

**THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused Part A of this Statement/Circular in respect of the Proposed Renewal of Share Buy-Back and Part B in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions prior to its issuance as it is exempted pursuant to the provision of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities has only perused Part B of this Statement/Circular in respect of the proposed new shareholders' mandate for recurrent related party transactions on a limited review basis.

Bursa Securities takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.



**POWER ROOT BERHAD**

Company Registration No. 200601013517 (733268-U)  
(Incorporated in Malaysia)

**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY  
TO BUY-BACK ITS OWN SHARES BY THE COMPANY  
("PROPOSED RENEWAL OF SHARE BUY-BACK")**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE  
FOR RECURRENT RELATED PARTY TRANSACTIONS  
OF A REVENUE OR TRADING NATURE  
("PROPOSED SHAREHOLDERS' MANDATE")**

The above proposals will be tabled as Special Business at the Company's Fifteenth Annual General Meeting ("AGM") which will be held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided by Vote2U at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) on Friday, 27 August 2021 at 3.00 p.m. The Notice of the Fifteenth AGM and the Form of Proxy are set out in the Annual Report of the Company for the financial year ended 31 March 2021.

The Form of Proxy should be completed and deposited at the Share Registrar of the Company, 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, Malaysia, not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 25 August 2021 at 3.00 p.m.  
Date and time of the AGM : Friday, 27 August 2021 at 3.00 p.m.

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement/Circular:

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Alicafe Roasters	: Alicafe Roasters Sdn Bhd [Company Registration No. 201701034678 (1248849-V)]
Board	: Board of Directors of Power Root
Bursa Securities	: Bursa Malaysia Securities Berhad [Company Registration No. 200301033577 (635998-W)]
Circular	: This circular to the shareholders of Power Root in relation to the Proposed Renewal of Share Buy-Back and Proposed Shareholders' Mandate
Code	: Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time
Director	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company or any other Company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
EPS	: Earnings per Share
ESOS	: The Employees' share option schemes implemented on 23 July 2012 and 11 June 2019
ESOS Options	: ESOS options granted under the ESOS to eligible persons to subscribe for new Power Root Shares at a specified price
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 30 June 2021, being the latest practicable date prior to the printing of this Statement/Circular
Major Shareholder(s)	: A person who has interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholders of the corporation.

For the purpose of this definition, "interests in shares" has the meaning given in Section 8 of the Act.

For the purpose of the Proposed Shareholders' Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is the Company's subsidiary or holding company.

## DEFINITIONS (CONT'D)

NA	: Net assets
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Power Root or the Company	: Power Root Berhad [Company Registration No. 200601013517 (733268-U)]
Power Root Distributor	: Power Root Distributor Sdn Bhd [Company Registration No. 201101008776 (936915-T)]
Power Root Group or Group	: Power Root and its subsidiary companies, collectively
Power Root HK	: Power Root HK-China Company Limited (Company No. 2820123)
Power Root Manufacturing	: Power Root Manufacturing Sdn Bhd [Company Registration No. 200501008588 (685635-H)]
Power Root Marketing	: Power Root Marketing Sdn Bhd [Company Registration No. 200001000622 (503227-K)]
Power Root ME	: Power Root ME FZCO (Company No. 150813)
Power Root Shanghai	: Power Root (Shanghai) Food Trading Co., Ltd (Company No. 91310000690176715Y)
Power Root Share(s) or Share(s)	: Ordinary share(s) in Power Root
Proposed Shareholders' Mandate	: Proposed new and renewal of the shareholders' mandate for the Power Root Group to enter into RRPTs
Proposed Renewal of Share Buy-Back	: Proposed renewal of authority for the Company to purchase up to 10% of its own issued share capital
Related Party(ies)	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
RM and sen	: Ringgit Malaysia and sen, respectively
RRPT(s)	: Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the Group
Superwrapz	: Superwrapz International Sdn Bhd [Company Registration No. 202001002870 (1359189-D)]
VWAMP	: Volume weighted average market price
Warrants	: Warrants issued by the Company pursuant to the Deed Poll dated 29 June 2018, constituting the Warrants 2018/2023, which will expire on 24 July 2023

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement/Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Statement/Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY  
TO BUY-BACK ITS OWN SHARES BY THE COMPANY  
("PROPOSED RENEWAL OF SHARE BUY-BACK")**



## **POWER ROOT BERHAD**

Company Registration No. 200601013517 (733268-U)  
(Incorporated in Malaysia)

### **PROPOSED RENEWAL OF SHARE BUY-BACK**

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#### **1. INTRODUCTION**

At the Fourteenth AGM of the Company held on 26 August 2020, the shareholders of Power Root approved a renewal of the authority for the Company to purchase up to 10% of its own issued share capital of Power Root. The said authorisation shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming Fifteenth AGM of the Company. On 19 July 2021, the Board had announced that the Company has proposed to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back at the forthcoming AGM.

