

POWER ROOT BERHAD

Registration no. 200601013517 (733268-U)
(Incorporated in Malaysia)

MINUTES OF THE SEVENTEENTH (17TH) ANNUAL GENERAL MEETING OF THE COMPANY HELD AT NO. 1, JALAN SRI PLENTONG, TAMAN PERINDUSTRIAN SRI PLENTONG, 81750 MASAI, JOHOR DARUL TAKZIM, MALAYSIA ON MONDAY, 28 AUGUST 2023 AT 3.00 P.M.

Present	:	Dato' Afifuddin bin Abdul Kadir Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj Mr. Wong Tak Keong Dato' How Say Swee Dato' Wong Fuei Boon Mr. See Thuan Po Mr. Ong Kheng Swee Encik Azahar bin Baharudin Ms. Tan Lay Beng Dato' Tea Choo Keng	<i>(Independent Non-Executive Co-Chairman)</i> <i>(Independent Non-Executive Co-Chairman)</i> <i>(Executive Director & Chief Executive Officer)</i> <i>(Executive Director)</i> <i>(Executive Director)</i> <i>(Executive Director)</i> <i>(Non-Independent Non-Executive Director)</i> <i>(Independent Non-Executive Director)</i> <i>(Independent Non-Executive Director)</i> <i>(Independent Non-Executive Director)</i>
Absent with apology	:	Mr. Low Jun Lee	<i>(Non-Independent Non-Executive Director)</i>
In Attendance	:	Ms. Santhi A/P Saminathan Ms. Chan Yen Ing Ms. Ong Huei Lin	<i>Company Secretary, Boardroom Corporate Services Sdn. Bhd.</i> <i>Engagement Partner, KPMG PLT (External Auditors)</i> <i>Representative from KPMG PLT</i>

Shareholders Present:

As per the attendance list -Total :176 records holders representing 356,641,979 Ordinary shares

1.0 WELCOME BY THE CHAIRMAN

The Company's Co-Chairman, Dato' Afifuddin bin Abdul Kadir welcomed all present at the Company's Seventeenth (17th) Annual General Meeting ("AGM") and began by introducing the Members of the Board and the Company Secretary. He then conveyed the apologies from Mr. Low Jun Lee for not being able to attend the 17th AGM.

2.0 QUORUM

The Chairman informed that the Company Secretary had confirmed that the requisite quorum was present. Having noted the presence of a quorum in accordance with Clause 80 of the Company's Constitution, the Chairman then called the meeting to order.

3.0 NOTICE OF AGM

The Chairman informed that the notice of the 17th AGM and the Annual Report 2023 had been published on 27 July 2023 and 28 July 2023 respectively, within the stipulated time. The Chairman informed that the Notice of 17th AGM was advertised in the Star newspaper on 28 July 2023. Hence, the notice was taken as read and the Chairman proceeded to the meeting agenda.

4.0 PROXIES

The Company Secretary reported that the Company have received 126 proxy forms totaling 345,908,091 ordinary shares representing 74.74% of the Company's issued ordinary shares within the prescribed period. Out of those, 78 shareholders totaling 96,551,863 ordinary shares representing 20.86% of the Company's issued ordinary shares have appointed the Chairman of the Meeting as their proxy.

5.0 POLL VOTING

The Chairman informed that there were 12 Ordinary Resolutions to be tabled for the shareholders' approval at this Meeting and that the voting of all resolutions at this Meeting would be conducted by way of poll voting in accordance with paragraph 8.29A Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Chairman informed that Boardroom Share Registrars Sdn. Bhd. has been appointed as the Poll Administrator to conduct the polling process whilst NeedsBridge Advisory Sdn. Bhd. has been appointed as Scrutineers to verify the poll results. The Poll Administrator will brief the shareholders on the polling procedures before the casting of votes. The polling process will be conducted upon the conclusion of the deliberations of all items on the meeting agenda. The results of the voting will be announced after verification by the Scrutineers.

ORDINARY BUSINESS

6.0 AGENDA 1: TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023, TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON

6.1. The Chairman informed that the Audited Financial Statements for the financial year ended 31 March 2023 ("AFS") together with the Reports of the Directors and Auditors, which have been approved by the Board, and have been circulated to all members within the prescribed period. The Chairman tabled the AFS of the Annual Report 2023.

