Alicafé™

2026 ANNUAL REPORT

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

TABLE OF CONTENT

20th ANNUAL GENERAL MEETING

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

Friday, 28 August 2026

3.00 p.m.

The online version of PowerRoot Berhad's Annual Report 2026 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

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

Dato' Afifuddin bin Abdul Kadir
Independent Non-Executive Co-Chairman
(Resigned on 28 August 2025)

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

Low Jun Lee
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

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

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
Hong Leong Bank 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
11th 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.
- 100% Power Root Support Services Sdn. Bhd.
- 80% Alicafe Roasters Sdn. Bhd.
- 95% Superwrapz International Sdn. Bhd.
- 92.5% French Pattisserie Sdn. Bhd.
- 100% Affari Inversions Sdn. Bhd.
- 80% FODA Flavour & Ingredients Sdn. Bhd.
- 80% Frenche Roast Roaster Sdn. Bhd.
- 70% Viva La Liberica Sdn. Bhd.
- 100% One Percent Brew Sdn. Bhd.
- 40% My Liberica Coffee Sdn. Bhd.

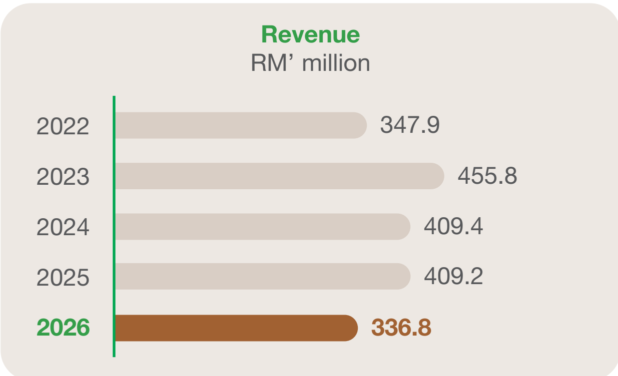
OVERSEAS COMPANIES

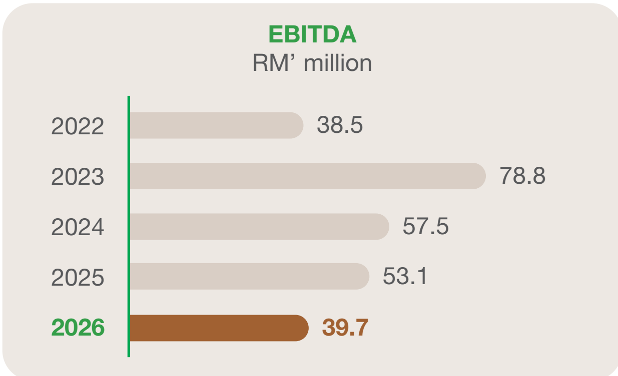
- Power Root (Shanghai) Food Trading Co., Ltd. 100%
- Power Root HK-China Company Limited 90%
- PR Global Assets Limited 100%
- PT. Natbio Marketing Indonesia 100%
- PR Food Trading L.L.C-FZ 100%
- PR Food Trading FZCO 97%
- Power Root ME FZCO 97%
  - Power Root Egypt for Trading and Distribution (E.S.C.) 100%
  - PRME Foodstuff Trading L.L.C. 100%
- Power Root Food And Beverages Nigeria Ltd 100%
- Power Root For Food Manufacturing 95%
- Power Root Arabia FZCO 97%

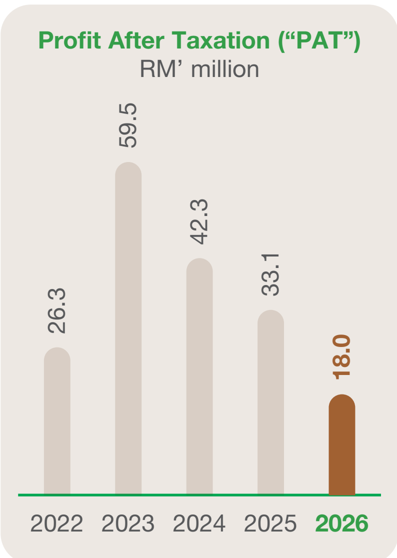
FINANCIAL HIGHLIGHTS

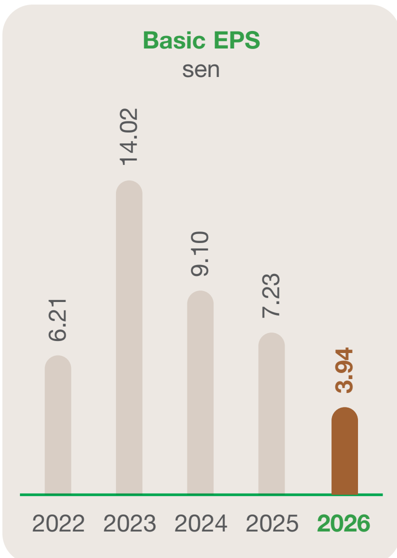
Financial year ended 31 March

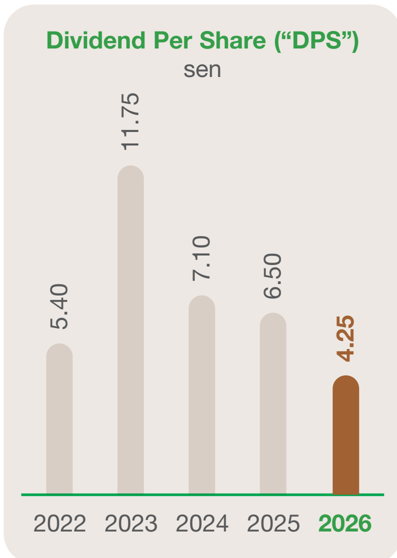
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Revenue	347,910	455,763	409,431	409,217	**336,762**
Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**")	38,473	78,801	57,492	53,144	**39,664**
Profit Before Taxation ("**PBT**")	31,994	70,278	48,049	41,570	**24,237**
Profit After Taxation ("**PAT**")	26,319	59,451	42,308	33,055	**17,965**
Earnings Per Share ("**EPS**") (sen)					
Basic	6.21	14.02	9.10	7.23	**3.94**
Diluted	6.11	13.62	8.99	7.10	**3.94**
Dividend Per Share ("**DPS**") (sen)	5.40	11.75	7.10	6.50	**4.25**











DIRECTOR'S PROFILE

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

Independent Non-Executive Chairman

Malaysian | Aged 75 | 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 and designated as Independent Non-Executive Chairman on 26 November 2025. 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. 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 2026.

WONG TAK KEONG

Executive Director/Chief Executive Officer

Malaysian | Aged 55 | 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. 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 2026.

DIRECTOR'S PROFILE
(cont'd)

DATO' HOW SAY SWEE
Executive Director

Malaysian | Aged 63 | 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 34 years.

Dato' How does not have any family relationship with any Director and/or major shareholder of the Company. 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 2026.

DATO' WONG FUEI BOON
Executive Director

Malaysian | Aged 60 | 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 38 years of working experience in the sales of consumer products, out of which 26 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. 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 2026.

SEE THUAN PO
Executive Director

Malaysian | Aged 50 | 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 19 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. 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 2026.

DIRECTOR'S PROFILE
(cont'd)

LOW JUN LEE
Executive Director

Malaysian | Aged 26 | Male

Low Jun Lee was appointed as our Non-Independent Non-Executive Director on 30 April 2021 and designated as Executive Director on 28 November 2025.

He graduated from the University of Melbourne in 2023 with a Bachelor Degree in Commerce. Following his graduation, Mr Low commenced his career as a strategy consultant in Singapore before transitioning to his current role within the Group.

Mr. Low is the son of the late Dato' Low Chee Yen, our former Executive Deputy Chairman who was also a substantial shareholder of 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 2026.

ONG KHENG SWEE
Non-Independent Non-Executive Director

Malaysian | Aged 68 | Male

Ong Kheng Swee is our Non-Independent Non-Executive Director, 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 Chairperson of the Option Committee, Chairperson of the Remuneration Committee and a member of the Audit Committee and Nominating 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. 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. 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 subject to any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He attended 4 out of 5 Board meetings during the financial year ended 31 March 2026.

DIRECTOR'S PROFILE
(cont'd)

TAN LAY BENG
Independent Non-Executive Director

Malaysian | Aged 72 | 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 was an Independent Non-Executive Director of Sersol Technologies Berhad, a company listed on the ACE Market. She is presently an Independent Non-Executive Director of Solid Automotive Berhad, AME Elite Consortium Berhad and BMS Holdings Berhad. She is the Chairperson of the Audit Committee of Solid Automotive Berhad and the Chairperson of the Audit and Risk Management Committee of AME Elite Consortium Berhad and BMS Holdings Berhad.

Ms. Tan does not have any family relationship with any Director and/or major shareholder of the Company. 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 2026.

DATO' TEA CHOO KENG
Independent Non-Executive Director

Malaysian | Aged 58 | 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. He is also the Chairperson of the Nominating Committee, a member of the Remuneration Committee and Audit Committee.

Dato' Tea does not have any family relationship with any Director and/or major shareholder of the Company. 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 2026.

Conflict of Interest or Potential Conflict of Interest

None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries ("Power Root Group"), save for the following:

Wong Tak Keong, Dato' Wong Fuei Boon and Low Jun Lee are shareholders and directors of JWC Global Sdn. Bhd., which is principally engaged in the restaurant business.

KEY SENIOR MANAGEMENT'S PROFILE

FRANK JOZEF C POELS

Chief Operating Officer

Male | Aged 39 | Belgian

Frank Jozef C Poels holds a Master of Engineering in Chemical Engineering from KU Leuven, Belgium, complemented by an Erasmus exchange programme at Università degli Studi di Napoli Federico II, Italy. Prior to joining the Power Root Group in March 2026, he has over 15 years of international experience in manufacturing operations, continuous improvement, and general management across the FMCG and building materials sectors.

He has held senior positions at Procter & Gamble across multiple global locations and was involved in operational restructuring as a management consultant at EFESO. Most recently, he served as Operations Director and Managing Director (Malaysia) at Unilin (Mohawk Industries, S&P 500), where he oversaw more than 800 employees across manufacturing sites in Malaysia and Romania. He assumed the role of Chief Operating Officer in the Power Root Group on 9 March 2026.

Mr. Poels 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.

MARTA HEDI LIGETI

General Manager – Finance

Female | Aged 42 | Hungarian–Belgian

Marta Hedi Ligeti holds a Master's degree in Finance, Controlling and Accountancy from University of Debrecen, Hungary and is a Certified Performance Coach. She has over 15 years of international experience across Malaysia, Belgium, the United Kingdom and Hungary.

Ms. Ligeti joined the Power Root Group in March 2026 as General Manager – Finance. Prior to her appointment, she held senior finance leadership roles in global FMCG and additive manufacturing companies. Her experience includes plant controlling, commercial finance, business intelligence and operational optimisation, with a focus on cost management and performance improvement.

Ms. Ligeti does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Group. She does not hold any directorships in other public companies or 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 subject to any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

NEO MENG PEY

Group Financial Controller

Female | Aged 46 | 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 19 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.

SIGNIFICANT EVENTS

CROSS-PRODUCT EVENTS

Absolut Bazaar x Festival Gaya Raya

Power Root's participation at the Absolut Bazaar x Festival Gaya Raya 2026 in March 2026 with its excellent crowd response and media coverage was highly successful in strengthening our Alicafé, Oligo, Frenché Roast, Per'l, and Ah Huat brand presence.

Malaysia's largest Hari Raya shopping event in Kuala Lumpur ran non-stop between 13-16 March 2026, attracting approximately 2 – 3 million of visitors over the period. The event featured hundreds of booths selling everything from traditional to modern Raya-related goods including apparel, beauty products, accessories, and a massive food festival. Familiar faces and local celebrities, including an appearance by the Prime Minister, helped draw large crowds to the event.

Held during the lead-up to Ramadan, our staff interacted with existing and potential consumers in a feel-good, fun, and festive atmosphere, where we were able to introduce new products and hold trial samplings to receive immediate consumer feedback.

The presence of Oligo's brand ambassador Dato' Azizulhasni Awang ("Dato' Azizul") was particularly successful in bringing in large crowds to our booths. Such merriment and activities at Absolut Bazaar resulted in significant social media buzz which we leveraged to generate further exciting content opportunities and consumer interest.

As mindful corporate citizens, Power Root also took the initiative of raising funds in support of Gaza Humanitarian efforts during the event. Under the 'Kongsi Kuasa Kau Demi Gaza' fundraiser, we set up Hammer Machines at our booths to encourage crowd participation in the fund-raising effort, where Power Root topped up the amount equivalent to the score achieved by the participant.

Dato' Azizul engaged with the audience during the event with an on-stage mini-game and presented our products to the winners which highlighted our brand

Our booths at the event : Frenché Roast, Oligo, Per'l, Ah Huat, Alicafé

SIGNIFICANT EVENTS
(cont'd)

Vroom Vroom Raya Penuh Gaya

Vroom Vroom Raya Penuh Gaya powered through the lead-up to Hari Raya Aidilfitri 2026 with lucky Power Root customers having even more reasons to celebrate.

Customers were eligible to participate and win a whole host of prizes in this 'Buy and Win' contest just by spending at least RM10 on a single receipt for Power Root products such as Alicafé, Per'l, Extra Power Root, Oligo, Frenché Roast, and Jom Teh.

For eight weeks during the month of February and March 2026, a grand prize of a Yamaha Y16 or Yamaha NVX155 motorcycle was up for grabs every week. Furthermore, eight lucky contestants each won cash prizes of RM500 every week.

Vroom Vroom Raya Penuh Gaya Campaign

ALICAFÉ

Kuasa Kau, Kaw Tenaga Lagenda Campaign

Alicafé's 'Kuasa Kau, Kaw Tenaga Lagenda' campaign paid homage to Alicafé's history of power sustenance.

There is nothing like a cup of Alicafé coffee bolstered with Tongkat Ali and ginseng. From the first cup of energy-boosting Alicafé coffee to start your day, to mid-morning revival breaks, to a satisfying after-lunch pick-up, to a mid-afternoon rejuvenation for evening activities, to that final cup of Alicafé at 'me time' as the day draws to a satisfying end.

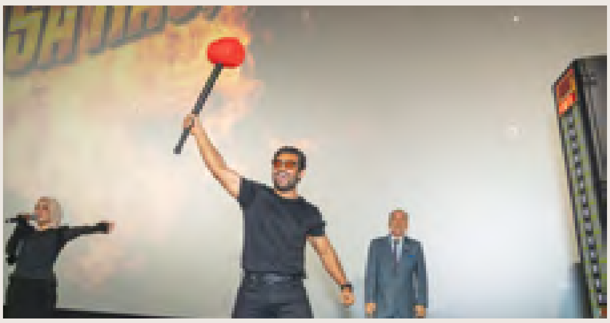
This campaign message reinforced Alicafé's position as a trusted holistic energy fuel which provides power, activates alertness, and intensifies focus all day long. The campaign marked the introduction of our incoming Alicafé brand ambassador Datuk Mohammad Zalimei bin Ishak ("Datuk Remy Ishak"), an actor associated with energy, exuberance and excitement which fits the power profile associated with the brand.

Datuk Remi Ishak played a major role in releasing teasers to create a buzz at the start of the campaign which ran from June to September 2025. His engagement with customers, combined with the input of influencers and seeders throughout the campaign, created considerable interest which was converted into heightened brand awareness and what it stands for. The carry-on impact led to viral re-postings and news articles which created further brand recognition. From June 2025 to March 2026, the hashtag #KUASAKAUKAW generated over 9.2 million views.

During the campaign, Datuk Remi Ishak kicked off a video reel challenge contest encouraging participants to show off their creativity in featuring Alicafé products. The resulting response kept our social media feed busy as people entered the contest with spirited, good-humoured, and original takes.

In addition to digital marketing, Power Root maintained our use of more traditional marketing avenues which continue to work well for us. This included ramping up in-store presence with point-of-sale materials such as wobblers, shelf strips, shelf talkers, displays, and sampling boards. Alicafé television commercials ran across several Astro channels, with posters on 19 static physical billboards along the North South Expressway as well as digital billboards in the Klang Valley.

Overall, the campaign was successful in our aim to strengthen Alicafé's brand re-engagement with our core customers while unlocking new consumer opportunities.



Official media launch to introduce Datuk Remy Ishak as Alicafé ambassador and to kick off the Kuasa Kau Kaw campaign (Datuk Remy Ishak with management of Power Root)

SIGNIFICANT EVENTS
(cont'd)

Muzikal Lawak Superstar

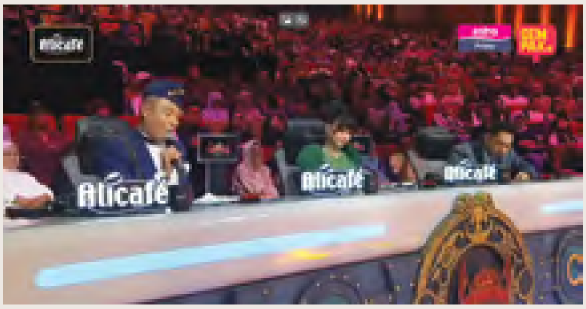
Alicafé was the sole sponsor of Muzikal Lawak Superstar, a live comedy competition which was aired on Astro between September and December 2025.

A musical comedy reality programme featuring a group of comedians together with actors, singers and TV personalities, the show combined musical performances with humorous sketches. It was hosted by Dato A.C. Mizal with a panel of renowned judges comprising Dato Aznil Nawawi, Cik Bella Astillah, and Encik Zizan Razak.

The eight live episodes of Muzikal Lawak Superstar aired during prime time at 9pm on Saturday nights and was shown via portal on Astro Gempak and on TV via Astro Awani.

As sole sponsor, the Alicafé brand featured prominently throughout the show including digital access across platforms such as Facebook, Instagram, YouTube Live+, YouTube Roadblock Sponsorship, and branded advertorials.

This amounted to approximately 204 million online views (across Instagram, Facebook and YouTube) and 16 million TV viewership across all eight episodes.



YouTube Live+ Snapshots of two episodes of the competition

AH HUAT

Mid-Autumn Festival 2025

The Mid-Autumn festival, as always, was a highlight for the Ah Huat brand with Ah Huat coffee and tea accompaniments to the mooncakes on offer at this time of the year. From August to October 2025, we had a range of activities and special offers to coincide with the festival.

The Ah Huat 'Buy and Win' nationwide contest ran for ten weeks from 1 August to 9 October 2025 with the grand prize of a Honda City 2025 car which was awarded to the top spender. At the same time, customers who spent at least RM15 for Ah Huat products on a single receipt could win attractive weekly prizes of an iPhone 16, or five weekly consolation cash prizes of RM500 each, which was given away over the ten weeks of the contest.

Ah Huat also partnered up with Lotus's to run another 'Buy and Win' contest, exclusive to customers at the retail giant, over five weeks in October and November 2025. The grand prize was a Thermomix, together with cash prizes of RM100 for five winners for each week of the contest.

Winner of the Honda City grand prize in the Ah Huat nationwide 'Buy and Win' contest

In addition to the contests, we ran a promotion where purchasers of Ah Huat Extra Rich Twin Packs were rewarded with a free mid-autumn festival commemorative mug during this period for our Singapore market.

In promoting these contests, we increased Ah Huat's brand exposure via the popular social media platform, Xiao Hong Shu (also known as RedNote). Its popularity as a lifestyle and e-commerce platform has rocketed in recent years with Chinese being the predominant language used on the portal. The platform encourages user-generated content to be posted which allows users to review, share and shop easily.

SIGNIFICANT EVENTS
(cont'd)

Such contests and promotions were successful in enhancing consumer engagement while encouraging repeat purchases of Ah Huat products through a mix of in-store promotion and digital marketing. The seeding of interests through influencers and key opinion consumers on social media platforms such as Facebook, Instagram and Xiao Hong Shu create hype, as does the continual updates through teasers, weekly winner announcements and new promotions.

Mid-Autumn animation video on YouTube

Ah Huat Extra Rich TWINPACK Free 1 Mid Autumn Mug for Singapore market

Chinese New Year 2026

Ah Huat Chinese New Year ("CNY") 2026 campaign started in December 2025 and ran through to February 2026. The celebrations were enlivened by our collaboration with popular local band 3P who were featured in several events highlighting the Ah Huat brand in celebrating the incoming Year of the Horse.

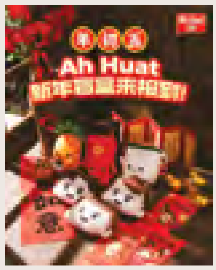
Made up of Kevin Ong, Danny Lee and Caven Tang, 3P is popular for their multicultural entertaining content on YouTube with high-energy songs and dances which has propelled them to popularity. 3P's infectious energy was on display in the video produced with Ah Huat which blended Ah Huat's values of close bonds, camaraderie and togetherness with 3P's vibrancy, colour and energy which was captured in a catchy song and lively dancing set in a family-and-friends-oriented backdrop. The trio also joined in some Ah Huat 'Meet and Greet' events during this festive season which drew in large crowds and increased digital media attention for the brand.

During the 2026 CNY campaign, limited-edition CNY Ah Huat Extra Rich Twin Pack was our special promotion this year. The packs included an on-trend plushie blind box and Ah Huat angpow packets. Lucky recipients were encouraged to collect all six Ah Huat buddy plushies found in the blind boxes.

Ah Huat's Chinese New Year 2026 music video featured 3P

The collaboration with 3P drew in further attention for Ah Huat and was a hit, especially among younger consumers

Ah Huat Extra Rich TWINPACK Free 1Plushie Blind Box



Collect them all - Ah Huat x 3P Blind Box Plushie

3P and Ah Huat meet and greet product promotion at The Food Merchant, Pavilion, Kuala Lumpur

SIGNIFICANT EVENTS
(cont'd)

PER'L

Per'l's customer base are active social media users and we utilised social media and digital marketing to launch campaigns revolving around the brand.

The dynamism of this customer base could be seen through some of Per'l users' organic posts on Instagram and TikTok. A well-known actress with 5 million followers posted positive comments about Per'l products on her Instagram, which served as a powerful megaphone in introducing the brand's key benefits to a vast, highly receptive demographic. Another actress with over a million followers did a similar post on her social media feed and garnered over 400,000 views. These were not influencers paid to promote the brand, but users who liked the products and wanted to share their benefits with their followers.

In another instance, Per'l received strong organic exposure through a viral video shared by a local policewoman, who started her day by taking Per'l Kurma Madu before heading off for her duties. This organic TikTok video recorded over 5 million views, demonstrating the strong potential of authentic, real-life content in driving brand reach and engagement.

Contents created by Power Root's social media team also generated a large number of views. A post publicising Per'l's 'Buy and Win' contest for iPhone 16 Plus in April 2025 garnered 1.2 million views. An advertisement for Teh Rose Latte drew close to 880,000 views whilst postings for Per'l Kurma Madu in mid-2025 drew over 700,000 views.

These results showed the numbers digital marketing can generate through social media postings in creating visibility and brand awareness through company-generated, influencer-led and organic content. In cases where postings go viral, there is further exponential reach and spread across platforms.

OLIGO

When Malaysia's Prime Minister meets the country's illustrious sporting hero, they talk about Oligo!

Prime Minister Dato' Seri Anwar Ibrahim stopped by Oligo's booth at Absolut Bazaar x Festival Gaya Raya in March 2026, and there to greet him with some Oligo refreshments was our brand ambassador Dato' Azizul.

That moment was captured and shared widely, garnering 1.4 million views on Oh!Media's social media feeds alone. The viral effect resulted in the photos and videos hitting major visibility for the Oligo brand nationally. The Prime Minister was also pictured playing with our Oligo balloon with the crowd at the festival, and was presented with two packs of Oligo 3-in-1 and, of course, a free Oligo mug!

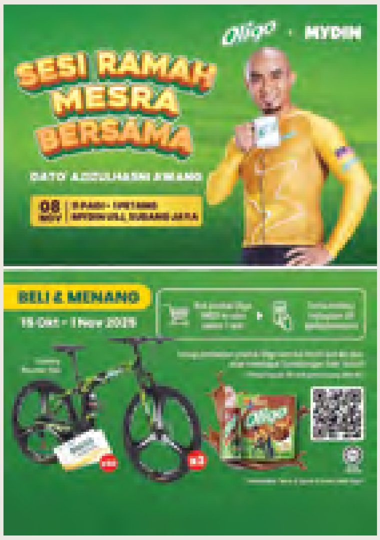
As our brand ambassador, Dato' Azizul has increased Oligo's visibility as his achievements and efforts have earned him widespread respect beyond the sporting world. The national track cycling icon's can-do attitude and friendly persona, together with his well-known work ethic and commitment to succeed are qualities we are proud to have associated with Oligo.

Dato' Azizul's popularity can be seen in 'Meet and Greet' Oligo sessions. At one such event held in November 2025 at MYDIN USJ, Selangor, large crowds gathered to take a photo and speak with him. MYDIN's Executive Director, YBhg. Dato' Murad Ali Mydin was also on hand to meet with Dato' Azizul.

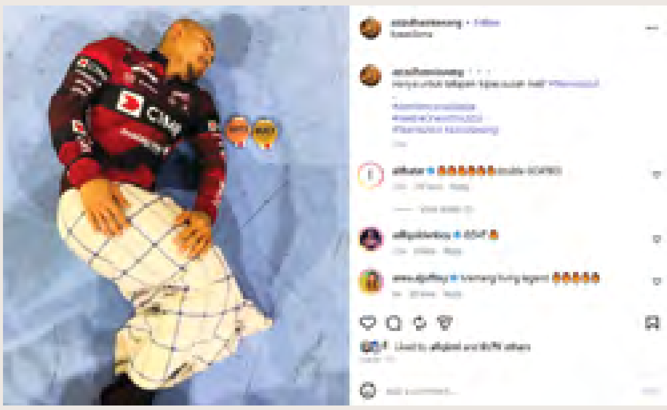
The event was held at the culmination of Oligo's 'Buy and Win' contest for MYDIN shoppers who purchased Oligo products worth RM20 and above in a single receipt. The grand prizes was a Utanking Mountain Bike for each of the three weeks of the contest, with MYDIN cash vouchers as weekly consolation prizes. The first 100 entries submitted also received an exclusive autograph from Dato' Azizul.

Oligo was also a sponsor at Sky Race @ Merdeka 118. The tower-running event at Southeast Asia's tallest building was held on 30 August 2025. Thousands of participants climbed 2,845 steps over 118 floors reaching an altitude of 503 meters, with over 5,600 participants completing the gruelling climb. As a sponsor, the Oligo truck was at the venue, with cups, cartons and cans of Oligo on sale. We also took to opportunity to do sample tasting for our Oligo Choco Malt products.

SIGNIFICANT EVENTS
(cont'd)



'Meet and Greet' session at MYDIN USJ with Mydin's Executive Director YBhg. Dato' Murad Ali Mydin and Dato' Azizul in November 2025



Dato' Azizul in his racing jersey and sarung in his signature sleeping pose having a good rest after some wins

Oligo a sponsor at the tower run Sky Race @ Merdeka 118. Merdeka 118 is Southeast Asia's tallest building.

FRENCHÉ ROAST

Frenché Roast's brand awareness marketing strategies centred around collaborations with bakeries have been effective in drawing awareness to the brand in recent years, and this approach continued with different partners through the year.

In July 2025, we teamed up with Daily's Bakery to make available a free stick of Frenché Roast Tiramisu Sachet with purchases of Daily's Sweet Bun 6s at selected supermarkets and hypermarkets. Furthermore, to drive brand awareness in East Malaysia, our collaborative partner was Tuah Bakery which is based in Sabah. Throughout October 2025, customers purchasing Tuah Bakery pastries received a free sachet of Frenché Roast Hazelnut or Tiramisu.

To encourage sales, Frenché Roast also ran a 'Buy and Win' contest together with Village Grocer in October and November 2025. With a minimum spend of RM15 in a single receipt of Frenché Roast coffee products, buyers could enter the contest to win a Tefal Thermo Protect Kettle (1.7L) with 10 kettles up for grabs. Frenché Roast products were sold at a special price during the contest period to sweeten the deal.

SIGNIFICANT EVENTS
(cont'd)

In December 2025 and January 2026, the Frenché Roast sales drive continued during the festive season with our Frenché Roast 'Gift with Purchase' promotional pack. With blind box fever trending strongly among consumers, buyers of Frenché Roast Salted Caramel Twin Packs received free Plushie giveaways with the possibility of getting four mystery plushies in Frenché Roast offers.

Digital media tactics used to publicise these promotions included social media postings and the use of key opinion consumers, as well as in-store point of sale promotional material.

Frenché Roast promotions through collaborative partnerships and contest

Frenché Roast 'Gift with Purchase' blind box promotional packs

EXTRA POWER ROOT – XP ENERGY SPARKLING DRINK

Today's younger generation are increasingly health conscious and more discerning about how they look after their bodies, what they eat and what they drink. Extra Power Root's off-shoot, XP Energy Sparkling Drink ("XP") serves this market with a drink which is packed with 1000mg of Vitamin C, Vitamin B6 and B12.

XP is aimed at a cross section of consumers. These include sports enthusiasts looking for the extra punch of energy during workouts and those ensuring that they remain hydrated afterwards, be they participants of outdoor sports, indoor sports or gym goers. Gamers seeking to bolster their stamina can look to XP for an edge to sharpen their dexterity over long sessions at home, at cybercafes, or at mamak restaurants with friends. After long hours of study and flagging concentration, XP can also help university students seeking to refresh body and mind with a boost of energy. As XP's target market of the younger generation tend to be more adventurous in taste, we launched two fizzy, functional flavours; Yolo Yuzu and Loco Lychee. These flavours provide consumers with the tasty option of a less sweet yet refreshing drink that functions in boosting energy.

Both flavours were featured at Music Run 2026 in April 2026. Music Run is an annual event aimed at a young crowd which music blasting along a five-kilometre fun run route, followed by an entertainment festival at the end of the run. As a sponsor, cans of XP were provided as part of the race pack. Sampling drinks were also available during the event to create awareness of the new flavours.

XP drinks promoted at the Music Run

SIGNIFICANT EVENTS
(cont'd)

L1BER%CA

Power Root's newest brand, L1ber%ca, made its market debut in the financial year in the form of capsules. This new brand offers coffee consumers something different, as liberica coffee beans has a distinct taste compared to the robusta and arabica coffee flavours.

Liberica's coffee profile is one of richness with a woody flavour, a hint of jackfruit-like sweetness and a smoky finish. It is a scarce commodity, making up of only around one percent of the world's coffee supply. Power Root's liberica coffee beans are wholly grown and processed in Malaysia. These beans are sourced from our new investment in a coffee plantation in southern Johor and from other small coffee farmers in the region. With its rarity factor, unique bean structure and flavour complexity, L1ber%ca is a premium coffee for discerning tastebuds which is packaged in capsule form for fast, convenient brewing while retaining its peerless properties.

At MIHAS 2025, L1ber%ca won the MIHAS Product Innovation and Sustainability Award 2025 in the 2025 Malaysia International Halal Showcase ("MIHAS") event, the world's premier halal trade exhibition and a flagship initiative of Malaysia. Organised by the Malaysia External Trade Development Corporation ("MATRADE"), MIHAS functions as a gateway to the global halal market as it welcomes thousands of trade visitors from over 100 countries annually. Such a win opens up opportunities for L1ber%ca to penetrate the global halal trade markets as we move forward in introducing the brand to export markets.

Our L1iber%ca capsule SKUs

MIHAS Awards 2025 at MITEC Kuala Lumpur with Power Root team on stage for the award acceptance

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

RM336.76 million

(2025: RM409.22 million)

Profit After Taxation ("**PAT**")

RM17.97 million

(2025: RM33.05 million)

Profit Before Taxation ("**PBT**")

RM24.24 million

(2025: RM41.57 million)

The economic uncertainty engulfing global and local markets during the financial year under review was exacerbated by the February 2026 conflict in the Middle East region. This conflict, combined with other ongoing conflicts in the Middle East and Ukraine, and geo-political and trade tensions, has created huge uncertainties for businesses trying to navigate the conundrum of increasing costs, economic and business uncertainties, volatile market demand, and geopolitical and trade tensions.

On the domestic front, the beverage market is undergoing competitive evolution, characterized from both homegrown and international brands where consumers have many options to choose from; spanning from the coffee variety, taste, affordability and convenience. This abundance of options has intensified market competition, elevating the threshold for consumer acquisition and loyalty.

As a business entity which has been operating for over 20 years, Power Root understands the fine line in navigating a balance when faced with such challenging conditions. We will continue to pursue strategic initiatives that will position us for sustainable long-term growth. At the same time, we continue to adopt to market conditions, customer sentiments and regulatory shifts, to ensure that we are able to quickly make adjustments as needed.

Power Root embraces change without forgetting our history and roots. Our brand campaigns this year reflect our company's roots in providing coffee combined with traditional herbs which has powered people through their day for over two decades, even as we look towards to the future with the launch of a new brand of coffee powered by beans which are home-grown and processed in Malaysia. We aim to balance tradition with innovation and modernity as we move forward.