The purpose of this Statement is to provide you with the information on the Proposed Renewal of Share Buy-Back and to seek your approval for the Ordinary Resolution to be tabled at the forthcoming AGM to be convened on 27 August 2021. The Notice of AGM together with the Proxy Form are enclosed in the 2021 Annual Report.

#### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK**

##### **2.1 Details of the Proposed Renewal of Share Buy-Back**

The Board is proposing to seek the shareholders' approval for the renewal of authority for the Company to purchase up to 10% of its total number of issued shares.

The mandate from the shareholders for the Proposed Renewal of Share Buy-Back would be effective immediately after obtaining the approval of the shareholders of the Company for the Proposed Renewal of Share Buy-Back and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the earlier revocation or variation of the authority through a general meeting,

whichever is the earlier.

The purchase of Shares under the Proposed Renewal of Share Buy-Back will be carried out through Bursa Securities via stockbrokers to be appointed by the Board.

## **2.2 Treatment of Shares Purchased**

The Proposed Renewal of Share Buy-Back will be undertaken in accordance with Section 127 of the Act, Chapter 12 of the Listing Requirements and any prevailing laws, orders, requirements, rules and regulations issued by the relevant authorities at the time of purchase. The Directors may deal with the Shares purchased in the following manner:

- (i) cancel all the shares so purchased; or
- (ii) distribute the shares as share dividends to the shareholders; or
- (iii) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
- (iv) transfer the shares for the purpose of or under an employees' shares scheme; or
- (v) transfer the shares as purchase consideration; or
- (vi) such other manner as may be permitted by the Act.

To date, the Company has yet to determine the manner of which the shares purchased are to be treated. An immediate announcement will be made to Bursa Securities on any purchase of shares as well as any resale or cancellation of the purchased Shares or a combination of both.

In the event that the purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127(9) of the Act, the Company's Constitution or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **2.3 Maximum amount of funds to be allocated and the source of funds**

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back must be made wholly out of retained profits of the Company. Based on the latest audited financial statements of Power Root as at 31 March 2021, the Company has retained profits of RM5.1 million.

The Proposed Renewal of Share Buy-Back will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned period using the internal funds of the Power Root Group and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors.

If Power Root purchases its own Shares using external borrowings, the Board will ensure that the Power Root Group has sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Power Root Group.



## **2.4 Potential advantages and disadvantages**

The potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back, if implemented, to the Company and its shareholders are as follows:

Potential advantages:

- (i) allows the Company the flexibility in attaining its desired capital structure;
- (ii) rewards the shareholders in the event that the treasury shares are distributed as share dividends; and
- (iii) mitigates the dilution effects on the EPS of the Power Root Group if the shares purchased are cancelled, hence making the Power Root Shares more attractive to investors.

Potential disadvantages:

- (i) reduce the financial resources of the Power Root Group and may result in the forgoing of better investment opportunities that may emerge in the future; and
- (ii) may result in the reduction of financial resources available for distribution of dividends to shareholders in the future as the Proposed Renewal of Share Buy-Back can only be made out of the retained profits of the Company.

The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Renewal of Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

## **2.5 Public shareholding spread**

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the public shareholding spread of the Company was 33.70%.

Assuming that Proposed Renewal of Share Buy-Back is implemented in full, the public shareholding spread would be reduced to approximately 24.75%.

The Board will be mindful of the public shareholding spread requirement before making any purchases of its own Shares.

## **2.6 Implication relating to the Code**

Pursuant to the Code, if a director of a company or a person, together with the persons acting in concert with him (if any) (“**PACs**”), holding more than 33% but not more than 50% of the voting shares of a company, who as a result of a purchase by the company of its own voting shares, increase his holding in any period of six (6) months by an additional 2% or more of the voting shares of the company, there is an obligation to extend a mandatory offer to acquire the remaining shares not already held by the director of the company and the PACs. However, they may apply for an exemption from the Securities Commission pursuant to the Code.

As it is not intended for the Proposed Renewal of Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or PACs, the Board will ensure that only such number of Power Root Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. In this connection, the Board is mindful of the requirements when making any purchase of Power Root Shares pursuant to the Proposed Renewal of Share Buy-Back.

## **2.7 Purchase price and resale price**

Pursuant to the Listing Requirements, Power Root may only purchase its Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the VWAMP of the Power Root Shares for the five (5) market days immediately prior to the date of purchase(s). An immediate announcement will be made to Bursa Securities of any purchase(s) of its own shares on the day of purchase.