- 6.2 The Chairman highlighted that as stated in the Notice, the AFS will not be put forward for voting. This is in line with Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution which only requires the AFS to be laid before the shareholders. The AFS are tabled at the 17th AGM only for discussions and for the Board to address any queries.
- 6.3 The Chairman informed that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") dated 18 August 2023, and the Board would address the questions raised by the MSWG at this juncture.
- 6.4 The Chairman invited Mr. See Thuan Po and Mr. Wong Tak Keong to present the questions raised by MSWG and responses from the Board which are set out in **Appendix A** attached herewith.
- 6.5 The Chairman invited questions or comments from shareholders/proxies from the floor on the AFS and the queries and comments received and responses by the Company were as follow:

Question 1: What are the alternative strategies for Power Root to reduce the artificial sugar intake, in line with World Health Organization (WHO) advisory 'not to use non-sugar sweetener', due to possible side effects of cancer and disease?

Response: There has been an attempt by the government to introduce a sugar tax to encourage reduced consumption of natural sugars, hence the need to use artificial sweeteners. However, Power Root tends to lean towards more natural options of artificial sweeteners.

Question 2: In China, Power Root adopts a distribution system which involves both self-distribution and third-party logistics whereas in regions outside China, it relies on third party distributors. What accounts for this distinction in systems?

Response: Power Root deploys different strategies in its distribution. Power Root used to appoint exclusive distributors in China but realized that the Chinese distributors imposed a higher price on Power Root's products to get a higher profit margin thus decreasing Power Root's competitiveness, and they also refused to normalise prices when requested by Power Root to do so.

In an effort to regain control over pricing, Power Root adopted the new system where Power Root sells its products directly to the customers through Power Root (Shanghai) Food Trading Co., Ltd. (Power Root's subsidiary in China) and stocks are kept by appointed third party logistics providers. This system also allows Power Root to better control stock allocation. Power Root has the ability to stop supplying products to customers who do not heed Power Root's pricing policies. In addition, the new system also affords better margins to Power Root.

Power Root has restructured its online business operations by engaging skilled and experienced online sales personnel. Notably, approximately 75% of the group's total revenue in China originate from online sales, and this approach allows us to closely monitor and manage our operations. In addition, it provides the opportunity to exercise precise control over both online and offline pricing, which has proven particularly advantageous for well-established brands like Old Town.

Question 3: What is the prospect of Power Root products in China which includes both the potential benefits and challenges in terms of revenue generation?

Response: Despite having emerged from the Covid-19 pandemic, China's economy remains significantly declined post-pandemic. We are of the view that coffee is still a very much fashionable product in China, often purchased more for gifting purposes than for consumption, indicating that the coffee culture is not fully established yet.

However, the younger generation is showing increasing interest. They also prefer fancy coffee with attractive packaging and quirky names on the coffee or the design of it.

The coffee market in China is highly competitive, with many businesses eager to get a share of it. Unlike some, we are not willing to take financial risks in China. Profitability is essential for us and we do not invest without ensuring each sale is profitable. Many coffee brands in China are also experiencing the impact of reduced consumer spending, despite coffee being one of the trendiest products globally.

Question 4: What are the Group's future investments particularly in light of its adoption of the Return On Investment ("ROI") strategy and the achievement in the current year on ROI?

Response: Power Root typically has a payback period of 2 to 3 years for its investments. However, certain investments were allowed for a longer payback period of 4 to 5 years.

This time frame is particularly relevant in the context of investments like solar photovoltaic ("PV") system, where a 3-year horizon is challenging. In the case of solar projects, possibilities of extending the horizon of 4 to 5 years are being explored.

As for machinery investments, Power Root has expanded its sourcing to include machines from Japan and Europe, aside from Korea and China. While these come with a considerably higher upfront investment cost, they are renowned for their reliability, which in turn reduces wastage and enhances operational efficiency. With this in mind, the payback period is between 3 – 4 years.

