



**NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Fourteenth Annual General Meeting of Power Root Berhad ("Power Root" or "the Company") will be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor on Wednesday, 26 August 2020 at 3.00 p.m. for the purpose of considering the following businesses:-

**AGENDA**

**ORDINARY BUSINESSSES:-**

- To receive the Audited Financial Statement for the financial year ended 31 March 2020 together with the Directors' and Auditors' reports thereon. **(Resolution 1)**
- To sanction payment of Directors' fees for the financial year ending 31 March 2021, to be payable on quarterly basis in arrears. **(Resolution 2)**
- To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2021. **(Resolution 3)**
- To re-elect Dato' How Say Swee, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election. **(Resolution 4)**
- To re-elect Mr. Ong Kheng Swee, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election. **(Resolution 5)**
- To re-elect Dato' Affuddin Bin Abdul Kadir, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election. **(Resolution 6)**
- To re-elect Dato' Tea Choo Keng, who retires pursuant to Clause 107 of the Company's Constitution and being eligible, offers himself for re-election. **(Resolution 7)**
- To re-appoint Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 7)**

**SPECIAL BUSINESS:-**

To consider and if thought fit, to pass the following Ordinary Resolutions:-

- Retention of Independent Director, Mr. Ong Kheng Swee** **(Resolution 8)**  
To retain Mr. Ong Kheng Swee as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.
- Authority for Directors to Issue Shares Pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 ("Authority to Allot Shares")** **(Resolution 9)**  
"THAT pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad  
**AND THAT** such authority conferred by this resolution shall commence upon passing this resolution until:  
a) the conclusion of the Annual General Meeting held next after the approval was given; or  
b) the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever occurs first."
- Proposed Renewal of the Authority to allot and issue new ordinary shares in Power Root ("Power Root Shares"), for the purpose of the Company's Dividend Reinvestment Plan ("DRP") that provides the shareholders of Power Root ("Shareholders") the option to elect to reinvest their cash dividend in new Power Root Shares** **(Resolution 10)**  
"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 29 July 2013 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Power Root Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Power Root Shares shall be fixed by the Directors based on the adjusted five (5) market days Volume Weighted Average Market Price ("VWAMP") of Power Root Shares immediately prior to the price-fixing date after applying a discount of not more than 10%, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;  
**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."
- Proposed Renewal of the Authority to Buy-Back Its Own Shares by the Company ("Proposed Renewal of Share Buy-Back")** **(Resolution 11)**  
"THAT subject to the provisions of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any applicable laws, rules, orders, requirements, regulations and guidelines for the time being in force or as may be amended, modified or re-enacted from time to time and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back.  
**THAT** The Board be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:  
a) cancel all the shares so purchased; or  
b) distribute the shares as share dividends to the shareholders; or  
c) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or  
d) transfer the shares for the purpose of or under an employees' share scheme; or  
e) transfer the shares as purchase consideration; or  
f) such other manners as may be permitted by the Act  
**AND THAT** the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Board to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back.  
**AND THAT** the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:  
a) the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;  
b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or  
c) the earlier revocation or variation of the authority through a general meeting, whichever is the earlier."
- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **(Resolution 12)**  
"THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Part B, Section 2.5 of the Circular to Shareholders dated 28 July 2020 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-  
a) the conclusion of the next Annual General Meeting of the Company at which such Proposed Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or  
b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016, ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or  
c) revoked or varied by resolution passed by the shareholders in general meeting, whichever occurs first."
- To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

ZURIATI BINTI YAACOB (F) SSM PC No. 202008003191 (LS 0009971)  
LEONG SIEW FOONG (F) SSM PC No. 202008001117 (MAICSA NO. 7007572)  
SANTHI A/P SAMINATHAN (F) SSM PC No. 201908002933 (MAICSA NO. 7069709)  
Company Secretaries

Johor Bahru  
Dated: 28 July 2020

**Notes:**

- General Meeting Record of Depositors**  
Only depositors whose name appears in the Record of Depositors as at 19 August 2020 shall be regarded as Member of the Company entitled to attend, speak and vote at this Meeting or appoint proxy (es) to attend, speak and vote in his stead.
- Proxy**
  - A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a proxy appointed to attend, speak and vote at a meeting shall have the same rights as the member to speak at the meeting.
  - A member may appoint not more than two (2) proxies to attend and vote at the same meeting.
  - Where a member appoints two (2) proxies, he shall specify the proportion of his holdings to be represented by each proxy. Otherwise, the appointment shall be invalid.
  - Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  - Where a member is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds.
  - Where a member or the authorised nominee or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be presented by each proxy must be specified in the instrument appointing the proxies.
  - Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
  - The Proxy Form must be deposited at the Share Registrar of the Company, located at BOARDROOM SHARE REGISTRARS SDN BHD situated at 11<sup>th</sup> Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.