We will be nimble in seeking new growth opportunities while adapting to changing economic conditions without losing focus on our core business.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

THE BUSINESS ENVIRONMENT

A challenging domestic market compounded by rising geopolitical tensions and market uncertainties led to tightened consumer spending in the financial year ended 31 March 2026 ("FY 2026").

Ongoing conflicts had direct and indirect effects which were felt across the world. Fuel uncertainties, supply chain risks, and currency fluctuations were just some of the supply-side elements to be considered. From the demand perspective, inflation and the rising cost of living coupled with softer consumer sentiment and evolving preferences had an impact on the business environment. Shifting regulatory frameworks for both domestic and export markets were also aspects to consider.

These economic and social factors led to much of the fluctuations in global commodity supply and pricing. Weather conditions resulting from climate change also impacted the supply of agricultural products we use including coffee beans, sugar and non-dairy creamer of which there continues to be a business risk involved as situations evolve.

The impact of the regional conflicts in the Middle East and Ukraine and trade tensions is expected to lead to further logistical and supply chain disruptions with ongoing supply routes blockages, safety concerns and the air of general uncertainty playing a part in affecting the prices of agricultural products as well as other raw materials we use such as packaging supplies. In addition, these conditions have affected export sales especially with the Middle East being one of Power Root's major markets.

A strengthening Ringgit Malaysia against the United States Dollar had contrasting effects. While it has helped to mitigate the cost of imported raw materials, it dampened the earning results of our exports to overseas markets. The company remains wary of currency fluctuations caused by fast-changing global headwinds beyond our control.

Regulatory changes such as the global tariff retaliatory actions and those brought about from economic restructuring at home and abroad such as those pertaining to sugar taxes will continue to be factors of concern.

Rising fuel costs and fluctuating overall energy costs is another area which has required vigilance. The sustainability initiatives Power Root embarked on in the past few years will mitigate some of the rising energy costs. We are working towards completion and commissioning of solar installations at our Plant 2 and Plant 3 in the financial year ending 2027 ("FY 2027").

On the consumer consumption front, the competitiveness in beverage market continues to escalate. Equally challenging is trying to predict and pin down shifting consumer demand and behaviour as younger consumers in particular are quick to alter their preferences for fast-moving consumer goods. Marketing has become vital in holding their attention span and engaging their interest in remaining loyal to our products.

With the escalation in war driving up energy costs and raw material prices, the Group remains cautious while maintaining business resilience and in navigating further business risks in the near future.

DOMESTIC ACTIVITIES

Business resilience is being built into Power Root's core structure through several avenues. We have focused on bolstering the company's research and development efforts to develop competitive products to meet what today's consumer want. We have strengthened distribution channels to reach out to consumers. On the export front, we have increased efforts to penetrate into new markets.

In terms of business expansion, we continue to explore merger and acquisition opportunities which are synergistic to our core business. Following on from the company's investment in liberica coffee beans production in the financial year ended 31 March 2025 ("FY 2025"), we continue to solidify our 'bean to cup' strategy by building on our upstream business in beans cultivations to complement our existing downstream processes in production, distribution and marketing.

Power Root's workforce management programme continued as we transitioned our operational processes to improve productivity and efficiency. With further efforts in the development of technological advancements and greater operational efficiencies, the Group was able to further optimise workforce management during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

MARKETING AND BRANDING

Marketing remains one of the fastest-changing areas of the business as we strive to catch the attention of potential customers while retaining the demands of our current loyal customers.

As Power Root has a wide-ranging diverse customer base, we adopt a multi-prong approach to suit each brand and their targeted customers. This year's main message focused on the company's roots in providing power-based beverages, be it Alicafé, Oligo, or Extra Power Root. Ah Huat tapped on the energy of music trio 3P known for their vitality, whereas Extra Power Root XP targets a younger generation including sports and games enthusiasts. At the same time, separate messages were used for the marketing of Frenché Roast, Per'l, and L1ber%ca which have different target audiences.

Evolving marketing dynamics in the digital age has seen the company step up the use of digital marketing as it is highly effective and efficient in reaching out to target audiences with leaner investments required.

In the digital age, our brand teams are generating content and chats more quickly and informally. The company has leveraged the power of user-generated content in creating and spreading brand messaging, with our brand and social media teams following-up to engage multiple users through social media feeds. Content marketing, native advertising, as well as influencer and seeder reviews were used to draw attention to our brand campaigns throughout the financial year.

With digital marketing's approach being more targeted, the company has re-strategized its above-the-line marketing strategies which is broader, less targeted and more costly when compared to digital marketing. However, we continue to pursue this approach as it still carries a strong impact among our more traditional customer base.

Strategic media advertising spots, sponsorship and on-the-ground events such as personality-driven "Meet and Greet' roadshows and media launches still draw interest and create brand awareness. Promotional in-store presence continues to remain as a powerful tool in encouraging interest and triggering purchases, and is a valuable part of 'Buy and Win' contest campaigns which encourage repeat purchases.

Therefore, Power Root will continue to employ broadly based advertising through traditional media and promotional materials at outlets together with digital marketing strategies.

UPSTREAM ACTIVITIES

Activities on our new brand L1ber%ca accelerated in FY 2026. In addition to its launch during the financial year, L1ber%ca was recognised for its innovative qualities at the 2025 Malaysia International Halal Showcase (MIHAS) (refer to Significant Events for further information).

Power Root has started the cultivation of liberica coffee at our new coffee plantation in Johor. Initial land clearing and planting of coffee saplings is being carried out in stages as we progress towards achieving our 'bean to cup' goal.

It is our vision for Malaysia to be recognised globally as a producer of high-quality liberica coffee beans in which we can make a significant contribution via our L1ber%ca brand. Liberica's unique flavour profile and its scarcity factor in being only around one percent of the world's coffee supply are key selling points, and Power Root intends to carefully manage L1ber%ca as a premium coffee brand. In time, the brand will be made available more widely and for export markets.

NEW PRODUCT DEVELOPMENT

This year saw the launch of the XP flavours under the Extra Power Root brand. XP Yolo Yuzu and XP Loco Lychee are aimed at sports enthusiasts and gamers with adventurous taste buds for punchy flavours. As customers become more conscious in wanting to cut down their sugar intake, these drinks also cater for the more health conscious with vitamins C, B6 and B12 among its ingredients. These flavourings reflect what is popular among younger consumers with yuzu tapping into Korean and Japanese culture, and lychee having a unique, bold taste which is familiar to locals but concocted into a different sensation. The illustrative effects of packaging are another aspect which draws customer attention. XP's bright yet bold design embodies the sense of energy in a can.

Packaging also plays a large part for Power Root's L1ber%ca brand. Coffee in capsules is a new development unlike Power Root's other brands and unlocks a new profile of customers as we enter the premium coffee market. Coffee capsule consumers are seen as having more sophisticated tastes which underlines the L1ber%ca brand's uniqueness. Our more traditional instant granulated coffee powder is convenient, budget-friendly, and simple to use requiring no equipment beyond a cup and spoon. Coffee in a capsule provides a different experience in providing a richer taste topped with creamy foam. It offers a café-style flavour using a pre-packaged single serve pod and a coffee machine.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Per'l Kacip Fatimah and Collagen Kurma Madu (250ML) Less Sugar was launched in February 2026. As consumers increasingly becoming more health conscious, this new product gives consumers a choice of a less sweetened version while retaining the taste of our original beverage which they enjoy.

In March 2026, we launched Frenché Roast Spanish Latte with a bold, creamy, caramel-like flavour which is in high demand among Malaysian consumers and popular in coffee chains.

EXPORT ACTIVITIES

Geopolitical escalations in the Middle East have negatively impacted Power Root's performances in export markets. Uncertainty, increased logistics costs, and a general sense of unease have combined to restrict sales opportunities in the region. However, the Middle East remains an important market for Power Root and the company will continue to explore avenues where we are able to improve our performance.

As such, we were heartened by changes in sugar tax regulations in several countries in the Middle East. Sugar tax regulations imposed in recent years had posed challenges in expanding our markets in Middle East.

However, changes in sugar tax structure in the United Arab Emirates and Saudi Arabia (two of our main oversea markets) have been beneficial to us. The new structure of sugar taxation from that of flat excise taxes on sugary drinks to a tiered, volume-based model provided for more flexibility, and this has allowed Power Root to reformulate our products while mitigating the impact of the tax.

While this is good news for our exports to the Middle East, we have also continued to broaden our export markets. This year, we have approached new markets in countries such as Djibouti, Germany, Madagascar, Palestine, Seychelles, and Zimbabwe.

Closer to home, Power Root is also focused on exporting into the developing markets of Southeast Asia. Having ventured into Thailand and Cambodia in recent years, we are now exporting to Myanmar. With Myanmar entering into a phase of stability, Power Root is moving in to tap into a market with growth prospects. Although local brands are established in these countries, there are demand gaps where our brands can capture meaningful market share.

In Singapore, we were focused on enhancing operational efficiencies in FY 2026. This included strengthening our distributer network and improving tactical operational operations within stores and increasing online availability.

OPERATIONS

Efficiency, productivity and safety are mainstays of Power Roots operational principles. The company continued to upgrade operations through investment in automation and digital tools as we leverage on these processes and tools to be more accurate, responsive, and productive.

The company will continue to automate and digitalise our factory processes in the near future as production evolves. More advanced technologies will be utilised as we move to incorporate roasting and capsule production capabilities into current operations.

Leveraging on technological and digital tools requires a change in processes and workforce management with some of our workforce being optimised and re-trained to acquire the required new skills required.

FINANCIAL REVIEW

REVENUE	LOCAL (RM'million)	EXPORT (RM'million)
FY 2026	225.7	111.1
FY 2025	258.4	150.8

For the FY 2026, the Group recorded revenue of RM336.8 million, a decrease of approximately 17.7% from the revenue of RM409.2 million recorded in FY 2025.

The decline in local market revenue was mainly attributed to the change in sales mix and decline in our Ready-to-Drink ("RTD") segment while the decrease in export revenue was due to logistic disruptions into the MENA region from the consequences of war and closure of shipping routes.

PROFIT AFTER TAX

For the FY 2026, the Group recorded a PAT of RM18.0 million, a decrease of 45.6% from the PAT of RM33.1 million in FY 2025.

The decrease in PAT was attributed mainly due to lower revenue, net loss in foreign currency translation and higher finance cost recorded for the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

STATEMENT OF FINANCIAL POSITION

	FY 2026 (RM'000)	FY 2025 (RM'000)
Total Assets	502,373	509,973
Equity attributable to the owners of the Company	282,587	295,027
Total Liabilities	217,034	212,963
Borrowings	100,524	101,432
Gearing (times)	0.356	0.344

DIVIDENDS

Financial Year	Dividend Per Share ("DPS") (sen)
2026	4.25
2025	6.50
2024	7.10
2023	11.75
2022	5.40

On 6 October 2025, the Group paid a first interim single tier dividend of 1.50 sen per ordinary share amounting to RM6.4 million in respect of the current financial year.

On 9 January 2026, the Group paid a second interim single tier dividend of 1.20 sen per ordinary share amounting to RM5.1 million in respect of the current financial year.

On 3 April 2026, the Group paid a third interim single tier dividend of 1.20 sen per ordinary share amounting to RM5.0 million in respect of the current financial year.

On 13 July 2026, the Group paid a fourth interim single tier dividend of 0.35 sen per ordinary share amounting to RM1.4 million in respect of the current financial year.

The Board did not recommend the payment of any final dividend in respect of the FY 2026.

As such, the total dividends paid for FY 2026 is 4.25 sen per ordinary share amounting to RM17.9 million, representing a dividend pay-out ratio of approximately 107.9%.

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 RM515.7 million in dividends, representing a dividend pay-out ratio of approximately 86.5%. It is our intention to continue to reward our shareholders for their loyalty and participation in our growth.

BUSINESS OUTLOOK

Markets and consumers are likely to feel the impact of the ongoing war in the Middle East in particular during the next financial year. Its effect on supply chains will be more noticeable the longer the war goes on with freight and insurance costs anticipated to rise. The company is cognizant that this may factor into Power Root's business plans. However, we will be focused on what we can control which includes augmenting our sales, marketing and brand strategies, work on corresponding upstream activities, and enhance operational productivity. In terms of sustainability, we have embarked on measures to better identify risks and opportunities for our both our existing and new business units. These measures are expected to help us navigate and align our sustainability initiatives in the years to come.

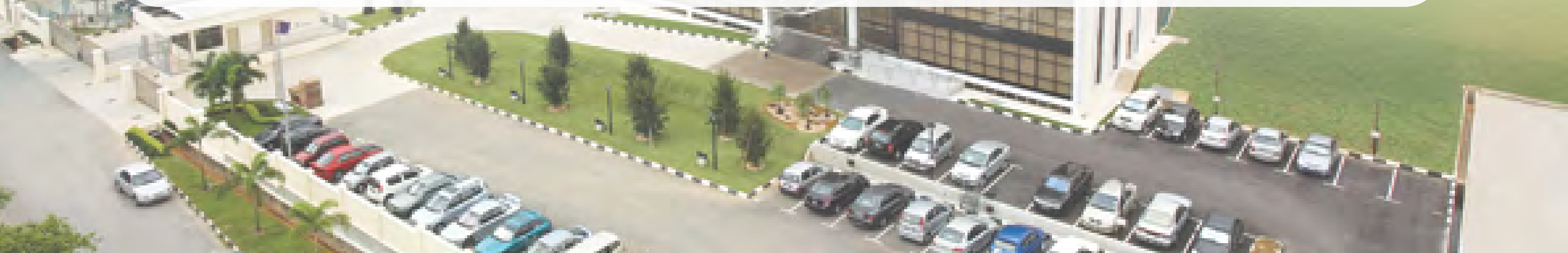
Engaging customers to build stronger customer relationships will continue to be emphasised through digital marketing and traditional avenues as we seek to keep Power Root products visible amid the crowded beverage market.

AREAS OF RISK

Geopolitical tensions will continue to be a major factor heading into the next financial year. Uncertainty caused by the ongoing wars, political unpredictability, and tariff wars will continue to have an impact on currencies, logistics and supply chains, raw material pricing, and consumer sentiment of which these factors will be weighed carefully in our business strategies.

APPRECIATION

On behalf of the Board, we would like to thank all stakeholders of Power Root for the continued support during the year. The confidence placed in the Board and Management of Power Root is never taken for granted and we appreciate the role of shareholders, distributors, management and staff in driving the company to do better. We look forward to guiding the company towards further growth with resilience in the coming year.



SUSTAINABILITY STATEMENT

About this Statement

Power Root manufactures, markets, and sells coffee, tea, chocolate malt and energy drinks in instant premix and ready-to-drink forms. The Group is also involved in the upstream and downstream activities within the coffee supply chain by integration through coffee plantation and café business with the vision of creating value for our stakeholders through excellent quality, pioneering innovations, joyous moments and the integration of environmental, social and governance initiatives across operations in our local and international markets.

Sustainability continues to underpin Power Root's long-term value creation approach, ensuring our pursuit of economic growth is balanced with social and environmental considerations across our operations and value chain. In this Sustainability Statement FY 2026, we report our progress and the continued integration of sustainability considerations into corporate strategy and risk management processes.

During FY 2026, the Group strengthened sustainability reporting and disclosure practices to improve transparency and alignment with evolving regulatory requirements. We incorporated disclosures of the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards, namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures ahead of the regulatory compliance timeline and will progress towards aligning with the recommended disclosures. The progressive identification and disclosure of sustainability-related risks and opportunities allows us to integrate them into our corporate strategy and risk management frameworks. Sustainability-related risks and opportunities are those that may be expected to affect the Group's prospects.

Climate disclosures were further enhanced across the four IFRS pillars of Governance, Strategy, Risk Management and Metrics and Targets, improving comparability and transparency in line with international benchmarks. Our environmental reporting scope was also expanded to include Scope 3 greenhouse gas ("GHG") emissions under Category 5: Waste Generated in Operations, providing greater visibility of the Group's environmental impacts and supporting improvements in our waste management strategies. Power Root is currently assessing the applicability of the remaining Scope 3 emissions categories to our operations to support compliance with the National Sustainability Reporting Framework ("NSRF") disclosure requirements by FY 2029.

Beyond reporting, the Group implemented key initiatives aimed at strengthening operational resilience and support long-term sustainability. During the year, we initiated an 80-acre coffee plantation project as part of our strategy to mitigate rising material costs and enhance supply security. The project is being developed in phases over the next four years.

In parallel, the Group is progressing with Phase 3 of our solar photovoltaic ("PV") installation at Plant 2 and Plant 3. Scheduled for commissioning in FY 2027, this will increase our total capacity by a further 251.7 kWp, supporting our transition towards greater renewable energy adoption.

Scope and Boundary

Our disclosures cover the sustainability performance of Power Root's businesses across the following entities for the period from 1 April 2025 to 31 March 2026 ("FY 2026").

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")
- Nexora Verve Sdn. Bhd. ("NEXORA")
- One Percent Brew Sdn. Bhd. ("OPB")

Office, Production Plants and Cafés

Kuala Lumpur Branch

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

Johor Bahru Branch

- Plant 1 ("PRMFG")
- Plant 2 ("PRM")
- Plant 3 ("PRMK")
- Plant 4 ("PRMFG")

Café/Kiosk

- Molek (Johor) Café*
- Kulai (Johor) Café/Larkin (Johor) Kiosk
- KL Café

** Molek Café ceased operations effective 31 March 2026.*

SUSTAINABILITY STATEMENT
(cont'd)

Our overseas subsidiaries, together with entities that are dormant, have no physical operations or function solely as investment holding entities, are currently excluded from the FY 2026 reporting scope. Data collection processes have yet to be extended to these subsidiaries and will be progressively implemented in the future.

Historical data covering the past three years are presented to showcase annual performance trends and facilitate year-on-year comparison.

Additionally, GHG emissions are measured using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the 'GHG Protocol'), unless otherwise specified under IFRS S2. The Group applies the operational control approach to establish an organisational boundary for the reporting of GHG emissions.

Reporting Frameworks and Guidelines

This Sustainability Statement has been prepared in accordance with the Bursa Malaysia Main Market Listing Requirements ("MMLR") and guided by the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- International Financial Reporting Standards ("IFRS") S1 and S2
- Sustainability Accounting Standards Board ("SASB") Industry Standard for Non-Alcoholic Beverages under Food and Beverage Sector
- Global Reporting Initiative ("GRI") Standards

We also reference the United Nations Sustainable Development Goals ("UN SDGs") most relevant to our operations to demonstrate alignment with broader global sustainability aspirations.

Assurance Statement

The sustainability data presented in this Statement were internally verified by the relevant data owners. Data collection and analysis methodologies are periodically reviewed to maintain ongoing accuracy and reliability of disclosed information.

Selected sustainability indicators were reviewed by the Internal Audit function, which issued an Assurance Statement in accordance with Bursa Malaysia's MMLR. The outcome of the review was communicated to the Audit Committee ("AC") as part of the Group's governance processes. Independent assurance was not obtained for the FY 2026 Sustainability Statement.

Enquiries and Feedback

We welcome feedback on our sustainability disclosures and performance as part of our commitment to strengthening transparency and reporting quality.

Power Root Berhad

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FY 2026 Sustainability Achievements Overview

Innovating Product Quality and Safety

Product quality, safety and consistency remain operational priorities given the Group's beverage manufacturing activities.

Introduced **two** new functional beverage Stock Keeping Units ("SKUs") under the new XP Energy Sparkling Drink range formulated to provide proactive wellness benefits

64% of the Group's SKUs fall below the sugar thresholds defined under applicable sugar-sweetened beverage regulations

Upholding Integrity and Excellence

Strong governance and ethical business practices underpin accountability, transparency and regulatory compliance across the Group's operations

Zero reported incidents of corruption and whistleblowing cases

Zero substantiated complaints concerning breaches of customer privacy or data loss

Advancing Environmental Stewardship

Power Root balances operational efficiency with environmental responsibility, implementing initiatives to optimise resource efficiency, reduce emissions and strengthen responsible manufacturing practices.

8% of total electricity consumption sourced from solar generation

41% of total waste generated diverted from disposal

24% of the company vehicle fleet comprises of hybrid and electric vehicles

Enhanced Scope 3 GHG emissions reporting to include **Category 5: Waste Generated in Operations**

Empowering People and Communities

Our social priorities focus on fair labour practices, employee development and community engagement.

1.04 lost-time incident rate with **zero** fatalities

9% reduction in employee turnover rate as compared to FY 2025

SUSTAINABILITY STATEMENT
(cont'd)

Progress Highlights of Our Sustainability Journey

Building on our previous milestones, Power Root continues to strengthen our sustainability reporting practices, reflecting progression towards improved transparency, disclosure quality and alignment with evolving regulatory expectations.

FY 2018 - FY 2019

- Published our inaugural Sustainability Statement and referenced GRI standards in 2018
- Established a Sustainability Policy encompassing the Economic, Environmental and Social ("EES") pillars
- Established a Sustainability Governance Structure with defined roles and responsibilities
- Reported sustainability initiatives in accordance with EES risks and opportunities
- Aligned business practices with five UN SDGs
- Conducted first materiality assessment and established a materiality matrix covering 14 sustainability matters

FY 2020 - FY 2022

- Adopted Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) in FY 2020
- Developed a Group-wide Sustainability Framework
- Conducted materiality reassessments in FY 2020 and FY 2022

FY 2023 - FY 2025

- Adopted Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and aligned with the FTSE4Good Bursa Malaysia Index
- Conducted materiality reassessment covering 25 material sustainability matters with input from internal and external stakeholders
- Reviewed and updated the Group's Sustainability Framework
- Commenced reporting on Climate-related Disclosures
- Commenced Scope 3 GHG emissions reporting on Category 6: Business Travel and Category 7: Employee Commuting
- Reported GHG emissions avoidance from solar PV system at Plant 1

FY 2026

- Initiated early adoption of IFRS S1 and IFRS S2, ahead of the applicable transition timeline specified under the NSRF
- Expanded Scope 3 GHG emissions reporting to include Category 5: Waste Generated in Operations

SUSTAINABILITY STATEMENT
(cont'd)

Advancing Our Sustainability Direction

Outlining the Strategy

Our sustainability strategy is guided by the Group's corporate vision, material sustainability matters and applicable UN SDGs, supporting continued improvements in sustainability performance across our business operations while aligning with overall business priorities.

Corporate Vision

To Create Value for our Employees, Shareholders, Consumers & Society Through Excellent Quality, Pioneering Innovations, Joyous Moments & Embracing Environmental, Social Governance

Our Strategy

World Class Product Excellence; Safety First, Quality Always, Cost Competitive Product Supply

Core Values

Accountability – Integrity – Innovative - Diversity, Inclusion & Belonging

Sustainability Pillars and Material Matters

Innovating Product Quality and Safety

- Product Safety and Quality
- Health and Nutrition
- Responsible Product Labelling and Marketing
- Technology and Innovation

Upholding Integrity and Excellence

- Anti-Corruption and Anti-Bribery
- Corporate Governance and Responsible Business Conduct
- Data Privacy and Cybersecurity

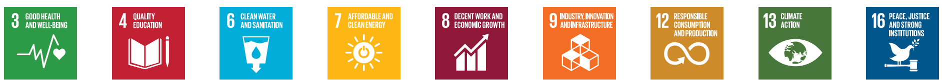
Advancing Environmental Stewardship

- Energy Efficiency and Climate Change
- Water Stewardship
- Waste and Effluent Management
- Sustainable Product Packaging
- Biodiversity

Empowering People and Communities

- Employee Health, Safety and Well-being
- Labour Standards, Human Rights and Talent Management
- Responsible Sourcing and Supply Chain Management
- Local Community Contribution and Development

Alignment with the 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)

Guiding Principles for Sustainability

Power Root's Sustainability Policy sets out the principles guiding responsible business conduct across environmental, social and governance matters, supporting the integration of sustainability considerations across every level of our operations.

Innovating Product Quality and Safety

- Uphold the quality, safety and nutritional value of our products while ensuring compliance with ethical and legal standards; and
- Ensure that our manufacturing processes and products adhere to Malaysian and international food quality and manufacturing standards.

Upholding Integrity and Excellence

- 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;
- 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;
- Integrate sustainability considerations into the Group's business strategies and operations; and
- 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.

Advancing Environmental Stewardship

- Comply with all guidelines and regulations on environmental preservation in the jurisdictions where the Group operates;
- Prevent or mitigate pollution and enhance environmental management system;
- Reduce our carbon footprint through energy-efficient operations, optimise manufacturing efficiency and investments in energy-efficient production machinery;
- Conserve water and other natural resources in our business operations; and
- Integrate the Reduce, Reuse and Recycle ("3R") culture across the Group and throughout the value chain.

Empowering People and Communities

- Ensure that all stakeholders are treated fairly and not subjected to or involved in any form of harassment or discrimination based on race, nationality, religion, disability, gender, age, or other discriminatory factors;
- 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 legislations; and
- Support the economic development of communities in areas where we operate, by considering local impacts when formulating and implementing business strategies.

Our Contribution to Global Development Goals

The UN SDGs provide a reference framework for aligning sustainability aspirations with global development objectives. We focus on nine SDGs most relevant to our operations, reflecting areas where the Group can contribute through responsible manufacturing practices, workforce development and community initiatives.

Good Health and Well-being

The Group promotes consumer health and well-being through the production of safe, high-quality beverage products in response to evolving consumer expectations. Employee well-being is reinforced through workplace health and safety practices.

Initiatives

- **64%** of the Group's SKUs fall below the sugar threshold defined under the Sugar-Sweetened Beverage Regulations
- **Zero** incidents of non-compliance with health and safety regulations and voluntary codes

Quality Education

The Group invests in employee and intern development through competency-building initiatives that strengthen workforce capabilities and support organisational performance.

Initiatives

- Provided **6,402** total training hours to **842** employees of the Group
- Implemented internship programmes in collaboration with higher education institutions, providing hands-on industry exposure and practical learning opportunities

Clean Water and Sanitation

Water impacts are managed through wastewater treatment and responsible water management practices to support sustainable use.

Initiatives

- Implemented chemical and biological wastewater treatment processes to maintain water quality and reduce pollutants, complemented by weekly monitoring and testing to ensure compliance with water quality standards
- Wastewater Chemical Oxygen Demand ("COD") levels remained within regulatory limits, with no instances of non-compliance recorded during the reporting period

Affordable and Clean Energy

Renewable and energy-efficient solutions are progressively integrated into operations to reduce reliance on conventional electricity sources.

Initiatives

- Expanding solar photovoltaic ("PV") systems to Plant 2 and Plant 3 targeted for commissioning in FY 2027
- In FY 2026, **8%** of electricity consumption was sourced from renewable energy

SUSTAINABILITY STATEMENT
(cont'd)

Our Contribution to Global Development Goals *(cont'd)*

Decent Work and Economic Growth

We support local socio-economic development through the provision of employment opportunities, while upholding labour rights and ensuring safe working conditions across the Group.

Initiatives

- Promoted decent work and labour rights by ensuring compliance with labour laws, and prohibiting forced labour, child labour and discrimination
- Maintained fair and competitive compensation in line with minimum wage requirements, as well as provided career advancement opportunities and personal development training, work performance reviews and comprehensive employee benefits
- Ensured safe and productive working environments through the implementation of an Occupational Health and Safety Management System across all operational sites
- All employees are provided with safe working conditions and fair wages under the Group

Industry, Innovation and Infrastructure

Responsible production practices are implemented through waste reduction initiatives and resource optimisation measures that reduce the environmental impact of our beverage manufacturing operations.

Initiatives

- Upgraded the Kuala Lumpur and Johor offices' air-conditioning system to a Variable Refrigerant Volume ("VRV") system with Auto Variable Refrigerant Temperature ("VRT") technology and expanded implementation to Plant 1 and Plant 4 in Johor to enhance energy efficiency
- Upgraded Plant 4's air conditioning with a desiccant air conditioning system to enhance industrial efficiency, infrastructure resilience and stable long-hour humidity control

Responsible Consumption and Production

Operational efficiency is strengthened through the adoption of innovative and energy-efficient technologies within our manufacturing processes, improving productivity and sustainability performance.

Initiatives

- Enhanced recycling efforts through the KITARecycle Programme and the Food Composting for Organic Waste Recycling initiative
- Successfully diverted **41%** of generated waste away from disposal in FY 2026

Climate Action

Climate-related disclosures and greenhouse gas reduction initiatives were introduced to support the transition towards a lower-carbon economy and our climate resilience.

Initiatives

- Enhanced climate-related disclosures through the partial adoption of IFRS S2 requirements
- Reduced fossil fuel dependency by transitioning a portion of the fleet to low-emission vehicles, with **24%** of the fleet comprising hybrid and electric vehicles in FY 2026
- Installed **13** electric ("EV") charging stations in Kuala Lumpur and Johor offices to facilitate the transition to low-emission transportation and support decarbonisation efforts

Our Contribution to Global Development Goals *(cont'd)*

Peace, Justice and Strong Institutions

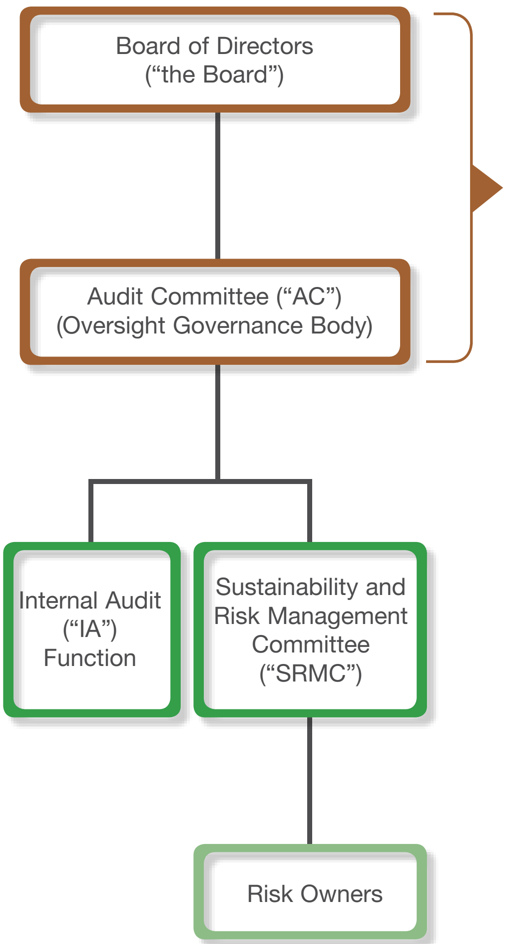
Strong governance practices are maintained through formal policies and internal controls that promote ethical conduct, regulatory compliance and transparency.

Initiatives

- Implemented an Anti-Bribery and Corruption ("ABC") Policy supported by regular employee training programmes, with 184 employees trained in FY 2026 to reinforce ethical business conduct and strengthen governance practices
- Maintained **zero** confirmed incidents of corruption for the third consecutive year

Upholding Sustainability Governance and Oversight

Our sustainability governance structure outlines how oversight is exercised across the organisation. During the year, roles and responsibilities were further clarified within the respective Terms of Reference to facilitate the identification and management of sustainability- and climate-related risks and opportunities.



Oversight

The Group's sustainability governance is led by the Board, which holds ultimate responsibility for Power Root's sustainability strategy, management and performance, including oversight of sustainability- and climate-related risks and opportunities.

The Board delegates the oversight of sustainability management to the AC, which supports the Board by reviewing sustainability-related processes and monitoring the implementation of the sustainability framework.

Roles and Responsibilities of the Board:

- Determines and approves the sustainability management framework as well as the management of material sustainability matters, sustainability indicators, targets and disclosures;
- Approves and oversees the implementation of strategies, ensuring that sustainability and climate-related considerations are embedded in all business strategies and major operations.

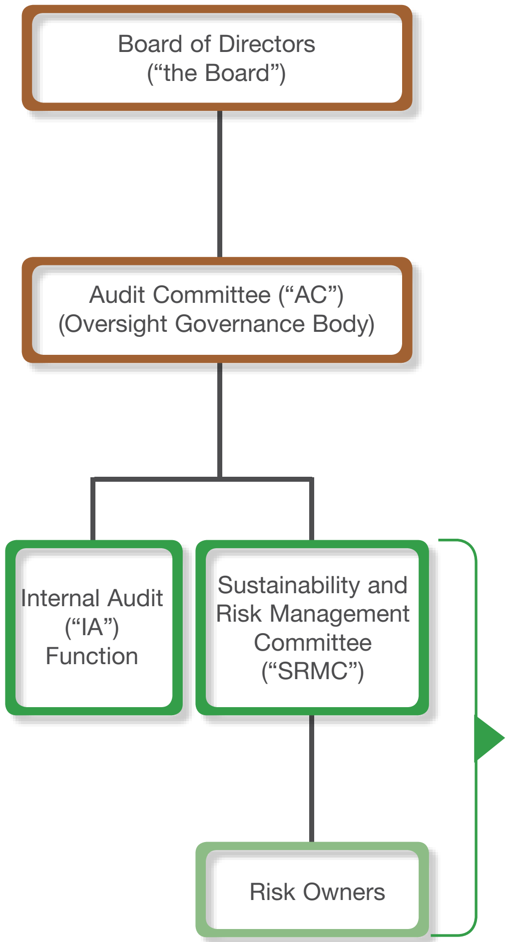
Roles and Responsibilities of the AC:

- Oversees the implementation of the sustainability framework by the Sustainability and Risk Management Committee ("SRMC");
- Conducts periodic reviews of the Group's material sustainability matters and evaluates the adequacy of the responses, with the review outcomes and recommendations for decision-making reported to the Board on a quarterly basis.