Question 5: Please provide an explanation on the changes in key-management with the appointment of a new Chief Operating Officer (“COO”).

Response: Power Root welcomes the new COO, who has previously work for multinational corporations (“MNCs”), to oversee and to manage the Group’s operations. Power Root’s approach involves strategically selecting individuals with diverse MNC experience, and the new COO will play a pivotal role in integrating MNC practices into Power Root’s existing operational practices.

However, this undertaking comes with its challenges, as individuals accustomed to well-established SOPs, systems, and personnel in their previous roles must now adapt to Power Root’s distinct culture, which has posed difficulties for certain ex-employees with MNC backgrounds who unfortunately could not adapt to our culture.

Nevertheless, Power Root is confident that its new COO, with her wealth of experience from MNC background, will be able to build on the success of the company.

Question 6: Are there any upcoming product releases, specifically new stock keeping units (“SKUs”)? When is it expected to be introduced to the target market?

Response: Most of the coffee used is soluble coffee, which is extremely dry and unrelated to the roasting process. Roasted and ground coffee is Power Root’s primary choice for coffee, followed by coffee bags for filter use, micro-granules, and capsule coffee. We have begun roasting our own coffee for use in our Kopi-O SKUs and have also started to produce our own micro-ground coffee.

With regards to our Kopi-O SKUs, we have yet to achieve the optimal cost as the coffee beans we source are more expensive. Secondly, we use less sugar in the roasting process, resulting in a high-quality, healthy, albeit more costly product. Furthermore, the quantity produced is currently small at less than 10% of the production capacity.

- a) There are also new products in the pipeline, including Mogu Mogu (from Sappe Thailand) and Jom Teh.
- b) In addition, there will be new coffee SKUs, new energy drinks, and chocolate Malt drinks.
- c) As the actual launching dates of the new SKUs are yet to be determined, Power Root anticipates to release these ready-to-drink products within the next eight (8) months.

- d) Only a few new products have been launched so far due to a significant backlog and we expect more new products will be rolled out over the next eight (8) months.

Question 7: What is the progress of the two agreements related to two joint ventures, namely, a collaboration with Sappe Public Company Limited ("SAPPE") and an MOU with Abbar & Sons Food Co Ltd, a prominent distributor in Saudi Arabia?

Response:

- a) The collaboration with SAPPE is two pronged. Power Root is actively engaged in the marketing and sales of SAPPE's flagship product, Mogu Mogu in Malaysia, while SAPPE is tasked with promoting Power Root's renowned Frenché Roast instant coffee products in Thailand.
- b) The first shipment of Mogu Mogu products is expected at the beginning of September, and the launch begins through several key outlets, primarily CU, MyNews, Mr. DIY, and selected petrol stations.
- c) On the Thai side, Power Root is introducing Frenché Roast coffee products, although the progress is slow, it is steady. The launch is expected around March 2024. Currently, Power Root is in the process of commissioning manufacturing equipment to be shipped to Thailand for the production of Frenché Roast coffee. We are also developing a comprehensive marketing strategy for Frenché Roast coffee.
- d) The management believes that Mogu Mogu products will be well received in Malaysia and the penetration of Frenché Roast coffee in the Thai market will be equally successful.

Question 8: What is Power Root's progress in Middle East market, especially after entering into the agreement with Abbar & Sons Food Co Ltd ("Abbar")?

Response: Power Root is striving to comprehend the dynamics of selling coffee because of its heavy reliance on continuous promotional strategies. In contrast, the existing SKUs that Abbar sells are primarily seasonal SKUs that require only occasional promotions during the Ramadan month and Raya festive season. However, Power Root's promotional activities as a whole is a daily and monthly necessity across all channels either on a large or small scale due to intense competition.

The challenge is to get them accustomed to this continuous customer engagement and promotional approach. We are gradually educating them, as they are willing to do it but lack knowledge. It will take some time, and we are making progress, and anticipate there will be improvements in the coming months.

Question 9: What about the distribution of Mogu Mogu products? Will the distribution be done by Power Root directly or through wholesalers?

Response: Power Root intends to utilize its existing distribution channels within Malaysia, which include direct connections with petrol stations and/or distributors.