Where the Company decides to resell the treasury shares on Bursa Securities, the Company may only do so at:

- (i) a price which is not less than the VWAMP for Power Root Shares for the five (5) market days immediately prior to the resale; or
- (ii) a discounted price of not more than five percent (5%) to the VWAMP for the Power Root Shares for the five (5) market days immediately prior to the resale provided that:
  - (a) the resale takes place not earlier than thirty (30) days from the date of purchase; and
  - (b) the resale price is not less than the cost of purchase of the Power Root Shares being resold.

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## 2.8 Purchase, Resale/Transfer and Cancellation of Treasury Shares Made In the Previous Twelve (12) Months

During the preceding twelve (12) months up to the LPD, details of the purchase of the Power Root Share by the Company were as follows:

Date of Purchase	Number of Shares Purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
5 November 2020	1,000,000	2.07	2.07	2.07	2,077,203.60
<b>Total</b>	<b>1,000,000</b>				<b>2,077,203.60</b>

During the preceding twelve (12) months up to the LPD, details of the resale of the Power Root Share by the Company were as follows:

Date of Resale	Number of Shares Resold	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
3 August 2020	301,400	2.22	2.26	2.24	673,519.38
12 August 2020	2,200,300	2.10	2.12	2.10	4,611,209.24
<b>Total</b>	<b>2,501,700</b>				<b>5,284,728.62</b>

The Shares purchased by the Company were retained as treasury shares. There was no transfer or cancellation of the treasury shares in the preceding twelve (12) months up to the LPD.

As at the LPD, the number of treasury shares retained by the Company was 1,526,000.

## 2.9 Historical Share Price

The monthly highest and lowest market prices of the Power Root Shares as traded on Bursa Securities for the past twelve (12) months from July 2020 to June 2021 are as follows:

	High (RM)	Low (RM)
<b><u>2020</u></b>		
July	2.38	2.05
August	2.28	2.07
September	2.30	2.10
October	2.15	2.04
November	2.26	2.02
December	2.14	1.95
<b><u>2021</u></b>		
January	1.98	1.71
February	1.93	1.72
March	1.81	1.68
April	1.86	1.70
May	1.74	1.56
June	1.57	1.32

(Source: [www.bursamalaysia.com](http://www.bursamalaysia.com))

The last transacted price on LPD was RM1.32.

### 3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back is undertaken for the following purposes:

- (a) enable the Company to utilise any of the Power Root Group's surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views favourable;
- (b) to stabilise the supply and demand, thereby supporting the fundamental value of the Power Root Shares;
- (c) if the purchased Power Root Shares are subsequently cancelled, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS of Power Root;
- (d) the purchased Power Root Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued share capital of the Company; and
- (e) should any treasury shares be distributed as share dividends, this would also serve to reward the shareholders of the Company.

### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back on the issued share capital, NA, earnings, EPS and shareholdings of Directors and substantial shareholders are set out below based on the following assumptions:

- Minimum scenario** : Assuming none of the Warrants and the ESOS Options are exercised before the implementation of the Proposed Renewal of Share Buy-Back.
- Maximum scenario** : Assuming all the Warrants and the ESOS Options granted and/or to be granted are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

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#### 4.1 Share capital

The effects of the Proposed Renewal of Share Buy-Back on the Company are set out below:

	<b>Minimum Scenario No. of Shares</b>	<b>Maximum Scenario No. of Shares</b>
Total number of issued shares as at the LPD	425,017,860*	425,017,860*
Assuming full exercise of the Warrants and the ESOS Options	-	94,302,879
Enlarged issued share capital	425,017,860	519,320,739
Maximum number of shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back	(42,501,786)*	(51,932,073)*
<b>Issued share capital after the Proposed Renewal of Share Buy-Back</b>	<b>382,516,074</b>	<b>467,388,666</b>

*Note:*

*Inclusive of 1,526,000 Treasury Shares*

The effect of the Proposed Renewal of Share Buy-Back on the issued share capital of the Company will depend on the intention of the Board with regards to the treatment of the purchased Power Root Shares. If the purchased Shares are cancelled, the issued share capital will be reduced by the number of Shares so cancelled. Conversely, if the purchased Power Root Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Renewal of Share Buy-Back will not have any effect on the issued share capital of the Company.

#### 4.2 NA

The effect of the Proposed Renewal of Share Buy-Back on the NA per Share will depend on the actual purchase prices of the Power Root Shares. If all the Power Root Shares purchased are cancelled, the Proposed Renewal of Share Buy-Back will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of the purchase. Conversely, the NA per Share will increase if the purchase price is below the NA per Share at the time of the purchase.