During the reporting year, members of the Board of Directors had attended sustainability-related training sessions.

SUSTAINABILITY STATEMENT
(cont'd)

Upholding Sustainability Governance and Oversight *(cont'd)*



Management

At the management level, key entities driving the sustainability agenda include the SRMC, Key Sustainability Risk Officer ("KSRO"), Internal Audit ("IA") and the relevant Risk Owners across the Group.

Roles and Responsibilities of the SRMC:
- Implements the sustainability framework approved by the Board;
- Leads the process of identifying, assessing and managing sustainability of matters;
- Develops action plans and communicates plans to respective Risk Owners.

Roles and Responsibilities of the IA (In-house):
- Reviews the adequacy and effectiveness of the Group's governance structure and sustainability management processes in reporting to the AC;
- Supports the risk owners yearly in the review and update of risk registers, including the identification and incorporation of emerging risks such as sustainability-related and climate change risks.

Roles and Responsibilities of the KSRO:
- 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.

Roles and Responsibilities of the Risk Owners:
- Manages the sustainability matters across operations on a day-to-day basis and reports any changes or newly identified sustainability matters to the SRMC.

Risk Management

Power Root employs an Enterprise Risk Management ("ERM") framework to identify, assess and mitigate risks that could affect operations and overall performance. Overseen by the SRMC, the framework provides a systematic and consistent approach to managing all risks, including sustainability and climate-related risks. The SRMC develops climate-related risk management strategies in line with the ERM framework and the Group's sustainability objectives and reports periodically to the AC, including risk assessments and recommendations to bolster risk management practices.

Sustainability and climate-related risks and opportunities are assessed alongside other organisational risks based on their likelihood and potential impact, ensuring they are integrated into strategic decision-making and operational planning.

For further information on the Group's ERM framework and internal control processes, please refer to the Statement on Risk Management and Internal Control in Power Root's Annual Report 2026.

SUSTAINABILITY STATEMENT
(cont'd)

Integrating Stakeholder Insights into Our Strategy

Regular stakeholder engagement enables us to understand their expectations and remain abreast of emerging sector trends, communicating our strategic planning and development of initiatives that align with our stakeholders' priorities.

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, rules, regulations and standards which Power Root complies with.	Financial institutions provide capital and financial services to support Power Root's financial stability and growth.
Areas of Concern	• Long-term sustainable growth and return on investment • Financial performance and responsible governance	• Compliance with environmental regulations and ethical practices • Securing necessary operating approvals and permits • Compliance with applicable regulatory standards and certifications	• Sustainability performance, including carbon footprint and energy use • Climate-related risks affecting operations and business continuity • Prevention of money laundering and fraud
Power Root's Responses	• Report financial performance quarterly, annually and as and when necessary • Communicate business strategies through annual reports and investor updates • Ensure transparency in regulatory reporting and compliance	• Maintain compliance monitoring and regulatory reporting processes • Consistently stay abreast of legal and regulatory changes • 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 • Maintains active HALAL certification for our products through compliance with the Department of Islamic Development Malaysia's rigorous certification framework	• Monitor and report sustainability performance and targets • Outline carbon reduction strategy • Implement Anti-Bribery & Corruption Policy and conduct corruption risk assessment • Integrate climate-related risks into the Group's risk management processes
Engagement Methods	• Annual reports • Annual General Meetings • Extraordinary General Meetings • Regular shareholder communications • Bursa Malaysia announcements and corporate website disclosures • Press releases and public announcements • Quarterly Financial Reports and analyst briefings • Corporate website	• Face-to-face meetings • Emails • Online applications • Regulatory engagements and consultations • Periodic audits • Public announcements • Official submissions and letters	• Face-to-face meetings • Phone calls/Online communication tools • Emails • Events

Legends:

• Daily • Regularly • Semi-annually • Annually • Ad-hoc

SUSTAINABILITY STATEMENT
(cont'd)

Integrating Stakeholder Insights into Our Strategy *(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.
Areas of Concern	• Strengthening distribution platforms and market demand • Product quality, pricing, safety and packaging • Ethical business practices • Product health and nutrition information	• Product availability and market demand • Product quality, pricing, safety and packaging • Ethical business practices • Product health and nutrition information	• Sustainable sourcing and ethical supply chain practices • Ethical and fair treatment and payment terms • Timely settlement of account payables	• Product quality, pricing, safety and hygiene • Health, nutrition and transparency in product information • Customer satisfaction and brand preference
Power Root's Responses	• Innovate and introduce new products that meet consumers' demand • Deliver high-quality products at competitive prices • Provide transparent product labelling • Uphold ethical business and marketing practices • Focus on offering healthier product options through improved nutritional formulations	• Innovate and introduce new products that meet consumers' demand • Deliver high-quality products at competitive prices • Provide transparent product labelling • Uphold ethical business and marketing practices • Offering healthier product options through improved nutritional formulations	• Implement vendor selection and assessment procedure • Implement structured procurement procedures • Maintain timely payment practices in accordance with agreed terms	• Ensure compliance with Food Safety System Certification • Implement sugar reduction initiatives • Provide transparent product labelling in line with ethical business and marketing practices • Uphold compliance with the Halal Assurance System • Monitor customer feedback and satisfaction levels
Engagement Methods	• Marketing plans • Product promotions • Events and training programmes • Feedback and surveys • Weekly engagements on day-to-day operational matters • Face-to-face meetings	• Marketing plans • Product promotions • Events and training programmes • Feedback and surveys • Weekly engagements on day-to-day operational matters • Face-to-face meetings	• Face-to-face meetings • Factory visits • Meetings and site visits • WhatsApp communications • Emails • Supplier evaluations and appraisals • Promoters' performance reviews	• Feedback channels (emails, phone calls and hotlines) • Marketing/ promotional programmes and events • Product launches and roadshows • Official letters • In-store brand activities • Contests • Product website, print media and social media platforms

Legends:

• Daily • Regularly • Semi-annually • Annually • Ad-hoc

Integrating Stakeholder Insights into Our Strategy *(cont'd)*

Our Key Stakeholders	Employees	Communities	NGOs	Media
	Employees drive organisational success by contributing their skills, expertise and dedication to achieving business strategic goals and long-term growth.	Communities where we operate directly impacted by business activities, as they represent the socio-economic context in which the business functions.	Environmental, social and industry-related NGOs advocate for sustainable and ethical practices, guiding corporate responsibility efforts.	Media coverage enhances brand visibility, manages reputation and ensures transparent communication with the public.
Areas of Concern	• Training and development opportunities • Human rights (non-discrimination, diversity, harassment protection) • Occupational safety and health • Work-life balance and employee well-being • Fair wages and equal opportunities • Job security and proper treatment and accommodation for foreign workers	• Indirect economic impact and environmental footprint • Contribution to community well-being and development	• Environmental conservation and sustainable resource use • Ethical sourcing practices for coffee production • Upholding human rights by preventing exploitation and child labour	• New product launches • Corporate reputation and image • CSR initiatives • Environmental impact • Ethical business practices
Power Root's Responses	• Provide internal and external upskilling opportunities • Uphold zero-tolerance stance against discrimination • Implement Health and Safety Committee and provide health and safety training • Promote work-life balance through employee engagement and welfare initiatives • Provide employee benefits and competitive compensation packages • Compliance with contractual labour obligations	• Organise Corporate Social Responsibility ("CSR") programmes during festive seasons • Provide financial and product donations to underprivileged groups • Collaborate with and support NGOs and charitable organisations through monetary contributions	• Implement environmental management initiatives to reduce operational impacts • Monitor and report sustainability performance and targets • Outline carbon reduction strategy • Conduct regular audits on suppliers • Adhere to key regulations regarding labour standards	• Communicate sustainability initiatives and performance through media channels • Introduce new products via all media channels, including social media • Adhere to high standards of governance and ethical business practices • Contribute to the local community through CSR programmes • Introduce sustainable product packaging
Engagement Methods	• Management, operational and committee meetings • Semi-annual performance appraisals • Briefings and training programmes • Events, celebrations and sporting activities • Memorandums • Employees' dialogues • Emails • Employees' surveys	• CSR initiatives • Face-to-face meetings • Press releases • WhatsApp communications • Emails	• Media releases • Public announcements • Stakeholder engagements and sustainability dialogues	• Press releases • Face-to-face meetings • Websites, print and social media • Emails

Legends:
• Daily • Regularly • Semi-annually • Annually • Ad-hoc

SUSTAINABILITY STATEMENT
(cont'd)

Assessing Material Sustainability Matters

Identifying What is Material

We conducted a materiality re-assessment during the year to identify and prioritise the sustainability matters that significantly impact our manufacturing operations and stakeholders, enabling us to focus on the areas most relevant to Power Root's business context. The re-assessment followed a four-step process and resulted in the identification of 16 material matters.

Review

Material matters were benchmarked against SASB industry topics and relevant industry best practices.

Ranking

An online survey was conducted to gather input from Management, employees and external stakeholders.

Prioritisation

Survey results were compiled, analysed and mapped into a materiality matrix.

Approval

The materiality matrix was validated by Senior Management, reviewed and approved by the AC and endorsed by the Board.

The top four priority material matters identified through the assessment were Product Safety and Quality, Sustainable Product Packaging, Anti-Corruption and Anti-Bribery, as well as Health and Nutrition.

Materiality Matrix FY 2026

Legend:

- Innovating Product Quality and Safety
- Upholding Integrity and Excellence
- Advancing Environmental Stewardship
- Empowering People and Communities

Strategic Management of Sustainability-related Risks and Opportunities

We have mapped the connections between our adopted SDGs, key stakeholders and the relevant sustainability risks and opportunities, showcasing their impact on our decision-making and management approach, driving sustained business growth and long-term value creation.

Innovating Product Quality and Safety			
Material Matters	**Summary of Management Approach**	**Potential Risks**	**Potential Opportunities**
Product Safety and Quality	Maintain stringent manufacturing controls and comply with Malaysian and international food safety standards to safeguard product safety and quality.	• Production disruptions or weak quality controls may affect product safety, potentially resulting in product recalls, regulatory penalties and loss of consumer trust	• Consistent delivery of high-quality products could strengthen brand reputation, support customer loyalty and sustain revenue performance
Health and Nutrition	Drive healthier product offerings through innovation, reformulation and sugar reduction initiatives aligned with evolving consumer preferences.	• Inability to keep pace with evolving consumer health preferences may reduce product competitiveness and affect sales performance	• Product innovation and reformulation could capture growing demand for healthier and lower-sugar offerings and support revenue growth
Responsible Product Labelling and Marketing	Provide transparent product labelling in line with ethical business and marketing practices.	• Misleading or insufficient product information may result in regulatory action, financial penalties and reputational damage	• Transparent product information and responsible marketing practices could improve consumer trust and support long-term brand value
Technology and Innovation	Enhance manufacturing processes, upgrade equipment to improve operational efficiency and meet evolving market demands.	• Limited automation and ageing equipment may reduce operational efficiency and competitiveness	• Digitalisation and advanced manufacturing technologies could drive productivity, reduce operating costs and enhance competitiveness
UN SDGs		**Stakeholder Groups**	
3 GOOD HEALTH AND WELL-BEING			

Legend:

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)

Strategic Management of Sustainability-related Risks and Opportunities *(cont'd)*

Upholding Integrity and Excellence			
Material Matters	**Summary of Management Approach**	**Potential Risks**	**Potential Opportunities**
Anti-Corruption and Anti-Bribery	Implement the Group's Code of Conduct, Anti-Bribery and Corruption Policy and governance procedures to uphold ethical and transparent business approaches.	• Weak enforcement of anti-bribery and corruption controls may lead to regulatory investigations, financial penalties and reputational damage	• Strong ethical culture and governance frameworks could enhance stakeholder confidence and support stable business operations
Corporate Governance and Responsible Business Conduct	Maintain strong governance structures, responsible business operations and Board oversight to ensure accountability and ethical decision-making.	• Weak governance oversight or ineffective internal controls may result in regulatory breaches, financial penalties and loss of stakeholder confidence	• Robust governance and strategic oversight could reinforce business resilience and support sustainable long-term performance
Data Privacy and Cybersecurity	Protect customer data and maintain secure information systems and data protection controls.	• Data breaches or non-compliance with data protection regulations may lead to regulatory penalties, legal liabilities and loss of customer trust	• Strengthened data governance and cybersecurity could bolster customer trust and support business continuity
UN SDGs		**Stakeholder Groups**	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS			

Legend:

- 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)

Strategic Management of Sustainability-related Risks and Opportunities *(cont'd)*

Advancing Environmental Stewardship			
Material Matters	**Summary of Management Approach**	**Potential Risks**	**Potential Opportunities**
Energy Efficiency and Climate Change	Enhance energy efficiency by progressively adopting low-carbon and renewable energy technologies to support the transition to lower-carbon operations.	• Transitioning to low-carbon technologies and evolving climate-related regulations may increase operational and capital costs	• Improving energy use efficiency and adopting renewable energy could reduce long-term operational costs, lower emissions and enhance market competitiveness through sustainable practices
Water Stewardship	Monitor and manage water consumption across manufacturing operations to promote efficient resource use.	• Inefficient water use in manufacturing operations may increase operational costs	• Optimising water usage and recycling could reduce operational costs and enhance resource efficiency
Waste and Effluent Management	Manage waste and effluent through responsible handling, recycling initiatives and effluent treatment and monitoring programmes.	• Ineffective waste or effluent management may result in environmental non-compliance, regulatory penalties and remediation costs	• Circular waste management practices could enable resource recovery, reduce disposal costs and improve operational efficiency
Sustainable Product Packaging	Incorporate environmentally friendly packaging solutions and initiatives to reduce negative environmental impact across product offerings.	• Continued reliance on packaging with high environmental impact may lead to increased operational costs and exposure to reputational risks amid rising consumer and regulatory expectations on packaging sustainability	• Sustainable packaging innovation could enhance brand value and reduce exposure to future regulatory costs
Biodiversity	Adopt environmentally responsible practices that minimise operational impacts on surrounding ecosystems.	• Operational impacts on surrounding ecosystems may result in regulatory action and remediation costs	• Environmentally responsible operational practices could improve regulatory compliance and strengthen corporate reputation
UN SDGs		**Stakeholder Groups**	
6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION			

Legend:

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)

Strategic Management of Sustainability-related Risks and Opportunities *(cont'd)*

Empowering People and Communities			
Material Matters	**Summary of Management Approach**	**Potential Risks**	**Potential Opportunities**
Employee Health, Safety and Well-being	Implement an Occupational Safety and Health management system, including risk assessments and workplace safety programmes, to safeguard employee well-being.	• Workplace safety incidents or regulatory non-compliance may lead to employee injuries, regulatory penalties and operational disruptions	• Proactive safety programmes could reduce workplace incidents and operational disruption risks while enhancing workforce productivity and confidence in a safer working environment
Labour Standards, Human Rights and Talent Management	Promote fair employment practices, non-discrimination policies and employee training to foster an inclusive and respectful workplace.	• Skill gaps or labour practice gaps may reduce productivity, increase employee turnover and create reputational risks	• Inclusive talent development and training initiatives could strengthen workforce capability and improve retention, supporting organisational growth and overall long-term performance
Responsible Sourcing and Supply Chain Management	Adopt structured procurement processes, supplier selection criteria and supplier evaluations to promote responsible supply chain practices.	• Supplier non-compliance with sustainability criteria, supply disruptions or commodity price volatility may cause operational disruptions and increase procurement costs	• Sustainable sourcing practices, supplier audits and diversified sourcing could reduce supply disruptions, stabilise procurement costs and drive operational continuity
Local Community Contributions and Development	Support community development through CSR initiatives and charitable contributions.	• Insufficient community engagement may create reputational risks and weaken the Group's social licence to operate	• Community partnerships and CSR initiatives could strengthen stakeholder trust and support long-term business sustainability
UN SDGs	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH	**Stakeholder Groups**	

Legend:

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)

Innovating Product Quality and Safety

Consumer trust in our brands is built on consistent product quality, safety and innovation. Across our product range, disciplined standards are integrated into all processes from formulation, ingredient selection to manufacturing and quality assurance ensuring product consistency, safety and reliability in alignment with market expectations.

Alignment with the UN SDGs

Material Sustainability Matters

- Product Safety and Quality
- Health and Nutrition
- Responsible Product Labelling and Marketing
- Technology and Innovation

Key Sustainability Highlights

Introduced two new functional beverage SKUs under the new XP Energy Sparkling Drink range formulated to provide proactive wellness benefits

64% of the Group's SKUs fall below the sugar thresholds defined under applicable sugar-sweetened beverage regulations

Key Stakeholder Groups

SUSTAINABILITY STATEMENT
(cont'd)

Product Safety and Quality

Product safety and quality are fundamental to maintaining consumer trust in our brands. Disciplined standards across formulation, ingredient sourcing and manufacturing help ensure our products consistently meet regulatory requirements and market expectations. Ongoing testing and quality assurance processes further safeguard product integrity and compliance with applicable food safety standards.

Quality Food and Safety Standards

We comply with national and international food safety and quality standards across our manufacturing operations. Our manufacturing plants are certified with recognised industry standards, with regular independent third-party audits conducted to verify compliance and drive continuous improvement.

Regular Risk Oversight at Board and Management Levels

- A structured approach is maintained to identify, assess and manage product health and safety risks
- Food safety and product integrity risks are reviewed regularly at Management and Board levels
- Key findings and emerging risks are escalated to the Audit Committee level and Board where required
- This governance structure enables effective oversight and timely decision-making on product safety and quality matters

Adherence to International Standards

- Product safety and quality are supported through compliance with internationally recognised food safety and quality standards
- Ongoing compliance is verified through independent third-party audits

Compliance with these standards supports:

- Maintaining consistent product safety and quality across manufacturing operations
- Strengthening consumer confidence in key operating markets
- Supporting market access where recognised certifications are required for entry
- Streamlining regulatory approval processes by reducing duplicate testing requirements
- Facilitating the compliance with relevant health regulations required for entry into new markets

SUSTAINABILITY STATEMENT
(cont'd)

Food Safety and Quality Certifications

Certification	Description	Certified body
HACCP MS 1480:2019	Hazard Analysis and Critical Control Point ("HACCP") Food Safety System	Intertek
Food GMP MS 1514:2022	Malaysian Good Manufacturing Practice ("GMP") for Food	Intertek
ISO 22000:2018	Food Safety Management System standard	Intertek
ISO 9001:2015	Quality Management System standard	Intertek
MeSTI *(Makanan Selamat Tanggungjawab Industri)*	Food Safety is the Responsibility of the Industry	Ministry of Health Malaysia
GMP Certification	Good Manufacturing Practice certification	Ministry of Health Malaysia
MS 1500:2019 (Halal Food)	Halal certification standard	Department of Islamic Development Malaysia (JAKIM)

Halal Compliance and Assurance

As a producer of Halal-certified beverage products, Halal compliance remains integral to our product integrity and consumer trust. Certification by JAKIM for our Instant Premix and Beverage product range reflects adherence to recognised Halal standards and regulatory requirements within our manufacturing and supply chain processes. In addition, we ensure Halal certification is progressively obtained for all newly developed products served by our cafés and Research and Development ("R&D") kitchen.

Halal Assurance Management System

A Halal Assurance Management System is maintained to ensure production processes adhere to JAKIM's Halal standards.

The system incorporates *sertu* (Shariah-compliant cleansing) procedures for new equipment and machinery to ensure the purity of our products throughout the production process.

Dedicated Halal Supply Chain Team

A dedicated team oversees Halal compliance across key stages of our supply chain, covering raw material sourcing, manufacturing, storage and transportation. This reinforces consistent Halal integrity across our operations and strengthens confidence among Muslim consumers in our key markets.

Customer Health and Safety – Product Responsibility

The Group recorded zero incidents of non-compliance with product safety regulations or voluntary codes related to the health and safety of our products and services in FY 2026. Additionally, zero product recalls were initiated to address health and safety concerns.

Health and Nutrition

Power Root develops beverages that balance evolving consumer preferences for healthier choices with the taste and quality that define our brands, driven by our product innovation and reformulation efforts.

Understanding current consumer preferences enables Power Root to develop beverages that align with evolving lifestyle trends. We select quality ingredients and conduct ongoing product innovation to ensure our offerings meet market expectations for taste, quality and functionality, allowing us to remain responsive to changing consumer needs.

Developing Functional Beverages

- Power Root is expanding our product portfolio with the introduction of XP Energy Sparkling Drink ("XP"), a new functional beverage range formulated with ingredients such as Vitamins C, B6 and B12 to deliver proactive wellness benefits.
- Complementing our existing brands, the XP range combines functional benefits with a refreshing taste, offering consumers an enjoyable beverage choice that supports their wellness goals. The initial launch comprises two SKUs, Yolo Yuzu and Loco Lychee, developed to appeal to younger consumers.

SUSTAINABILITY STATEMENT
(cont'd)

Sugar Reduction Initiatives

- Our sugar reduction initiatives support national efforts to address the rising prevalence of obesity and diet-related non-communicable diseases, including diabetes
- 64% of our SKUs are below the sugar thresholds defined under applicable sugar-sweetened beverages regulations while maintaining the taste and quality that consumers expect

Note:
Effective FY 2026, the Group has revised our reporting methodology for sugar reduction initiatives from Active SKUs (based on active stock listings) to the full SKU Portfolio. This change was made to provide a more comprehensive representation of the Group's product portfolio, as reporting based on Active SKUs may exclude SKUs that were not in production at the time of reporting.

In FY 2026, the Group expanded our product portfolio and reformulated selected products to reduce sugar content while maintaining taste and product quality. Work is also underway to extend reduced sugar formulations to selected export SKUs.

Our Research and Development department has been developing reduced-sugar formulations in response to changes in sugar regulations in the Middle East and North Africa ("MENA") region. These reformulations are intended to meet the sugar regulation and expand healthier product offerings across our export markets.

Responsible Product Labelling and Marketing

We conduct responsible marketing and advertising of our products in alignment with applicable regulations and standards encompassing transparent labelling, ethical and truthful communication, and consumer data privacy.

Our marketing and advertising practices are guided by the national food advertising guidelines issued by the Malaysian Ministry of Health and the International Chamber of Commerce's Advertising and Marketing Communication Practice code for products exported to foreign markets. These guidelines serve as a basis for all our communications and ensure factual accuracy.

Technology and Innovation

Investment in manufacturing technology facilitates product consistency across Power Root's beverage portfolio while improving production efficiency and cost competitiveness. Enhancements to operational systems also improve production reliability and support sustainable manufacturing practices.

During FY 2026, initiatives focused on strengthening production planning systems, increasing automation in packaging processes, improving batching efficiency and expanding renewable energy installations across our manufacturing operations.

Solar Panel Installations (Plants 2 and 3)

- Phase 2 of the solar PV system at Plant 1 has been operational since October 2024
- Solar PV systems at Plants 2 and 3 are targeted for commissioning in early FY 2027
- Upon completion, total renewable energy capacity will increase by 251.72 kWp, improving energy efficiency and long-term cost optimisation

Enterprise Resource Planning ("ERP")

- Successfully implemented and launched in November 2025, the new ERP module currently supports operations for Power Root Manufacturing Sdn Bhd and Power Root (M) Sdn Bhd
- The system enables efficient material planning and procurement for raw materials and packaging materials, and includes inventory, bill of materials ("BOM") and procurement modules
- Material planning is driven by sales forecasts, enabling demand-based procurement and production planning that improves overall operational efficiency

SUSTAINABILITY STATEMENT
(cont'd)

Upholding Integrity and Excellence

Strong governance underpins Power Root's ability to operate responsibly and sustain long-term growth as a beverage manufacturer. Clear accountability, effective oversight and disciplined risk management guide our decision-making, while high standards of ethical conduct, regulatory compliance and data protection remain essential in maintaining stakeholder confidence.

Alignment with the UN SDGs

Material Sustainability Matters

- Corporate Governance and Responsible Business Conduct
- Anti-Corruption and Anti-Bribery
- Data Privacy

Key Sustainability Highlights

100% of operations assessed for corruption risks, with zero reported incidents of corruption

Zero substantiated complaints over breaches of customer privacy or data loss in the past three years

Key Stakeholder Groups

SUSTAINABILITY STATEMENT
(cont'd)

Corporate Governance and Responsible Business Conduct

Robust corporate governance, anti-bribery and corruption practices are integral components of Power Root's business operations. Maintaining clear oversight, ethical conduct and compliance with applicable regulations promote operational discipline and build trust across our supply chain and business relationships.

Corporate Governance

The Group's corporate policies establish our governance standards and guide the management of sustainability-related risks and opportunities. Regular reviews ensure these policies remain aligned with regulatory requirements and strategic objectives.

Power Root's Key Governance Policies

Anti-Bribery & Corruption Policy	Board Charter	Board Diversity Policy
Code of Conduct	Conflict of Interest Policy	Corporate Disclosure Policy
Sustainability Framework	Policy on Board Remuneration	Whistleblowing Policy

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

Power Root's structured approach to regulatory compliance, supported by our corporate finance, legal and internal audit functions, ensures the Group is continuously aligned and in compliance with applicable laws, rules and regulations, governance requirements and Bursa Malaysia's MMLR.

Established internal reporting channels, supported by periodic audits and investigations conducted where necessary, enable timely resolution of compliance matters and reinforce a strong culture of regulatory discipline.

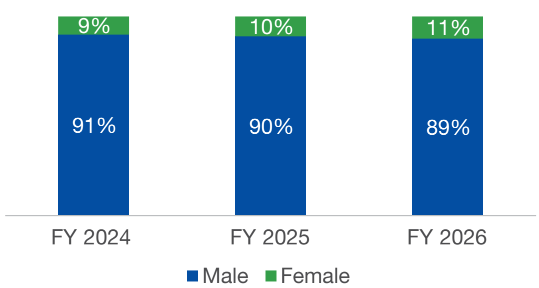
In FY 2026, we did not receive any significant fines or non-monetary sanctions for non-compliance with economic, environmental or social laws and regulations.

Note:
Significant fines refer to monetary penalties exceeding RM10,000 imposed by regulatory authorities, governments or legal bodies in response to serious breaches of laws, regulations or agreements. Such fines are generally substantial in value and serve both as a punitive measure and a deterrent against future violations.

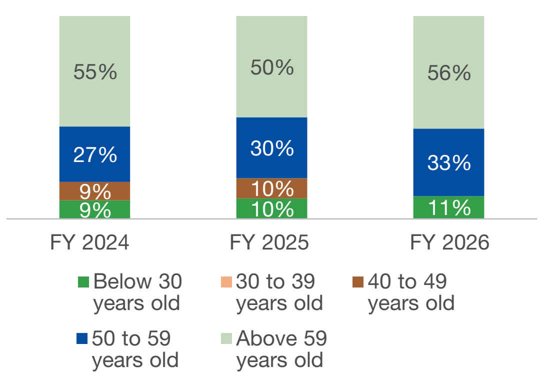
Board Diversity

Diversity remains an important consideration in Board appointments, supporting balanced perspectives and informed decision-making. Guided by our Board Diversity Policy, diversity factors such as experience, skills, age and gender are considered to maintain an appropriate mix of competencies and perspectives at the Board level.

Board Gender Diversity (%)



Board Age Diversity (%)



Anti-Corruption and Anti-Bribery

Power Root adopts a zero-tolerance approach to bribery and corruption, guided by our Anti-Bribery and Corruption ("ABC") Policy and Code of Conduct. These frameworks address improper solicitations, bribery and other corrupt practices and are aligned with the Malaysian Anti-Corruption Commission Act 2009 and its Amendments. The Group's Gift and Hospitality Declaration Procedure outlines a "No Gift Policy", prohibiting the giving or receiving of gifts in business dealings.

Corruption risks are assessed regularly across operational areas, with 100% of operations reviewed in FY 2026. During the reporting year, the Group recorded zero confirmed incidents of corruption and no cases of employees disciplined or dismissed for non-compliance with the ABC Policy.

The ABC Policy is communicated to employees through the employee handbook and regular training sessions. Structured training programmes are provided to both new and existing employees to strengthen awareness of the ABC Policy and expected standards of conduct. In FY 2026, the following categories of employees completed anti-corruption training.

Percentage of employees who have received anti-corruption training (%)			
Employee Category	FY 2024	FY 2025	FY 2026
Managerial and above	59	1	37
Executive and supervisory	40	9	49
Non-Executive	1	20	14
Operators	0	51	14

Training focuses on rotating between Non-Executive and Operator-level employees in FY 2025 to Managerial and Executive employees in FY 2026 to enhance anti-bribery and anti-corruption knowledge and promote ethical conduct across the Group. Awareness efforts continue to be reinforced through the employee handbook and other communication channels.

Whistleblowing Mechanism

Our Whistleblowing Policy provides a secure channel for employees, customers, suppliers, government bodies, financial institutions and other external stakeholders to raise concerns of misconduct, non-compliance or breaches in line with our corporate values and Code of Conduct. The mechanism protects whistleblowers from retaliation and safeguards confidentiality in accordance with the Whistleblower Protection Act 2010, with prior consultation should disclosure be legally required.

Reports submitted through this channel are reviewed through established governance processes, with appropriate oversight and follow-up actions undertaken where necessary.

No whistleblowing cases were recorded under our whistleblowing mechanism in FY 2026.

Political Donations and Contributions

We made no political donations or contributions during the reporting period.

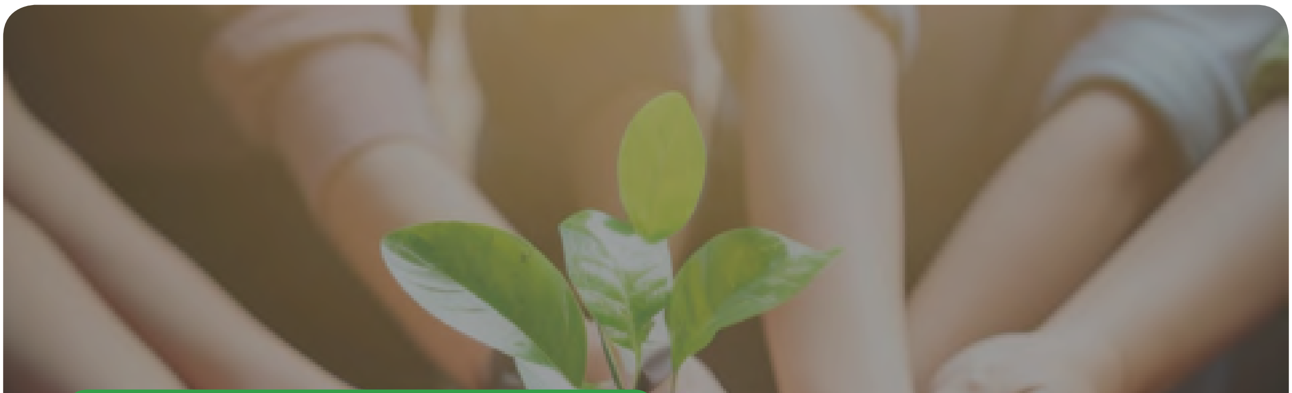
Data Privacy and Cybersecurity

Protecting customer and stakeholder data remains essential to maintaining trust and operational integrity. Power Root complies with the Personal Data Protection Act 2010 ("PDPA") and implements cybersecurity controls to manage data risks, uphold regulatory compliance and safeguard the integrity of our operations and relationships.

Our Group's IT process addresses evolving cyber threats and maintain a secure digital environment for our employees, suppliers, business partners and customers.

Zero substantiated complaints concerning breaches of customer privacy or data loss in the past three years

SUSTAINABILITY STATEMENT
(cont'd)



Advancing Environmental Stewardship

Managing environmental impacts remains an operational priority given the resource intensity of beverage manufacturing. Focus areas include energy efficiency, water management, emissions control and responsible waste management practices across our production activities. Continuous improvements in manufacturing processes and resource efficiency help reduce environmental impacts and enhance operational efficiency while strengthening environmental performance.