Question 10: What is the average price of Power Root's Share Buyback?

Response: The average price of Share Buy-Back is RM1.51, which stands below the current market price.

Question 11: Would Power Root consider studying and potentially emulating other Multi-Level Marketing ("MLM") companies' expansion strategy in America and Latin America as they have a substantial footprint in the region?

Response: Power Root business model is completely different from MLM companies as they operate through direct sales.

Their success in Latin America may not primarily stem from coffee itself, but rather from robust distribution channels and effective downline networks. The typical consumer may not be willing to pay such high prices for coffee, but multi-level marketing downlines could potentially be the driving force behind their thriving business.

Power Root has previously tried selling coffee through direct selling methods and we were not successful in that venture. It is likely that we will not be exploring such ventures.

Question 12: What are the challenges by expanding into Middle East market and who are your closest competitors there?

Response: Currently, Power Root is facing a lot of challenges in the Middle East. One of the primary challenges can be attributed to the performance of our sales team.

To strengthen the team, Power Root has brought in a former Malaysia Manager who had previously overseen Power Root's Middle Eastern operations to work alongside the Head of Sales in our Dubai office. Together, they are diligently working on a comprehensive restructuring and realignment plan where new SOPs and best practices are implemented. The management is of the view that the company is making positive strides and is moving in the right direction, but it's important to note that it will likely take at least six (6) months for these changes to be fully implemented and take effect.

Question 13: What is the level of automation within Power Root manufacturing facilities?

Response: Power Root has automated most of those processes which it believes can be automated. There were certain processes Power Root tried to automate such as placing sachets in bags and sealing them. However, such processes were unsuccessful as they did not function well.

Currently, various automation of functions such as automated boxing have been explored. It is in Power Root's interest to continue to find ways to automate the current processes as it will increase efficiency and defray labour costs. However, while labour costs are increasing, labour costs do not constitute a major part of our overall production cost.

Question 14: Is Power Root diversifying into hotel management or hotel business by purchasing the 5-storey hotel located at Jalan Rosmerah, Taman Johor Jaya?

Response: Power Root is not going to be involved in the hotel business. The acquisition of the hotel is solely as an investment. We are currently collecting rental from the tenant and we have no plans to venture into hotel management.

The main purpose of Power Root investing in landed properties in Johor Bahru is planning for the future expansion of our operating activities. Further to that, should there be any opportunistic property deals, Power Root will be interested, such as in the case when Power Root acquired the RM25 million residential land from GreatEarth Development (Molek) Sdn Bhd.

There being no further question raised by the members present, the Chairman proceeded to next item of the agenda.

7.0 AGENDA 2

RESOLUTION 1: TO SANCTION PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024, TO BE PAYABLE ON QUARTERLY BASIS IN ARREARS

The Chairman proceeded to Ordinary Resolution 1. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 1.

The Chairman deferred the poll voting on Ordinary Resolution 1 to after the conclusion of the deliberations of all items on the meeting agenda.

8.0 AGENDA 3

RESOLUTION 2: TO APPROVE THE BENEFIT PAYABLE TO THE DIRECTORS ON AN AGGREGATE AMOUNT OF NOT MORE THAN RM600,000 FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

The Chairman continued with Ordinary Resolution 2. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 2.

The Chairman deferred the poll voting on Ordinary Resolution 2 to after the conclusion of the deliberations of all items on the meeting agenda.

9.0 AGENDA 4

RESOLUTION 3: TO RE-ELECT DATO' HOW SAY SWEE, WHO RETIRES PURSUANT TO CLAUSE 100 OF THE COMPANY'S CONSTITUTION

The Chairman briefed the meeting on Ordinary Resolution 3. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 3.

The Chairman deferred the poll voting on Ordinary Resolution 3 to after the conclusion of the deliberations of all items on the meeting agenda.

10.0 AGENDA 5

RESOLUTION 4: TO RE-ELECT MR. ONG KHENG SWEE, WHO RETIRES PURSUANT TO CLAUSE 100 OF THE COMPANY'S CONSTITUTION

The Chairman briefed the meeting on Ordinary Resolution 4. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 4.

