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.

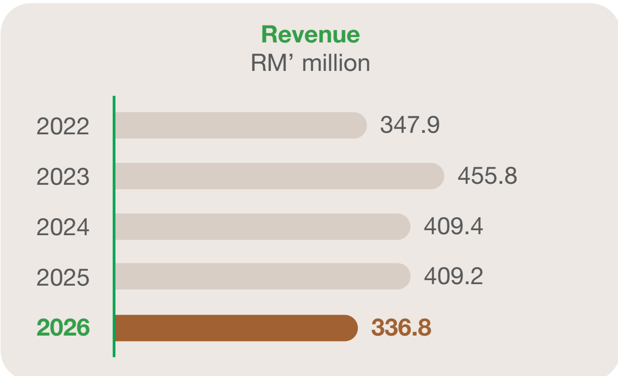
OVERSEAS COMPANIES

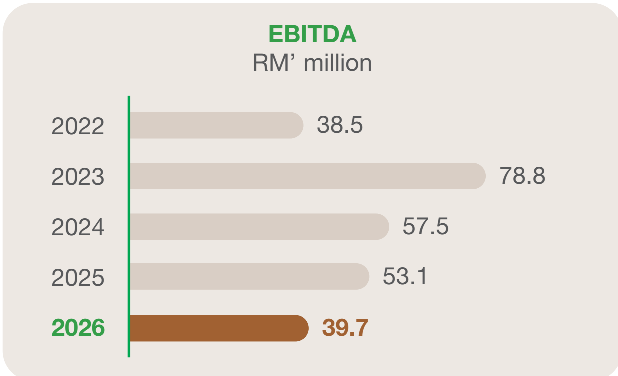
- Power Root (Shanghai) Food Trading Co., Ltd. 100%
- Power Root HK-China Company Limited 90%
- PR Global Assets Limited 100%
- PT. Natbio Marketing Indonesia 100%
- PR Food Trading L.L.C-FZ 100%
- PR Food Trading FZCO 97%
- Power Root ME FZCO 97%
  - Power Root Egypt for Trading and Distribution (E.S.C.)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

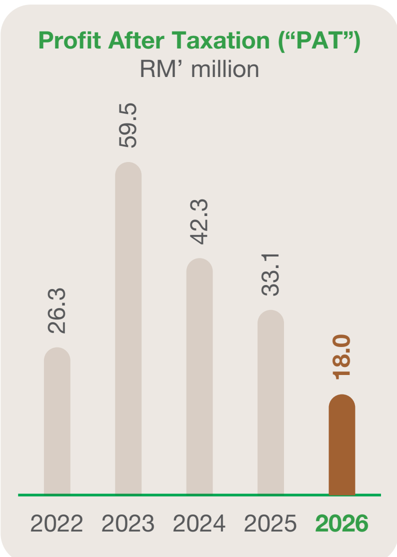
FINANCIAL HIGHLIGHTS

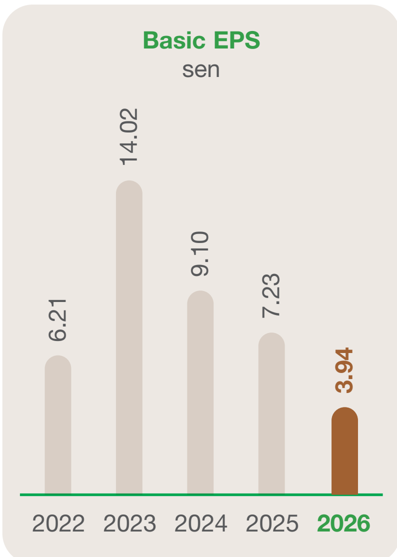
Financial year ended 31 March

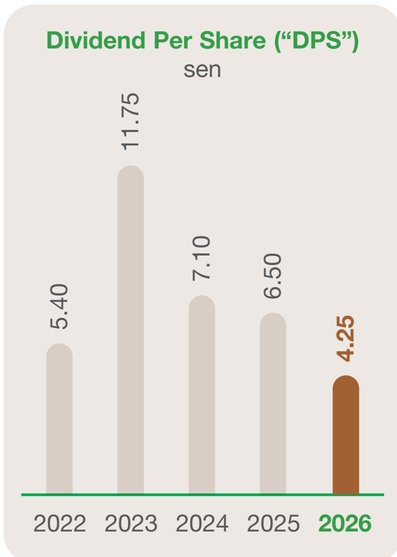
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Revenue	347,910	455,763	409,431	409,217	**336,762**
Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**")	38,473	78,801	57,492	53,144	**39,664**
Profit Before Taxation ("**PBT**")	31,994	70,278	48,049	41,570	**24,237**
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.