Alignment with the UN SDGs

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Material Sustainability Matters

- Energy Efficiency and Climate Change
- Water Stewardship
- Waste and Effluent Management
- Sustainable Product Packaging
- Biodiversity

Key Sustainability Highlights

Enhanced Scope 3 GHG emissions reporting to include **Category 5: Waste Generated in Operations**

24% of company vehicle fleet consists of hybrid and electric vehicles

8% of total electricity consumption sourced from solar generation

41% of total waste generated diverted from disposal

Key Stakeholder Groups

SUSTAINABILITY STATEMENT
(cont'd)

Energy Efficiency and Climate Change

Energy efficiency and climate resilience are important considerations given the energy-intensive nature of Power Root's beverage manufacturing operations. Effective energy management supports operational efficiency, cost optimisation and the management of climate-related risks.

Current Mitigation Measures

The Group continues to bolster energy efficiency through targeted initiatives aimed at reducing emissions and improving operational efficiency. These include renewable energy adoption, low-emission mobility solutions, energy-efficient infrastructure and digital platforms that reduce travel-related emissions.

Expansion of Solar PV System

Our solar PV system currently has a total installed capacity of 1,075 kWp, supporting the operational needs of our factory, warehouse and office in Johor. The Group plans to expand installations to Plants 2 and 3, with a total additional capacity of 251.7 kWp, targeted for commissioning in FY 2027.

GoGreen Plus Initiative (Sustainable Shipping)

Power Root partnered with DHL Express to reduce GHG emissions from shipments through the GoGreen Plus programme. Air freight shipments under this programme utilise Sustainable Aviation Fuel ("SAF"), a lower-carbon alternative to conventional aviation fuel, with emissions reductions tracked and verified in accordance with the Greenhouse Gas Protocol. This initiative is part of the Group's ongoing efforts to explore initiatives that reduce logistics-related emissions across our international distribution network.

Transition to Hybrid and Electric Vehicles ("EV") and EV Charging Infrastructure

Hybrid and electric vehicles comprised 24% of Power Root's fleet as of FY 2026 (10 units). To support our transition to sustainable mobility, three EV charging stations are in operation at the KL office and ten at the Johor office. These facilities support the Group's EV fleet and are also available for employees and visitors, encouraging broader EV adoption.

Optimising Energy Efficiency Through VRV Air-Conditioning Systems

Energy-efficient Variable Refrigerant Volume ("VRV") air-conditioning systems were installed at our KL and Johor offices. These systems optimise compressor speed and refrigerant temperatures using Auto Variable Refrigerant Temperature ("VRT") technology to improve cooling efficiency, lower energy consumption and minimise maintenance requirements.

Reducing Travel Emissions Through Digital Communication Platforms

Digital communication platforms such as Microsoft Teams and Lifesize are utilised to facilitate intra-local and international communications, enabling virtual collaboration between local and international operations. These tools enhance communication efficiency and support the reduction of travel-related emissions and commuting time.

Climate-Related Risks and Opportunities

Climate-related transition risks may affect raw material availability, production efficiency and distribution continuity, influencing the long-term performance of our beverage manufacturing and distribution operations. In line with the progression of adopting IFRS S2 elements, the Group assesses the potential financial impacts of these risks alongside opportunities arising from the transition to a lower-carbon economy.

SUSTAINABILITY STATEMENT
(cont'd)

Climate-Related Risks and Opportunities *(cont'd)*

Transition Risk	Potential Financial Impacts	Potential Opportunities
Policy and Legal		
Medium-term (6 to 10 years) to long-term (>10 years)		
• Evolving climate-related regulations, such as carbon pricing, energy efficiency mandates or mandatory emissions reporting in Malaysia, may increase compliance costs and operational expenses	• Increased operating costs from compliance with evolving climate-related regulations and policy requirements may adversely affect the Group's profit margins • Failure to comply with evolving climate regulations could expose the Group to financial penalties, increased compliance costs and potential reputational impacts	• Early integration of sustainable practices such as renewable energy, production optimisation and sustainable packaging may reduce operational costs and improve resource efficiency for long-term financial resilience • Implementation of recognised industry practices supports regulatory compliance, reduces exposure to penalties and strengthens operational continuity
• Regulatory requirements influencing sustainable packaging	• Exposure to higher operational costs due to the adoption of costly materials or certification requirements	• Adoption of sustainable packaging materials supports the transition to lower-carbon products and may improve market competitiveness, customer retention and long-term revenue resilience
• Introduction of carbon pricing mechanisms, including carbon taxes	• Exposure to higher operational costs due to climate transition pressures such as rising energy costs and potential carbon pricing, particularly in energy-intensive processes, could affect overall financial performance	• Deployment of solar PV systems and gradual electrification of the vehicle fleet may reduce operational carbon intensity, energy costs and exposure to carbon-related regulatory costs
Technology		
Short-term (1 to 5 years) to long-term (>10 years)		
• Constraints and increased investment requirements in research and development ("R&D") for producing environmentally friendly packaging and reducing waste	• Increased R&D investments to develop climate-resilient and sustainable packaging solutions may affect operational efficiency and cash flow	• Development of sustainable packaging solutions may improve resource efficiency, reduce waste effectively and lower long-term operating costs
• Challenges in implementing new technologies and transitioning to low-carbon production methods	• Investments in low-carbon technologies may require significant upfront capital, potentially affecting operational cash flow	• Phased adoption of low-carbon technologies, such as solar PV systems and electric vehicle fleets, may reduce energy and transportation costs over the medium- to long-term, while improving operational efficiency
Market		
Short-term (1 to 5 years) to long-term (>10 years)		
• Shifting consumer demand for ethically sourced and sustainable products	• Failure to respond to shifting consumer preferences towards sustainable products may adversely affect revenue	• Introducing products with sustainable packaging and responsibly sourced ingredients supports alignment with evolving consumer preferences and may improve revenue stability and long-term market competitiveness

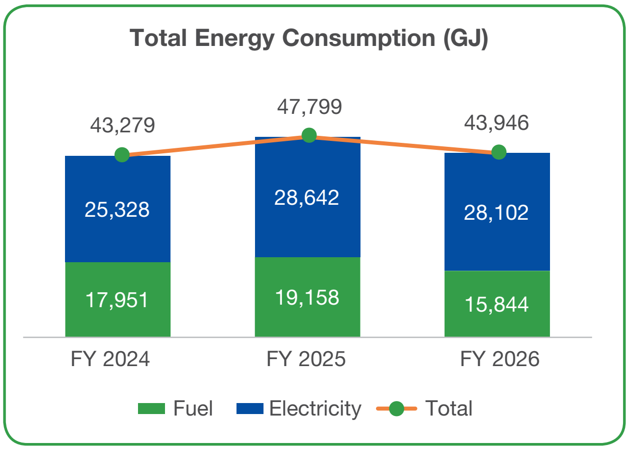
Climate-Related Risks and Opportunities *(cont'd)*

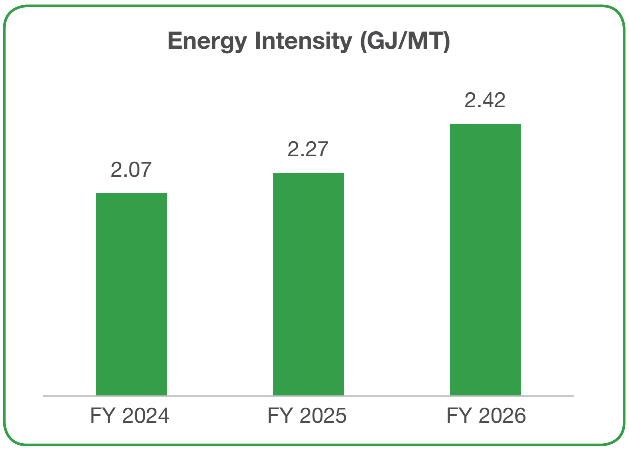
Transition Risk	Potential Financial Impacts	Potential Opportunities
Supply Chain		
Short-term (1 to 5 years) to long-term (>10 years)		
• Higher procurement costs due to disruptions in the supply chain	• Increased raw material costs arising from climate-related supply chains disruptions may elevate costs and affect financial performance	• Diversifying suppliers and sourcing regions for key raw ingredients strengthens supply chain resilience, production stability as well as reduces potential cost volatility
• Growing market demand for responsibly sourced raw materials	• Limited market availability of sustainably certified raw materials may potentially lead to increased procurement costs and pressure on gross margins	• Establishing in-house coffee plantations may improve cost efficiency and reduce exposure to supply chain disruptions, supporting long-term operational resilience
• Transitioning to a low-carbon economy may require substantial adjustments to our logistics and distribution operations	• Increased logistics costs and potential supply chain disruptions may arise from the transition to low-carbon transport solutions	• Early adoption of hybrid and electric vehicles, as well as engagement with green fuel logistics service providers, may reduce long-term logistics and operational costs
Reputation		
Short-term (1 to 5 years) to long-term (>10 years)		
• Growing stakeholder expectations regarding climate action and sustainability performance	• Failure to meet stakeholder expectations on climate action may result in reputational damage, potentially affecting financial performance and long-term resilience	• Strengthening climate-related initiatives and sustainable production practices may enhance stakeholder confidence, support revenue stability and long-term customer retention
Acute		
Short-term (1 to 5 years) to long-term (>10 years)		
• Increased frequency and intensity of extreme weather events, including floods and storms	• Extreme weather events may disrupt raw material supply chains and production schedules, potentially increasing operating costs and affecting revenue • Increasingly unpredictable weather events could physically impact production facilities and storage sites, leading to operational disruptions and increased repair costs	• Enhancing supply chain diversification and inventory resilience may mitigate operational disruptions and support revenue stability • Implementing contingency plans may bolster operational resilience to extreme weather events and reduce potential financial losses
Chronic		
Long-term (>10 years)		
• Gradual challenges in climate conditions such as rising temperatures and changing precipitation patterns	• Rising temperatures may increase cooling requirements across production and storage facilities, potentially increasing energy costs • Changes in climate patterns may affect the availability and quality of key raw materials, potentially increasing procurement costs and causing product disruptions	• Strategic investments in energy-efficient cooling systems and renewable energy sources may reduce long-term operational costs and drive cost resilience • Expanding and diversifying raw material sourcing, including strengthening local supplier networks, may reduce exposure to supply chain disruptions and support long-term operational resilience

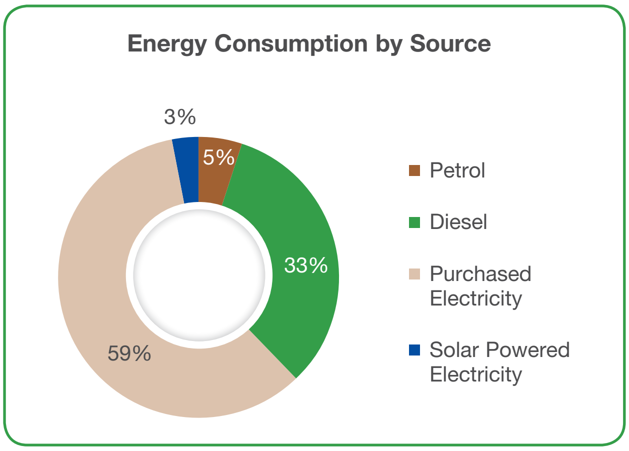
SUSTAINABILITY STATEMENT
(cont'd)

Energy Consumption

The Group's total energy consumption for FY 2026, covering our Malaysian operations as defined in the "Scope and Boundary" section, amounted to 43,946 GJ, with an energy intensity of 2.42 GJ per metric tonne of production output.



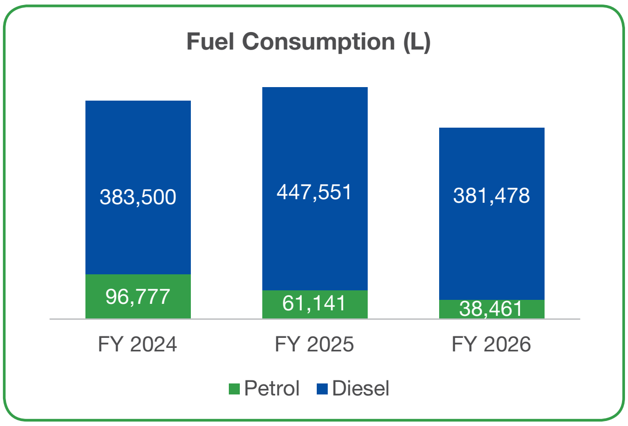


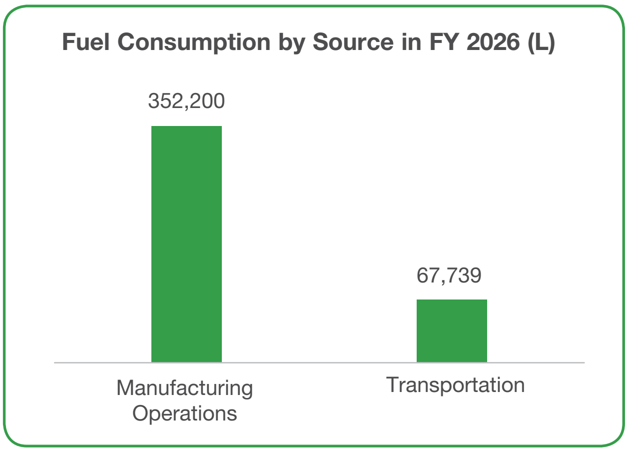


Fuel Consumption

Power Root's fuel consumption primarily arises from our company-owned vehicle fleet, which includes internal combustion and hybrid passenger vehicles, commercial vans and lorries operating on petrol and diesel. Diesel is also utilised in production activities, particularly to power the boiler at the production facility.

During the reporting year, the Group consumed a total of 381,478 litres of diesel and 38,461 litres of petrol for transportation and manufacturing operations. Approximately 84% of total fuel usage is attributable to our manufacturing operations.

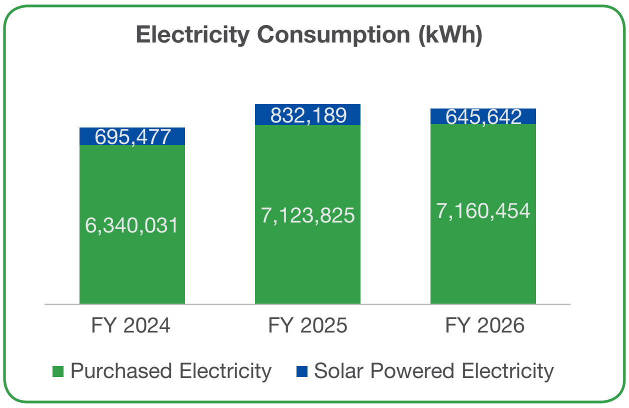




SUSTAINABILITY STATEMENT
(cont'd)

Electricity Consumption

In FY 2026, Power Root's total electricity consumption amounted to 7,806,096 kWh, of which approximately 8% of this electricity energy was generated through the solar PV system at Plant 1.



GHG Emissions

Our Scope 1 emissions arise from fuel consumption in company-owned vehicles and production boilers, while Scope 2 emissions represent indirect emissions associated with purchased electricity across the Group's offices, production facilities and employee accommodations.

During FY 2026, we expanded our Scope 3 reporting beyond business travel and employee commuting to include Category 5: Waste Generated in Operations, thus strengthening the comprehensiveness of our emissions tracking.

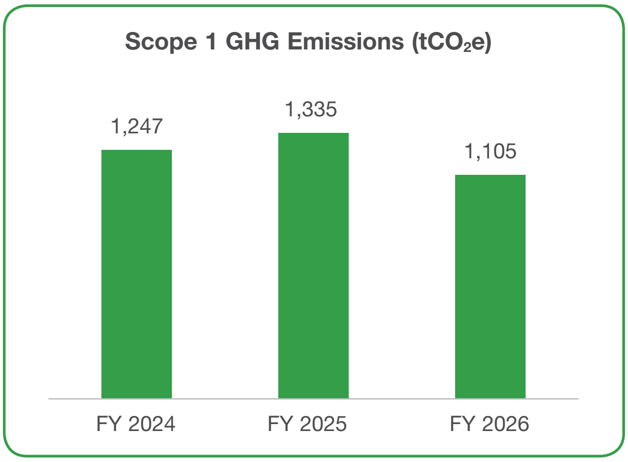
The Group recorded total GHG emissions of 8,604 tCO_2e, comprising 13% from Scope 1, 64% from Scope 2 and 23% from Scope 3. Scope 2 emissions remained the largest contributor due to electricity consumption across manufacturing operations.

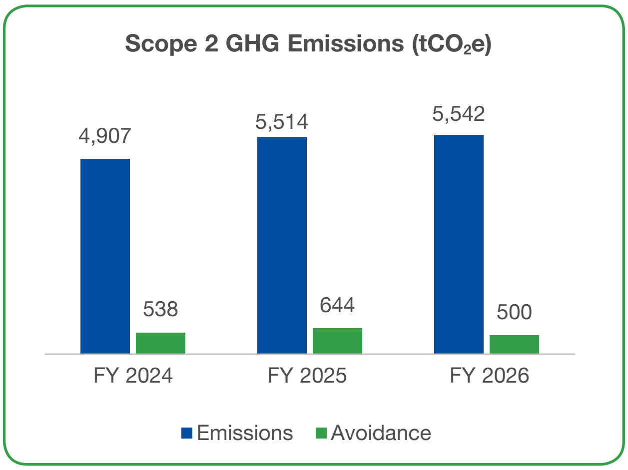
Total GHG Emissions (tCO_2e)

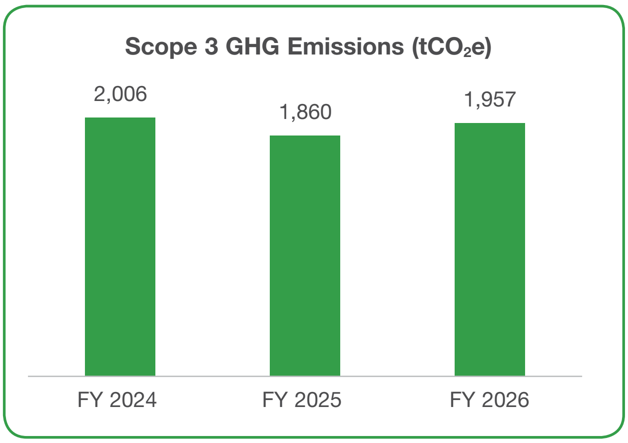
FY 2026	:	**8,604**
FY 2025	:	8,709
FY 2024	:	8,160

Total GHG Emission Avoidance (tCO_2e)

FY 2026	:	**500**
FY 2025	:	644
FY 2024	:	538







SUSTAINABILITY STATEMENT
(cont'd)

Scope 3 GHG Emissions Breakdown	Unit	FY 2024	FY 2025	FY 2026
Category 5: Waste Generated in Operations	tCO_2e	NA	NA	223
Category 6: Business Travel	tCO_2e	1,104	1,070	850
Category 7: Employee Commuting	tCO_2e	902	789	884

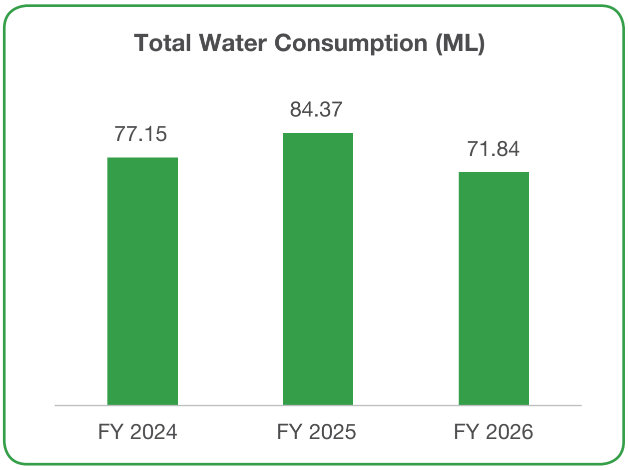
Notes:
1. *"NA" denotes data not available for the reporting period.*
2. *Scope 1 emissions were calculated using the emission factors sourced from the UK Government's GHG Conversion Factor 2023, 2024 and 2025.*
3. *Scope 2 emissions were calculated using the latest 2022 Grid Emission Factor sourced from the National Energy Commission of Malaysia.*
4. *Scope 3 emissions were calculated using emission factors from the UK Government GHG Conversion Factors for Company Reporting 2023, 2024 and 2025.*
5. *Data collection for Category 5: Waste Generated in Operations was initiated in FY 2026.*

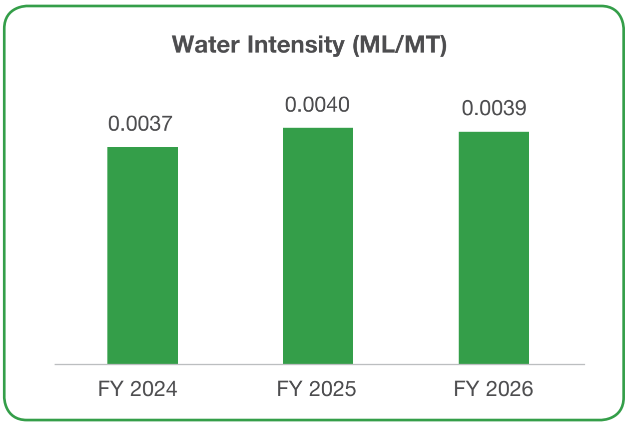
Water Consumption

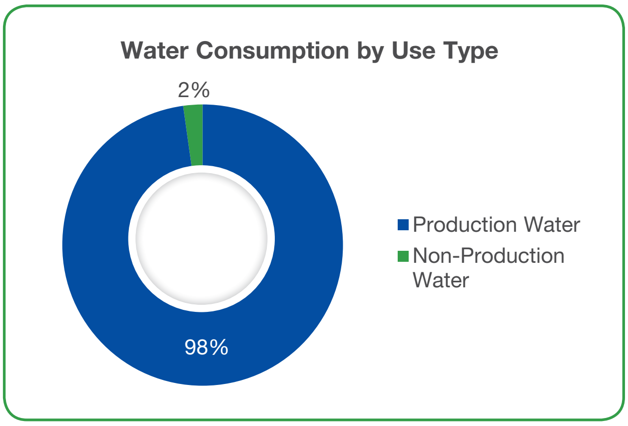
Water is a critical resource in our beverage manufacturing processes, utilised for product formulation, equipment cleaning and operational hygiene. The Group promotes prudent water management through efficiency initiatives aimed at reducing water intensity while maintaining high standards of product quality and operational reliability.

We do not operate in water-stressed areas for our operational activities in Malaysia, based on an analysis conducted through the Aqueduct Water Risk Atlas developed by the World Resources Institute. Nevertheless, Power Root will continue to monitor water-related risks to ensure responsible water management across our operations.

Total water consumption for FY 2026 amounted to 71.84 megalitres ("ML"), with a water intensity of 0.0044 megalitres per metric tonne of production output.







In FY 2026, we did not record any incidents of non-compliance with water quality permits, standards or regulations.

SUSTAINABILITY STATEMENT
(cont'd)

Waste and Effluent Management

Effective waste and effluent management remain essential to maintaining responsible manufacturing practices. Power Root applies appropriate treatment, recycling and disposal measures to manage operational waste streams while meeting environmental compliance requirements.

Waste Management

The Group's non-recyclable waste generated from operations is managed by licensed contractors approved by the Department of Environment ("DOE") and disposed of in compliance with the Environmental Quality Act 1974 and the Scheduled Waste Management Regulations 2005.

We promote proper segregation and disposal of recyclable waste to minimise environmental impact. Paper consumption is also reduced through digitalisation initiatives such as:

- Adoption of digital business cards in place of printed name cards
- Use of Microsoft Teams for collaborative document sharing
- Digital approval workflows through our ERP system and other IT systems

No environmental fines or penalties were recorded during the financial year.

KITARecycle Programme

Launched in October 2024 at our Johor office, the programme promotes employee participation in recycling initiatives in support of the Group's sustainability goals. Departmental contributions are tracked through a Recycling Impact Leaderboard to foster teamwork, friendly competition and motivate employees to bring recyclable materials from other locations. This effort reinforces the importance of consistent individual actions in driving meaningful progress towards a more sustainable workplace.

Designated recycling boxes are maintained at strategic locations across our facilities, including:

- A central collection point at the canteen area for departmental recyclable waste
- Individual recycling boxes within each department to encourage consistent recycling practices

Food Composting for Organic Waste Recycling

Our food composting initiative at the Johor office involves a food composting machine that converts food waste into fertiliser, reducing landfill contributions and enabling circular waste management practices. The composting machine is operated by trained personnel to ensure proper usage and maintenance.

Employees continue to receive guidance on proper recycling methods and food waste segregation to encourage effective participation and maximise the benefits of the initiative. Packets of the resulting organic fertiliser are also made available for employees' personal use, encouraging the adoption of sustainable practices beyond the workplace.

Total Waste Generated and Disposed

Our production and office activities generate both scheduled and non-scheduled waste. Scheduled waste encompasses hazardous materials such as chemical containers, contaminated rags, ink and solvent residues, while non-scheduled waste mainly comprises paper, cartons, plastics, wood, metals and other general materials.

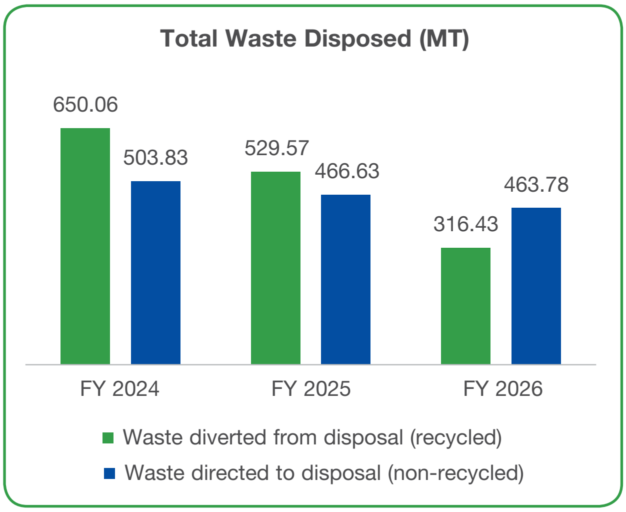
In FY 2026, total waste generated amounted to 780.21 MT of waste, of which 3.96 MT was classified as scheduled waste. The reduction in scheduled waste compared to prior years was primarily attributable to a review that resulted in the reclassification of certain sludge from hazardous to non-hazardous waste.

Approximately 41% of total waste was diverted from disposal through recycling initiatives.

Total Waste Generated	Unit	FY 2024	FY 2025	FY 2026
Hazardous Waste	MT	98.42	62.92	3.96
Non-hazardous Waste	MT	1,055.46	933.28	776.25
Total Waste Generated	**MT**	**1,153.89**	**996.20**	**780.21**

* *In line with the Environmental Quality (Schedule Waste) Regulations 2005, our sludge has been recategorised as non-hazardous waste in FY 2026.*

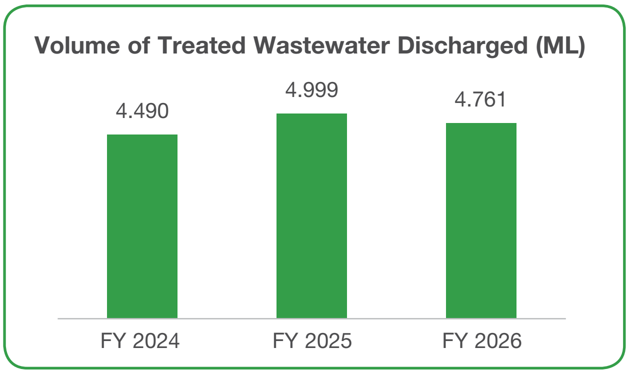
SUSTAINABILITY STATEMENT
(cont'd)



Effluent Management

Our effluent management process comprises three stages: chemical treatment, biological treatment and filtration. Raw wastewater is first collected and equalised, followed by chemical treatment using coagulants, pH adjusters and polymers to neutralise charges and stabilise pH levels. It then undergoes biological treatment, where microorganisms digest organic matter to reduce Chemical Oxygen Demand ("COD") and Biological Oxygen Demand ("BOD"). Finally, the treated water passes through sand and carbon filters for final polishing before being discharged to the stormwater drainage system.

In FY 2026, the Group discharged 4.76 ML of treated wastewater. Ongoing monitoring confirmed that COD levels consistently remained within regulatory limits under the Environmental Quality Act 1974 and the Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B), with no instances of non-compliance recorded.



Sustainable Product Packaging

Power Root's packaging design balances environmental considerations with product safety, incorporating more sustainable alternatives that minimise environmental impact while maintaining product quality.

Sustainable Product Packaging

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

The Group currently utilises the following sustainable packaging materials:

- Polyefin-based Resin
  - Consists of Polypropylene ("PP") and Polyethylene ("PE"), with a minimum of 90% polyolefin content. The high polyolefin content improves recyclability and 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 and combined with aluminium foil and polyethylene layers
  - Materials comply with the European Directive 94/62/EC, which sets environmental requirements for packaging design and production
  - Developed in accordance with technical standards that enable waste reduction and recyclability

In FY 2026, the Group consumed 459 tonnes of outer packaging materials. Sustainable packaging comprised 13% of total packaging usage, up from 6% in FY 2025, driven by the expanded use of polyolefin-based resin packaging for the Per'l brand. This reflects our ongoing efforts to integrate sustainable packaging solutions across our product portfolio.

SUSTAINABILITY STATEMENT
(cont'd)

Empowering People and Communities

Our long-term growth depends on the well-being of our people and the communities connected to our operations. Across our operations and surrounding communities, the Group strives to foster social well-being through initiatives that promote workplace safety, employee development and fair labour practices, alongside community initiatives that reflect our role as a responsible employer and corporate citizen.

Alignment with the UN SDGs

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Material Sustainability Matters

- Employee Health, Safety and Well-being
- Labour Standards, Human Rights and Talent Management
- Responsible Sourcing and Supply Chain Management
- Local Community Contributions and Development

Key Sustainability Highlights

1.04 lost-time incident rate with zero fatalities

9% reduction in employee turnover rate as compared to FY 2025

Key Stakeholder Groups

SUSTAINABILITY STATEMENT
(cont'd)

Employee Health, Safety and Well-being

Manufacturing operations present inherent occupational health and safety risks, making effective safety management essential to protecting employees, contractors and visitors. Safety practices focus on hazard identification, risk management and continuous monitoring of workplace conditions, supported by an Occupational Safety and Health ("OSH") Policy aligned with the Occupational Safety and Health Act ("OSHA") 1994 and its amendments.

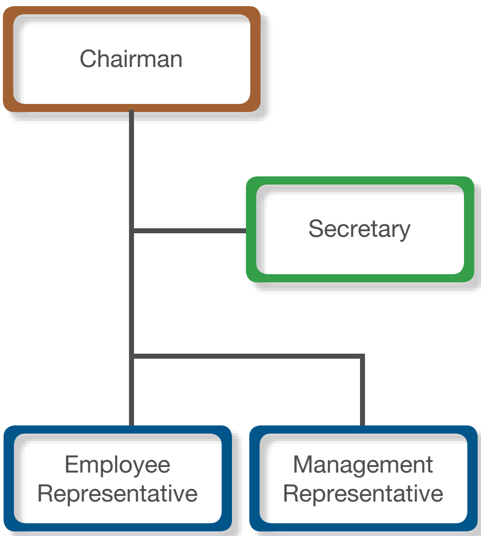
Occupational Safety and Health Oversight

Health and safety performance is overseen by the Board of Directors, with regular operational updates on Health, Safety and Environment ("HSE") matters reported by the Chief Operating Officer to the Chief Executive Officer, who is also an Executive Director. This structure supports ongoing senior management oversight of HSE risks, mitigation measures and corrective actions to ensure continuous improvement across the Group.

The Safety and Health Organisational Chart

The Safety and Health Committee comprises representatives from both management and employees. Its key responsibilities include:

- Conducts periodic workplace inspections and safety audits to identify hazards and assess compliance with safety requirements
- Reviews incidents, monitors safety performance and oversees the implementation of corrective and preventative actions
- Meets at scheduled intervals to review safety performance, monitor incidents and report key occurrences



Provides oversight of OSH matters and reports updates to the Chief Operating Officer on a monthly basis, ensuring Management remains informed of key issues, risks and remedial actions

Reviews audit findings and monitors the implementation of corrective actions in line with established safety protocols and regulatory requirements

Provides regular reports to Management on compliance status, safety performance and the progress of corrective actions

Represents employee safety concerns and supports compliance OSHA requirements and applicable workplace safety regulations

Workplace safety is reinforced through structured inspection programmes, preventative maintenance practices and ongoing monitoring, reflecting our commitment to continuous improvement in reducing health and safety impacts across the Group's operations.

SUSTAINABILITY STATEMENT
(cont'd)

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

HIRARC assessments are conducted annually across work units and operational processes in alignment with the principles of ISO 45001:2018 to systematically identify potential hazards, evaluate workplace risks and implement appropriate control measures to protect employee health and safety.