**Audited Financial Statement for the financial year ended 31 March 2020**

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders and hence is not put forward for voting.

**Directors' Fees and Benefits**

Resolution 1 & 2, pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be pre-approved at a general meeting. In this respect, the Board shall seek shareholders' approval at the 14th Annual General Meeting on the Directors' fees and benefits in (2) separate resolutions as below: -

- Resolution 1 - To sanction payment of Directors' fees for the financial year ending 31 March 2021, to be payable on quarterly basis in arrears; and
- Resolution 2 - To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2021.

Payment of directors' fees will be made by the Company after they have discharged their responsibilities and rendered their services to the Company for the financial year ending 31 March 2021, if proposed Resolutions 1 & 2 passed at the forthcoming Annual General Meeting. Details of the Directors' fees and benefits paid to the Directors are disclosed in Practice 7.1 of the CG Report.

**Re-election of Directors Who Retire in Accordance with Clause 100 and Clause 107 of the Company's Constitution**

Clause 100 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. With the current Board size of ten (10), one (1) Director shall retire in accordance with Clause 107 of the Company's Constitution, three (3) Directors are to retire in accordance with Clause 100 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

Clause 107 of the Company's Constitution provides that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Nominating Committee has assessed the performance of these Directors seeking for re-election under Clause 100 and Clause 107 of the Company's Constitution.

The satisfactory outcome of the assessment was reported to the Board of Directors and the Board recommends these Directors to be re-elected according to the resolutions put forth in the forthcoming Annual General Meeting. These Directors standing for re-election have abstained from deliberation and participation of their own agenda in the relevant Nominating Committee meeting and Board meeting.

**Re-appointment of Auditors**

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. KPMG PLT, shall lapse at the conclusion of the forthcoming Annual General Meeting unless they are re-appointed by the shareholders to continue in office. Messrs. KPMG PLT, have indicated their willingness to continue their service until the conclusion of next Annual General Meeting. The re-appointment of Messrs. KPMG PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Resolution 7, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

**EXPLANATORY NOTES TO SPECIAL BUSINESSSES:-**

**Retention of Independent Director, Mr. Ong Kheng Swee**

The Board of Directors via the Nominating Committee assessed the independence of Mr. Ong Kheng Swee, who has served on the Board as Independent Non-Executive Director of the Company for a cumulative of more than twelve (12) years and the Board has recommended that the approval of the shareholders be sought to retain Mr. Ong Kheng Swee, based on the following justifications:

- He has met the criteria the independence guidelines set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore able to give independent opinion to the Board;
- Being director for more than twelve (12) years has enabled him to contribute positively during deliberations/discussions at meetings as he is familiar with the operations of the Company and possess knowledge of the Company's operations;
- He has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner; and
- He has contributed sufficient time and exercised due care during his tenure as Independent Non-Executive Director and carried out his fiduciary duties in the interest of the Company and minority shareholders.

Mr. Ong Kheng Swee shall be subjected to two tier voting in accordance with the Malaysian Code on Corporate Governance as he has served the Company for more than twelve (12) years.

**Authority to Allot Shares**

The Proposed Resolution 9 if passed, is for the purpose of granting a general mandate ("General Mandate") empowering the Directors of the Company, pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being, without having to convene a general meeting.

The General Mandate, unless revoked or varied by the Company in the general meeting, will expire at the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

The Proposed Resolution 10 is for the purpose of granting a general mandate ("General Mandate for DRP") to provide the shareholders of Power Root the option to elect to reinvest their cash dividend in new ordinary shares in the Company. The General Mandate for DRP has been granted by the shareholders at the Annual General Meeting of the Company held on 27 August 2019. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

**Proposed Renewal of Share Buy-Back**

The Proposed Resolution 11 is for the purpose of granting a general mandate ("General Mandate for Share Buy-Back") to allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. The audited retained earnings of the Company stood at RM23.3 million as at 31 March 2020. The General Mandate for Share Buy-Back has been granted by the shareholders at the AGM of the Company held on 27 August 2019. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

**Proposed Shareholders' Mandate**

The Proposed Resolution 12 is for the purpose of obtaining a shareholders' mandate at the forthcoming Annual General Meeting of the Company.

The Proposed Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## **ADMINISTRATIVE GUIDE OF FOURTEENTH ANNUAL GENERAL MEETING (“14<sup>TH</sup> AGM”) FOR THE SHAREHOLDERS OF POWER ROOT BERHAD**

Dear Valued Shareholders,

In view of the COVID-19 outbreak, your safety remains our utmost priority. The 14<sup>th</sup> AGM of the Company will be conducted in accordance with the General Standard Operating Procedures to Government and Private Sector (“General SOP”) issued by Malaysian National Security Council on 16 June 2020 and Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia on 18 June 2020 (“SC Guidance Note & FAQs”).