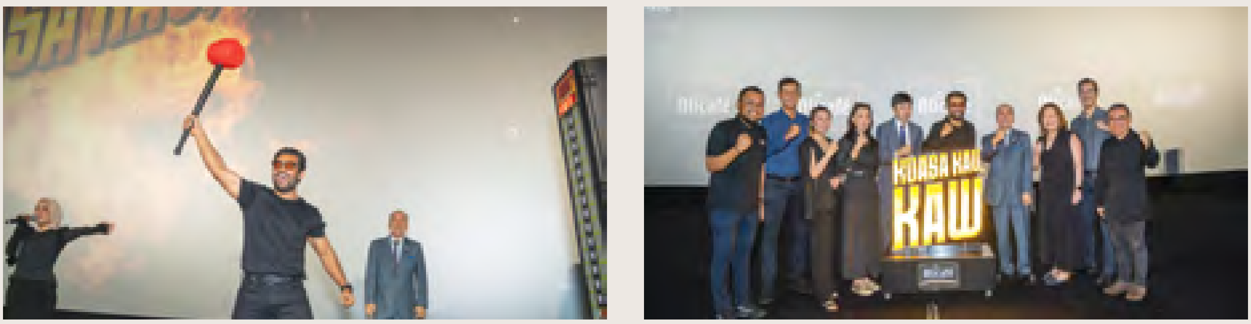
This campaign message reinforced Alicafé's position as a trusted holistic energy fuel which provides power, activates alertness, and intensifies focus all day long. The campaign marked the introduction of our incoming Alicafé brand ambassador Datuk Mohammad Zalimei bin Ishak ("Datuk Remy Ishak"), an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

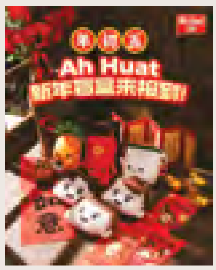
Made up of Kevin Ong, Danny Lee and Caven Tang, 3P is popular for their multicultural entertaining content on YouTube with high-energy songs and dances which has propelled them to popularity. 3P's infectious energy was on display in the video produced with Ah Huat which blended Ah Huat's values of close 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.

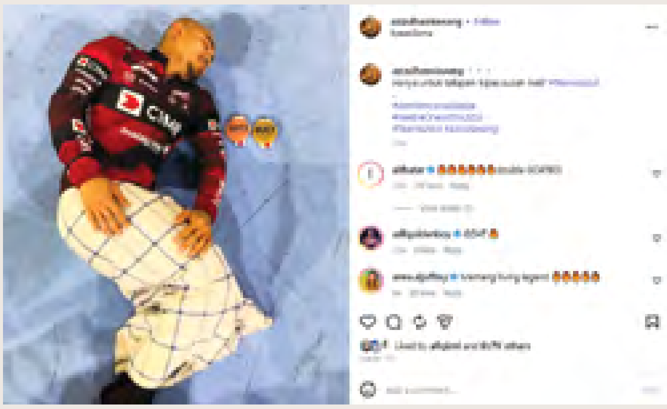
Dato' Azizul's popularity can be seen in 'Meet and Greet' Oligo sessions. At one such event held in November 2025 at MYDIN USJ, Selangor, large crowds gathered to take a photo and speak with him. MYDIN's Executive Director, YBhg. Dato' Murad Ali Mydin was also on hand to meet with Dato' Azizul.

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.

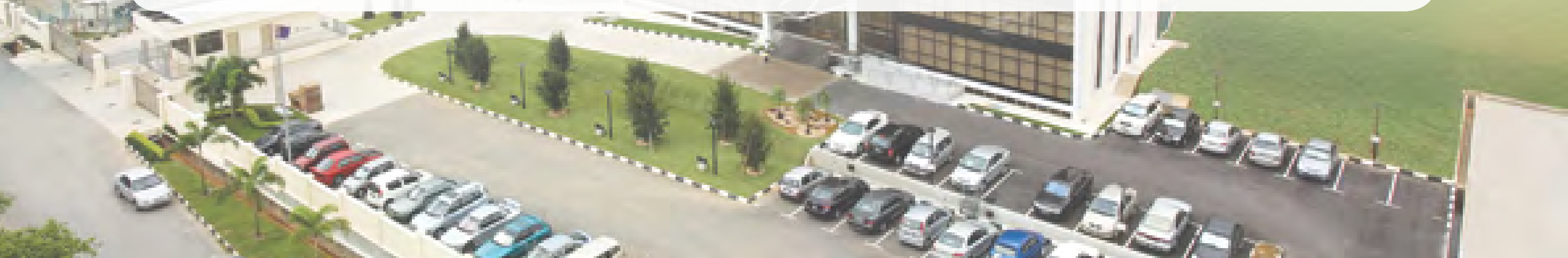
Engaging customers to build stronger customer relationships will continue to be emphasised through digital marketing and traditional avenues as we seek to keep Power Root products visible amid the crowded beverage market.

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

Email : ir@powerroot.com.my
Address : No. 30, Jalan Tago 9, Taman Perindustrian Tago, 52200 Kuala Lumpur.