The Chairman deferred the poll voting on Ordinary Resolution 4 to after the conclusion of the deliberations of all items on the meeting agenda.

11.0 AGENDA 6

RESOLUTION 5: TO RE-ELECT DATO' AFIFUDDIN BIN ABDUL KADIR, WHO RETIRES PURSUANT TO CLAUSE 100 OF THE COMPANY'S CONSTITUTION

The Chairman briefed the meeting on Ordinary Resolution 5. As it involved the re-election of the Chairman himself, the Chairman invited Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj the Co-Chairman to chair this resolution.

As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 5.

Following proposal of the resolution, Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj passed the Chair back to Dato' Afifuddin bin Abdul Kadir to chair the Meeting and proceeded with the remaining items of the agenda.

The Chairman deferred the poll voting on Ordinary Resolution 5 to after the conclusion of the deliberations of all items on the meeting agenda.

12.0 AGENDA 7

RESOLUTION 6: TO RE-ELECT MR. WONG TAK KEONG, WHO RETIRES PURSUANT TO CLAUSE 107 OF THE COMPANY'S CONSTITUTION

The Chairman continued on to Ordinary Resolution 6. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 6.

The Chairman deferred the poll voting on Ordinary Resolution 6 to after the conclusion of the deliberations of all items on the meeting agenda.

13.0 AGENDA 8

RESOLUTION 7: TO RE-APPOINT MESSRS. KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024 AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman briefed the meeting on Ordinary Resolution 7. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 7.

The Chairman deferred the poll voting on Ordinary Resolution 7 to after the conclusion of the deliberations of all items on the meeting agenda.

SPECIAL BUSINESS:

14.0 AGENDA 9

RESOLUTION 8: CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – ENCIK AZAHAR BIN BAHARUDIN

The Chairman briefed the meeting on Ordinary Resolution 8. As there were no questions from the shareholders, the Chairman

invited and received a proposer and seconder from amongst the shareholders for Ordinary Resolution 8.

The Chairman further explained that, the Company is required to use the two-tier voting process in seeking the shareholders' approval to retain an independent director beyond nine years, as per Practice 5.3 of the Malaysian Code of Corporate Governance.

Under the two-tier voting process, the shareholders' votes will be cast in the following manner:-

Tier 1: Only the large shareholder of the Company votes; and
Tier 2: Shareholders other than large shareholders votes

The Chairman deferred the poll voting on Ordinary Resolution 8 to after the conclusion of the deliberations of all items on the meeting agenda.

15.0 AGENDA 10

RESOLUTION 9:

AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016 ("AUTHORITY TO ALLOT SHARES")

The Chairman briefed the meeting on Ordinary Resolution 9. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Resolution 9.

The Chairman deferred the poll voting on Ordinary Resolution 9 to after the conclusion of the deliberations of all items on the meeting agenda.

16.0 AGENDA 11

RESOLUTION 10:

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN POWER ROOT BERHAD ("POWER ROOT SHARES"), IN RELATION TO THE COMPANY'S DIVIDEND REINVESTMENT PLAN ("DRP") THAT PROVIDES THE SHAREHOLDERS OF POWER ROOT BERHAD ("SHAREHOLDERS") THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW POWER ROOT SHARES

The Chairman briefed the meeting on Ordinary Resolution 10.

As there were no further questions, the Chairman invited and received a proposer and seconder from amongst the shareholders for Resolution 10.

The Chairman deferred the poll voting on Ordinary Resolution 10 to after the conclusion of the deliberations of all items on the meeting agenda.

17.0 AGENDA 12

RESOLUTION 11: PROPOSED RENEWAL OF THE AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

The Chairman briefed the meeting on Ordinary Resolution 11. As there were no questions from the shareholders, the Chairman invited and received a proposer and seconder from amongst the shareholders for Resolution 11.

The Chairman deferred the poll voting on Ordinary Resolution 11 to after the conclusion of the deliberations of all items on the meeting agenda.

18.0 AGENDA 13

RESOLUTION 12: PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”).

