,932</b>	<b>100.00</b>

\* Excluding a total of 548,300 shares bought back by the Company and retained as treasury shares as at 30 June 2025.

### DIRECTORS' INTEREST IN SHARES

No.	Name of Directors	Direct Interest		Deemed Interest	
		No. of Shares	%*	No. of Shares	%*
1.	Dato' Afifuddin bin Abdul Kadir	-	-	-	-
2.	Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	-	-	-	-
3.	Wong Tak Keong	45,455,500	10.72	6,050,800	1.43 <sup>(1)</sup>
4.	Dato' How Say Swee	82,789,442	19.53	3,000,000	0.71 <sup>(2)</sup>
5.	Dato' Wong Fuei Boon	74,361,182	17.54	11,000,000	2.59 <sup>(1)</sup>
6.	See Thuan Po	4,578,000	1.08	7,200,000	1.70 <sup>(3)</sup>
7.	Ong Kheng Swee	255,315	0.06	154,000	0.04 <sup>(4)</sup>
8.	Dato' Tea Choo Keng	3,480	0.00	-	-
9.	Low Jun Lee	7,087,000	1.67	41,322,575	9.75 <sup>(5)</sup>
10.	Tan Lay Beng	-	-	-	-

\* Excluding a total of 548,300 shares bought back by the Company and retained as treasury shares as at 30 June 2025.

#### Notes:

- (1) Deemed interested by virtue of his spouse and children pursuant to Section 59 of the Companies Act 2016 ("Act").
- (2) Deemed interested by virtue of his children pursuant to Section 59 of the Act.
- (3) Deemed interested by virtue of his shareholdings in See Seang Huat & Company Sdn Bhd pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his spouse pursuant to Section 59 of the Act.
- (5) Deemed interested by virtue of his parents pursuant to Section 59 of the Act.

# ANALYSIS OF SHAREHOLDINGS

As at 30 June 2025 (cont'd)

## SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest		Deemed Interest	
		No. of Shares	%*	No. of Shares	%*
1.	Dato' How Say Swee	82,789,442	19.53	3,000,000	0.71 <sup>(1)</sup>
2.	Dato' Wong Fuei Boon	74,361,182	17.54	11,000,000	2.59 <sup>(2)</sup>
3.	Wong Tak Keong	45,455,500	10.72	6,050,800	1.43 <sup>(2)</sup>
4.	Low Jun Lee	7,087,000	1.67	41,322,575	9.75 <sup>(3)</sup>
5.	Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	25,526,780	6.02	-	-
6.	Lembaga Tabung Haji	21,246,700	5.01	-	-

\* Excluding a total of 548,300 shares bought back by the Company and retained as treasury shares as at 30 June 2025.

Notes:

- (1) Deemed interested by virtue of his children pursuant to Section 59 of the Act.  
(2) Deemed interested by virtue of his spouse and children pursuant to Section 59 of the Act.  
(3) Deemed interested by virtue of his parents pursuant to Section 59 of the Act.

## THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%*
1.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Wong Fuei Boon (PB)</i>	57,374,982	13.51
2.	DB (Malaysia) Nominees (Tempatan) Sdn Bhd <i>Exempt An for AHAM Asset Management Bhd (TSTAC/CLNT-T)</i>	38,051,251	8.96
3.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for How Say Swee (PB)</i>	33,574,482	7.91
4.	Kumpulan Wang Persaraan (Diperbadankan)	25,374,580	5.98
5.	Lembaga Tabung Haji	20,909,600	4.93
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Tak Keong (MY4646)</i>	20,000,000	4.71
7.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for How Say Swee (6000382)</i>	18,928,000	4.46
8.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Pau Choon Mei (PB)</i>	16,126,000	3.80
9.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for How Say Swee (M04)</i>	15,486,800	3.65
10.	AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Tak Keong</i>	11,582,400	2.73
11.	MERCSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Fuei Boon</i>	11,386,200	2.68

## ANALYSIS OF SHAREHOLDINGS

As at 30 June 2025 (cont'd)