SUSTAINABILITY STATEMENT
(cont'd)

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

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

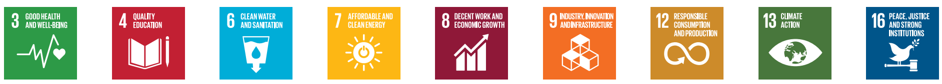
Advancing Environmental Stewardship

- 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.

3 GOOD HEALTH AND WELL-BEING

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

4 QUALITY EDUCATION

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

6 CLEAN WATER AND SANITATION

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

7 AFFORDABLE AND CLEAN ENERGY

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

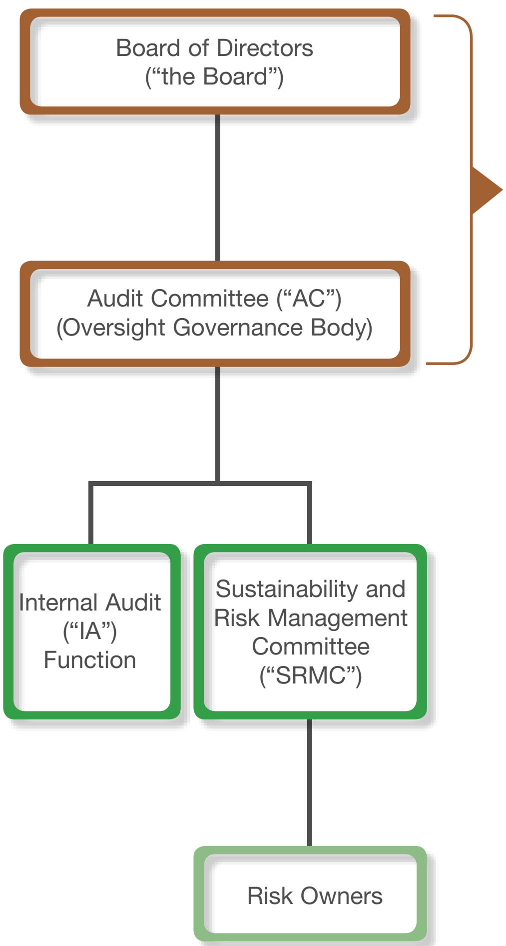
Strong governance practices are maintained through formal policies and internal controls that promote ethical conduct, regulatory compliance and transparency.

<u>Initiatives</u>

- 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.

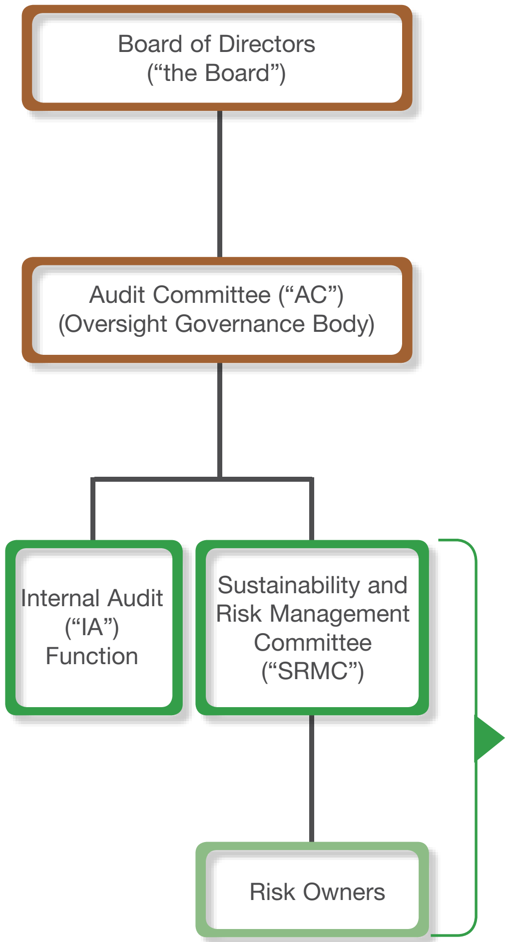
Roles and Responsibilities of the AC:

- 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

SUSTAINABILITY STATEMENT
(cont'd)

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	Ranking	Prioritisation	Approval
Material matters were benchmarked against SASB industry topics and relevant industry best practices.	An online survey was conducted to gather input from Management, employees and external stakeholders.	Survey results were compiled, analysed and mapped into a materiality matrix.	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

SUSTAINABILITY STATEMENT
(cont'd)

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		Investors, Government and Regulators, Key Account Retailers, Distributors, End Consumers, Suppliers and Service Providers, Media	

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**	
			

Legend:

Investors
Financial Institutions
Distributors
End Consumers
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Media
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Employees
Suppliers and Service Providers
Non-Governmental Organisations ("NGOs")

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

Legend:

Investors
Financial Institutions
Distributors
End Consumers
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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

Stakeholder Groups

Legend:

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