The Chairman briefed the meeting on Ordinary Resolution 12 and informed that Mr Wong Tak Keong is deemed interested in the Proposed Shareholders’ Mandate by virtue of his directorship, direct and indirect shareholdings in the company and the transacting subsidiaries. The Chairman went on to inform that Mr. Wong Tak Keong would therefore abstain and continue to abstain from deliberating and voting on the RRPT Mandate, and informed that Mr. Wong has taken steps to ensure that persons connected to him would abstain from voting in respect of their direct and/or indirect shareholdings, if any, on this resolution.

There was no question raised by the shareholders/ proxies on this agenda, the Chairman invited and received a proposer and seconder from amongst the shareholders for Resolution 12.

The Chairman deferred the poll voting on Ordinary Resolution 12 to after the conclusion of the deliberations of all items on the meeting agenda.

19.0 AGENDA 14:

ANY OTHER BUSINESS

The Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given at this meeting. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

20.0 POLLING PROCESS

As Ordinary Resolutions 1 to 12 have been proposed and seconded by the shareholders, the Chairman invited the Poll Administrator to brief the shareholders on the polling procedures before the casting of votes on all resolutions tabled at the Meeting.

After the briefing by the Poll Administrator, the Chairman declared the commencement of voting session for the next 10 minutes. The Chairman further informed that after the closing of the voting session, the Independent Scrutineers would take approximately 30 minutes for the validation of poll results.

21.0 ANNOUNCEMENT OF POLL RESULTS

The 17th AGM re-convened at 3.50 pm and the Chairman called the meeting to order for the declaration of the voting results. He then invited the Scrutineers to confirm that the poll voting results have been verified.

The Scrutineers confirmed that the poll voting results as tabled in the meeting have been verified. Based on the poll results verified by the Scrutineers, the Chairman declared that all 12 Ordinary Resolutions tabled at the 17th AGM have been duly carried and read out the poll results as below:-

RESOLUTION	FOR		AGAINST	
	SHARES	%	SHARES	%
1	298,147,956	100.0000	0	0.0000
2	75,610,592	99.0554	721,000	0.9446
3	279,689,166	99.8449	434,531	0.1551
4	355,242,333	99.6742	1,161,331	0.3258
5	353,456,348	99.1076	3,182,631	0.8924
6	308,113,679	99.9371	194,000	0.0629
7	355,797,848	99.7642	841,131	0.2358
8.1	255,984,639	100.0000	0	0.0000
8.2	54,059,454	53.7080	46,594,880	46.2920
9	337,700,179	94.6896	18,938,800	5.3104
10	356,635,979	100.0000	0	0.0000
11	356,572,679	100.0000	0	0.0000
12	308,345,079	100.0000	0	0.0000

Therefore, **IT WAS RESOLVED: -**

ORDINARY BUSINESS

1.0 THAT the Payment of Directors' Fees for the Financial Year Ending 31 March 2024, payable on quarterly basis in arrears be and is hereby approved.

(Ordinary Resolution 1)

- 2.0 THAT** the benefit payable to the directors on an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2024 be and is hereby approved.
(Ordinary Resolution 2)
- 3.0 THAT** Dato' How Say Swee, who retires pursuant to clause 100 of the company's constitution and being eligible offered himself for re-election, be and is hereby re-elected as a Director of the Company.
(Ordinary Resolution 3)
- 4.0 THAT** Mr. Ong Kheng Swee, who retires pursuant to clause 100 of the company's constitution and being eligible offered himself for re-election, be and is hereby re-elected as a Director of the Company.
(Ordinary Resolution 4)
- 5.0 THAT** Dato' Afifuddin Bin Abdul Kadir, who retires pursuant to clause 100 of the company's constitution and being eligible offered himself for re-election, be and is hereby re-elected as a Director of the Company.
(Ordinary Resolution 5)
- 6.0 THAT** Mr. Wong Tak Keong, who retires pursuant to clause 107 of the company's constitution and being eligible offered himself for re-election, be and is hereby re-elected as a Director of the Company.
(Ordinary Resolution 6)
- 7.0 THAT** Messrs. KPMG PLT having consented to act as the Auditors of the Company, be and is hereby re-appointed as Auditors of the Company for the financial year ending 31 March 2024 until the conclusion of the next AGM **AND THAT** the Directors of the Company be and are hereby authorised to fix their remuneration.
(Ordinary Resolution 7)

SPECIAL BUSINESS

8.0 CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – ENCIK AZAHAR BIN BAHARUDIN

THAT Encik Azahar Bin Baharudin who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years, be and is hereby approved to continue to serve as an Independent Non-Executive Director of the Company.