### THIRTY (30) LARGEST SHAREHOLDERS *cont'd*

No.	Name	No. of Shares Held	%*
12.	How Say Swee	9,206,260	2.17
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Wong Tak Keong (PB)</i>	7,884,280	1.86
14.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for See Seang Huat &amp; Company Sdn Bhd (PB)</i>	7,200,000	1.70
15.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Wong Boon Fong (PB)</i>	7,000,000	1.65
16.	IFAST Nominees (Tempatan) Sdn Bhd <i>Global Success Network Sdn Bhd</i>	5,550,000	1.31
17.	Ling Shi Yng	5,050,800	1.19
18.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' How Say Swee</i>	3,676,000	0.87
19.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Wong Fuei Boon</i>	3,600,000	0.85
20.	Yayasan Guru Tun Hussein Onn	3,324,480	0.78
21.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for See Thuan Po (PB)</i>	2,910,000	0.69
22.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wong Tak Keong</i>	2,295,420	0.54
23.	Syed Sirajuddin Putra Jamalullail	2,200,128	0.52
24.	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Private Wealth Management for Pau Choon Mei (12022455) (444094)</i>	2,200,000	0.52
25.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank (M) Berhad for Wong Tak Keong (Smart)</i>	2,100,000	0.50
26.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Wong Fuei Boon</i>	2,000,000	0.47
27.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Chee Lay (MF00399)</i>	1,879,300	0.44
28.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' How Say Swee</i>	1,850,000	0.44
29.	Federlite Holdings Sdn Bhd	1,830,900	0.43
30.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for See Thuan Po</i>	1,668,000	0.39

\* Excluding a total of 548,300 shares bought back by the Company and retained as treasury shares as at 30 June 2025.

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Nineteenth (“19<sup>th</sup>”) Annual General Meeting (“AGM”) of Power Root Berhad (“Power Root” or “the Company”) will be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor on Wednesday, 27 August 2025 at 3.00 p.m. for the purpose of considering the following businesses:-

### AGENDA

#### ORDINARY BUSINESS:-

- |   |  |
|---|--|
| 1. To receive the Audited Financial Statement for the financial year ended 31 March 2025 together with the Directors’ and Auditors’ reports thereon.              | <b>Refer to<br/>Explanatory Note 1</b> |
| 2. To sanction payment of Directors’ fees for the financial year ending 31 March 2026, to be payable on quarterly basis in arrears.                               | <b>(Resolution 1)</b>                  |
| 3. To approve the benefit payable to the Directors at an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2026.                 | <b>(Resolution 2)</b>                  |
| 4. To re-elect Dato’ Wong Fuei Boon, who retires pursuant to Clause 100 of the Company’s Constitution and being eligible, offers himself for re-election.         | <b>(Resolution 3)</b>                  |
| 5. To re-elect Mr. See Thuan Po, who retires pursuant to Clause 100 of the Company’s Constitution and being eligible, offers himself for re-election.             | <b>(Resolution 4)</b>                  |
| 6. To re-elect Dato’ How Say Swee, who retires pursuant to Clause 100 of the Company’s Constitution and being eligible, offers herself for re-election.           | <b>(Resolution 5)</b>                  |
| 7. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 March 2026 and to authorise the Directors to fix their remuneration. | <b>(Resolution 6)</b>                  |

#### SPECIAL BUSINESS:-

To consider and if thought fit, to pass the following Ordinary Resolutions:-

- |  |                       |
|--|-----------------------|
| 8. <b>Continuation in Office as Independent Non-Executive Director – Dato’ Afifuddin bin Abdul Kadir</b> | <b>(Resolution 7)</b> |
|--|-----------------------|

“**THAT** approval be and is hereby given that Dato’ Afifuddin bin Abdul Kadir to continue to serve as an Independent Director of the Company in accordance with the Malaysian Code On Corporate Governance.”

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

9. **Authority to Issue Shares Pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 ("Authority to Allot Shares")** (Resolution 8)

**"THAT** pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 ("Act") and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") **AND THAT** such authority conferred by this resolution shall commence upon passing this resolution until:

- a) the conclusion of the AGM held next after the approval was given; or
- b) the expiry of the period within which the next AGM is required to be held after the approval was given,

whichever occurs first.