The NA will decrease if the purchased Shares are retained as treasury shares due to the accounting requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold on Bursa Securities, the NA upon the resale will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as dividends, the NA of the Power Root Group will be reduced by the cost of the treasury shares.

#### **4.3 Earnings and EPS**

The effects of the Proposed Renewal of Share Buy-Back will depend on the purchase price(s) of the Power Root Shares and the effective funding cost, if any, or any loss in interest income to the Power Root Group.

#### **4.4 Dividends**

Assuming the Proposed Renewal of Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, if the Power Root Shares so purchased are cancelled, the Proposed Renewal of Share Buy-Back will have the effect of increasing the dividend rate of Power Root as a result of the reduction in the issued share capital of Power Root.

#### **4.5 Working capital**

The Proposed Renewal of Share Buy-Back will reduce the working capital of the Power Root Group, with the quantum depending on the purchase price(s) and the actual number of Power Root Shares bought back. However, the Board believes that the Proposed Renewal of Share Buy-Back will not have any material effect on the working capital of the Group.

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#### 4.6 Shareholdings of Directors and Substantial Shareholders

The effects of the Proposed Renewal of Share Buy-Back on the shareholdings of Directors and substantial shareholders are as follows:

##### Minimum Scenario:

	As at the LPD			After the Proposed Renewal of Share Buy-Back		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	%
<b>Directors</b>						
Dato' Affuddin bin Abdul Kadir	-	-	-	-	-	-
Y.A.D. Tengku Dato Setia Putra	-	-	-	-	-	-
Alhaj bin Tengku Azman Shah Alhaj						
Dato' How Say Swee	76,087,436	17.97	3,000,000 <sup>(2)</sup>	0.71	76,087,436	19.89
Dato' Wong Fui Boon	67,767,856	16.00	10,000,000 <sup>(3)</sup>	2.36	67,767,856	17.72
Wong Tak Keong	29,038,800	6.86	8,250,800 <sup>(3)</sup>	1.95	29,038,800	7.59
See Thuan Po	3,788,000	0.89	6,332,600 <sup>(4)</sup>	1.50	3,788,000	0.99
Ong Kheng Swee	235,315	0.06	154,000 <sup>(5)</sup>	0.04	235,315	0.06
Azahar bin Baharudin	6	0.00	-	-	6	0.00
Dato' Tea Choo Keng	3,480	0.00	-	-	3,480	0.00
Low Jun Lee	-	-	48,590,016 <sup>(6)</sup>	11.47	-	-
					48,590,016	12.70
<b>Substantial Shareholders</b>						
Dato' How Say Swee	76,087,436	17.97	3,000,000 <sup>(2)</sup>	0.71	76,087,436	19.89
Dato' Wong Fui Boon	67,767,856	16.00	10,000,000 <sup>(3)</sup>	2.36	67,767,856	17.72
Wong Tak Keong	29,038,800	6.86	8,250,800 <sup>(3)</sup>	1.95	29,038,800	7.59
Low Jun Lee	-	-	48,590,016 <sup>(6)</sup>	11.47	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	25,526,780	6.03	936,100 <sup>(7)</sup>	0.22	25,526,780	6.67
					936,100	0.24

Notes:

- (1) Excluding 1,526,000 shares of the Company retained as Treasury Shares as at the LPD.
- (2) Deemed interested by virtue of his children pursuant to Section 59 of the Act.
- (3) Deemed interested by virtue of his spouse and children pursuant to Section 59 of the Act.
- (4) Deemed interested by virtue of his shareholdings in See Seang Huat & Company Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his spouse pursuant to Section 59 of the Act.
- (6) Deemed interested by virtue of his parents pursuant to Section 59 of the Act.
- (7) Deemed interested via KWAP's Fund Managers.