Fire Safety and Emergency Preparedness

The Emergency Response Plan ("ERP") establishes a system for directing emergency services to minimise risks to personnel, the local community, the environment and assets. The Emergency Response Team ("ERT") performs defined duties under the ERP, with adequate resources maintained in a state of readiness.

Fire prevention equipment, systems and emergency response measures are maintained in accordance with the regulations of the Fire and Rescue Department of Malaysia. Regular inspections ensure equipment readiness, while periodic fire drills and employee briefings strengthen the Group's emergency response capability. Clear evacuation and escape route plans are prominently displayed throughout the workplace to further facilitate preparedness in the event of an emergency.

Equipment Maintenance and Safety

Preventative maintenance programmes are implemented across plants to ensure operational safety, enable early identification of defects and reduce the risk of machinery failures and workplace accidents.

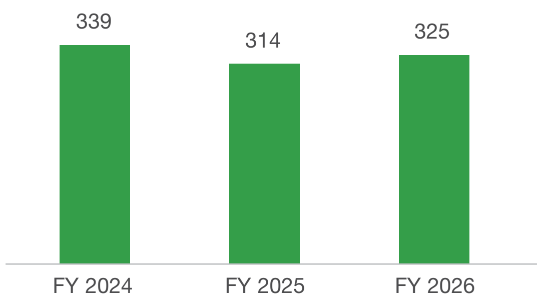
Personal Protective Equipment ("PPE")

Appropriate personal protective equipment ("PPE") is mandated based on job-specific risk exposures and operational safety requirements. This includes, where applicable, surgical masks, gowns, earmuffs, hair nets, gloves and safety footwear.

Health and Safety Training

In FY 2026, health and safety training was provided to 325 employees, covering topics such as machinery and vehicle safety, workplace cleanliness, chemical handling, PPE management and safety awareness to strengthen workforce safety competencies.

Number of Employees Trained on Health and Safety Standards



The Group recorded a LTIR of 1.04, with zero work-related fatalities across a total of 1,543,048 hours worked in this reporting year.

SUSTAINABILITY STATEMENT
(cont'd)

Health and Safety Performance	FY 2024	FY 2025	FY 2026
Number of work-related fatalities	0	0	0
Lost-time incident rate ("LTIR")	0.74	0.30	1.04

Note:
The LTIR data is calculated using the standard multiplier of 200,000 total hours worked, in alignment with the methodology outlined as per the Bursa Sustainability Reporting Guideline.

Labour Standards and Human Rights

Power Root upholds human rights and fair labour practices across our operations, fostering an inclusive workplace through employment practices that promote fairness, respect and dignity, while ensuring compliance with applicable labour laws and regulations. Additionally, the Group does not tolerate forced labour, child labour or discrimination in any form.

Our employment practices are aligned with applicable Malaysian Labour legislation, including the Employment Act 1955, Employment (Amendment) Act 2022 and Industrial Relations Act 1967, which include the protection of employees' rights to freedom of association and collective bargaining as well as equal pay for equal work. Power Root recorded no confirmed incidents of non-compliance with labour standards during FY 2026.

Ensuring Fair Compensation

We maintain fair and competitive compensation practices in accordance with the Minimum Wages Order 2024. Semi-annual remuneration reviews are conducted to promote internal equity and alignment with employees' roles and responsibilities. We will also endeavor to exceed minimum wage requirements where applicable.

Protecting Children and Young Workers

Power Root complies with the Children and Young Persons (Employment) Act 1966, refraining from employing minors or young persons in roles prohibited by the Act.

Employee Benefits

Beyond statutory entitlements, Power Root provides a range of employee benefits aimed at promoting employee well-being, supporting work-life balance and enhancing overall employee welfare.

- Hospital and surgical insurance
- Corporate scholarships for employees and their families
- Accommodation for foreign workers
- Long service award
- Daily complimentary meals
- Staff purchase discounts
- Mobile phone allowance

Safe and Comfortable Accommodation

Accommodation is provided for foreign workers at our Johor plants in compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990, with the required Certificate for Accommodation obtained from the Director General of Labour, Malaysia.

Grievance and Whistleblowing Mechanisms

Our Grievance Procedures and Whistleblowing Policy enable employees and affected parties to raise concerns, including issues related to bullying and harassment, directly with Management. These mechanisms preserve confidentiality and protect the anonymity of complainants, while providing clearly defined reporting channels, escalation processes and resolution timelines. Both policies are publicly available on the Group's website.

In FY 2026, no substantiated complaints relating to human rights violations were recorded, representing three consecutive years with no reported violations.

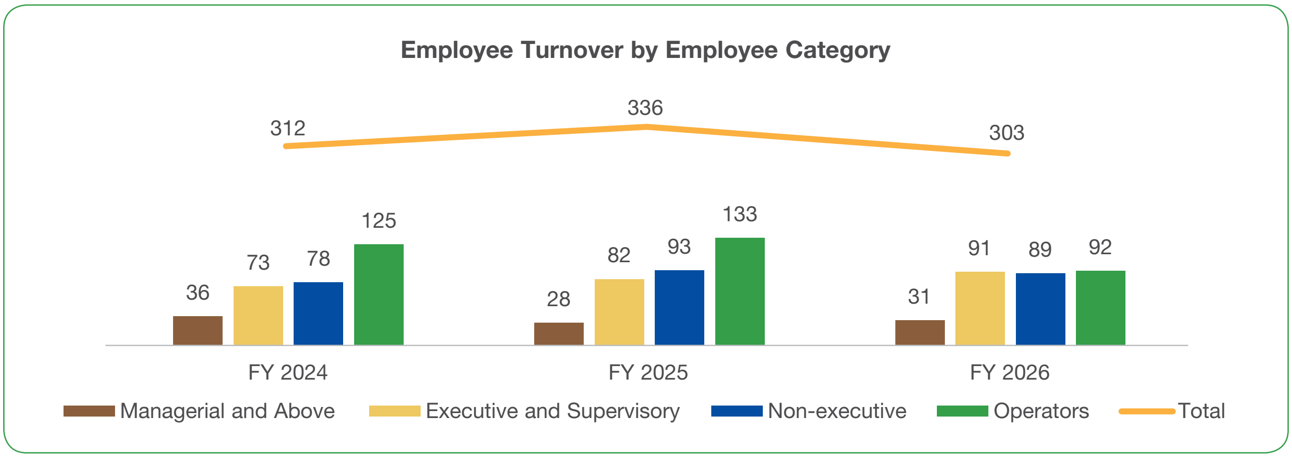
Employee Turnover

Total employee turnover amounted to 303, reducing our turnover rate to 32% in FY 2026.

32%

Turnover Rate

FY 2025: 35%
FY 2024: 36%



Workplace Diversity and Talent Management

Workforce diversity and talent management are important for sustaining operational performance and workforce stability across the Group's manufacturing operations. We emphasise employee development and inclusive workplace policies to bolster capabilities, support retention and maintain a productive working environment.

Non-Discrimination and Workplace Conduct

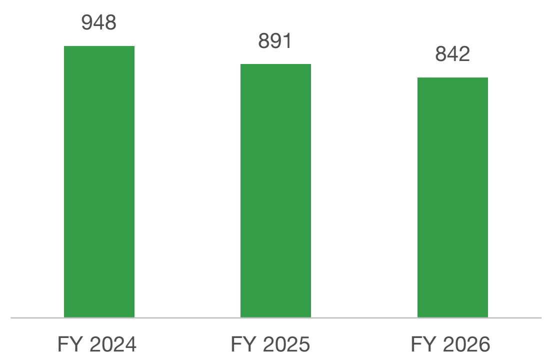
- Formalised within the Code of Conduct and Employee Handbook
- Zero-tolerance for discrimination, harassment and inappropriate workplace conduct
- Promotes fair and equitable practices in hiring, promotion and career development, regardless of race, gender, sexual orientation, religion, national or social origin, age or disability
- Regular awareness initiatives conducted through employee induction programmes, internal communications and workplace notices to reinforce a respectful and inclusive workplace environment

SUSTAINABILITY STATEMENT
(cont'd)

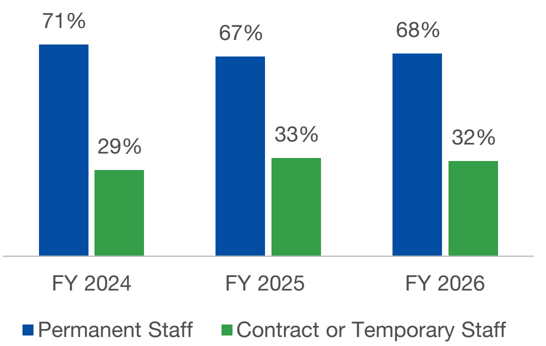
Employee Diversity

As at 31 March 2026, Power Root employed a total of 842 employees across operations. Workforce composition reflects the operational needs of the Group's manufacturing activities, with a concentration within production roles and the largest proportion of employees within the 25–34 age group.

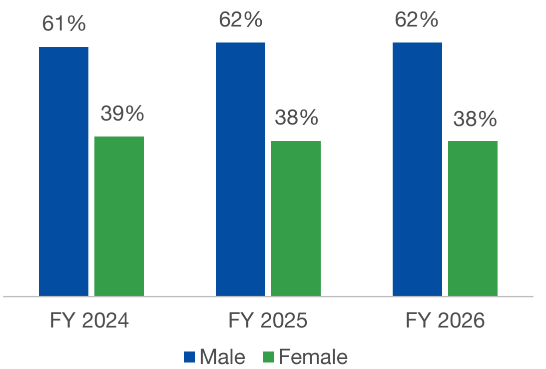
Total Number of Employees



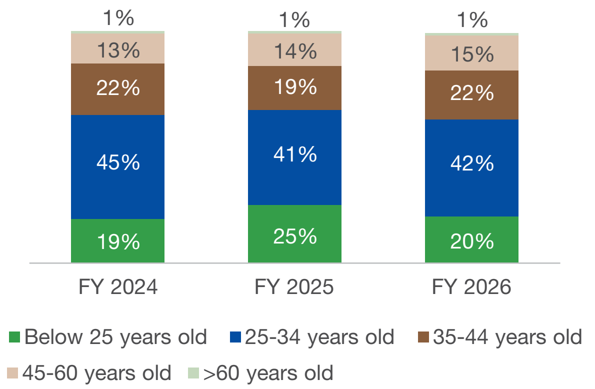
Employment Type



Employee Gender Distribution



Employee Age Distribution



For FY 2026, the Group did not have any employees with formally declared disabilities. Power Root maintains an equal opportunity employment approach and welcomes applications from suitably qualified candidates, including persons with disabilities.

Employee Development

Employee talent development remains important to strengthen workforce capabilities and maintaining operational performance across the Group's manufacturing operations. We invest in programmes designed to build technical knowledge, workforce capabilities and operational excellence, maintaining quality and fostering innovation.

Power Root established an online training application that enables employees to submit and manage training requests, streamlining the training process and encouraging employee participation in learning, self-development and professional development initiatives.

In FY 2026, Power Root delivered a total of 6,402 training hours to 842 employees across key training areas including:

- Soft Skills
- Anti-Bribery and Corruption
- Information Technology
- Safety and Health
- Food Handling and Safety
- Accounting
- Internal Audit
- Quality Assurance

We provide training programmes tailored to employee groups based on their roles and responsibilities, ensuring all employees receive relevant training and reinforcing our commitment to quality, safety and ethical conduct across all operations.

Production and warehouse staff received training on food safety, forklift operations and workplace safety, while managerial and executive employees participated in leadership, communication and digital transformation programmes. New hires underwent structured safety and HR inductions to ensure a strong foundation in workplace safety and Group policies.

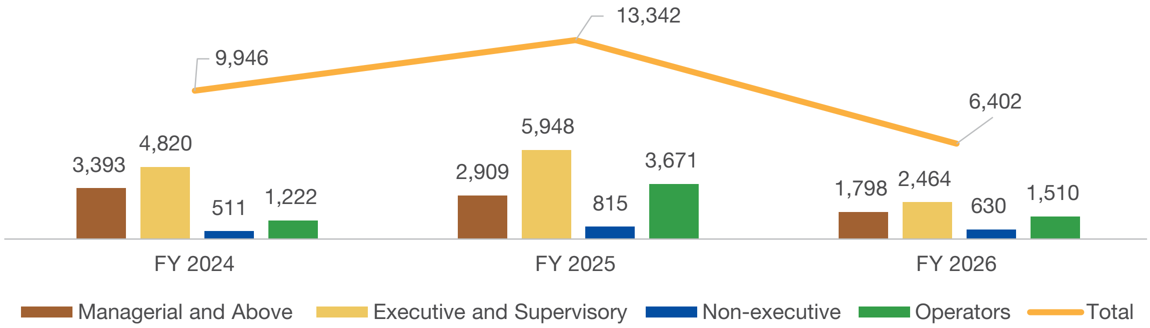
8 Average Training Hours
per employee

(FY 2025: 15 hours)
(FY 2024: 10 hours)

6,402 Total Training Hours
as a company

(FY 2025: 13,342 hours)
(FY 2024: 9,946 hours)

Total Training Hours by Employee Category



LEAN Culture Training Programme

In FY 2026, we commenced a series of hands-on training sessions that will extend into FY 2027. Incorporating interactive games, these training sessions aim to nurture a LEAN culture across Power Root.

Key Modules:

- **Airplane Game:** Introduces LEAN concepts and the 8 wastes (non-value-added activities).
- **Lego Game:** Teaches work standardisation to improve efficiency and reduce waste.
- **T-Shirt Folding Game:** Applies the "Training Within Industry" ("TWI") system to improve training effectiveness.

Multiple sessions were conducted to accommodate tight schedules, targeting all managers and below across all departments. LEAN principles benefit the organisation by driving continuous improvement through process automation, manpower optimisation and standardisation of workflows across operations.

Semi-Annual Performance Review

Employees undergo semi-annual performance reviews as part of the Group's performance assessment process. These assessments evaluate individual performance, identify training needs and support employee development.

Assessment outcomes also inform promotion and career progression decisions, enabling role development based on performance and capability.

SUSTAINABILITY STATEMENT
(cont'd)

Future Talent Development Internship Programmes

Our internship programme provides students with hands-on industry exposure and practical learning opportunities, supporting their personal and professional development while contributing to early talent development and future workforce needs. In FY 2026, we hired interns under the programme across the Sales, Operations, Warehouse and Marketing departments.

Responsible Sourcing and Supply Chain Management

Supply chain management remains essential to ensuring production continuity and maintaining our product quality. We emphasise responsible procurement practices, structured supplier evaluation and adherence to internal standards to support operational reliability and drive supplier accountability. The Group will continue to reinforce responsible procurement practices, structured supplier evaluation and adherence to internal standards to support operational reliability and drive supplier accountability.

Supplier Management Process

Standard Operating Procedures ("SOPs") govern Power Root's purchasing and supplier management processes, promoting transparency, product quality and compliance with internal policies and regulatory requirements.

Purchasing Procedure

The Group's purchasing SOP ensures that all procurement decisions:

- Align with the best interests of the Group and our stakeholders
- Comply with internal policies and uphold ethical standards
- Promote transparency and support responsible sourcing practices

Supplier Selection and Assessment

The Group's SOP for supplier selection ensures that:

- Suppliers meet operational, quality and ESG standards
- Clear guidelines govern supplier qualification, selection and periodic re-evaluation
- Supplier evaluations are conducted fairly and consistently using standardised criteria

Supplier Selection and Evaluation

Prior to engagement, suppliers are required to complete a Third-Party Declaration Form confirming compliance with the Group's Code of Conduct, ABC Policy, Standard Operating Procedures and Whistleblowing Policy and Procedures.

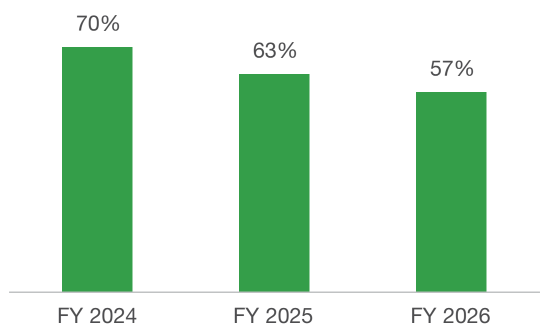
New suppliers undergo assessments by the relevant departments and must submit the necessary documentation for review and, where necessary, supplier audits or product sample evaluations as part of the Group's due diligence process. Suppliers are only added to Power Root's Approved Supplier List upon satisfactory completion of these assessments.

Suppliers on the Approved Supplier List are reassessed annually, with audits conducted where required. Suppliers that do not meet minimum standards are required to implement corrective actions within a specified timeframe. Continued non-compliance may result in removal from the Approved Supplier List, with reinstatement subject to re-evaluation.

Procurement from Local Suppliers

In FY 2026, the Group sourced 57% of our procurement from local suppliers.

Group Proportion of Spending on Local Suppliers



SUSTAINABILITY STATEMENT
(cont'd)

Local Community Contributions and Development

Community investments and contributions form part of our broader approach to maintaining positive relationships with the communities where we operate. Focus areas include education support, community well-being initiatives and local outreach activities relevant to the Group's operating environment.

In FY 2026, the Group supported schools, charitable organisations, community programmes and public institution initiatives through monetary and product donations. These included contributions to orphanages, old folks' homes, schools, the Royal Malaysia Police ("PDRM"), the Malaysian International Chamber of Commerce and Industry ("MICCI"), the Malaysian Medical Relief Society ("MERCY Malaysia") and victims of the Putra Heights incident.

Gaza Humanitarian Fundraiser

Power Root participated in the Absolut Bazaar event, raising RM10,000 for humanitarian efforts in Gaza through the "Kongsi Kuasa Kau Demi Gaza" campaign. A Hammer Machine was set up at our brand booth to encourage crowd participation. Customers who purchased our products took part in the challenge, and the Group topped up the donation equivalent to the scores achieved by each participant. All proceeds were channelled towards humanitarian aid for Gaza.

In total, Power Root contributed RM26,539 in product donations in FY 2026, benefiting 19,326 individuals and supporting community development through the delivery of positive social impact.

	FY 2024	FY 2025	FY 2026
Total Amount Invested (RM)	859,567	31,482	26,539
Total Number of Beneficiaries	239	9,011	19,326

SUSTAINABILITY STATEMENT
(cont'd)

Continuing the Path of Sustainable Growth

As sustainability expectations from regulators and stakeholders continue to evolve and become increasingly important, Power Root remains focused on integrating sustainability across our beverage manufacturing operations to drive resilience, long-term value creation and meet or exceed compliance requirements.

We will continue to uphold responsible business conduct while integrating sustainability considerations into operational and strategic decision-making. Enhancements made during FY 2026, particularly in governance practices, climate-related disclosures and operational improvements, reinforce the Group's readiness to address emerging risks and opportunities.

Looking ahead, Power Root remains committed to implementing sustainability practices that support responsible growth, operational excellence and positive stakeholder outcomes. Continuous improvements in sustainability management will remain aligned with the Group's business strategy as Power Root advances towards delivering long-term value for shareholders while contributing responsibly to the environment and society.

Performance Data Table

Sustainability Matter and Metric	Unit	Values	
		FY 2025	FY 2026
Anti-Corruption and Anti-Bribery			
Percentage of employees who have received training on anti-corruption by employee category			
Managerial and above	%	1	37
Executive and Supervisory	%	9	49
Non-Executive	%	20	14
Operators	%	51	14
Percentage of operations assessed for corruption related risks	%	100	100
Confirmed incidents of corruption and actions taken	Number	0	0
Data Privacy and Cybersecurity			
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0
Energy Efficiency and Climate Change			
Total energy consumption	GJ	47,799	43,946
Scope 1 emissions in tonnes of CO_2e	tCO2e	1,335	1,105
Scope 2 emissions in tonnes of CO_2e	tCO2e	5,514	5,542
Scope 3 emissions in tonnes of CO_2e (business travel, employee commuting, waste generation)	tCO2e	1,860	1,957
Water Consumption			
Total volume of water used	ML	84.37	71.84
Waste and Effluent Management			
Total waste generated	MT	996.20	780.21
Total waste diverted from disposal	MT	529.57	316.43
Total waste directed to disposal	MT	466.63	463.78
Employee Health, Safety and Well-being			
Number of work-related fatalities	Number	0	0
Lost time incident rate ("LTIR")	Rate	0.30	1.04
Number of employees trained on health and safety standards	Number	314	325
Human Rights, Labour Practices and Standards			
Number of substantiated complaints concerning human rights violation	Number	0	0
Corporate Governance and Responsible Business Conduct			
Percentage of directors by gender and age			
Male	%	90	89
Female	%	10	11
Below 30 Years Old	%	10	11
Between 30 to 39 Years Old	%	0	0
Between 40 to 49 Years Old	%	10	0
Between 50 to 59 Years Old	%	30	33
Above 59 Years Old	%	50	56

SUSTAINABILITY STATEMENT
(cont'd)

Sustainability Matter and Metric	Unit	Values FY 2025	FY 2026
Labour Standards, Human Rights and Talent Management			
Total number of employee turnover by employee category			
Managerial and above	Number	28	31
Executive and Supervisory	Number	82	91
Non-Executive	Number	93	89
Operators	Number	133	92
Percentage of employees by gender and age group, for each employee category			
Gender group by employee category			
Managerial and above (Male)	%	54	57
Managerial and above (Female)	%	46	43
Executive and Supervisory (Male)	%	41	41
Executive and Supervisory (Female)	%	59	59
Non-Executive (Male)	%	27	34
Non-Executive (Female)	%	73	66
Operators (Male)	%	90	90
Operators (Female)	%	10	10
Age group by employee category			
Managerial and above (Below 25 Years Old)	%	1	0
Managerial and above (Between 25 to 34 Years Old)	%	22	26
Managerial and above (Between 35 to 44 Years Old)	%	40	36
Managerial and above (Between 45 to 60 Years Old)	%	35	36
Managerial and above (Above 60 Years Old)	%	2	2
Executive and Supervisory (Below 25 Years Old)	%	4	3
Executive and Supervisory (Between 25 to 34 Years Old)	%	42	45
Executive and Supervisory (Between 35 to 44 Years Old)	%	32	35
Executive and Supervisory (Between 45 to 60 Years Old)	%	21	16
Executive and Supervisory (Above 60 Years Old)	%	1	1
Non-Executive (Below 25 Years Old)	%	16	14
Non-Executive (Between 25 to 34 Years Old)	%	40	36
Non-Executive (Between 35 to 44 Years Old)	%	18	24
Non-Executive (Between 45 to 60 Years Old)	%	24	23
Non-Executive (Above 60 Years Old)	%	2	3
Operators (Below 25 Years Old)	%	45	35
Operators (Between 25 to 34 Years Old)	%	45	50
Operators (Between 35 to 44 Years Old)	%	8	12
Operators (Between 45 to 60 Years Old)	%	2	3
Operators (Above 60 Years Old)	%	0	0
Percentage of employees that are contractors or temporary staff	%	33	32
Total hours of training by employee category			
Managerial and above	Hours	2,909	1,798
Executive and Supervisory	Hours	5,948	2,464
Non-Executive	Hours	815	630
Operators	Hours	3,671	1,510
Responsible Sourcing and Supply Chain Management			
Proportion of spending on local suppliers	%	63	57
Community Engagement			
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	31,482	26,539
Total number of beneficiaries of the investment in communities	Number	9,011	19,326

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-Corruption and Anti-Bribery	Percentage of employees who have received training on anti-corruption by employee category - Managerial and above	Percentage	1	37	—	Internal
Anti-Corruption and Anti-Bribery	Percentage of employees who have received training on anti-corruption by employee category - Executive and Supervisory	Percentage	9	49	—	Internal
Anti-Corruption and Anti-Bribery	Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	20	14	—	Internal
Anti-Corruption and Anti-Bribery	Percentage of employees who have received training on anti-corruption by employee category - Operators	Percentage	51	14	—	Internal
Anti-Corruption and Anti-Bribery	Percentage of operations assessed for corruption related risks	Percentage	100	100	—	Internal
Anti-Corruption and Anti-Bribery	Confirmed incidents of corruption and actions taken	Number	0	0	—	Internal
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	—	Internal
Energy Efficiency and Climate Change	Total energy consumption	Gigajoule	47,799	43,946	—	Internal
Energy Efficiency and Climate Change	Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,335	1,105	—	Internal
Energy Efficiency and Climate Change	Scope 2 emissions in tonnes of CO2e	Metric tonnes	5,514	5,542	—	Internal

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SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy Efficiency and Climate Change	Scope 3 emissions in tonnes of CO2e (business travel, employee commuting, waste generation)	Metric tonnes	1,860	1,957	—	Internal
Water Consumption	Total volume of water used	Megalitres	84.37	71.84	—	Internal
Waste and Effluent Management	Total waste generated	Metric tonnes	996.20	780.21	—	Internal
Waste and Effluent Management	Total waste diverted from disposal	Metric tonnes	529.57	316.43	—	Internal
Waste and Effluent Management	Total waste directed to disposal	Metric tonnes	466.63	463.78	—	Internal
Employee Health, Safety and Well-being	Number of work-related fatalities	Number	0	0	—	Internal
Employee Health, Safety and Well-being	Lost time incident rate ("LTIR")	Rate	0.30	1.04	—	Internal
Employee Health, Safety and Well-being	Number of employees trained on health and safety standards	Number	314	325	—	Internal
Human Rights, Labour Practices and Standards	Number of substantiated complaints concerning human rights violation	Number	0	0	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by gender - Male	Percentage	90	89	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by gender - Female	Percentage	10	11	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by age - Below 30 Years Old	Percentage	10	11	—	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-22_17:49:51

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Corporate Governance and Responsible Business Conduct	Percentage of directors by age - Between 30 to 39 Years Old	Percentage	0	0	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by age - Between 40 to 49 Years Old	Percentage	10	0	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by age - Between 50 to 59 Years Old	Percentage	30	33	—	Internal
Corporate Governance and Responsible Business Conduct	Percentage of directors by age - Above 59 Years Old	Percentage	50	56	—	Internal
Labour Standards, Human Rights and Talent Management	Total number of employee turnover by employee category - Managerial and above	Number	28	31	—	Internal
Labour Standards, Human Rights and Talent Management	Total number of employee turnover by employee category - Executive and Supervisory	Number	82	91	—	Internal
Labour Standards, Human Rights and Talent Management	Total number of employee turnover by employee category - Non-Executive	Number	93	89	—	Internal
Labour Standards, Human Rights and Talent Management	Total number of employee turnover by employee category - Operators	Number	133	92	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Managerial and above (Male)	Percentage	54	57	—	Internal

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Managerial and above (Female)	Percentage	46	43	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category -Executive and Supervisory (Male)	Percentage	41	41	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Executive and Supervisory (Female)	Percentage	59	59	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Non-Executive (Male)	Percentage	27	34	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Non-Executive (Female)	Percentage	73	66	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Operators (Male)	Percentage	90	90	—	Internal

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Gender group by employee category - Operators (Female)	Percentage	10	10	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category -Managerial and above (Below 25 Years Old)	Percentage	1	0	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Managerial and above (Between 25 to 34 Years Old)	Percentage	22	26	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Managerial and above (Between 35 to 44 Years Old)	Percentage	40	36	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Managerial and above (Between 45 to 60 Years Old)	Percentage	35	36	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Managerial and above (Above 60 Years Old)	Percentage	2	2	—	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-22_17:49:51

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Executive and Supervisory (Below 25 Years Old)	Percentage	4	3	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Executive and Supervisory (Between 25 to 34 Years Old)	Percentage	42	45	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Executive and Supervisory (Between 35 to 44 Years Old)	Percentage	32	35	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Executive and Supervisory (Between 45 to 60 Years Old)	Percentage	21	16	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Executive and Supervisory (Above 60 Years Old)	Percentage	1	1	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Non-Executive (Below 25 Years Old)	Percentage	16	14	—	Internal

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SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Non-Executive (Between 25 to 34 Years Old)	Percentage	40	36	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Non-Executive (Between 35 to 44 Years Old)	Percentage	18	24	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Non-Executive (Between 45 to 60 Years Old)	Percentage	24	23	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Non-Executive (Above 60 Years Old)	Percentage	2	3	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Operators (Below 25 Years Old)	Percentage	45	35	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Operators (Between 25 to 34 Years Old)	Percentage	45	50	—	Internal

SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category -Operators (Between 35 to 44 Years Old)	Percentage	8	12	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category - Operators (Between 45 to 60 Years Old)	Percentage	2	3	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees by gender and age group, for each employee category - Age group by employee category -Operators (Above 60 Years Old)	Percentage	0	0	—	Internal
Labour Standards, Human Rights and Talent Management	Percentage of employees that are contractors or temporary staff	Percentage	33	32	—	Internal
Labour Standards, Human Rights and Talent Management	Total hours of training by employee category -- Managerial and above	Hours	2,909	1,798	—	Internal
Labour Standards, Human Rights and Talent Management	Total hours of training by employee category - Executive and Supervisory	Hours	5,948	2,464	—	Internal
Labour Standards, Human Rights and Talent Management	Total hours of training by employee category - Non-Executive	Hours	815	630	—	Internal
Labour Standards, Human Rights and Talent Management	Total hours of training by employee category - Operators	Hours	3,671	1,510	—	Internal
Responsible Sourcing and Supply Chain Management	Proportion of spending on local suppliers	Percentage	63	57	—	Internal

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SUSTAINABILITY STATEMENT
(cont'd)

Bursa Malaysia Prescribed Table *(cont'd)*

POWER ROOT BERHAD
BMLR Transition Period

Date & Time: 2026-07-22_17:49:51
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Community Engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	31,482	26,539	—	Internal
Community Engagement	Total number of beneficiaries of the investment in communities	Number	9,011	19,326	—	Internal

SUSTAINABILITY STATEMENT
(cont'd)

IFRS Content Index

IFRS S1		
Code	**Disclosure**	**Reference**
Governance		
IFRS S1.27(a)	Governance bodies responsible for oversight of sustainability-related risks and opportunities	31, 94
IFRS S1.27(a)(i)	Responsibilities reflected in terms of reference, mandates, role descriptions, and related policies	31, 82-84, 111
IFRS S1.27(a)(ii)	How the governance body develops skills and competencies to oversee strategies addressing sustainability-related risks and opportunities	88, 91
IFRS S1.27(a)(iii)	How and how often the governance body is informed about sustainability-related risks and opportunities	31, 85
IFRS S1.27(a)(iv)	How sustainability-related risks and opportunities are considered in strategy, major transactions, risk management, and related policies	31, 82-85
IFRS S1.27(a)(v)	Oversight of target-setting and progress monitoring for sustainability-related risks and opportunities	31
IFRS S1.27(b)	Management's role in oversight of sustainability-related risks and opportunities	32, 112
IFRS S1.27(b)(i)	Delegation to management-level positions or committees and oversight mechanisms	32, 112-113
IFRS S1.27(b)(ii)	Controls and procedures supporting oversight and integration with internal functions	32, 113-116
Strategy		
IFRS S1.29(a)	Sustainability-related risks and opportunities that could reasonably affect the entity's prospects	37-40
IFRS S1.29(b)	Current and anticipated effects on business model and value chain	37-40
IFRS S1.29(c)	Effects on strategy and decision-making	37-40
IFRS S1.29(d)	Effects on financial position, performance, and cash flows	37-40
Risk Management		
IFRS S1.44(a)	Processes and policies to identify, assess, prioritise, and monitor sustainability-related risks	32, 36, 111-113, 115-116
IFRS S1.44(a)(i)	Inputs and parameters used (e.g., data sources, operational scope)	23, 32, 36, 111-113
IFRS S1.44(a)(iii)	Assessment of risk nature, likelihood, and magnitude	32, 111-113
IFRS S1.44(a)(iv)	Prioritisation relative to other risks	32, 111-113
IFRS S1.44(a)(v)	Risk monitoring	32, 111-113
IFRS S1.44(b)	Processes and policies to identify, assess, prioritise, and monitor sustainability-related opportunities	32, 111-113
IFRS S1.44(c)	Integration of sustainability-related risk and opportunity processes into overall risk management	32, 111-113
Metrics and targets		
IFRS S1.46(a)	Metrics required by an applicable IFRS Sustainability Disclosure Standard	41-65
IFRS S1.46(b)(i)	Metrics used to measure and monitor performance in relation to sustainability-related risks or opportunities	41-65
IFRS S1.48	Metrics associated with particular business models, activities, or industry characteristics	41-65
IFRS S1.49	If metrics are from non-IFRS sources, the source and metric must be identified	24
IFRS S1.50(a)	Definition of entity-developed metrics, including adaptation from non-IFRS sources and differences from those sources.	24, 66-67, 79-81
IFRS S1.50(b)	Whether the metric is absolute, relative, or qualitative	41-65
IFRS S1.50(d)	Method for metric calculation, inputs, limitations, and assumptions	44, 46, 54, 60

SUSTAINABILITY STATEMENT
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IFRS Content Index *(cont'd)*

IFRS S2		
Governance		
IFRS S2.6(a)	Governance bodies responsible for oversight of climate-related risks and opportunities	31, 94
IFRS S2.6(a)(i)	Responsibilities reflected in terms of reference, mandates, role descriptions, and related policies	31, 82-84, 111
IFRS S2.6(a)(ii)	How the governance body develops skills and competencies to oversee strategies addressing climate-related risks and opportunities	88-91
IFRS S2.6 (a)(iii)	How and how often the governance body is informed about climate-related risks and opportunities	31, 85
IFRS S2.6 (a)(iv)	Consideration of climate-related risks and opportunities in strategy, major transactions, risk management, and related policies, including trade-offs	31, 82-85
IFRS S2.6 (b)	Management's role in overseeing climate-related risks and opportunities	32, 112-113
IFRS S2.6 (b)(i)	Delegation to management-level positions or committees and oversight mechanisms	32, 112-113
IFRS S2.6 (b)(ii)	Controls and procedures supporting oversight and integration with internal functions	32, 113-116
Strategy		
IFRS S2.9(a)	Climate-related risks and opportunities that could reasonably affect the entity's prospects	50-51
IFRS S2.9(b)	Current and anticipated effects on business model and value chain	50-51
IFRS S2.9(c)	Effects on strategy and decision-making, including climate-related transition plans	50-51
IFRS S2.9(d)	Effects on financial position, performance, and cash flows	50-51
Risk Management		
IFRS S2.25(a)	Processes and policies to identify, assess, prioritise, and monitor climate-related risks	32, 36, 111-113
IFRS S2.25(a)(i)	Inputs and parameters used (e.g., data sources, scope of operations)	23, 32, 36, 111-113
IFRS S2.25(a)(iii)	Assessment of risk nature, likelihood, and magnitude	32, 111-113
IFRS S2.25(a)(iv)	Prioritisation of climate-related risks relative to other risks	32, 111-113
IFRS S2.25(a)(v)	Risk monitoring	32, 111-113
IFRS S2.25(b)	Processes and policies to identify, assess, prioritise, and monitor climate-related opportunities	32, 111-113
IFRS S2.25(c)	Integration of risk and opportunity processes into overall risk management	32, 111-113
Metrics and Targets		
IFRS S2.28(a)	Information relevant to cross-industry metric categories	41-65
IFRS S2.28(b)	Industry-based metrics associated with particular business models, activities, or industry characteristics	24, 79
IFRS S2.29(a)(i)	Absolute gross Scope 1, 2, and 3 GHG emissions in metric tonnes CO_2e	53
IFRS S2.29(a)(ii)	Measurement of GHG emissions in accordance with the Greenhouse gas Protocol: A Corporate Accounting and Reporting Standard (2004)	24, 53
IFRS S2.29(a)(iii)	Measurement approach, inputs, assumptions, and reasons for changes during the reporting period	24, 53
IFRS S2.29(a)(iv)	Consolidated accounting group, including excluded investees for Scope 1 and Scope 2 greenhouse gas emissions disclosed	53
IFRS S2.29(a)(v)	Location-based Scope 2 emissions and contractual instruments (e.g., energy purchase agreements)	53
IFRS S2.29(a)(vi)(1)	Categories included in Scope 3 emissions measurement	54
IFRS S2.32	Industry-based metrics linked to business model or activities, as guided by IFRS S2	24, 79

SASB Content Index

In preparing its sustainability-related financial information, the Group has referred to, and considered, the applicability of disclosure topics and metrics in the SASB Standards.