**THAT** in connection with the above, pursuant to Section 85 of the Act, read together with Clause 63 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company over all new shares to be issued pursuant to this Mandate.

**AND THAT** the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

10. **Proposed Renewal of the Authority to allot and issue new ordinary shares in Power Root ("Power Root Shares") in relation to the Company's Dividend Reinvestment Plan ("DRP") that provides the shareholders of Power Root ("Shareholders") the option to elect to reinvest their cash dividend in new Power Root Shares** (Resolution 9)

**"THAT** pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 29 July 2013 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Power Root Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next AGM upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Power Root Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days Volume Weighted Average Market Price ("VWAMP") of Power Root Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

**THAT** in connection with the above, pursuant to Section 85 of the Act, read together with Clause 63 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company over all new shares to be issued pursuant to this DRP.

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

**THAT** the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company.”

11. **Proposed Renewal of the Authority to Buy-Back Its Own Shares by the Company  
("Proposed Renewal of Share Buy-Back")**

**(Resolution 10)**

**"THAT** subject to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back.

**THAT** the Directors of the Company be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- a) cancel all the shares so purchased; or
- b) distribute the shares as share dividends to the shareholders; or
- c) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
- d) transfer the shares for the purpose of or under an employees' share scheme; or
- e) transfer the shares as purchase consideration; or
- f) such other manners as may be permitted by the Act

**AND THAT** the Directors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Directors to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back.



## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

**AND THAT** the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:

- a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first.”

12. **Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**

**(Resolution 11)**

“**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into existing recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Part B, Section 2.5 of the Circular to Shareholders dated 25 July 2025 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favorable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

- a) the conclusion of the next AGM of the Company at which such Proposed Shareholders’ Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- b) the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first.”

13. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

By Order of the Board

**ZURIATI BINTI YAACOB** SSM PC No. 202008003191 (LS0010898)  
**TAI YIT CHAN** (F) SSM PC No. 202008001023 (MAICSA NO. 7009143)  
**SANTHI A/P SAMINATHAN** SSM PC No. 201908002933 (MAICSA NO. 7069709)  
Company Secretaries

Johor Bahru  
25 July 2025

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

### Notes:

1. Only depositors whose name appears in the Record of Depositors as at 20 August 2025 shall be regarded as member of the Company entitled to attend, speak and vote at this Meeting or appoint proxy(ies) to attend, speak and vote in his stead.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a proxy appointed to attend, speak and vote at a meeting shall have the same rights as the member to speak at the meeting.
3. A member may appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, he shall specify the proportion of his holdings to be represented by each proxy. Otherwise, the appointment shall be invalid.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds.
7. Where a member or the authorised nominee or an exempt authorised nominee appoints 2 or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, not less than 48 hours before the time set for the meeting or any adjournment thereof.

### EXPLANATORY NOTES TO ORDINARY BUSINESS:

#### 1. Audited Financial Statement for the financial year ended 31 March 2025

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("Act") does not require a formal approval from the shareholders and hence is not put forward for voting.

#### 2. Directors' Fees and Benefits

Resolution 1 and 2, pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board shall seek shareholders' approval at the 19<sup>th</sup> AGM on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Resolution 1 - To sanction payment of Directors' fees for the financial year ending 31 March 2026, to be payable on quarterly basis in arrears; and
- Resolution 2 - To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2026.

Payment of directors' fees will be made by the Company after they have discharged their responsibilities and rendered their services to the Company for the financial year ending 31 March 2026, if proposed Resolutions 1 and 2 passed at the forthcoming AGM.