This Administrative Guide is necessary to introduce safety measures and controls to be undertaken by the Company to safeguard the well-being of our shareholders/proxies during the 14<sup>th</sup> AGM as well as to comply with the Government and/or authorities’ directives and guidelines on public gatherings and events which may be issued from time to time.

The Company wishes to highlight that the 14<sup>th</sup> AGM may be re-scheduled and/or postponed in view of the current COVID-19 Outbreak and the Malaysian Government’s announcements or guidelines made from time to time. Rest assured, all members/proxies including attendees shall be kept informed of any unexpected changes.

### **Public Health Precautions and Preventive Measures**

- In light of the COVID-19 outbreak, we appreciate if all shareholders, proxies and invited guests could take all the necessary precautions and preventive measures as issued by the Ministry of Health when attending the 14<sup>th</sup> AGM.
- If you are unwell with **sore throat, flu, fever, cough, aches and pains, nasal congestion, runny nose, diarrhoea or shortness of breath**, and/or you are under high risk group which is **above age of 60**, your attendance in person at the 14<sup>th</sup> AGM will be denied. You are hereby strongly advised and encouraged to submit your Form of Proxy prior to the 14<sup>th</sup> AGM.
- To safeguard the health and safety of shareholders, proxies and invited guests who may be attending the 14<sup>th</sup> AGM in person, the Company will also implement the following precautionary measures for the 14<sup>th</sup> AGM:-
  - (a) Shareholders, proxyholders and corporate representatives (“Participants”) will have to go through a compulsory body temperature screening and will be required to provide his/her health declaration at guardhouse and check-in via MySejahtera application during the registration process, specifically to facilitate the Company in preventing any potential spread of COVID-19. Any person with a body temperature of above 37.5°C or is experiencing any symptoms of being unwell above, you will **NOT** be allowed to enter the venue of the 14<sup>th</sup> AGM.
  - (b) Wearing a face mask in advance and throughout the 14<sup>th</sup> AGM proceedings is required. Please be informed that the Company will not be providing face masks.
  - (c) We strongly advise you to frequently wash your hands and use the hand sanitiser before and after the 14<sup>th</sup> AGM. Hand sanitiser will be provided by the Company.

## **ADMINISTRATIVE GUIDE OF FOURTEENTH ANNUAL GENERAL MEETING (“14<sup>TH</sup> AGM”) FOR THE SHAREHOLDERS OF POWER ROOT BERHAD (CONTINUED)**

### **Registration**

1. Pursuant to SC Guidance Note & FAQs, the Participants who will be attending the 14<sup>th</sup> AGM in person are required to pre-register themselves with the Company by providing their name, NRIC/Passport No. and CDS account no. to the Company via email at [agm@powerroot.com.my](mailto:agm@powerroot.com.my) not later than Wednesday, **19 August 2020 at 3.00 p.m.**, otherwise the attendance of Participants in person will be denied. Participants will be notified via email once the registration is successful. This is to allow the Company to make necessary arrangements for the 14<sup>th</sup> AGM.
2. The Company is abiding with the General SOP issued by Malaysian National Security Council in conducting the 14<sup>th</sup> AGM. Please present your original MyKad to the registration staff for verification against the pre-registration of attendance.
3. Please download the MySejahtera application in advance and upon verification and body temperature screening, scan the QR code for health declaration during the registration process. Please be mindful of one metre social distancing.

### **Refreshment**

Due to social distancing, buffet refreshment will not be served. Only packed food will be distributed.

### **No Recording or Photography**

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

### **Voting by Proxy**

For the health and safety of shareholders, the Company would like to encourage shareholders to exercise their right to vote at the 14<sup>th</sup> AGM by appointing the Chairman of the 14<sup>th</sup> AGM as their proxy and indicate the voting instructions in the Form of Proxy instead of attending the 14<sup>th</sup> AGM in person.

If a shareholder is unable to attend the 14<sup>th</sup> AGM on **26 August 2020**, he/she can appoint the Chairman of the meeting as his/her proxy to attend, speak and vote in his/her stead. Please submit your Form of Proxy to the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not later than Monday, **24 August 2020 at 3.00 p.m.**

### **Enquiry**

If you have any enquiries prior to the 14<sup>th</sup> AGM, please contact the following during the office hours from Mondays to Fridays, 9.00 a.m. to 5.30 p.m. (except on public holidays):-

#### **Share Registrar**

Boardroom Share Registrars Sdn. Bhd.

Ms. Hastini Hassim

Tel No. : 603-7890 4700

Fax No. : 603-7890 4670

Email : [Hastini.Hassim@boardroomlimited.com](mailto:Hastini.Hassim@boardroomlimited.com)

#### **Power Root Berhad**

Ms. Koh Chi Hui

Tel No. : 603-6272 0303

Fax No. : 603-6272 9788

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