Food and Beverage Sector: Non-Alcoholic Beverages

Code	Metric	Reference
FB-NB-110a.1	Fleet fuel consumed, percentage renewable	Fuel Consumption, Page 52
FB-NB-130a.1	(1) Operational energy consumed (2) Percentage grid electricity and (3) Percentage renewable	Energy Consumption, Page 52; Electricity Consumption, Page 53
FB-NB-140a.1	(1) Total water withdrawn	Water Consumption, Page 54
	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	
FB-NB-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	
FB-NB-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Health and Nutrition, Pages 43-44
FB-NB-410a.1	(1) Total weight of packaging, (2) Percentage made from recycled or renewable materials, and (3) Percentage that is recyclable, reusable, or compostable	Sustainable product packaging, Page 56
FB-NB-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	

SUSTAINABILITY STATEMENT
(cont'd)

GRI Content Index

Statement of use	Power Root Berhad has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	23-24
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	24
	2-6 Activities, value chain and other business relationships	64
	2-7 Employees	62
	2-9 Governance structure and composition	31-32
	2-12 Role of the highest governance body in overseeing the management of impacts	31
	2-13 Delegation of responsibility for managing impacts	31-32
	2-14 Role of the highest governance body in sustainability reporting	31
	2-16 Communication of critical concerns	31-32
	2-17 Collective knowledge of the highest governance body	31, 88-91
	2-19 Remuneration policies	46, 92-93, 95
	2-22 Statement on sustainable development strategy	27
	2-23 Policy commitments	46
	2-24 Embedding policy commitments	26, 46
	2-25 Processes to remediate negative impacts	60
	2-26 Mechanisms for seeking advice and raising concerns	47
	2-27 Compliance with laws and regulations	46-47, 55-56, 58, 60
	2-29 Approach to stakeholder engagement	33-35
	2-30 Collective bargaining agreements	60
GRI 3: Material Topics 2021	3-1 Process to determine material topics	36
	3-2 List of material topics	36
	3-3 Management of material topics	41-65
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	50-51
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	47
	205-3 Confirmed incidents of corruption and actions taken	47
GRI 301: Materials 2016	301-1 Materials used by weight or volume	56
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	52-53
	302-3 Energy intensity	52
	302-4 Reduction of energy consumption	52-53

GRI Content Index *(cont'd)*

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	54
	303-2 Management of water discharge-related impacts	55
	303-3 Water withdrawal	54
	303-4 Water discharge	55
	303-5 Water consumption	54
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	53
	305-2 Energy indirect (Scope 2) GHG emissions	53
	305-3 Other indirect (Scope 3) GHG emissions	53
	305-5 Reduction of GHG emissions	53
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	55
	306-2 Management of significant waste-related impacts	55
	306-3 Waste generated	55
	306-4 Waste diverted from disposal	56
	306-5 Waste directed to disposal	56
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	61
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58-59
	403-2 Hazard identification, risk assessment, and incident investigation	59
	403-4 Worker participation, consultation, and communication on occupational health and safety	58
	403-5 Worker training on occupational health and safety	59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58-59
	403-8 Workers covered by an occupational health and safety management system	58-59
	403-9 Work-related injuries	60
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	63
	404-2 Programmes for upgrading employee skills and transition assistance programmes	62-63
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	46
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	65
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 and our sustainability objectives.

This statement sets out an overview of how the Company has 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 2026 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 2026.

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 2026.

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 roles and responsibilities of the Board, Chairperson of the Board, Chief Executive Officer ("CEO"), Executive Directors ("ED"), the respective Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Option Committee ("OC"), (collectively "**Committees**"), are set out in the Board Charter which is made available on the Company's website. The Board is guided by the *Board Charter* approved by the Board and is led by an Independent Non-Executive Chairman to ensure its effectiveness. The Board provides leadership, corporate directions and strategies (including integration of sustainability considerations into the Group's corporate strategy, governance and decision-making), management oversight and control, in order to lead the Group towards the achievement of the Group's vision, mission and long-term objectives of safeguarding the interests of stakeholders as well as enhancing shareholders' value. The Board sets the strategic plan and policies while the CEO who is supported by the EDs and assisted by the Senior Management of the Group is responsible for making and implementing operational and corporate decisions.

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 sustainability considerations (including economic, environmental, social and climate change) 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;

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: - *(cont'd)*

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 is 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 Committees 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 Chairperson and the CEO are separated and there is a clear division of responsibilities between the Chairperson and the CEO. The Chairperson is responsible for the governance, orderly conduct and effectiveness of the Board, while the CEO 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 the Chairperson and CEO is disclosed in Practice 1.3 of the CG Report.

The Independent Non-Executive and Non-Independent Non-Executive Directors play an important role in ensuring objective and independent deliberations, 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 Chairman is directly accessible to shareholders and other stakeholders, and the Chairperson of the Nominating Committee is an Independent Non-Executive Director 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.

All Board members shall notify the Chairperson 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 Chairperson shall also notify the Board if he has 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

A. Board Responsibilities *(cont'd)*

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 23 July 2026. 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 Chairperson 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 of Directors, 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

A. Board Responsibilities *(cont'd)*

iii. Board Meetings

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 2026 and the attendance of each Director at the Board Meetings was as follows:

Name of Director	Designation	No. of Meetings Attended
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	Chairman, Independent Non-Executive Director	5/5
Dato' Afifuddin bin Abdul Kadir *(resigned on 28 August 2025)*	Co-Chairman, Independent Non-Executive Director	3/3
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
Low Jun Lee	Executive Director (redesignated from Non-Independent Non-Executive Director on 26 November 2025)	5/5
Ong Kheng Swee	Non-Independent Non-Executive Director	4/5
Dato' Tea Choo Keng	Independent Non-Executive Director	5/5
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.

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 Company Secretaries also attended all Board Meetings of the Company. All meetings of the Board were duly recorded in the Board minutes by the Company Secretaries. The Company Secretaries 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 information and relevant documents required for an informed decision to be made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

A. Board Responsibilities *(cont'd)*

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 Secretaries who are 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, skills and background diversity, integrity and professionalism to discharge their duties and responsibilities diligently and effectively.

The Board currently has nine (9) members comprising one (1) Independent Non-Executive Chairman, five (5) Executive Directors (including the CEO), one (1) Non-Independent Non-Executive Director 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 MCCG 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 three (3) out of nine (9) 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.

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, 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.

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 *(cont'd)*

The Board reviewed and updated the *Board Diversity Policy* on 8 May 2024. Presently, there is one (1) female Director on the Board of Directors. 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. 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 2026, 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^{th}) year, the Board shall seek the shareholders' approval through a two-tier voting process at the Annual General Meeting.

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 *Board 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.

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 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 criteria including work experience, knowledge, skills 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. A potential candidate for independent directorship is subject to independence assessment based on a formal Policy on Independence Assessment of Independent Directors established by the Board. It is the Board's policy that the former key audit partner for the external audit engagement of the Group is not to be appointed as a member of the Audit Committee for at least three (3) years after he/she left the audit firm.

All Board members who are newly appointed during the year shall hold office only until the following Annual General Meeting of the Company and shall be eligible for re-election but shall not be taken into account in determining the Directors who are retiring by rotation at that meeting in accordance with the Clause 107 of the Company's Constitution. At every AGM, one third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that 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. The Director to retire in each year shall be those who have been longest in office since the last election.

The recommendations for re-appointment of retiring Directors at the forthcoming Twentieth Annual General Meeting (20^{th} 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 20^{th} 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 Secretaries circulate 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

B. Board Composition *(cont'd)*

iv. Performance Assessment and Evaluation of Board, Board Committees, Individual Directors and Key Senior Management *(cont'd)*

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 2026 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

B. Board Composition *(cont'd)*

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

During the financial year ended 31 March 2026, 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
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	Sustainability Report Awareness	ASAP Advisory PLT
Wong Tak Keong	Sustainability Report Awareness	ASAP Advisory PLT
Dato' Wong Fuei Boon	Sustainability Report Awareness	ASAP Advisory PLT
Dato' How Say Swee	Sustainability Report Awareness	ASAP Advisory PLT
See Thuan Po	Sustainability Report Awareness	ASAP Advisory PLT
Ong Kheng Swee	Sustainability Report Awareness	ASAP Advisory PLT
	Fundamental Data Analytics for Auditors	Malaysian Institute of Accountants (MIA)
	IFRS Sustainability Disclosure Standards IFRS S1 & S2	Malaysian Institute of Accountants (MIA)
	Preparing a practice for Sustainability Assurance: The basics	Malaysian Institute of Accountants (MIA)
	How to Measure Sustainability Performance Optimally: Target Setting and Choosing the Right Metrics?	Association of Chartered Certified Accountants (ACCA)
	ESG Investing and Capital Markets: The Role of ESG In Investment Decision Making	Malaysian Institute of Accountants (MIA)
	Implementation of ISSA 5000: General Requirements for Sustainability Assurance Engagements	Malaysian Institute of Accountants (MIA)
	Post Budget 2026	Association of Chartered Certified Accountants (ACCA)
	ESG Audit for Internal Audit	Malaysian Institute of Accountants (MIA)
	ESG Awareness Training	ASAP Advisory PLT
	Board of Directors: Navigation Resilience via ESG Strategy	Malaysian Institute of Accountants (MIA)
	Anti-Bribery and Corruption Awareness Training	Leading Quantum Consultancy
Dato' Tea Choo Keng	Sustainability Report Awareness	ASAP Advisory PLT
Low Jun Lee	Sustainability Report Awareness	ASAP Advisory PLT

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

B. Board Composition *(cont'd)*

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

During the financial year ended 31 March 2026, 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: *(cont'd)*

Name of Directors	Seminars and Briefing Attended	Conducted by
Tan Lay Beng	Sustainability Report Awareness	ASAP Advisory PLT
	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	AI Business Masterclass	World Master Class
	Mid-year 2025 - review of tax cases	Wolters Kluwer
	AI Monitor - exploring trends, innovations, and AI challenges	Association of Chartered Certified Accountants (ACCA)
	Women on Boards: Behavioural traits of executives and directors	Good Governance Academy
	Sustainability for Boards & Executives	Good Governance Academy
	Budget seminar	Malaysian Institute of Accountants (MIA)
	MIA Technical updates	Malaysian Institute of Accountants (MIA)
	MIA Townhall 2025/2026	Malaysian Institute of Accountants (MIA)

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.

- **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 104 to 109 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

B. Board Composition *(cont'd)*

vi. Board Committees *(cont'd)*

- **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 2026 are as follows:

Nominating Committee	Position & Designation	No. of Meetings Held	Attendance
Dato' Tea Choo Keng *(redesignated on 27 March 2026)*	Chairperson, Independent Non-Executive Director	2	2/2
Dato' Afifuddin bin Abdul Kadir *(resigned on 28 August 2025)*	Chairperson, Independent Non-Executive Director	1	1/1
Tan Lay Beng	Member, Independent Non-Executive Director	3	3/3
Ong Kheng Swee *(redesignated on 27 March 2026)*	Member, Non-Independent Non-Executive Director	3	2/3

During the financial year ended 31 March 2026, 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 2026.

- **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.

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** *(cont'd)*

During the financial year ended 31 March 2026, the Remuneration Committee comprised 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 2026 are as follows:

Remuneration Committee	Position & Designation	No. of Meetings Held	Attendance
Ong Kheng Swee *(redesignated on 27 March 2026)*	Chairperson, Non-Independent Non-Executive Director	2	1/2
Dato' Tea Choo Keng *(appointed on 28 August 2025)*	Member, Independent Non-Executive Director	1	1/1
Dato' Afifuddin bin Abdul Kadir *(resigned on 28 August 2025)*	Member, Independent Non-Executive Director	1	1/1
Tan Lay Beng	Member, Independent Non-Executive Director	2	2/2

The Remuneration Committee met twice during the financial year ended 31 March 2026 to review the proposed remuneration package of Executive Directors and proposed Directors' fees and benefits for Non-Executive Directors with such recommended remuneration packages and Directors' fees and benefits 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 Chairperson 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.

The Option Committee members and their attendance records for meetings held during the financial year ended 31 March 2026 are as follows:

Option Committee	Position & Designation	No. of Meetings Held	Attendance
Ong Kheng Swee	Chairperson, Non-Independent Non-Executive Director	4	3/4
Wong Tak Keong	Member, Chief Executive Officer	4	4/4
See Thuan Po	Member, Executive Director	4	4/4

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 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*.

vii. 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, social and governance matters 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

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.

The Board is of the opinion that detailed disclosure on a named basis of the remuneration of individual Directors may jeopardise 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 2026 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	-	570	-	12,822	570	22
Non-Executive Directors	-	418	-	-	418	-

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

	Company		Group	
Remuneration bands per annum	Executive	Non-Executive	Executive	Non-Executive
RM50,001 to RM100,000	-	4	-	4
RM100,001 to RM150,000	-	1	-	1
RM550,001 to RM600,000	1	-	1	-
RM1,450,001 to RM1,500,000	-	-	1	-
RM1,850,001 to RM1,900,000	-	-	-	-
RM3,300,001 to RM3,350,000	-	-	1	-
RM3,550,001 to RM3,600,000	-	-	1	-
RM4,450,001 to RM4,500,000	-	-	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 2026 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.

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 countries where the Group's subsidiaries are located and operating from.

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 28 May 2025 and 25 February 2026, 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)	77,000	425,000	Audit services rendered – statutory audit in respect of FY 2026.
Non-Audit Fees (RM)	16,000	253,000	Tax return and compliance, review of Statement on Risk Management and Internal Control, preparation of transfer pricing documentation and filing of Malaysian Business Reporting System submission

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 105 to 107 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

I. Audit Committee *(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 111 to 113 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 114 to 117 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 audited financial statements and Annual Report 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 and thereafter recommended to the Board for approval, 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 105 to 109 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 Chairperson of the Board, CEO and ED (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 attended the 19th Annual General Meeting ("AGM") held on 27 August 2025 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.

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

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)*

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 20th 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 to encourage more meaningful questions and interactions between the Company and its shareholders.

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 2026, 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 2026 or, if not then subsisting, entered into since the end of the previous financial year ended 31 March 2025:

  - 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:

    1. 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:

<table>
<tr><td rowspan="2">Option Ratio</td><td rowspan="2">=</td><td>Audited PAT of Subsidiary in RM</td><td rowspan="2">x</td><td rowspan="2">% of shareholding of Grantee in the Subsidiary at the date of exercise of the Put Option</td></tr>
<tr><td>Audited PAT of the Group (inclusive of 100% consolidated PAT of the Subsidiary)</td></tr>
</table>

       Step 2: Calculation of Consideration Shares

<table>
<tr><td rowspan="2">Consideration Shares</td><td rowspan="2">=</td><td rowspan="2">Option Ratio</td><td rowspan="2">x</td><td>Total number of shares of the Grantor in issue as at the date of the exercise of the Put Option</td></tr>
<tr><td>(100% - Option Ratio)</td></tr>
</table>

       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.

    2. 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:

       (a) Bursa Malaysia Securities Berhad, for the approval for the listing of and quotation for the new ordinary shares;
       (b) The shareholders of the Company at an Extraordinary General Meeting of the Company to be convened, if required; and
       (c) Any other relevant authorities, if required.

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

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

  Please refer to Section 2.5, "Details of the RRPTs and the Related Parties", of the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and New Shareholders' Mandate of a Revenue or Trading Nature.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

DIRECTORS' RESPONSIBILITY STATEMENT *(cont'd)*

Additional Compliance 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 2026. There was no grant of new options to directors during the financial year ended 31 March 2026 in relation of ESOS Y2019 and a total of 20,000,000 options has been granted and accepted since the commencement of ESOS Y2019.

	Financial Year Ended 31 March 2026					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	17,790,000	-	-	-	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 2026 and since the commencement of ESOS Y2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

DIRECTORS' RESPONSIBILITY STATEMENT *(cont'd)*

Additional Compliance Statement *(cont'd)*

- **Employees' Share Option Schemes** *(cont'd)*

2. **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 6.4% of the issued share capital (excluding treasury shares) of the Company since the commencement of ESOS Y2024 to 31 March 2026.

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

	Financial Year Ended 31 March 2026					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	30,850,000	-	(3,800,000)	-	27,050,000	30,850,000	(3,800,000)	-	27,050,000
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 2026.

- **Utilisation of Proceeds**

There were no proceeds from corporate fund raising or options exercised during the year to be utilised.

DIRECTORS' RESPONSIBILITY STATEMENT *(cont'd)*

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.

This CG Overview Statement was approved by the Board of Directors on 23 July 2026.

AUDIT COMMITTEE REPORT

A. ESTABLISHMENT AND COMPOSITION

The Audit Committee ("AC") comprises the following members for the financial year ended 31 March 2026 and as at the date of this report: -

Chairperson:

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

Members:

Dato' Tea Choo Keng *(Independent Non-Executive Director)*
Ong Kheng Swee *(Non-Independent Non-Executive Director) (appointed on 28 August 2025)*
Dato' Afifuddin bin Abdul Kadir *(Independent Non-Executive Co-Chairman) (resigned on 28 August 2025)*

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) 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 is in the process of meeting 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 has 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 was 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 8 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 2026, 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' Tea Choo Keng	5/5
Ong Kheng Swee *(Appointed on 28 August 2025)*	2/2
Dato' Afifuddin bin Abdul Kadir *(Resigned on 28 August 2025)*	3/3

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.

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

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.

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.

AUDIT COMMITTEE REPORT
(cont'd)

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

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 2026 of the Company and the Group.

6. Private Sessions with External Auditors

For the financial year ended 31 March 2026, the Audit Committee met on 28 May 2025 and 25 February 2026, 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.

AUDIT COMMITTEE REPORT
(cont'd)

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

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 2026.

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 116 to 117 of this Annual Report.

9. Private Session with the Internal Audit Functions

For the financial year ended 31 March 2026, the AC, on 27 November 2025 and 25 February 2026, 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.

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 against 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 RPT and RRPT were within the limits of the shareholders' mandate approved at the 19th Annual General Meeting ("AGM"). Other than RRPT approved by the shareholders at the 19th AGM, the AC noted that the Group did not enter into any other material related party transactions during the financial year ended 31 March 2026.

AUDIT COMMITTEE REPORT
(cont'd)

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

11. Reviewed the Conflict of Interest ("COI") Declarations

During the financial year under review, the AC reviewed the quarterly disclosures of actual or potential conflicts of interest ("COI"), including interests in competing businesses, submitted by the Directors of the Company and its subsidiaries. The AC assessed the nature, extent and materiality of the declared COIs, including their potential impact on the decision-making process of the Group and, where necessary, reviewed the conflict management and/or mitigation measures implemented. The outcomes of the review were subsequently reported to the Board.

In addition, all Directors were required to submit annual declarations to ensure that any actual or potential COI had been appropriately disclosed during the financial year under review.

The review process undertaken by the AC included, amongst others, the assessment of the adequacy and completeness of the disclosures made, maintenance of records of disclosures and actions taken, periodic monitoring and reporting to the Board, as well as the appropriateness of mitigation measures implemented. The AC also reviewed the adequacy and effectiveness of the COI Policy to ensure continued alignment with best practices and good corporate governance standards.

12. 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 2026.

13. 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, Disclosure of Financial Data for Syariah Screening, etc.) and the audited financial statements of the Group and the Company to ensure compliance with the MMLR, MCCG and other guidelines for publication in the Company's Annual Report and recommended these to the Board for approval.

14. 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 20th AGM for the shareholders approval..

15. 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.

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

16. Reviewed the Sustainability Matters Assessment Results of the Group

In May 2026, 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 Sustainability Risk and Management Committee (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.

17. 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 terms of reference and proposed updates and changes in the terms 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 Whistleblowing Policy.
- Reviewed the solvency statements in connection with the declaration of 4th interim single tier dividend for the financial year ended 31 March 2025, and 1st , 2nd and 3rd interim single tier dividend for the financial year ended 31 March 2026 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.

AUDIT COMMITTEE REPORT
(cont'd)

E. INTERNAL AUDIT FUNCTION *(cont'd)*

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.

The costs incurred for the internal audit function for the FY 2026 was RM455,000.

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 111 to 117 of this annual report.

This AC Report was approved by the Board on 23 July 2026.

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 2026 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 stipulated in the Board Charter, the Board assumes the ultimate responsibility for maintaining sound governance, risk management and internal control system, and for reviewing their adequacy and effectiveness to achieve the Group's mission, core values, strategies and business objectives. The Board is also responsible for establishing the risk appetite, taking into consideration its risk capacity, strategies, internal and external business environment, nature of business, and corporate/product lifecycle. Furthermore, the Board is also responsible for safeguarding stakeholders' interests and protecting the Group's assets. To this end, the Board has established an appropriate governance, risk management and internal control system that is embedded into the corporate culture, processes and strategies, underscoring the importance of maintaining 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, 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.

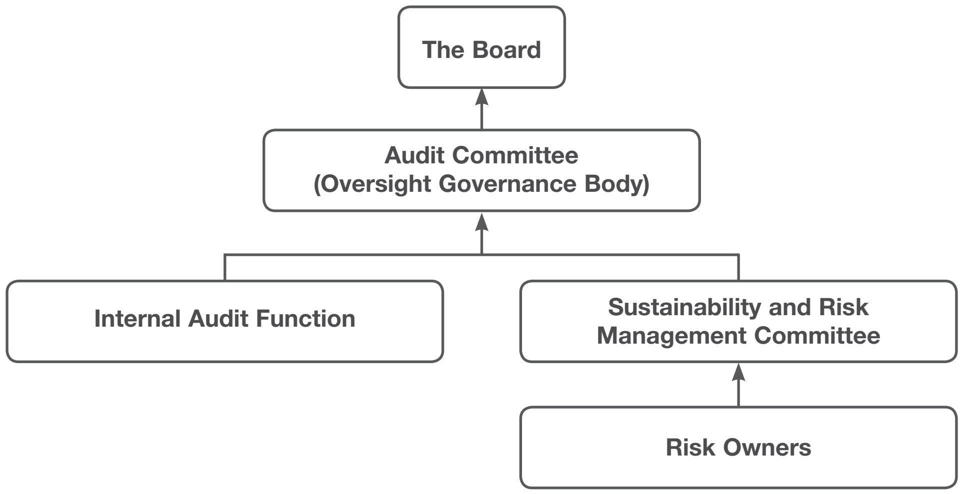
The principles, practices and processes of the Group Risk Management Framework established by the Board are, in all material respects, guided by ISO 31000:2018 – Risk Management Guidelines and the updated Enterprise Risk Management-Integrated Framework (2017) issued by the Committee of Sponsoring Organizations 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 include the following:

a. implement the Group Risk Management Framework approved by the Audit Committee and the Board;
b. 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;
c. 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;
d. review and update the Key Risks Register (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
e. 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:

a. manage the risks of the business processes under his/her control;
b. 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;
c. report to the SRMC on the emergence of new business risks or changes in the existing business risks annually, and assist the SRMC;
d. assist with the development of the management action plans and implement these action plans;
e. assist the SRMC with the annual update of changes in the Key Risks Registers, management action plans and the status of these plans;
f. ensure that departmental staff understand the risk exposure of the relevant processes under their responsibilities and the importance of the related controls; and
g. 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 is 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 Risks Register is 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 Register is 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 Chairman 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.

- **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.

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

INTERNAL CONTROL SYSTEM *(cont'd)*

- **Monitoring and Review** *(cont'd)*

  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 a Certified Internal Auditors accredited by the Institute of Internal Auditors Global and 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 respects, 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 comprises one (1) Internal Audit Assistant Manager, one (1) Senior Internal Audit Executive, one (1) Internal Audit Executive and one (1) Internal Audit Officer.

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.

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

INTERNAL AUDIT FUNCTION *(cont'd)*

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 2026 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 2026, the internal audit functions conducted reviews for:

- Machinery & Maintenance of the Manufacturing division
- BV (Beverage) Production Management of the Manufacturing division
- Procurement Management of Malaysian Operating Entities
- Quarterly Reports on Sustainability Indicators for FY 2026 of Malaysian Operating Entities.
- Annual Review & Assessment to Provide Statement of Assurance for FY 2026 of Malaysian Operating Entities (Provide Limited Assurance on Selected Sustainability Indicators)
- Distribution Management System for selected key dealers

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.

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

ASSURANCE PROVIDED BY CHIEF EXECUTIVE OFFICER AND GROUP FINANCIAL CONTROLLER

In accordance with the Guidelines, the Chief Executive Officer, being the highest-ranking executive in the Group and the Group Financial Controller, 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 respects, 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 Group Financial Controller, 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 2026, 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 Section 7 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

DIRECTORS' REPORT
For the year ended 31 March 2026

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 2026.

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	16,667,043	11,996,598
Non-controlling interests	1,298,323	-
	17,965,366	11,996,598

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 2025 as reported in the Directors' report of that year:

- 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 RM5,514,223 declared on 28 May 2025 and paid on 4 July 2025.

ii) In respect of the financial year ended 31 March 2026:

- a first interim single tier dividend of 1.50 sen per ordinary share totalling RM6,351,871 declared on 27 August 2025 and paid on 6 October 2025;
- a second interim single tier dividend of 1.20 sen per ordinary share totalling RM5,059,258 declared on 26 November 2025 and paid on 9 January 2026;
- a third interim single tier dividend of 1.20 sen per ordinary share totalling RM5,043,508 declared on 25 February 2026 and paid on 3 April 2026; and
- a fourth interim single tier dividend of 0.35 sen per ordinary share totalling RM1,443,892 declared on 28 May 2026 and paid on 13 July 2026.

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

DIRECTORS' REPORT

For the year ended 31 March 2026
(cont'd)

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
Mr. Ong Kheng Swee
Dato' Tea Choo Keng
Mr. Low Jun Lee
Ms. Tan Lay Beng
Dato' Afifuddin bin Abdul Kadir (resigned on 28 August 2025)

** 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 2025**	**Bought**	**Sold**	**Transfer**	**At 31 March 2026**
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	7,200,000	-	-	-	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	-	-	1,587,000	7,087,000
	Deemed	43,909,575	-	-	(2,587,000)	41,322,575

DIRECTORS' REPORT

For the year ended 31 March 2026
(cont'd)

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

		Number of options over ordinary shares ('000)			
Name of Directors	**Option price**	**At 1 April 2025**	**Granted**	**Cancelled**	**At 31 March 2026**
Company					
Dato' How Say Swee	RM1.238	2,000	-	-	2,000
Dato' Wong Fuei Boon	RM1.238	2,000	-	-	2,000
Mr. Wong Tak Keong	RM1.291	14,000	-	-	14,000
	RM1.238	15,000	-	-	15,000
Mr. See Thuan Po	RM1.291	2,000	-	-	2,000
	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 2026 are as follows:

	From the Company RM	**From subsidiary companies RM**
Directors of the Company:		
Fees	988,204	-
Remuneration	-	12,843,806
Estimated monetary value of any other benefits	-	160,528
Fees paid to a firm in which a Director is a partner	-	738
Transactions with companies related to Directors		
- Management fees	-	558,883
- Secretarial fees	-	30,105
	988,204	13,594,060

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 2026
(cont'd)

TREASURY SHARES

At the Annual General Meeting held on 27 August 2025, 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 4,888,700 of its issued ordinary shares with an average repurchase price of RM1.22 per share. The repurchase transactions were financed by internally generated funds. During the year, none of the treasury shares were cancelled.

At 31 March 2026, the Company held 5,038,800 treasury shares out of its 424,545,232 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM6,179,189 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 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 to replace the third ESOS ("ESOS 3") which was terminated on 28 August 2024.

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.

DIRECTORS' REPORT
For the year ended 31 March 2026
(cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES *(cont'd)*

The salient features of the ESOS 4 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 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.

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 2025	Granted	Forfeited/ Cancelled	At 31 March 2026
11 June 2019	1.291	16,000	-	-	16,000
14 April 2020	1.740	1,790	-	-	1,790
30 September 2024	1.238	30,850	-	(3,800)	27,050
		48,640	-	(3,800)	44,840

INDEMNITY AND INSURANCE COSTS

During the financial year, the premium paid for insurance effected for Directors and officers of the Company is RM42,238.

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:

i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and

ii) 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.

DIRECTORS' REPORT
For the year ended 31 March 2026
(cont'd)

OTHER STATUTORY INFORMATION *(cont'd)*

At the date of this report, the Directors are not aware of any circumstances:

i) 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

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) 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

iv) 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.