#### 3. Re-election of Directors Who Retire in Accordance with Clause 100 of the Company's Constitution

Clause 100 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of ten (10), three (3) Directors are to retire in accordance with Clause 100 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

For the purpose of determining the eligibility of the Directors to stand for re-election at the 19<sup>th</sup> AGM, the Nominating Committee ("NC") has considered the following:

- (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (2) The level of independence demonstrated by each of the Independent Non-Executive Directors ("INEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance, the Board has conducted an assessment of independence of the INEDs, and also other criteria i.e., character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the INEDs has also provided his/her annual declaration/confirmation of independence.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Clauses 100 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

#### 4. Re-appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. KPMG PLT, shall lapse at the conclusion of the forthcoming AGM unless they are re-appointed by the shareholders to continue in office. Messrs. KPMG PLT, have indicated their willingness to continue their service until the conclusion of next AGM. The re-appointment of Messrs. KPMG PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 6, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

#### EXPLANATORY NOTES TO SPECIAL BUSINESS:

##### 5. Continuation in Office as Independent Non-Executive Director - Dato' Afifuddin bin Abdul Kadir

The Board of Directors via the Nominating Committee had assessed the independence of Dato' Afifuddin bin Abdul Kadir, who has served on the Board as Independent Non-Executive Director of the Company for a cumulative of more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to retain Dato' Afifuddin bin Abdul Kadir as Independent Non-Executive Director, based on the following justifications:

- (a) He fulfilled the criteria under the definition of Independent Director as stated in Chapter 1 and Practice Note 13 of the MMLR of Bursa Malaysia Securities Berhad and therefore able to give independent opinion to the Board;
- (b) Being director for more than nine (9) years has enabled him to contribute positively during deliberations/discussions at meetings as he is familiar with the operations of the Company and possess knowledge of the Company's operations;
- (c) He has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
- (d) He has demonstrated objectivity and independent judgement in Board Committee deliberations and decision making; and
- (e) He actively participated in board discussion and provided an independent voice on the Board.

Dato' Afifuddin bin Abdul Kadir shall be subjected to two tier voting in accordance with the Malaysian Code on Corporate Governance as he has served the Company for more than nine (9) years.

##### 6. Authority to Allot Shares

The proposed Ordinary Resolution 8 is to obtain a general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

The proposed Ordinary Resolution 8, if passed, will provide flexibility to the Directors of the Company to issue and allot new shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) at the time of such allotment and issuance of ordinary shares and for such purposes as they consider would be in the best interest of the Company without having to convene a separate general meeting. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

*The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new ordinary shares including but not limited to placement of shares for future business opportunities for the purpose of funding investment project(s), working capital, acquisitions and such other purposes as the Directors consider would be in the best interest of the Company and thereby reducing administrative time and cost associated with the convening of such general meetings.*

*The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 63 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.*

*As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 19<sup>th</sup> AGM held on 27 August 2024 and which will lapse at the conclusion of the 18<sup>th</sup> AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.*

**7. Proposed Renewal of Authority to allot and issue new ordinary shares in Power Root in relation to the Company's Dividend Reinvestment Plan**

*The Proposed Resolution 9 is for the purpose of granting a general mandate ("General Mandate for DRP") to provide the shareholders of Power Root the option to elect to reinvest their cash dividend in new ordinary shares in the Company. The General Mandate for DRP has been granted by the shareholders at the AGM of the Company held on 27 August 2024. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.*

*The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 63 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate for DRP.*

**8. Proposed Renewal of Share Buy-Back**

*The Proposed Resolution 10 is for the purpose of granting a general mandate ("General Mandate for Share Buy-Back") to allow the Company to purchase its own shares. The total number of shares purchased shall not exceed ten percent (10%) of the total number of issued shares of the Company. The audited retained earnings of the Company stood at RM27.2 million as at 31 March 2025. The General Mandate for Share Buy-Back has been granted by the shareholders at the AGM of the Company held on 27 August 2024. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.*

**9. Proposed Shareholders' Mandate**

*The Proposed Resolution 11 is for the purpose of obtaining a shareholders' mandate at the forthcoming AGM of the Company.*

*The Proposed Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.*

*By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.*

## NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING (cont'd)

### **PERSONAL DATA PRIVACY**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

## STATEMENT ACCOMPANYING NOTICE OF THE NINETEENTH (“19<sup>th</sup>”) ANNUAL GENERAL MEETING (“AGM”)

1. Details of individuals who are standing for election as Directors.

There is no individual seeking for election as Director of the Company at the forthcoming 19<sup>th</sup> AGM.