**Maximum Scenario:**

	As at the LPD			After full exercise of the Warrants and the ESOS Options			After the Proposed Renewal of Share Buy-Back			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>										
Dato' Affuddin bin Abdul Kadir	-	-	-	-	-	-	-	-	-	-
Y.A.D. Tengku Dato Setia Putra	-	-	-	-	-	-	-	-	-	-
Alhaj bin Tengku Azman Shah Alhaj										
Dato' How Say Swee	76,087,436	17.97	3,000,000 <sup>(2)</sup>	0.71	83,354,662	16.05	3,000,000	0.58	83,354,662	17.83
Dato' Wong Fuei Boon	67,767,856	16.00	10,000,000 <sup>(3)</sup>	2.36	73,783,062	14.21	11,000,000	2.12	73,783,062	15.79
Wong Tak Keong	29,038,800	6.86	8,250,800 <sup>(3)</sup>	1.95	54,214,500	10.44	9,042,600	1.74	54,214,500	11.60
See Thuan Po	3,788,000	0.89	6,332,600 <sup>(4)</sup>	1.50	6,578,000	1.27	6,332,600	1.22	6,578,000	1.41
Ong Kheng Swee	235,315	0.06	154,000 <sup>(5)</sup>	0.04	235,332	0.05	154,000	0.03	235,332	0.05
Azahar bin Baharudin	6	0.00	-	-	7	0.00	-	-	7	0.00
Dato' Tea Choo Keng	3,480	0.00	-	-	3,480	0.00	-	-	3,480	0.00
Low Jun Lee	-	-	48,590,016 <sup>(6)</sup>	11.47	-	-	62,692,802	12.07	-	-
<b>Substantial Shareholders</b>										
Dato' How Say Swee	76,087,436	17.97	3,000,000 <sup>(2)</sup>	0.71	83,354,662	16.05	3,000,000	0.58	83,354,662	17.83
Dato' Wong Fuei Boon	67,767,856	16.00	10,000,000 <sup>(3)</sup>	2.36	73,783,062	14.21	11,000,000	2.12	73,783,062	15.79
Wong Tak Keong	29,038,800	6.86	8,250,800 <sup>(3)</sup>	1.95	54,214,500	10.44	9,042,600	1.74	54,214,500	11.60
Low Jun Lee	-	-	48,590,016 <sup>(6)</sup>	11.47	-	-	62,692,802	12.07	-	-
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	25,526,780	6.03	936,100 <sup>(7)</sup>	0.22	25,526,780	4.92	936,100	0.18	25,526,780	5.46

**Notes:**

- (1) Excluding 1,526,000 shares of the Company retained as Treasury Shares as at the LPD.
- (2) Deemed interested by virtue of his children pursuant to Section 59 of the Act.
- (3) Deemed interested by virtue of his spouse and children pursuant to Section 59 of the Act.
- (4) Deemed interested by virtue of his shareholdings in See Seang Huat & Company Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his spouse pursuant to Section 59 of the Act.
- (6) Deemed interested via KWAP's Fund Managers.
- (7) Deemed interested via KWAP's Fund Managers.



#### **4.7 Convertible securities**

Save for the ESOS Options and the Outstanding Warrants, Power Root does not have any other convertible securities as at the LPD.

The Proposed Renewal of Share Buy-Back will not have any effect on the terms and conditions of the ESOS Options and Outstanding Warrants.

#### **5. APPROVALS REQUIRED**

The Proposed Renewal of Share Buy-Back is subject to the approval of the shareholders of Power Root at the forthcoming AGM to be convened.

#### **6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as the shareholders of the company pursuant to the Proposed Renewal of Share Buy-Back, none of the directors and/or major shareholders of the Company and persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back and the subsequent resale of treasury shares, if any.

#### **7. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back, is of the opinion that the Proposed Renewal of Share Buy-Back is fair, reasonable and in the best interest of Power Root and its shareholders. The Board recommends that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

#### **8. AGM**

The ordinary resolution to vote on the Proposed Renewal of Share Buy-Back is set out in the Notice of 15<sup>th</sup> AGM contained in the Annual Report of the Company for the financial year ended 31 March 2021. The 15<sup>th</sup> AGM will be held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided by Vote2U at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) on Friday, 27 August 2021 at 3.00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete, sign and return the enclosed Proxy Form in the Annual Report 2021 in accordance with the instructions stated therein as soon as possible so as to reach the Share Registrar's Office of the Company, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time set for the forthcoming 15<sup>th</sup> AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix I of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**POWER ROOT BERHAD**

**DATO' AFIFUDDIN BIN ABDUL KADIR**  
Independent Non-Executive Co-Chairman

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE  
FOR RECURRENT RELATED PARTY TRANSACTIONS  
OF A REVENUE OR TRADING NATURE  
("PROPOSED SHAREHOLDERS' MANDATE")**



## **POWER ROOT BERHAD**

Company Registration No. 200601013517 (733268-U)  
(Incorporated in Malaysia)

**Registered Office:**  
Suite 9D, Level 9  
Menara Ansar  
65, Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim

30 July 2021

### **Board of Directors**

Dato' Afifuddin bin Abdul Kadir (Independent Non-Executive Co-Chairman)  
Y.A.D. Tengku Dato' Setia Putra Alhaj bin Tengku Azman Shah Alhaj (Independent Non-Executive Co-Chairman)  
Wong Tak Keong (Chief Executive Officer)  
Dato' How Say Swee (Executive Director)  
Dato' Wong Fuei Boon (Executive Director)  
See Thuan Po (Executive Director)  
Ong Kheng Swee (Independent Non-Executive Director)  
Azahar bin Baharudin (Independent Non-Executive Director)  
Dato' Tea Choo Keng (Independent Non-Executive Director)  
Low Jun Lee (Non-Independent Non-Executive Director)