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 2026 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	321,250	77,000
- Other auditors	103,634	-
- Non-audit fees		
- KPMG PLT	22,000	10,000
- Local affiliates of KPMG PLT	231,000	6,000
	677,884	93,000

DIRECTORS' REPORT
For the year ended 31 March 2026
(cont'd)

AUDITORS *(cont'd)*

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 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2026

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Assets					
Property, plant and equipment	2	151,819,696	158,213,761	28,370	16,856
Right-of-use assets	3	454,419	266,851	-	-
Investment properties	4	45,163,295	34,234,532	-	-
Intangible assets	5	1,435,073	1,179,883	-	-
Investments in subsidiaries	6	-	-	244,503,607	206,715,612
Investments in associates	7	2,702,361	2,256,671	3,000,000	2,250,000
Other investments	8	2,714,864	1,037,412	2,714,864	1,037,412
Deferred tax assets	9	-	310,356	41,000	1,000
Total non-current assets		204,289,708	197,499,466	250,287,841	210,020,880
Inventories	10	137,405,246	117,215,898	-	-
Trade and other receivables	11	88,510,076	89,344,840	150,365,853	195,158,154
Current tax assets		857,933	10,365,806	71,186	131,462
Cash and cash equivalents	12	71,310,139	95,547,147	27,799,506	42,890,259
Total current assets		298,083,394	312,473,691	178,236,545	238,179,875
Total assets		502,373,102	509,973,157	428,524,386	448,200,755
Equity					
Share capital	13	293,596,193	293,596,193	293,596,193	293,596,193
Reserves	13	(11,009,156)	1,430,591	27,478,848	43,469,515
Equity attributable to owners of the Company		282,587,037	295,026,784	321,075,041	337,065,708
Non-controlling interests		2,751,847	1,982,871	-	-
Total equity		285,338,884	297,009,655	321,075,041	337,065,708
Liabilities					
Loans and borrowings	14	100,060,045	100,504,498	100,000,000	100,000,000
Lease liabilities		53,593	139,744	-	-
Deferred tax liabilities	9	20,697	-	-	-
Total non-current liabilities		100,134,335	100,644,242	100,000,000	100,000,000
Loans and borrowings	14	464,118	927,878	-	-
Lease liabilities		411,670	134,453	-	-
Trade and other payables	15	110,980,587	102,751,194	2,405,837	2,629,312
Dividend payable		5,043,508	8,505,735	5,043,508	8,505,735
Total current liabilities		116,899,883	112,319,260	7,449,345	11,135,047
Total liabilities		217,034,218	212,963,502	107,449,345	111,135,047
Total equity and liabilities		502,373,102	509,973,157	428,524,386	448,200,755

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 2026

		Group		Company	
		2026	**2025**	**2026**	**2025**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	16	336,761,800	409,217,478	14,696,477	72,091,074
Other income		1,444,930	3,741,603	1,277,442	2,959,342
Changes in finished goods		4,916,324	(5,785,649)	-	-
Raw materials used		(161,464,299)	(192,141,299)	-	-
Marketing expenses					
- advertising and promotional expenses		(30,787,194)	(32,112,787)	-	-
Staff costs		(71,431,464)	(78,773,753)	(1,066,308)	(1,390,024)
Depreciation and amortisation		(11,956,812)	(10,829,577)	(12,305)	(11,321)
Other expenses		(39,775,947)	(51,002,034)	(3,188,772)	(2,940,023)
Total expenses		(310,499,392)	(370,645,099)	(4,267,385)	(4,341,368)
Results from operating activities		27,707,338	42,313,982	11,706,534	70,709,048
Finance income		1,651,719	2,855,135	5,371,412	2,810,662
Finance costs	17	(4,937,901)	(3,606,098)	(4,861,479)	(1,881,863)
Net finance (costs)/income		(3,286,182)	(750,963)	509,933	928,799
Share of (loss)/profit of equity-accounted associates, net of tax		(184,310)	6,671	-	-
Profit before tax		24,236,846	41,569,690	12,216,467	71,637,847
Tax expense	18	(6,271,480)	(8,515,135)	(219,869)	(264,000)
Profit for the year	19	17,965,366	33,054,555	11,996,598	71,373,847
Other comprehensive expense, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(1,170,032)	(4,528,779)	-	-
Equity investments measured at fair value through other comprehensive expense		(234,563)	(107,023)	(234,563)	(107,023)
Other comprehensive expense for the year, net of tax		(1,404,595)	(4,635,802)	(234,563)	(107,023)
Total comprehensive income for the year		16,560,771	28,418,753	11,762,035	71,266,824

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 2026
(cont'd)

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Profit attributable to:					
Owners of the Company		16,667,043	31,986,481	11,996,598	71,373,847
Non-controlling interests		1,298,323	1,068,074	-	-
Profit for the year		17,965,366	33,054,555	11,996,598	71,373,847
Total comprehensive income attributable to:					
Owners of the Company		15,312,955	27,485,201	11,762,035	71,266,824
Non-controlling interests		1,247,816	933,552	-	-
Total comprehensive income for the year		16,560,771	28,418,753	11,762,035	71,266,824
Basic earnings per ordinary share (sen)	20	3.94	7.23		
Diluted earnings per ordinary share (sen)	20	3.94	7.10		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

		Attributable to owners of the Company								
		Non-distributable				Distributable				
	Note	Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Exchange fluctuation reserve RM	Retained earnings/ Non-distributable (Accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
At 1 April 2024		319,622,779	(1,259,214)	12,187,543	127,058	4,271,128	10,883,013	345,832,307	1,912,459	347,744,766
Foreign currency translation differences for foreign operations		-	-	-	-	(4,394,257)	-	(4,394,257)	(134,522)	(4,528,779)
Equity investments measured at fair value through other comprehensive expense		-	-	-	(107,023)	-	-	(107,023)	-	(107,023)
Total other comprehensive expense for the year		-	-	-	(107,023)	(4,394,257)	-	(4,501,280)	(134,522)	(4,635,802)
Profit for the year		-	-	-	-	-	31,986,481	31,986,481	1,068,074	33,054,555
Total comprehensive (expense)/income for the year		-	-	-	(107,023)	(4,394,257)	31,986,481	27,485,201	933,552	28,418,753
Contributions by and distributions to owners of the Company										
Own shares acquired	13	-	(53,713,011)	-	-	-	-	(53,713,011)	-	(53,713,011)
Own shares cancelled	13	(26,026,586)	54,764,203	-	-	-	(28,737,617)	-	-	-
Bonus issue		-	-	-	-	-	(390,000)	(390,000)	390,000	-
Share-based payment transactions	21	-	-	4,297,104	-	-	-	4,297,104	-	4,297,104
Dividends to owners of the Company	22	-	-	-	-	-	(28,484,817)	(28,484,817)	-	(28,484,817)
		(26,026,586)	1,051,192	4,297,104	-	-	(57,612,434)	(78,290,724)	390,000	(77,900,724)
Subscription of shares by non-controlling interests		-	-	-	-	-	-	-	3,621	3,621
Dividends to non-controlling interests in subsidiaries		-	-	-	-	-	-	-	(1,256,761)	(1,256,761)
Total transactions with owners of the Company		(26,026,586)	1,051,192	4,297,104	-	-	(57,612,434)	(78,290,724)	(863,140)	(79,153,864)
At 31 March 2025		293,596,193	(208,022)	16,484,647	20,035	(123,129)	(14,742,940)	295,026,784	1,982,871	297,009,655

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026
(cont'd)

	Note	Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the Company								
		Non-distributable								
Group										
At 1 April 2025		293,596,193	(208,022)	16,484,647	20,035	(123,129)	(14,742,940)	295,026,784	1,982,871	297,009,655
Foreign currency translation differences for foreign operations		-	-	-	-	(1,119,525)	-	(1,119,525)	(50,507)	(1,170,032)
Equity investments measured at fair value through other comprehensive expense		-	-	-	(234,563)	-	-	(234,563)	-	(234,563)
Total other comprehensive expense for the year		-	-	-	(234,563)	(1,119,525)	-	(1,354,088)	(50,507)	(1,404,595)
Profit for the year		-	-	-	-	-	16,667,043	16,667,043	1,298,323	17,965,366
Total comprehensive (expense)/income for the year		-	-	-	(234,563)	(1,119,525)	16,667,043	15,312,955	1,247,816	16,560,771
Contributions by and distributions to owners of the Company										
Own shares acquired	13	-	(5,971,167)	-	-	-	-	(5,971,167)	-	(5,971,167)
Share-based payment transactions	21	-	-	187,325	-	-	-	187,325	-	187,325
Dividends to owners of the Company	22	-	-	-	-	-	(21,968,860)	(21,968,860)	-	(21,968,860)
		-	(5,971,167)	187,325	-	-	(21,968,860)	(27,752,702)	-	(27,752,702)
Subscription of shares by non-controlling interests		-	-	-	-	-	-	-	200,000	200,000
Dividends to non-controlling interests in subsidiaries		-	-	-	-	-	-	-	(678,840)	(678,840)
Total transactions with owners of the Company		-	(5,971,167)	187,325	-	-	(21,968,860)	(27,752,702)	(478,840)	(28,231,542)
At 31 March 2026		293,596,193	(6,179,189)	16,671,972	(214,528)	(1,242,654)	(20,044,757)	282,587,037	2,751,847	285,338,884

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Note	Share capital RM	Treasury shares RM	Share option reserve RM	Fair value reserve RM	Retained earnings RM	Total equity RM
		Attributable to owners of the Company					
		Non-distributable				Distributable	
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	-	-	(28,737,617)	-
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.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026
(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 2025		293,596,193	(208,022)	16,484,647	20,035	27,172,855	337,065,708
Equity investments measured at fair value through other comprehensive expense/ **Total other comprehensive expense for the year**		-	-	-	(234,563)	-	(234,563)
Profit for the year		-	-	-	-	11,996,598	11,996,598
Total comprehensive (expense)/income for the year		-	-	-	(234,563)	11,996,598	11,762,035
Contributions by and distributions to owners of the Company							
Own shares acquired	13	-	(5,971,167)	-	-	-	(5,971,167)
Share-based payment transactions	21	-	-	187,325	-	-	187,325
Dividends to owners of the Company	22	-	-	-	-	(21,968,860)	(21,968,860)
Total transactions with owners of the Company		-	(5,971,167)	187,325	-	(21,968,860)	(27,752,702)
At 31 March 2026		293,596,193	(6,179,189)	16,671,972	(214,528)	17,200,593	321,075,041

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2026

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Cash flows from operating activities					
Profit before tax		24,236,846	41,569,690	12,216,467	71,637,847
Adjustments for:					
Depreciation and amortisation:					
- Property, plant and equipment		11,544,934	10,560,744	12,305	11,321
- Right-of-use assets		211,321	138,259	-	-
- Investment properties		71,924	47,006	-	-
- Intangible assets		128,633	83,568	-	-
Finance costs		4,937,901	3,606,098	4,861,479	1,881,863
Gain on disposal of:					
- Property, plant and equipment		(628,733)	(326,162)	-	-
- Other investments		(45,045)	(612,302)	(45,045)	(612,302)
(Reversal of impairment loss)/Impairment loss on trade receivables		(16,504)	43,323	-	-
Share-based payment transactions	21	187,325	4,297,104	-	-
Dividend income from other investments		(64,025)	(116,194)	(64,025)	(116,194)
Finance income		(1,651,719)	(2,855,135)	(5,371,412)	(2,810,662)
Net unrealised loss/(gain) on foreign exchange		1,058,779	(125,369)	1,379,686	(110,342)
Write down/(Reversal of write down) of obsolete and slow-moving inventories		647,303	(309,530)	-	-
Share of loss/(profit) of equity-accounted associates, net of tax		184,310	(6,671)	-	-
Operating profit before changes in working capital		40,803,250	55,994,429	12,989,455	69,881,531
Change in inventories		(20,836,651)	(17,755,481)	-	-
Change in trade and other receivables		104,140	22,900,047	11,563,496	(21,745,341)
Change in trade and other payables		8,137,914	8,970,275	(314,954)	(5,549,534)
Cash generated from operations		28,208,653	70,109,270	24,237,997	42,586,656
Finance income received		1,651,719	2,855,135	5,371,412	2,810,662
Tax refunded/(paid)		3,748,531	(7,521,145)	(199,593)	(427,091)
Net cash from operating activities		33,608,903	65,443,260	29,409,816	44,970,227
Cash flows from investing activities					
Acquisition of:					
- Property, plant and equipment	2.2	(6,133,033)	(38,320,649)	(23,819)	(10,040)
- Investment properties		(11,000,687)	-	-	-
- Intangible assets	5	(383,823)	(1,263,451)	-	-
- An associate		(630,000)	(2,250,000)	(750,000)	(2,250,000)
- Other investments		(2,375,994)	(194,236)	(2,375,994)	(194,236)
Dividend income from other investments		64,025	116,194	64,025	116,194
Capital repayment from a subsidiary		-	-	-	7,700,000
Additional investment in subsidiaries		-	-	(1,979,900)	(118,692)
Proceeds from disposal of:					
- Property, plant and equipment		641,540	346,351	-	-
- Other investments		557,373	2,822,712	557,373	2,822,712
Advances to subsidiaries		-	-	(3,460,000)	(87,475,000)
Net cash used in investing activities		(19,260,599)	(38,743,079)	(7,968,315)	(79,409,062)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the year ended 31 March 2026
(cont'd)

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Cash flows from financing activities					
Interest paid		(4,846,422)	(1,724,235)	(4,770,000)	-
Subscription of shares by non-controlling interests		200,000	3,621	-	-
Dividends paid to:					
- Owners of the Company		(25,431,087)	(25,980,824)	(25,431,087)	(25,980,824)
- Non-controlling interests		(678,840)	(1,256,761)	-	-
Repurchases of treasury shares		(5,971,167)	(53,713,011)	(5,971,167)	(53,713,011)
Repayment of bankers' acceptances		-	(40,509,591)	-	-
Drawdown of bankers' acceptances		-	19,598,619	-	-
Repayment of term loans		-	(36,680,423)	-	-
Repayment of hire purchase liabilities		(908,213)	(830,624)	-	-
Repayment of lease liabilities		(207,823)	(132,308)	-	-
Drawdown of Sukuk Wakalah		-	100,000,000	-	100,000,000
Loan to an associate		(360,000)	-	(360,000)	-
Net cash (used in)/from financing activities		(38,203,552)	(41,225,537)	(36,532,254)	20,306,165
Exchange difference on translation of the financial statements of foreign operations		(381,760)	(3,700,491)	-	-
Net decrease in cash and cash equivalents		(24,237,008)	(18,225,847)	(15,090,753)	(14,132,670)
Cash and cash equivalents at 1 April		95,547,147	113,772,994	42,890,259	57,022,929
Cash and cash equivalents at 31 March	12	71,310,139	95,547,147	27,799,506	42,890,259

Cash outflows for leases as a lessee

	Note	Group 2026 RM	Group 2025 RM
Included in net cash from operating activities			
Payment relating to short-term leases	19	621,418	1,782,118
Included in net cash from financing activities			
Payment of interest expense on lease liabilities	17	15,391	8,918
Payment of lease liabilities		207,823	132,308
Total cash outflows for leases		844,632	1,923,344

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For the year ended 31 March 2026
(cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2025 RM	Acquisition of new lease RM	Net change from financing cash flows RM	At 31 March 2026 RM
Group				
Hire purchase liabilities	1,432,376	-	(908,213)	524,163
Lease liabilities	274,197	398,889	(207,823)	465,263
Sukuk Wakalah	100,000,000	-	-	100,000,000
Total liabilities from financing activities	101,706,573	398,889	(1,116,036)	100,989,426

	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
Group					
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
Total liabilities from financing activities	59,487,356	550,000	223,544	41,445,673	101,706,573

	At 1 April 2024 RM	Net change from financing cash flows RM	At 31 March 2025/ 1 April 2025/ 31 March 2026 RM
Company			
Sukuk Wakalah/ **Total liabilities from financing activities**	-	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
Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2026 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 2026 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 2026.

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 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*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

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 years 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

Group	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles, office equipment, furniture and fittings RM	Renovation and electrical installation RM	Immature bearer plants RM	Construction -in-progress RM	Total RM
At cost							
At 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/ 1 April 2025	130,717,177	69,925,285	37,481,902	9,623,418	-	123,819	247,871,601
Additions	388,244	1,502,839	2,635,251	1,527,233	79,466	-	6,133,033
Disposals/Written off	-	(13,185)	(1,911,571)	-	-	-	(1,924,756)
Transfer	-	55,884	-	-	-	(55,884)	-
Effect of movements in exchange rates	(1,188,022)	-	(517,848)	-	-	-	(1,705,870)
At 31 March 2026	129,917,399	71,470,823	37,687,734	11,150,651	79,466	67,935	250,374,008
Accumulated depreciation							
At 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/ 1 April 2025	17,390,240	42,093,871	25,797,478	3,655,632	-	-	88,937,221
Depreciation charge	1,689,775	4,889,633	4,393,904	571,622	-	-	11,544,934
Disposals/Written off	-	(4,175)	(1,907,774)	-	-	-	(1,911,949)
Effect of movements in exchange rates	(371,713)	-	(364,800)	-	-	-	(736,513)
At 31 March 2026	18,708,302	46,979,329	27,918,808	4,227,254	-	-	97,833,693
Accumulated impairment losses							
At 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
At 1 April 2025/ 31 March 2026	-	344,723	209,124	166,772	-	-	720,619

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles, office equipment, furniture and fittings RM	Renovation and electrical installation RM	Immature bearer plants RM	Construction -in-progress RM	Total RM
Carrying amounts							
At 1 April 2024	90,224,650	23,807,281	11,145,772	4,972,318	-	545,980	130,696,001
At 31 March 2025/ 1 April 2025	113,326,937	27,486,691	11,475,300	5,801,014	-	123,819	158,213,761
At 31 March 2026	111,209,097	24,146,771	9,559,802	6,756,625	79,466	67,935	151,819,696

	Office equipment, furniture and fittings/ Total RM
Company	
At cost	
At 1 April 2024	135,095
Addition	10,040
At 31 March 2025/1 April 2025	145,135
Addition	23,819
At 31 March 2026	168,954
Accumulated depreciation	
At 1 April 2024	116,958
Depreciation charge	11,321
At 31 March 2025/1 April 2025	128,279
Depreciation charge	12,305
At 31 March 2026	140,584
Carrying amounts	
At 1 April 2024	18,137
At 31 March 2025/1 April 2025	16,856
At 31 March 2026	28,370

2. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Group	
	2026 RM	2025 RM
Carrying amounts of land and buildings comprises:		
Freehold land	68,001,816	67,613,572
Buildings	43,207,281	45,713,365
	111,209,097	113,326,937

2.1 Security

Included in the property, plant and equipment of the Group were motor vehicles with carrying amount of RM1,651,390 (2025: RM2,279,037) acquired under hire purchase arrangements.

2.2 Acquisition of property, plant and equipment

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash paid for acquisition				
Current year's acquisition of property, plant and equipment	6,133,033	38,870,649	23,819	10,040
Less: Amount financed by hire purchase	-	(550,000)	-	-
	6,133,033	38,320,649	23,819	10,040

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.

Costs of bearer plants include plantation expenditures incurred from the stage of land clearing up to the stage of maturity. Maturity of coffee plant is attained 36 months after the date of planting.

(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 and immature bearer plants are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

2. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

2.3 Material accounting policy information *(cont'd)*

(b) Depreciation *(cont'd)*

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

3. RIGHT-OF-USE ASSETS

	Total RM
Group	
At 1 April 2024	181,566
Addition	223,544
Depreciation	(138,259)
At 31 March 2025/1 April 2025	266,851
Addition	398,889
Depreciation	(211,321)
At 31 March 2026	454,419

The Group leases premises that run for 3 years which will end in October 2028.

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.

4. INVESTMENT PROPERTIES

	RM
Group	
At cost	
At 1 April 2024/31 March 2025	34,738,234
At 1 April 2025	34,738,234
Addition	11,000,687
At 31 March 2026	45,738,921
Accumulated depreciation	
At 1 April 2024	456,696
Depreciation charge	47,006
At 31 March 2025/1 April 2025	503,702
Depreciation charge	71,924
At 31 March 2026	575,626
Carrying amounts	
At 1 April 2024	34,281,538
At 31 March 2025/1 April 2025	34,234,532
At 31 March 2026	45,163,295

Included in the above are:

	Group	
	2026 RM	**2025 RM**
Freehold land	38,886,181	27,863,494
Buildings	6,277,114	6,349,038
Construction-in-progress	-	22,000
	45,163,295	34,234,532

Investment properties comprise shoplot that are leased to third parties.

The following is recognised in profit or loss in respect of investment properties:

	Group	
	2026 RM	**2025 RM**
Lease income	604,180	551,070
Direct operating expenses on income generating investment properties	(48,314)	(47,642)

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	
	2026 **RM**	**2025** **RM**
Freehold land and buildings	78,905,000	57,307,000

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	
	2026 **RM'000**	**2025** **RM'000**
Less than one year	287	323
One to two years	-	262
Total undiscounted lease payments	287	585

4.3 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

5. INTANGIBLE ASSETS

	Product formula RM	Trademark RM	Total RM
Group			
At cost			
At 1 April 2024	304,480	-	304,480
Addition	-	1,263,451	1,263,451
At 31 March 2025/1 April 2025	304,480	1,263,451	1,567,931
Addition	-	383,823	383,823
At 31 March 2026	304,480	1,647,274	1,951,754
Accumulated amortisation			
At 1 April 2024	304,480	-	304,480
Amortisation charge	-	83,568	83,568
At 31 March 2025/1 April 2025	304,480	83,568	388,048
Amortisation charge	-	128,633	128,633
At 31 March 2026	304,480	212,201	516,681
Carrying amounts			
At 1 April 2024	-	-	-
At 31 March 2025/1 April 2025	-	1,179,883	1,179,883
At 31 March 2026	-	1,435,073	1,435,073

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 2026 RM	Company 2025 RM
Cost of investments	256,791,571	219,003,576
Less: Impairment loss	(12,287,964)	(12,287,964)
	244,503,607	206,715,612

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 2026 %	Effective ownership interest and voting interest 2025 %
Power Root (M) Sdn. Bhd.	Manufacture and distribution of various beverage products	Malaysia	100	100
Power Root Marketing Sdn. Bhd.	Distribution of various of beverage products	Malaysia	100	100
Power Root Manufacturing Sdn. Bhd.	Manufacture and distribution of various 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, acquisition and leasing of plantation land	Malaysia	100	100
Nexora Verve 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
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

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026 %	2025 %
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.	Cultivation and sale of coffee cherries	Malaysia	70	70
French Roast Roaster Sdn. Bhd.*#	Wholesale of coffee, tea, cocoa and other beverages	Malaysia	80	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	97
Power Root Food And Beverages Nigeria Ltd*#	Dormant	Nigeria	100	100
One Percent Brew Sdn. Bhd.*#	Operation of café and restaurants	Malaysia	100	-
Power Root Arabia FZCO*#	Coffee trading	United Arab Emirates	97	-
Power Root For Food Manufacturing*#	Manufacturing of food products and all types of coffee and its derivatives	Egypt	95	-
Subsidiaries of Power Root ME FZCO				
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
^ In prior year, Nexora Verve 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	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Investment in shares	2,880,000	2,650,000	3,000,000	2,650,000
Share of post-acquisition reserves	(177,639)	(393,329)	-	-
Less: Impairment loss	-	-	-	(400,000)
	2,702,361	2,256,671	3,000,000	2,250,000

Name of entity	Principal place of business/ Country of incorporation	Nature of relationship	Effective ownership interest and voting interest	
			2026 %	**2025 %**
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	40	30

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.

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 2026 RM	**Dividend recognised during the year RM**
Fair value through other comprehensive income		
Equity instruments (Quoted shares)	2,714,864	61,420

	Group/Company	
	Fair value at 31 March 2025 RM	**Dividend recognised during the year RM**
Fair value through other comprehensive income		
Equity instruments (Quoted shares)	1,037,412	55,965

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 RM	**Cumulative gain on disposal RM**	**Dividend income RM**
2026			
Equity instruments (Quoted shares)	557,373	45,045	2,605
2025			
Equity instruments (Quoted shares)	2,822,712	612,302	60,229

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	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Property, plant and equipment	(7,022,482)	(7,049,430)	(1,000)	(1,000)
Provisions	6,173,649	6,712,649	42,000	28,000
Others	828,136	647,137	-	(26,000)
	(20,697)	310,356	41,000	1,000

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	
	2026 RM'000	**2025 RM'000**
Deductible temporary differences	574	375
Unabsorbed capital allowances	1,585	1,550
Unutilised tax losses	3,793	3,787
	5,952	5,712

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	
	2026 RM'000	**2025 RM'000**
2028	3,755	3,755
2031 and beyond	38	32
	3,793	3,787

The deductible temporary differences and unabsorbed capital allowances do not expire under the current tax legislation.

9. DEFERRED TAX ASSETS/(LIABILITIES) *(cont'd)*

9.3 Movement in temporary differences during the year

	At 1 April 2024 RM	Recognised in profit or loss (Note 18) RM	At 31 March 2025/ 1 April 2025 RM	Recognised in profit or loss (Note 18) RM	At 31 March 2026 RM
Group					
Property, plant and equipment	(6,317,376)	(732,054)	(7,049,430)	26,948	(7,022,482)
Provisions	5,440,409	1,272,240	6,712,649	(539,000)	6,173,649
Others	500,375	146,762	647,137	180,999	828,136
	(376,592)	686,948	310,356	(331,053)	(20,697)
Company					
Property, plant and equipment	(2,000)	1,000	(1,000)	-	(1,000)
Provisions	8,000	20,000	28,000	14,000	42,000
Others	(74,000)	48,000	(26,000)	26,000	-
	(68,000)	69,000	1,000	40,000	41,000

10. INVENTORIES

	Group	
	2026 RM	2025 RM
Raw materials	97,653,047	82,348,363
Finished goods	37,352,622	32,436,298
Consumables	2,399,577	2,431,237
	137,405,246	117,215,898
Recognised in profit or loss:		
- Inventories recognised as changes in finished goods and raw materials used	156,547,975	197,926,948
- Write down/(Reversal of write down) of obsolete and slow-moving inventories (included in changes in finished goods and raw materials used)	647,303	(309,530)

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade receivables	71,747,451	76,718,816	-	-
Other receivables	2,973,166	5,723,217	66,298	-
Deposits and prepayments	13,429,459	6,902,807	81,954	38,043
Due from subsidiaries				
- non-trade	-	-	58,922,601	107,645,111
- advances	-	-	90,935,000	87,475,000
Loan to an associate	360,000	-	360,000	-
	88,510,076	89,344,840	150,365,853	195,158,154

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 5.06% (2025: 5.17%) per annum.

The loan to an associate is unsecured, subject to interest rate at 3% (2025: NIL) per annum and is repayable on demand.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	68,779,401	91,656,643	25,268,768	39,112,775
Deposits placed with licensed banks	2,530,738	3,890,504	2,530,738	3,777,484
	71,310,139	95,547,147	27,799,506	42,890,259

13. CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2026 RM	2025 RM	2026	2025
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	293,596,193	319,622,779	424,545,232	462,180,132
Cancellation of treasury shares	-	(26,026,586)	-	(37,634,900)
At 31 March	293,596,193	293,596,193	424,545,232	424,545,232

13. CAPITAL AND RESERVES *(cont'd)*

Reserves

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Distributable				
Retained earnings	-	-	17,200,593	27,172,855
Non-distributable				
Accumulated losses	(20,044,757)	(14,742,940)	-	-
Treasury shares	(6,179,189)	(208,022)	(6,179,189)	(208,022)
Share option reserve	16,671,972	16,484,647	16,671,972	16,484,647
Exchange fluctuation reserve	(1,242,654)	(123,129)	-	-
Fair value reserve	(214,528)	20,035	(214,528)	20,035
	(11,009,156)	1,430,591	27,478,848	43,469,515

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 2025, 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 4,888,700 (2025: 37,027,300) of its issued ordinary shares with an average repurchase price of RM1.22 (2025: RM1.45). 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, none of the treasury share were cancelled (2025: 37,634,900).

At 31 March 2026, a total of 5,038,800 (2025: 150,100) repurchased shares are being held as treasury shares. The number of outstanding shares issue after the set off is 419,506,432 (2025: 424,395,132).

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.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

14. LOANS AND BORROWINGS

	Group	
	2026	**2025**
	RM	**RM**
Non-current		
Secured		
Hire purchase liabilities	60,045	504,498
Unsecured		
Sukuk Wakalah	100,000,000	100,000,000
	100,060,045	100,504,498
Current		
Secured		
Hire purchase liabilities	464,118	927,878
	100,524,163	101,432,376

	Company	
	2026	**2025**
	RM	**RM**
Non-current		
Unsecured		
Sukuk Wakalah	100,000,000	100,000,000

Sukuk Wakalah

The Group and the Company have established a Sukuk Wakalah Programme ("Sukuk Wakalah") of RM500 million in nominal value on 29 September 2024. On 7 November 2024, the Group and the Company issued RM100 million Sukuk Wakalah with a maturity date of 7 November 2031, at a profit rate of 4.77% per annum.

15. Trade and other payables

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Trade payables	31,843,081	26,078,063	-	-
Other payables	5,726,607	6,717,308	16,587	74,854
Accrued advertising and promotional expenses	34,899,712	39,485,988	-	-
Other accrued expenses	38,511,187	30,469,835	2,380,540	2,350,808
Due to subsidiaries	-	-	8,710	203,650
	110,980,587	102,751,194	2,405,837	2,629,312

The amounts due to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

16. REVENUE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers				
- At a point in time	336,476,200	408,973,678	-	-
Other revenue				
- Dividend income	-	-	14,696,477	72,091,074
- Lease income	285,600	243,800	-	-
	285,600	243,800	14,696,477	72,091,074
	336,761,800	409,217,478	14,696,477	72,091,074

	Group	
	2026 RM	2025 RM
Disaggregation of revenue from contracts with customers		
- Local	225,431,153	258,209,286
- Export	111,045,047	150,764,392
	336,476,200	408,973,678

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 subject to obligation for return or refunds.

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Finance costs of financial liabilities that are not at fair value through profit or loss	4,922,510	3,597,180	4,861,479	1,881,863
Interest expense on lease liabilities	15,391	8,918	-	-
	4,937,901	3,606,098	4,861,479	1,881,863

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

18. TAX EXPENSE

18.1 Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Current tax expense				
- Current year	6,604,969	9,956,751	308,000	333,000
- Over provision in prior year	(664,542)	(754,668)	(48,131)	-
	5,940,427	9,202,083	259,869	333,000
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	352,053	(711,948)	(15,000)	12,000
- (Over)/Under provision in prior year	(21,000)	25,000	(25,000)	(81,000)
	331,053	(686,948)	(40,000)	(69,000)
	6,271,480	8,515,135	219,869	264,000

18.2 Reconciliation of tax expense

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Profit before tax	24,237	41,570	12,216	71,638
Income tax calculated using Malaysian tax rate of 24%	5,817	9,977	2,932	17,193
Non-deductible expenses	2,669	1,889	888	454
Non-taxable income	-	-	(3,527)	(17,302)
Tax incentive	(2,212)	(1,482)	-	-
Effect of unrecognised deferred tax assets	58	48	-	-
Effect of different tax rates in foreign jurisdictions	625	(1,187)	-	-
	6,957	9,245	293	345
Over provision in prior year	(686)	(730)	(73)	(81)
Tax expense	6,271	8,515	220	264

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

19. PROFIT FOR THE YEAR

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Profit for the year is arrived at after charging/(crediting)					
Audit fees:					
- Statutory audit					
- KPMG PLT		321,250	284,000	77,000	74,000
- Other auditors		103,634	106,496	-	-
- Non-audit fees					
- KPMG PLT		22,000	21,000	10,000	9,000
- Local affiliates of KPMG PLT		231,000	116,000	6,000	12,500
Expenses relating to short-term leases	a	621,418	1,782,118	-	-
(Reversal of impairment loss)/ Impairment loss on trade receivables		(16,504)	43,323	-	-
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,796,713	4,977,068	113,309	119,810
- Wages, salaries and others		66,447,326	69,499,581	952,999	1,270,214
- Share-based payment transactions	21	187,325	4,297,104	-	-
Dividend income from other investments		(64,025)	(116,194)	(64,025)	(116,194)
Gain on disposal of:					
- Property, plant and equipment		(628,733)	(326,162)	-	-
- Other investments		(45,045)	(612,302)	(45,045)	(612,302)
Net (gain)/loss on foreign exchange:					
- Realised		(710,898)	(1,661,472)	(202,679)	(976,022)
- Unrealised		1,058,779	(125,369)	1,379,686	(110,342)
Lease income		(604,180)	(551,070)	-	-

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

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2026 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group	
	2026 RM	2025 RM
Profit for the year attributable to ordinary shareholders	16,667,043	31,986,481

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

20. EARNINGS PER ORDINARY SHARE *(cont'd)*

Basic earnings per ordinary share *(cont'd)*

Weighted average number of ordinary shares are determined as follows:

	Group	
	2026	**2025**
Weighted average number of ordinary shares at 31 March	422,564,424	442,556,299
Basic earnings per ordinary share (sen)	3.94	7.23

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March 2026 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	
	2026 RM	**2025 RM**
Profit attributable to ordinary shareholders (diluted)	16,667,043	31,986,481
Weighted average number of ordinary shares (basic)	422,564,424	442,556,299
Effect of share options in issue	761,229	8,086,242
Weighted average number of ordinary shares (diluted) at 31 March	423,325,653	450,642,541
	2026	**2025**
Diluted earnings per ordinary share (sen)	3.94	7.10

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.