The Directors standing for re-election are set out as below:

1	Dato' Wong Fuei Boon	- Clause 100	Resolution 3
2	Mr. See Thuan Po	- Clause 100	Resolution 4
3	Dato' How Say Swee	- Clause 100	Resolution 5

Their profiles are provided in the Directors' Profile on pages 5 to 9 of the Annual Report 2025 while details of the Directors' interests in the securities of the Company are set out in the Analysis of Shareholdings on pages 176 to 178 of the Annual Report 2025.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Notes To Special Business (6) of the Notice of 19<sup>th</sup> AGM.

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# PROXY FORM

**POWER ROOT BERHAD**  
(Registration No. 200601013517 (733268-U))  
Incorporated In Malaysia

CDS Account No.	
No. of shares held	

I/We, \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_  
(full address)

Tel. No. \_\_\_\_\_ Email address \_\_\_\_\_

being a member of **POWER ROOT BERHAD** hereby appoint:

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholding to be Represented	
		No. of Shares	Percentage (%)
Address :			
Tel. No. :			
Email address :			

\*and/or

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholding to be Represented	
		No. of Shares	Percentage (%)
Address :			
Tel. No. :			
Email address :			

or failing him/her, the Chairman of the meeting as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Nineteenth ("19<sup>th</sup>") Annual General Meeting ("AGM") of the Company to be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor on Wednesday, 27 August 2025 at 3.00 p.m. or any adjournment thereof.

Mark either box if you wish to direct the proxy how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

My/our proxy/proxies is/are to vote as indicated below:

No.	RESOLUTIONS	FOR	AGAINST
1.	To sanction payment of Directors' fees for the financial year ending 31 March 2026, to be payable on quarterly basis in arrears		
2.	To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2026		
3.	To re-elect the Director, Dato' Wong Fuei Boon who retires pursuant to Clause 100 of the Company's Constitution		
4.	To re-elect the Director, Mr. See Thuan Po who retires pursuant to Clause 100 of the Company's Constitution		
5.	To re-elect the Director, Dato' How Say Swee who retires pursuant to Clause 100 of the Company's Constitution		
6.	To re-appoint Messrs. KPMG PLT as Auditors of the Company for the financial year ending 31 March 2026 and to authorise the Directors to fix their remuneration		
7.	Continuation in Office as Independent Non-Executive Director - Dato' Afifuddin bin Abdul Kadir		
8.	Proposed Renewal of the Authority to Issue Shares Pursuant to Sections 75(1) and Section 76(1) of the Companies Act 2016		
9.	Proposed Renewal of the Authority to allot and issue new ordinary shares in Power Root Berhad for the purpose of the Company's Dividend Reinvestment Plan		
10.	Proposed Renewal of Share Buy-Back		
11.	Proposed Shareholders' Mandate		

\* Delete if inapplicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature of Member/Common Seal

Fold This Flap For Sealing

**NOTES**

1. Only depositors whose name appears in the Record of Depositors as at 20 August 2025 shall be regarded as member of the Company entitled to attend, speak and vote at this Meeting or appoint proxy(ies) to attend, speak and vote in his stead.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a proxy appointed to attend, speak and vote at a meeting shall have the same rights as the member to speak at the meeting.
3. A member may appoint not more than 2 proxies to attend and vote at the same meeting.
4. Where a member appoints 2 proxies, he/she shall specify the proportion of his/her holdings to be represented by each proxy. Otherwise, the appointment shall be invalid.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds.
7. Where a member or the authorised nominee or an exempt authorised nominee appoints 2 or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Then Fold Here

AFFIX  
STAMP

THE SHARE REGISTRAR  
**POWER ROOT BERHAD**  
(Registration No. 200601013517 (733268-U))  
Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya,  
Selangor, Malaysia.

1st Fold Here

8. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, not less than 48 hours before the time set for the meeting or any adjournment thereof.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the 19th Notice of General Meeting dated 25 July 2025.



# KUASA KAU. KAU



## Tenaga Legenda™



### KUALA LUMPUR

No. 30, Jalan Tago 9, Taman Perindustrian Tago,  
52200 Kuala Lumpur, Malaysia.

Tel: +603-6272 0303

Fax: +603-6272 2186

### JOHOR

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