(Ordinary Resolution 8)

9.0 THAT AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016 (“AUTHORITY TO ALLOT SHARES”)

THAT pursuant to Sections 75 (1) and 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 allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting, and upon such terms and conditions, and for such

purposes, as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued shares of the Company for the time being and that the Directors be and are hereby empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Securities, subject always to the Companies Act 2016, the Main LR and the approvals of all relevant regulatory authorities, if required, being obtained.

(Ordinary Resolution 9)

10.0 PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN POWER ROOT BERHAD (“POWER ROOT SHARES”), IN RELATION TO THE COMPANY’S DIVIDEND REINVESTMENT PLAN (“DRP”) THAT PROVIDES THE SHAREHOLDERS OF POWER ROOT BERHAD (“SHAREHOLDERS”) THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW POWER ROOT SHARES

THAT pursuant to the DRP 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 from time to time as maybe 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 absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Power Root shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days Volume Weighted Average Market Price (“VWAMP”) of Power Root Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) 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 amendment by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company.

(Ordinary Resolution 10)

11.0 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 Malaysia Securities Berhad and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the

Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back.

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

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

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

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

- a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first.”

(Ordinary Resolution 10)

12.0 PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

THAT in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Main LR”), approval be and is hereby given for Power Root and/or its subsidiaries to enter into existing recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Part B, section 2.5 of the circular to Shareholders dated 28 July 2023 which are necessary in the ordinary course of the 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 generally available to the public and to

not detrimental to the minority shareholders of the Company and such approval shall continue to be in force and effect until:-

- i) The conclusion of the next AGM of the Company at which such proposed Shareholder's Mandate is passed at which time will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) to give effect to the aforesaid shareholders' mandate and transactions contemplated under this resolution.

(Ordinary Resolution 12)

13.0 CONCLUSION OF MEETING

- i) The Company Secretary confirmed that there was no notice received for any other business to be conducted at the 17th AGM; and
- ii) The Chairman concluded the Meeting and thanked the shareholders for their attendance. The Meeting ended at 4.00 p.m.

“APPENDIX A”

Mr. See Thuan Po presented the questions raised by Minority Shareholders Watch Group (“MSWG”) and replies from the Board.

Questions from Minority Shareholders Watch Group

Operational & Financial Matters

1. For FY2023, the Group recorded a 31% growth in revenue to RM455.8 million due to multiple factors including higher local sales and revision of the product selling price. (page 25 of Annual Report (AR) 2023)

(a) How many times did the Group increase the selling price of its products in FY2023? What was the percentage increase by product category?

Response: In FY2023, the Group implemented two price adjustments for its products, raising the selling price by an average of 8% in October 2022 for the Alicafe can drinks and Ah Huat product lines, followed by an increase of approximately 11% for the Frenché Roast and Oligo can drinks product lines in January 2023.

(b) Will there be adjustments to selling prices in FY2024?

Response: The Group’s primary focus is to maintain a competitive edge in the market while ensuring the continued satisfaction of our valued customers. At this juncture, we do not plan to implement any further price adjustments for our product offerings.

However, it's important to note that the economic landscape can be dynamic, and various factors might influence our pricing decisions. If there are significant shifts in production costs, inflation, or market conditions, we may need to revisit our pricing strategy if deemed necessary.

(c) What is your targeted revenue growth for FY2024? Where is the growth expected to come from?

We are targeting a revenue growth of 0-8% for FY2024 and the growth areas are from:

- (1) Penetration into new markets, new segments and extension of SKUs;
- (2) Increase in operational efficiency through adaptation of technology; and
- (3) Growth through upstream activities

(d) Are there any specific market trends or consumer preferences that the Group is capitalizing on?