**To: The Shareholders of Power Root Berhad**

Dear Sir/Madam,

### **PROPOSED SHAREHOLDERS' MANDATE**

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#### **1. INTRODUCTION**

At the AGM of the Company held on 26 August 2020, the Company sought and obtained from its shareholders the general mandate for the Power Root Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the Power Root Group's day to day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM of the Company unless authority for its renewal is obtained from the shareholders.

On 19 July 2021, the Board had announced that the Company has proposed to seek its shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information of the Proposed Shareholder' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM to be convened on 27 August 2021. The Notice of the AGM together with the Proxy Form are enclosed in the 2021 Annual Report.

**SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.**

**2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

**2.1 The Listing Requirements**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued share capital of RM60 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of RRPT disclosed in the Circular by 10% or more and must include the information as may be described by Bursa Securities in its announcement.

**2.2 Principal Activities of the Power Root Group**

Power Root is principally an investment holding company whilst the subsidiaries are mainly involved in the manufacturing and distribution of beverage products.

The particulars and principal activities of the transacting subsidiary companies that are expected to enter into RRPTs are as follows:

No.	Company Name	Effective Equity Interest (%)	Principal Activities
1.	Power Root Manufacturing	100%	Manufacture and distribution of beverage products
2.	Power Root Shanghai	100%	Distribution of various beverage products
3.	Power Root ME	97.0%	Distribution of various beverage products
<b>Subsidiaries that are deemed Related Parties due to interest of Wong Tak Keong</b>			
1.	Power Root Distributor	50.1%	Trading of cling wraps and aluminium foil products
2.	Power Root HK	90.0%	Distribution of various beverage products
3.	Alicafe Roasters	80.0%	Wholesale of coffee, tea, cocoa and other beverages
4.	Superwrapz	69.6%	Trading of cling wraps and aluminium foil products

The Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate for the Power Root Group to enter into new and existing transactions in the normal course of business within the classes of Related Parties set out in Part B, Section 2.5 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Part B, Section 2.6 below.

### **2.3 Validity Period of the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, shall take effect from the date of passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by ordinary resolution passed at the general meeting whereby the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occur first.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate.

#### **2.4 Classes of Related Parties**

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

(a) Directors;

(b) Major Shareholders; and

(c) Persons Connected with the Directors and/or Major Shareholders.

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## 2.5 Details of the RRPTs and the Related Parties

The class and nature of the RRPTs of our Group are as follows:

### (a) Proposed New Shareholders' Mandate

No.	Transacting Parties	Nature of Transaction	Relationship of Related Parties	Estimated aggregate value to be transacted from the forthcoming AGM to the next AGM (RM'000)
1.	Power Root HK to Power Root Shanghai	Advertisement and Promotional support by Power Root HK to Power Root Shanghai	<b>Interested Director and Shareholder</b> Wong Tak Keong <sup>(1)</sup>	2,000



**(b) Proposed Renewal of Existing Shareholders' Mandate**

No.	Transacting Parties	Nature of Transaction	Relationship of Related Parties	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 28 July 2020 (RM'000)	Actual value transacted from the date of last AGM on 26 August 2020 to the LPD (RM'000)	Estimated aggregate value to be transacted from the forthcoming AGM to the next AGM (RM'000)
1.	Power Root Manufacturing to Power Root HK	Sale of beverage products by Power Root Manufacturing to Power Root HK	<b>Interested Director and Shareholder</b> Wong Tak Keong <sup>(1)</sup>	24,000	11,349	15,000
		Advertising and Promotional support by Power Root Manufacturing to Power Root HK		2,500	2,288	4,500
2.	Power Root HK to Power Root Shanghai	Distribution of Power Root's products by Power Root HK to Power Root Shanghai		15,000	6,741	10,000
3.	Power Root Distributor to Power Root Shanghai	Sale of non-food related products being cling wraps and aluminium foil products by Power Root Distributor to Power Root Shanghai		500	-	500
4.	Superwrapz to Power Root ME	Sale of non-food related products being cling wraps and aluminium foil products by Superwrapz to Power Root ME		500	-	500
5.	Alicafe Roasters to Power Root Manufacturing	Sale of coffee bean by Alicafe Roasters to Power Root Manufacturing		1,500	156	3,500
		Royalty fee payable by Power Root Manufacturing to Alicafe Roasters for the sale of roasted coffee products		1,000	152	1,000

Note:

(1) Wong Tak Keong is an Interested Director and Shareholder by virtue of his directorship, direct and indirect shareholdings in the Company, and the transacting Subsidiaries. Please refer to Part B, Section 5 of this Circular for details of his shareholding in the Company.