21. EMPLOYEE BENEFITS *(cont'd)*

Share-based payments arrangement *(cont'd)*

Share option programme (equity settled) *(cont'd)*

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	1,790	100% KPI related	10 years
Options granted to eligible employees including Directors of the Company and its subsidiaries on 30 September 2024	27,050	86% non-KPI related 14% KPI related	10 years
	44,840		

The number and weighted average exercise prices of share options are as follows:

	2026		2025	
	Weighted average exercise price RM	Number of options ('000)	Weighted average exercise price RM	Number of options ('000)
Outstanding at 1 April	1.274	48,640	1.776	52,805
Granted during the year	-	-	1.238	30,850
Cancelled/Forfeited during the year	1.238	(3,800)	1.999	(35,015)
Outstanding at 31 March	1.277	44,840	1.274	48,640
Exercisable at 31 March	1.266	37,325	1.266	36,905

The options outstanding at 31 March 2026 have an exercise price in the range of RM1.238 to RM1.740 (2025: RM1.238 to RM1.740) and a weighted average contractual life of 6.3 years (2025: of 7.5 years).

Value of employee services received for issue of share options

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Share options granted in 2020	240	-	-	-
Share options granted in 2025	(53)	4,297	-	-
Total expense recognised as share-based payments	187	4,297	-	-

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

22. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM	Date of payment
2026			
Fourth interim single tier dividend 2025	1.30	5,514,223	4 July 2025
First interim single tier dividend 2026	1.50	6,351,871	6 October 2025
Second interim single tier dividend 2026	1.20	5,059,258	9 January 2026
Third interim single tier dividend 2026	1.20	5,043,508	3 April 2026
		21,968,860	
2025			
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	

After the end of the financial year, the Directors declared a fourth interim single tier dividend of 0.35 sen per ordinary share totalling RM1,443,892 in respect of the year ended 31 March 2026 on 28 May 2026 which was paid on 13 July 2026.

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.

23. OPERATING SEGMENTS *(cont'd)*

	Reportable segment				Non reportable segment			
	Malaysia entities		Overseas entities		Other entities		Total	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Segment profit/(loss)	26,006	36,433	951	7,020	(4,375)	(1,736)	22,582	41,717
Included in the measure of segment profit are:								
Revenue from external customers	258,585	304,303	75,721	102,974	2,456	1,940	336,762	409,217
Inter-segment revenue	74,754	99,184	-	810	9,677	4,542	84,431	104,536
Depreciation and amortisation	(9,784)	(8,912)	(1,152)	(1,136)	(1,041)	(830)	(11,978)	(10,878)
Reversal of impairment loss/ (Impairment loss on trade receivables)	17	(43)	-	-	-	-	17	(43)
(Write down)/Reversal of write down of obsolete and slow moving inventories	(647)	310	-	-	-	-	(647)	310
Finance costs	(2,138)	(1,333)	-	-	(7,299)	(2,895)	(9,437)	(4,228)
Finance income	718	1,041	2	10	5,431	2,426	6,151	3,477

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
Group				
2026				
Total segments	22,582	(11,978)	(9,437)	6,151
Consolidation adjustments	1,655	21	4,499	(4,499)
Total consolidated	24,237	(11,957)	(4,938)	1,652
2025				
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

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	
	2026 RM'000	**2025 RM'000**
Local	225,717	258,453
Overseas:		
- Middle East	68,419	111,310
- Others	42,626	39,454
	336,762	409,217

Major customers

As at the end of the reporting period, one (2025: one) major customer from local segment with its revenue equals or more than 10% of the Group's total revenue have contributed RM52,288,431 (2025: RM48,607,521) 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	
	2026 RM'000	**2025 RM'000**
Group/Company		
Financial assets		
Other investments	2,715	1,037

24. FINANCIAL INSTRUMENTS *(cont'd)*

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Net gains/(losses) on:				
Equity instruments at FVOCI (Note 24.2.1)				
- recognised in profit or loss	109	728	109	728
- recognised in other comprehensive income	(235)	(107)	(235)	(107)
	(126)	621	(126)	621
Financial assets at AC (Note 24.2.2)	1,320	4,599	4,194	3,897
Financial liabilities at AC (Note 24.2.3)	(4,923)	(3,597)	(4,861)	(1,882)
	(3,729)	1,623	(793)	2,636

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. 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	
	2026 RM'000	**2025 RM'000**
Local	50,247	48,598
Overseas	21,500	28,121
	71,747	76,719

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.

24. FINANCIAL INSTRUMENTS *(cont'd)*

24.4 Credit risk *(cont'd)*

Trade receivables *(cont'd)*

Recognition and measurement of impairment loss (cont'd)

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
Group			
2026			
Current (not past due)	56,210	-	56,210
1 - 30 days past due	6,849	-	6,849
31 - 60 days past due	1,324	-	1,324
61 - 90 days past due	1,448	-	1,448
	65,831	-	65,831
Credit impaired			
More than 90 days past due	5,916	-	5,916
Individually impaired	742	742	-
	72,489	742	71,747
Group			
2025			
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
Credit impaired			
More than 90 days past due	4,446	-	4,446
Individually impaired	787	787	-
	77,506	787	76,719

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	
	2026 RM'000	**2025 RM'000**
Group		
At 1 April	787	746
Net remeasurement of loss allowance	(17)	43
Exchange difference	(28)	(2)
At 31 March	742	787

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 RM34,899,712 (2025: RM39,485,988), 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.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries and loan to an associate. The advances are repayable on demand. The Company monitors the results of the subsidiaries and an associate 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.

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 Company considers amounts due from subsidiaries and an associate have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' and associate's financial position deteriorates significantly. The Company considers amounts due from subsidiaries and an associate to be credit impaired when:

- The subsidiaries and an associate are unlikely to repay its amount due to the Company in full; or
- The subsidiaries and an associate are continuously loss making and is having a deficit shareholders' fund.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries and an associate as at the end of the reporting period.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Group			
2026			
Low credit risk	360	-	360
Company			
2026			
Low credit risk	150,147	-	150,147
Credit impaired	2,078	2,007	71
	152,225	2,007	150,218
2025			
Low credit risk	194,950	-	194,950
Credit impaired	2,177	2,007	170
	197,127	2,007	195,120

The movements in the allowance for impairment in respect of subsidiaries during the financial year were:

	Credit impaired	
	2026 RM'000	2025 RM'000
Company		
At 1 April/31 March	2,007	2,007

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

24. FINANCIAL INSTRUMENTS *(cont'd)*

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.

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
2026							
Group							
Non-derivative financial liabilities							
Secured hire purchase liabilities	524	2.24 - 3.35	544	484	60	-	-
Trade and other payables	110,981	-	110,981	110,981	-	-	-
Lease liabilities	465	4.00 - 4.61	485	431	54	-	-
Dividend payable	5,044	-	5,044	5,044	-	-	-
Sukuk Wakalah	100,000	4.77	128,633	4,770	4,770	14,323	104,770
	217,014		245,687	121,710	4,884	14,323	104,770
Company							
Non-derivative financial liabilities							
Trade and other payables	2,406	-	2,406	2,406	-	-	-
Dividend payable	5,044	-	5,044	5,044	-	-	-
Sukuk Wakalah	100,000	4.77	128,633	4,770	4,770	14,323	104,770
	107,450		136,083	12,220	4,770	14,323	104,770

24. FINANCIAL INSTRUMENTS *(cont'd)*

24.5 Liquidity risk *(cont'd)*

Maturity analysis (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
2025							
Group							
Non-derivative financial liabilities							
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	14,323	109,540
	212,963		246,483	117,132	5,434	14,377	109,540
Company							
Non-derivative financial liabilities							
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	14,323	109,540
	111,135		144,538	15,905	4,770	14,323	109,540

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 are 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**
Group				
2026				
Trade and other receivables	15,954	8,770	224	385
Cash and cash equivalents	9,339	1,058	1,598	1,488
Trade and other payables	(9,494)	(3,621)	(1,522)	(870)
	15,799	6,207	300	1,003
2025				
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

Currency risk sensitivity analysis

A 10% (2025: 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	
	2026 RM'000	**2025 RM'000**
Group		
USD	(1,201)	(1,101)
SGD	(472)	(443)
CNY	(23)	(329)
THB	(76)	(4)

A 10% (2025: 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.

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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Fixed rate instruments				
Financial assets	2,531	3,891	2,531	3,777
Financial liabilities	(100,524)	(101,432)	(100,000)	(100,000)
Lease liabilities	(465)	(274)	-	-
	(98,458)	(97,815)	(97,469)	(96,223)

Interest rate risk sensitivity analysis

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.

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.

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 RM272,000 (2025: RM104,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

24. FINANCIAL INSTRUMENTS *(cont'd)*

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 Sukuk Wakalah approximates its 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	Fair value of financial instruments not carried at fair value	Total fair value	Carrying amount
	Level 1 RM'000	Level 3 RM'000	RM'000	RM'000
Group				
2026				
Financial assets				
Quoted shares	2,715	-	2,715	2,715
Financial liabilities				
Hire purchase liabilities	-	(530)	(530)	(524)
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)
	-	(100,530)	(100,530)	(100,524)
2025				
Financial assets				
Quoted shares	1,037	-	1,037	1,037
Financial liabilities				
Hire purchase liabilities	-	(1,482)	(1,482)	(1,432)
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)
	-	(101,482)	(101,482)	(101,432)
Company				
2026				
Financial assets				
Quoted shares	2,715	-	2,715	2,715
Financial liabilities				
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)
2025				
Financial assets				
Quoted shares	1,037	-	1,037	1,037
Financial liabilities				
Sukuk Wakalah	-	(100,000)	(100,000)	(100,000)

24. FINANCIAL INSTRUMENTS *(cont'd)*

24.7 Fair value information *(cont'd)*

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	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.

During the financial year ended 31 March 2026, 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	
	2026 RM'000	**2025 RM'000**
Loans and borrowings (Note 14)	100,524	101,432
Lease liabilities	465	274
Total debts	100,989	101,706
Less: Cash and cash equivalents (Note 12)	(71,310)	(95,547)
	29,679	6,159
Total equity	285,339	297,010
Debt to-equity ratio	0.10	0.02

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	
	2026 RM'000	**2025 RM'000**
Capital expenditure commitment		
Property, plant and equipment		
Contracted but not provided for	3,928	2,940

NOTES TO THE FINANCIAL STATEMENTS
(cont'd)

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	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
A. Subsidiaries				
Dividend income (gross)	-	-	(14,632,452)	(71,974,880)
Management fees	-	-	(1,029,456)	(1,251,106)
Finance income	-	-	(4,499,368)	(1,194,392)
Rental expense	-	-	10,800	10,800
Advances to	-	-	3,460,000	87,475,000
B. Fees paid to a firm in which a Director is a partner	738	115,622	-	10,800
C. Company related to Directors				
Management fees	558,883	584,520	-	-
Secretarial fees	30,105	39,165	-	-
D. Key management personnel				
Directors				
- Fees	988,204	881,004	988,204	881,004
- Remuneration	12,843,806	12,902,559	-	187,300
- Share-based payments	-	3,830,536	-	-
	13,832,010	17,614,099	988,204	1,068,304

The estimated monetary value of Directors' benefit-in-kind for the Group is RM160,528 (2025: RM179,898).

Other key management personnel

- Remuneration	2,147,681	1,972,703	-	-
- Share-based payments	-	55,042	-	-
	2,147,681	2,027,745	-	-

The estimated monetary value of other key management personnel's benefit-in-kind for the Group is RM72,309 (2025: RM89,018).

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.

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 127 to 174 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 2026 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 2026

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Neo Meng Pey**, 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 127 to 174 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 Neo Meng Pey, NRIC: 801026-01-5260, MIA CA 47277 at Johor Bahru in the State of Johor on 23 July 2026

Neo Meng Pey

Before me:

Lau Lay Sung
Commissioner for Oaths
J-246

INDEPENDENT AUDITORS' REPORT

To the Members of Power Root Berhad
Registration Number: 200601013517 (733268-U) (Incorporated in Malaysia)

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 2026 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 127 to 174.

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 2026, 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"), as applicable to audits of financial statements of public interest entities, 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.

Revenue recognition

Refer to the Statement of Profit or Loss and Other Comprehensive Income and Note 16 - Revenue.

The key audit matter

Revenue from the contracts with customers is recognised when the goods are delivered and accepted by the customers. Revenue is measured based on the consideration specified in the contract, net of sales rebates and other sales-related expenses, collectively referred to as advertising and promotional expenses. The arrangements are based on planned and approved advertising and promotional activities on a yearly basis.

We have identified the measurement of advertising and promotional expenses 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

To the Members of Power Root Berhad
Registration Number: 200601013517 (733268-U) (Incorporated in Malaysia)
(cont'd)

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 customers' claims.

- 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

To the Members of Power Root Berhad
Registration Number: 200601013517 (733268-U) (Incorporated in Malaysia)
(cont'd)

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

To the Members of Power Root Berhad
Registration Number: 200601013517 (733268-U) (Incorporated in Malaysia)
(cont'd)

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 2026

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
		2026	**2025**
Total Income	**Remarks**	**(RM)**	**(RM)**
Revenue		336,761,800	409,217,478
Other income		1,444,930	3,741,603
Interest/Finance income		1,651,719	2,855,135
Total		**339,858,449**	**415,814,216**
Total Assets		**502,373,102**	**509,973,157**

(b) Business Activities

		Group	
		2026	**2025**
Shariah Non-Compliant Activities	**Remarks**	**(RM)**	**(RM)**
Interest/Finance income		239,902	226,206
Total		**239,902**	**226,206**

(c) Component of Financial Position

(i) Cash Component

		Group	
		2026	**2025**
Islamic Account/Instruments	**Remarks**	**(RM)**	**(RM)**
Cash at bank		39,823,109	44,619,475
Total Cash		**39,823,109**	**44,619,475**
Conventional Account/Instruments			
Cash at bank		31,487,030	50,927,672
Total Cash		**31,487,030**	**50,927,672**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING
(cont'd)

(c) Component of Financial Position *(cont'd)*

(ii) Debt Component

		Group	
		2026	**2025**
Islamic Financing	**Remarks**	**(RM)**	**(RM)**
Non-Current			
Other interest bearing debt	Sukuk	100,000,000	100,000,000
Total Financing		**100,000,000**	**100,000,000**

		Group	
		2026	**2025**
Conventional Borrowing	**Remarks**	**(RM)**	**(RM)**
Current			
Hire purchase payables		464,118	927,878
Non-Current			
Hire purchase payables		60,045	504,498
Total Debt		**524,163**	**1,432,376**

LIST OF PROPERTIES

As at 31 March 2026

Location	Existing use	Tenure	Appproximately Age of Building	Land area/ built up up area (sq feet)	NBV as at 31 March 2026 (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	27 years	41,354/ 21,269	2,954,473	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	27 years	41,801/ 24,177	2,006,829	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	18 years	772,098/ 201,404	39,530,045	15-Feb-2008
Lot 945, Springs 10 Street 7, Villa 33, Type 3E The Springs Emirates Living Dubai	Residential	Freehold	19 years	4,080/ 2,275	610,918	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	29 years	19,493/ 14,516	5,954,872	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	29 years	19,300/ 14,512	3,371,484	21-Apr-2008
No. 305, 3rd Floor Sobha Sapphire Business Bay (Al Khail Road Entrance) Dubai.	Office	Freehold	12 years	2,510	1,365,216	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	10 years	2,099/ 6,297	481,995	14-Sep-2016
Villa 575, Maple 1-Maple Community, Dubai Hills Estate, Dubai, UAE.	Residential	Freehold	5 years	2,228/ 1,683	1,664,314	30-Jun-2015
Villa 548, Maple 1-Maple Community, Dubai Hills Estate, Dubai, UAE.	Residential	Freehold	5 years	2,462/ 1,897	2,137,124	30-Jun-2015

LIST OF PROPERTIES
As at 31 March 2026
(cont'd)

Location	Existing use	Tenure	Appproximately Age of Building	Land area/ built up up area (sq feet)	NBV as at 31 March 2026 (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	10 years	14,400/ 8,570	2,330,508	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	10 years	14,400/ 8,570	2,330,508	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	10 years	14,400/ 8,570	2,330,508	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	27 years	41,351/ 21,727	6,341,535	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	13,104,841	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	17 years	4,688/ 23,439	4,665,605	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	771,949	35,419,014	27-Jun-2023
306, 3rd Floor, Sobha Sapphire, Business Bay, Dubai, United Arab Emirates	Office	Freehold	12 years	1,125	1,268,736	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

LIST OF PROPERTIES

As at 31 March 2026
(cont'd)

Location	Existing use	Tenure	Appproximately Age of Building	Land area/ built up up area (sq feet)	NBV as at 31 March 2026 (RM)	Date of acquisition
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	20,948,729	6-Dec-2024
PTD 111361, Jalan Sri Plentong 10, Taman Perindustrian Sri Plentong, 81750 Masai, Johor.	Vacant Land	Freehold	N.A	47,587	3,432,717	1-Oct-2025

ANALYSIS OF SHAREHOLDINGS
As at 30 June 2026

Issued Capital : 424,545,232 ordinary shares (including 12,586,200 treasury shares)
Class of Shares : Ordinary shares
Voting Rights : One vote per ordinary share
Number of Holders : 4,691

Size of Shareholdings	No. of Shareholders	%*	No. of Shares	%*
1 - 99	200	4.26	6,755	0.00
100 - 1,000	961	20.49	553,176	0.13
1,001 - 10,000	2,475	52.76	10,939,807	2.66
10,001 - 100,000	908	19.36	25,582,140	6.21
100,001 to less than 5% of issued shares	142	3.03	205,842,259	49.97
5% and above of issued shares	5	0.11	169,034,895	41.03
Total	**4,691**	**100.00**	**411,959,032**	**100.00**

* *Excluding a total of 12,586,200 shares bought back by the Company and retained as treasury shares as at 30 June 2026.*

DIRECTORS' INTEREST IN SHARES

		Direct Interest		Deemed Interest	
No.	Name of Directors	No. of Shares	%*	No. of Shares	%*
1.	Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj	–	–	–	–
2.	Wong Tak Keong	45,455,500	11.03	6,050,800	1.47 (1)
3.	Dato' How Say Swee	82,789,442	20.10	3,000,000	0.73 (2)
4.	Dato' Wong Fuei Boon	74,361,182	18.05	11,000,000	2.67 (1)
5.	See Thuan Po	4,578,000	1.11	7,200,000	1.75 (3)
6.	Ong Kheng Swee	255,315	0.06	154,000	0.04 (4)
7.	Dato' Tea Choo Keng	3,480	0.00	–	–
8.	Low Jun Lee	7,608,915	1.85	40,278,745	9.78 (5)
9.	Tan Lay Beng	–	–	–	–

* *Excluding a total of 12,586,200 shares bought back by the Company and retained as treasury shares as at 30 June 2026.*

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 2026
(cont'd)

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	**Substantial Shareholders**	**Shares**	**%***	**Shares**	**%***
1.	Dato' How Say Swee	82,789,442	20.10	3,000,000	0.73 (1)
2.	Dato' Wong Fuei Boon	74,361,182	18.05	11,000,000	2.67 (2)
3.	Wong Tak Keong	45,455,500	11.03	6,050,800	1.47 (2)
4.	Low Jun Lee	7,608,915	1.85	40,278,745	9.78 (3)
5.	Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	25,374,580	6.16	-	-
6.	Lembaga Tabung Haji	20,909,600	5.08	-	-

* *Excluding a total of 12,586,200 shares bought back by the Company and retained as treasury shares as at 30 June 2026.*

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 *CIMB for Wong Fuei Boon (PB)*	57,374,982	13.93
2.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for How Say Swee (PB)*	33,574,482	8.15
3.	DB (Malaysia) Nominees (Tempatan) Sdn Bhd *Exempt An for AHAM Asset Management Bhd (TSTAC/CLNT-T)*	31,801,251	7.72
4.	Kumpulan Wang Persaraan (Diperbadankan)	25,374,580	6.16
5.	Lembaga Tabung Haji	20,909,600	5.08
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Tak Keong (MY4646)*	20,000,000	4.86
7.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for How Say Swee (6000382)*	18,995,900	4.61
8.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Pau Choon Mei (PB)*	16,126,000	3.91
9.	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for How Say Swee (M04)*	15,486,800	3.76
10.	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Tak Keong*	11,582,400	2.81
11.	MERCSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Fuei Boon*	11,386,200	2.80
12.	How Say Swee	9,206,260	2.23

ANALYSIS OF SHAREHOLDINGS
As at 30 June 2026
(cont'd)

THIRTY (30) LARGEST SHAREHOLDERS *(cont'd)*

No.	Name	No. of Shares Held	%*
13.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Wong Tak Keong (PB)*	7,884,280	1.91
14.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for See Seang Huat & Company Sdn Bhd (PB)*	7,200,000	1.75
15.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Wong Boon Fong (PB)*	7,000,000	1.70
16.	Ling Shi Yng	5,050,800	1.23
17.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Dato' How Say Swee*	3,676,000	0.89
18.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Dato' Wong Fuei Boon*	3,600,000	0.87
19.	Yayasan Guru Tun Hussein Onn	3,324,480	0.80
20.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Private Wealth Management for Low Hong Lee (12027751) (467025)*	3,150,000	0.77
21.	Maybank Nominees(Tempatan) Sdn Bhd *Maybank Private Wealth Management for Low Jun Lee (12027621)(466309)*	3,100,000	0.75
22.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for See Thuan Po (PB)*	2,910,000	0.71
23.	HLB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Wong Tak Keong*	2,295,420	0.56
24.	Syed Sirajuddin Putra Jamalullail	2,200,128	0.53
25.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Private Wealth Management for Pau Choon Mei (12022455) (444094)*	2,200,000	0.53
26.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - Ambank (M) Berhad for Wong Tak Keong (Smart)*	2,100,000	0.51
27.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Dato' Wong Fuei Boon*	2,000,000	0.49
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Chee Lay (MF00399)*	1,897,700	0.46
29.	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Dato' How Say Swee*	1,850,000	0.45
30.	Federlite Holdings Sdn Bhd	1,830,900	0.44

* *Excluding a total of 12,586,200 shares bought back by the Company and retained as treasury shares as at 30 June 2026.*

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth ("20th") 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 Friday, 28 August 2026 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 2026 together with the Directors' and Auditors' Report thereon.	**Refer to Explanatory Note 1**
2.	To sanction the payment of Directors' fees, payable on a quarterly basis in arrears, from the period of the financial year ending 31 March 2027 until the conclusion of the 21st AGM.	**Ordinary Resolution 1**
3.	To approve the benefits payable to NED of an aggregate amount not exceeding RM300,000 for the period from the 20th AGM until the conclusion of the 21st AGM of the Company.	**Ordinary Resolution 2**
4.	To re-elect the following Directors who retire in accordance with Clause 100 of the Company's Constitution and being eligible, offer themselves for re-election:-	
	a. Mr. Ong Kheng Swee	**Ordinary Resolution 3**
	b. Y.A.D Tengku Dato' Setia Putra Al-Haj Bin Tengku Azman Shah Al-Haj	**Ordinary Resolution 4**
	c. Dato' Tea Choo Keng	**Ordinary Resolution 5**
5.	To re-appoint Messrs KPMG PLT as Auditors of the Company and authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

SPECIAL BUSINESS:-

To consider, and if thought fit, to pass with or without modifications the following resolutions:

6. **Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016.** — **Ordinary Resolution 7**

"**THAT** pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue **AND THAT** the Directors be and are also authorised to obtain the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the additional shares so issued AND THAT such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until:

a) the conclusion of the annual general meeting held next after the approval was given; or

b) the expiry of the period within which the next annual general meeting is required to be held after the approval was given,

whichever occurs first.

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

THAT in connection with the above, pursuant to Section 85 of the CA 2016 to be read together with Clause 63 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.

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, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new Shares."

7. **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** **Ordinary Resolution 8**

"**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.

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."

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

8. **Proposed Renewal of the Authority to Buy-Back Its Own Shares by the Company ("Proposed Renewal of Share Buy-Back")** **Ordinary Resolution 9**

"**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

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.

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."

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

9. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 10**

"**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 28 July 2026 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."

10. To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the CA 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

28 July 2026

NOTES

Only depositor whose name appears in the Record of Depositors as at 21 August 2026 shall be regarded as member of the Company entitled to participate, speak and vote at this Meeting or appoint proxy or proxies to participate, speak and vote in his stead.

1. *A member entitled to participate and vote at the Meeting is entitled to appoint a proxy or proxies to participate and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.*

2. *A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to participate and vote at the same meeting.*

3. *Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

4. *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one (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. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.*

6. *The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80888 IIBD, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. The latest date and time for lodgement of Proxy Form(s) is* ***Wednesday, 26 August 2026*** *at 3:00 p.m..*

Personal Data Privacy:
By submitting the duly executed Proxy Form(s), the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 20th AGM of the Company and any adjournment thereof.

EXPLANATORY NOTES TO ORDINARY BUSINESS:

1. ***Audited Financial Statement for the financial year ended 31 March 2026***

   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, it is not put forward for voting.

2. ***Directors' Fees and Benefits***

   Pursuant to Section 230(1) of the Companies Act 2016, ("the Act"), the fees and benefits payable to the Directors of the Company must be approved by shareholders at a general meeting.

   Ordinary Resolution 1, if approved, Directors' fees payable to the NEDs will be paid on a quarterly basis in arrears, from the period of the financial year ending 31 March 2027 until the conclusion of the 21st AGM.

   Benefits payable to the Directors for NEDs

   The benefits payable to the Directors for NEDs has been reviewed by the Remuneration Committee and the Board of Directors of the Company, both of which have determined that such benefits are in the best interests of the Company and are in line with the Group's remuneration framework.

   The benefits comprised of meeting allowance, travelling allowance and Board Committee allowances.

   Ordinary Resolution 2, if approved, shareholders will authorise the payment of benefits to the Non-Executive Directors of an aggregate amount not exceeding RM300,000 for the period commencing from the conclusion of the 20th AGM until the conclusion of the 21st AGM of the Company.

3. ***Re-election of Directors Who Retire in Accordance with Clause 100 of the Company's Constitution***

   Clause 100 of the 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.

   For the purpose of determining the eligibility of the Directors to stand for re-election at the 20th AGM, the Nomination 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, fit and proper criteria assessment; and*

   (2) *The level of independence demonstrated by each of the NEDs, 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.*

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

In line with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Paragraph 2.20A of the Main Market Listing Requirements ("MMLR"), the Board had, through the NC, conducted an assessment of independence of the NEDs, 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 NEDs has also provided his/her annual declaration/confirmation of independence bi-annually of 2026.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Clause 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 CA 2016, the term of office of the present Auditors, Messrs KPMG PLT, shall lapse at the conclusion of this 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 met 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 ON SPECIAL BUSINESSES:

5. Authority to Allot Shares

Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the CA 2016 and waiver of pre-emptive rights pursuant to the CA 2016.

Ordinary Resolution 7, if passed, will empower the Directors, from the conclusion of the 20th AGM, to issue not more than ten percent (10%) of the total number of issued shares of the Company for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Securities. This authority, unless revoked or varied at a General Meeting, will expire at the end of the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the CA 2016 to be read together with Clause 63 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which will rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

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 shares and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The mandate sought under Ordinary Resolution 7 above is a renewal of an existing mandate. Since the last renewal was sought, no shares were issued, and thus, no proceeds were raised.

If approved, the renewal of the general mandate above will provide the Company with flexibility for any potential fund-raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceeds to be raised, if any, may be used for funding future investments, working capital, repayment of bank borrowings and/or any acquisition.

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING
(cont'd)

6. ***Proposed Renewal of Authority to allot and issue new ordinary shares in Power Root in relation to the Company's Dividend Reinvestment Plan***

Ordinary Resolution 8, if passed, is for the purpose of renewing 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 2025. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of 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.

7. ***Proposed Renewal of Share Buy-Back***

Ordinary Resolution 9, if passed, will 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 RM17.2 million for audited retained earnings as at 31 March 2026. The General Mandate for Share Buy-Back has been granted by the shareholders at the AGM of the Company held on 27 August 2025. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Share Buy-Back Renewal is set out in the Circular to Shareholders dated 28 July 2026.

8. ***Proposed Shareholders' Mandate***

Ordinary Resolution 10, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). This authority will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, unless revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting, whichever is earlier.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 28 July 2026.

STATEMENT ACCOMPANYING NOTICE OF THE TWENTIETH (“20th”) ANNUAL GENERAL MEETING (“AGM”)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTOR (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

No individual is seeking election as Director of the Company at the Twentieth Annual General Meeting except for the following Directors standing for **re-election** as follows:

1.	Mr. Ong Kheng Swee	Clause 100	Resolution 3
2.	Y.A.D Tengku Dato’ Setia Putra Al-Haj Bin Tengku Azman Shah Al-Haj	Clause 100	Resolution 4
3.	Dato’ Tea Choo Keng	Clause 100	Resolution 5

The profile of the Directors standing for re-election is set out in the Board of Directors’ Profile on pages 5 to 8 of the Annual Report 2026.

The shareholdings in the Company and its subsidiaries of the Directors standing for re-election are set out in the Directors’ Report and/or Analysis of Shareholdings on the page 185 to 187 of the Annual Report 2026.

The Nominating and Remuneration Committee of the Company has assessed the performance, contribution and effectiveness of each Director including the fit and proper criteria of the Directors, their relevant skill sets and experience and the valuable insights they bring to the Board. Based on the satisfactory assessment outcome, the Board recommended the retiring Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

The Directors standing for re-election have abstained from deliberation and participation of their own recommendation for re-election in the relevant Nominating and Remuneration Committee and Board meetings.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes of the Notice of AGM in the Annual Report 2026.

If approved, the renewal of the general mandate above, will provide the Company with flexibility for potential fund-raising activities, including but not limited to further placement of shares to fund future investments, working capital, repayment of bank borrowings and/or any acquisition.

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POWER ROOT BERHAD
(Registration No. 200601013517 (733268-U))
Incorporated In Malaysia

FORM OF PROXY

No. of shares held	
CDS Account No.	

I/We ______________________ NRIC/Passport/Company No. ______________________
(full name in block capital)

of ______________________
(full address)

and telephone no./ email address. ______________________

being *a shareholder/ shareholders of **POWER ROOT BERHAD** (200601013517 (733268-U)) hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	**Contact No.:**			

*and/or

Full Name and Address (in Block Letters) (Second Proxy)		NRIC / Passport No.	No. of Shares	% of Shareholding
Email:	**Contact No.:**			

or failing *him/ her the Chairman of the Meeting as *my/ our proxy/ proxies to participate, speak and vote for *me/ us on *my/ our behalf at Twentieth (“20th”) Annual General Meeting (“AGM”) of the Company to be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor on Friday, 28 August 2026 at 3.00 p.m. or any adjournment thereof.

*My/our proxy(ies) *is/are to vote as indicated by an “x” in the appropriate spaces below:

		First Proxy		Second Proxy	
Ordinary Resolution No.		FOR	AGAINST	FOR	AGAINST
	ORDINARY BUSINESS				
1.	To sanction the payment of Directors’ fees, payable on a quarterly basis in arrears, from the period of the financial year ending 31 March 2027 until the conclusion of the 21st AGM.				
2.	To approve the benefits payable to NED of an aggregate amount not exceeding RM300,000 for the period from the 20th AGM until the conclusion of the 21st AGM of the Company.				
	To re-elect the following Directors who retire in accordance with Clause 100 of the Company’s Constitution and being eligible, offer themselves for re-election:-				
3.	Re-election of Mr. Ong Kheng Swee				
4.	Re-election of Y.A.D Tengku Dato’ Setia Putra Al-Haj Bin Tengku Azman Shah Al-Haj				
5.	Re-election of Dato’ Tea Choo Keng				
6.	To re-appoint Messrs KPMG PLT as Auditors of the Company and authorise the Directors to fix their remuneration.				
	SPECIAL BUSINESS				
7.	Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”) and waiver of pre-emptive rights pursuant to the CA 2016				
8.	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				
9.	Proposed Renewal of Share Buy-Back				
10.	Proposed Shareholders’ Mandate				

Subject to the above stated voting instructions, *my/our proxy(ies) may vote or abstain from voting on any resolutions as *he/she/they may think fit.

** Strike out whichever is not desired*

____
Signature of Shareholder(s)/ Common Seal
Contact no:

Date:

Fold This Flap For Sealing

Notes:

1. *A member entitled to participate and vote at the Meeting is entitled to appoint a proxy or proxies to participate and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.*
2. *A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to participate and vote at the same meeting.*
3. *Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one (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. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.*
6. *The instrument appointing a proxy must be deposited at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80888 IIBD, Johor not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. The latest date and time for lodgement of Proxy Form(s) is* ***Wednesday, 26 August 2026*** *at 3.00 p.m..*

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AFFIX
STAMP

THE SHARE REGISTRAR

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

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya,
Selangor, Malaysia.

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PERSONAL DATA PRIVACY

By submitting the duly executed Proxy Form(s), the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 20th AGM of the Company and any adjournment thereof.


KUASA KAU,
KAW
Alicafé
TONGKAT ALI DAN GINSENG
ORIGINAL
Minuman Kopi Pracampur dengan
Tongkat Ali dan Ginseng
Kandungan Bersih: 250ml
ORIGINAL 30g
KOPI PRACAMPUR
18
Tenaga Legenda™
KOPI
TONGKAT ALI
GINSENG
POWER ROOT