We have seen the following trends:

- (1) Growth in footfall in the RM2 retail shops, such as EcoShop, MR. DIY and Ninso whereby we have increased our collaboration and activities with these retailers; and
- (2) Influx of Singaporean consumers in Johor of which we have also heightened our activations at selected retailers.

(e) What is the budgeted capex for FY2024 and its breakdown?

We have budgeted approximately RM40 million to RM50 million for this year's CAPEX. Approximately RM25 million will be used to purchase 116 undeveloped parcels of land from Great Earth Development (Molek) Sdn. Bhd. and the rest will comprise mainly of plant and machinery expenditure.

2. The Group increased the instant powder (IP) and beverage production capacity by 6% and 14% respectively in FY2023. Furthermore, the newly commissioned coffee bean roasting plant will enable Power Root to produce micro ground coffee as raw material for its products. (page 23 of AR 2023)

(a) How many stock keeping units (SKUs) does Power Root have at the end of FY2023 compared to end-FY2022? What were the new SKUs introduced during FY2023?

FY2022, we had 81 main SKUs. For FY2023, we increased it to 83 main SKUs.

- The new SKUs in FY2023 are as follows:

1. Ah Huat Herbal Tea 310ml (in can form); and
2. Alicafe French Roast Gold Blend 100g (in jar form)

(b) How many new SKUs do you plan to introduce in FY2024? Please provide more details on the new SKUs to be launched.

We have approximately 7 - 8 new SKUs planned for this financial year and the ones we have confirmed are as follows:

1. Jom Teh 18g (in instant powder form);
2. Alicafe Creamy White Coffee 25g (in instant powder form);
3. Mogu-mogu 4 SKUs (Yogurt, Lychee, Grape and Melon)

(c) What is the total capex and capacity for your new coffee bean roasting plant? When do you expect the plant to run at full capacity?

The total capex invested in our coffee bean roasting plant amounted to RM5 million. It currently operates at a capacity of 105kg per hour with a total monthly roasting capacity of 23,100kg.

Presently, the plant is being utilized at 25% capacity. There's no fixed timeline for reaching full capacity as it depends on factors such as market demand for our kopi-o products.

(d) Are there any specific market trends or consumer preferences that the Group is capitalizing on?

The coffee beans that we require are usually medium to dark roast beans.

3. The Group’s marketing efforts include marketing through seasonal campaigns and sponsorships to raise brand recognition, as well as marketing with smaller, targeted advertising through digital advertising, billboards, media, outlets and contests. (page 24 of AR 2023)

(a) How much was the A&P costs in FY2023?

Total A&P costs in FY 2023 amounted to RM33.22 million and approximately 30% came from Above the Line (“ATL”) spending.

(b) What is the budgeted A&P costs for FY2024? How much is allocated for traditional media vs digital media?

In general, our marketing cost will approximate between 10-13% of revenue. With regards to the split between traditional ATL media versus digital media, 70% will be spent on traditional ATL media and 30% will be on digital media.

4. How much was the increase or decrease in coffee bean, non-dairy creamer and sugar costs in FY2023? Currently, what are the average locked-in prices for your non-dairy creamer and coffee beans, and for how long? What is the price outlook for these raw materials?

Raw Materials	Price Movement between FY2022 and FY2023	Lock-in period
Coffee Powder	Average increase of approximately 5%	Until March 2024
Non-Dairy Creamer	Average increase of approximately 30%	Until March 2024
Sugar	Average increase of approximately 8%	Controlled item

- Coffee bean price is expected to increase in view of low harvest season whereas non-dairy creamer price is expected to remain stable in the next 3 months.

5. What specific actions has the Board taken or intend to take to ensure that it meets the 30% representation of women directors? Furthermore, does the Board have a concrete plan to accomplish this objective within a reasonable timeframe of three years or less?

The Board is satisfied that through the annual performance assessment of the Board, the Board Committees and individual Directors by the Nominating Committee, the current Board composition possesses the right mix of knowledge, skills and experience required to discharge the Board’s duties and responsibilities effectively. The Board will, at the opportune time, seek additional women candidates as Board members in line with its gender diversity policy.