The directorship and direct and indirect shareholdings of Wong Tak Keong in the transacting subsidiaries are as follows:

	Direct		Indirect		Directorship
	No. of Shares	%	No. of Shares	%	
Power Root Distributor	60,000	10.0%	-	-	-
Alicafe Roasters	10,000	10.0%	-	-	-
Power Root HK	100,000	10.0%	-	-	√
Superwrapz	5,000	5.0%	51,000 <sup>(1)</sup>	51.0%	-

Note:

(1) Deemed interested by virtue of his shareholdings held in Power Root Distributor.

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## 2.6 Review procedures in relation to RRPTs

To promote good corporate governance in the conduct of the Group's business, the Group has established a framework for evaluating potential conflicts of interest and disclosure obligations arising out of transactions, arrangements and relationships between the Company and its Related Parties. The procedures in this framework ensure the RRPTs are on arm's length basis, not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders and in the best interest of the Group. We set forth below the review procedures of our Company's RRPTs:

- (i) Each Director is required to make full disclosures at once of any interest he or she may have in any business enterprise with an existing or proposed business relationship or transaction with the Company and/or its subsidiaries.
- (ii) All RRPT will be reviewed by the Audit Committee on a quarterly basis. Any member of the Audit Committee may as he deems fit, request for additional information on the RRPT from independent sources or advisers. Where the RRPT is estimated to exceed the percentage ratio of 1% or RM1 million in value whichever is higher, the RRPT will be reviewed and approved by our Audit Committee. Where the RRPT is below the above threshold, the RRPT can be reviewed and approved by any two non-interested authorised personnel (comprising any two (2) of the Directors) and thereafter, perused by our Audit Committee quarterly.
- (iii) The Audit Committee shall review procedures, and shall continue to review the procedures, on an annual basis or whenever the need arises.
- (v) With the information provided in the RRPT papers, the Board ascertains that at least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities. If a quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be reviewed by our Audit Committee based on usual business practices of the Group to ensure that the RRPT are fair and reasonable to the Group as to the prices and terms, and are not detrimental to the minority shareholders of the Group.
- (vi) The interested Director in the RRPT must abstain from the Board's deliberation and voting on the relevant resolution(s) approving the RRPT. The interested Director must inform our Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed RRPT that he is aware or should reasonably be aware of, which is not in the best interest of the Company or its subsidiary, as the case may be.
- (vii) The interested Major Shareholder or Person Connected to them must not vote at the general meeting on the resolution approving the RRPT. It is the duty of the interested Director and interested Major Shareholder to ensure that Persons Connected to them abstain from voting on the resolution approving the RRPT.

## 2.7 Amount due from and owing by Related Parties

The total amounts due and owing by the Related Parties to the Group pursuant to the RRPTs which exceeded the credit terms as at the financial year ended 31 March 2021 are as follow:

	Related Party	Power Root Group transacting with Related Party	Nature of Transaction	Outstanding Amount RRPT Receivables as at 31 March 2021 (RM'000)			
				A period of 1 year or less	A period of more than 1 to 3 years	A period of more than 3 to 5 years	A period of more than 5 years
(1)	Power Root HK	Power Root Shanghai	Distribution of Power Root's products by Power Root HK to Power Root Shanghai	340	-	-	-

There were no interest and late payment imposed by the Power Root Group on the above outstanding as they are trade in nature.

The Management monitors and reviews the outstanding amount on a regular basis and follow up on the status of the cases. The Management has and will continue to meet and discuss with the Related Party to actively pursue for early settlement of the outstanding amount due. The Board is of the opinion that the outstanding amount due is closely monitored and optimistic that the amount is recoverable.

## **2.8 Statement by Audit Committee**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Part B, Section 2.6 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee has reviewed the procedures as set out in Part B, Section 2.6 of this Circular and is of the view that the procedures are sufficient to ensure that the RRPTs are undertaken on arms' length basis on the Group's normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not the detriment of the minority shareholders.

The Audit Committee is of the further view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee shall review these procedures and processes on a yearly basis or whenever the need arises.

## **2.9 Disclosure of Recurrent Related Party Transactions**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with the Company.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate had been obtained.

## **3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE**

The RRPTs envisaged in the Proposed Shareholders' Mandate are in the ordinary course of business of the Group and recurring in nature. The Proposed Shareholders' Mandate will eliminate the need to convene separate general meetings on each occasion to seek shareholders' prior approval for entry by the Group into such transactions.

The Proposed Shareholders' Mandate is intended to facilitate transactions entered into the ordinary course of business of the Group which are transacted from time to time with Related Parties at arm's length and are not detrimental to the minority shareholders of the Company.

#### 4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the issued share capital of the Company and the substantial shareholders' shareholdings and is not expected to have a material effect on the NA per Share and gearing of the Group.

#### 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, Major Shareholders, and/or Persons Connected with them, have any interests, direct or indirect, in the Proposed Shareholders' Mandate.

Wong Tak Keong is an Interested Director and Shareholder, by virtue of his directorship and substantial shareholdings in Power Root and by virtue of his directorships and shareholdings in the transacting subsidiaries as detailed in the notes of Part B, Section 2.5 of this Circular.

The shareholdings of Wong Tak Keong as at the LPD are as follows:

Interested Director and Shareholder	No. of Power Root Shares			
	Direct	%	Indirect	%
Wong Tak Keong	29,038,800	6.86	8,250,800 <sup>(1)</sup>	1.95

*Note:*

<sup>(1)</sup> *Deemed interested via his spouse and children.*

Accordingly, Wong Tak Keong have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at the Board meetings and will abstain from voting in respect of his direct and indirect shareholdings in Power Root at the forthcoming AGM on the resolution pertaining to the Proposed Shareholders' Mandate.

In addition, Wong Tak Keong has undertaken to ensure that the Persons Connected with him shall abstain from voting, deliberating or approving the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM in respect of their direct and indirect interests in the Company.

#### 6. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders at the forthcoming AGM to be convened.

#### 7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, (save for the Interested Director and Shareholder who has abstained from deliberating and voting in respect of the Proposed Shareholders' Mandate at the relevant Board meetings), after having considered the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## 8. AGM

The ordinary resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of 15<sup>th</sup> AGM contained in the Annual Report of the Company for the financial year ended 31 March 2021. The 15<sup>th</sup> AGM will be held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided by Vote2U at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) on Friday, 27 August 2021 at 3.00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete, sign and return the enclosed Proxy Form in the Annual Report 2021 in accordance with the instructions stated therein as soon as possible so as to reach the Share Registrar's Office of the Company, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Khim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time set for the forthcoming 15<sup>th</sup> AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## 9. FURTHER INFORMATION

Shareholders are requested to refer to the Appendix I of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**POWER ROOT BERHAD**

**DATO' AFIFUDDIN BIN ABDUL KADIR**  
Independent Non-Executive Co-Chairman

**FURTHER INFORMATION****(i) Responsibility Statement**

This Statement/Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements, or other facts which, if omitted, would make any statement herein false or misleading.

**(ii) Material Litigation**

As at the LPD, neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position or business of the Group and the Board is not aware of any proceedings, including those pending or threatened against the Group, which may materially and adversely affect the financial position or business of the Group.

**(iii) Material Contracts**

As at the LPD, neither our Company nor any of our subsidiaries have entered into any contract outside the ordinary course of business which are or may be material during the two (2) years immediately preceding the date of the Circular.

**(iv) Documents Available for Inspection**

Copies of the following documents are available for inspection at the registered office of the Company at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement/Circular up to and including the date of the forthcoming AGM:

- (a) the Constitution of the Company; and
- (b) the audited financial statements of Power Root for the past two (2) financial years ended 31 March 2020 and 2021.



## EXTRACT OF THE NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

## ORDINARY RESOLUTION 11

**Proposed Renewal of the Authority to Buy-Back Its Own Shares by the Company (“Proposed Renewal of Share Buy-Back”)**

“**THAT** subject to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Securities and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back.

**THAT** the Directors of the Company be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- a) cancel all the shares so purchased; or
- b) distribute the shares as share dividends to the shareholders; or
- c) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
- d) transfer the shares for the purpose of or under an employees’ share scheme; or
- e) transfer the shares as purchase consideration; or
- f) such other manners as may be permitted by the Act.

**AND THAT** the Directors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Directors to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back.

**AND THAT** the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:

- a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c) the earlier revocation or variation of the authority through a general meeting,

whichever is the earlier.”

## **ORDINARY RESOLUTION 12**

### **Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into new and existing recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Part B, Section 2.5 of the Circular to Shareholders dated 30 July 2021 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favorable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

- a) the conclusion of the next AGM of the Company at which such Proposed Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the AGM whereby the authority is renewed, either unconditionally or subject to conditions; or
- b) the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first."