



**NOTICE OF THE SEVENTEENTH ("17<sup>TH</sup>") ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Seventeenth ("17<sup>th</sup>") Annual General Meeting ("AGM") of Power Root Berhad ("Power Root" or "the Company") will be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor on Monday, 28 August 2023 at 3.00 p.m. for the purpose of considering the following businesses:-

**AGENDA**

**ORDINARY BUSINESS:-**

- To receive the Audited Financial Statement for the financial year ended 31 March 2023 together with the Directors' and Auditors' reports thereon.
- To sanction payment of Directors' fees for the financial year ending 31 March 2024, to be payable on quarterly basis in arrears.
- To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2024.
- To re-elect Dato' How Say Swee, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election.
- To re-elect Mr. Ong Kheng Swee, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election.
- To re-elect Dato' Afifuddin Bin Abdul Kadir, who retires pursuant to Clause 100 of the Company's Constitution and being eligible, offers himself for re-election.
- To re-elect Mr. Wong Tak Keong, who retires pursuant to Clause 107 of the Company's Constitution and being eligible, offers himself for re-election.
- 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.

**SPECIAL BUSINESS:-**

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

**9. Continuation in Office as Independent Non-Executive Director – Encik Azahar Bin Baharudin**

"THAT approval be and is hereby given that Encik Azahar Bin Baharudin to continue to serve as an Independent Director of the Company in accordance with the Malaysian Code On Corporate Governance."

**10. Authority to Issue Shares Pursuant To Sections 75(1) and 76(1) of the Companies Act 2016 ("Authority to Allot Shares")**

"THAT pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 ("Act") and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority conferred by this resolution shall commence upon passing this resolution until:

- the conclusion of the AGM held next after the approval was given; or
- the expiry of the period within which the next AGM is required to be held after the approval was given,

whichever occurs first.

THAT in connection with the above, pursuant to Section 85 of the Act, read together with Clause 63 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company over all new shares to be issued pursuant to this Mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

**11. Proposed Renewal of the Authority to allot and issue new ordinary shares in Power Root ("Power Root Shares") in relation to the Company's Dividend Reinvestment Plan ("DRP") that provides the shareholders of Power Root ("Shareholders") the option to elect to reinvest their cash dividend in new Power Root Shares**

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 29 July 2013 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Power Root Shares from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next AGM upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Power Root Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days Volume Weighted Average Market Price ("VWAMP") of Power Root Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

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

**12. 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:

- cancel all the shares so purchased; or
- distribute the shares as share dividends to the shareholders; or
- resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
- transfer the shares for the purpose of or under an employees' share scheme; or
- transfer the shares as purchase consideration; or
- 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:

- 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;
- 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
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first."

**13. Proposed 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 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 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:-

- the conclusion of the next AGM of the Company at which such Proposed Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- 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
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever occurs first."

14. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

**ZURIATI BINTI YAACOB** (F) SSM PC No. 202008003191 (LS 0009971)

**TAI YIT CHAN** (F) SSM PC No. 202008001023 (MAICSA NO. 7009143)

**SANTHI A/P SAMINATHAN** (F) SSM PC No. 201908002933 (MAICSA NO. 7069709)

Company Secretaries

Johor Bahru

28 July 2023

**Notes:**

- Only depositors whose name appears in the Record of Depositors as at 22 August 2023 shall be regarded as member of the Company entitled to attend, speak and vote at this Meeting or appoint proxy(ies) to attend, speak and vote in his stead.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a proxy appointed to attend, speak and vote at a meeting shall have the same rights as the member to speak at the meeting.
- A member may appoint not more than 2 proxies to attend and vote at the same meeting.
- Where a member appoints 2 proxies, he shall specify the proportion of his holdings to be represented by each proxy. Otherwise, the appointment shall be invalid.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds.
- Where a member or the authorised nominee or an exempt authorised nominee appoints 2 or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, not less than 48 hours before the time set for the meeting or any adjournment thereof.

**EXPLANATORY NOTES TO ORDINARY BUSINESS:**

**1. Audited Financial Statement for the financial year ended 31 March 2023**

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

**2. Directors' Fees and Benefits**

Resolution 1 and 2, pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board shall seek shareholders' approval at the 17th AGM on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Resolution 1 - To sanction payment of Directors' fees for the financial year ending 31 March 2024, to be payable on quarterly basis in arrears; and
- Resolution 2 - To approve the benefit payable to the Directors an aggregate amount of not more than RM600,000 for the financial year ending 31 March 2024.

Payment of directors' fees will be made by the Company after they have discharged their responsibilities and rendered their services to the Company for the financial year ending 31 March 2024, if proposed Resolutions 1 and 2 passed at the forthcoming AGM.

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

Clause 100 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of eleven (11), three (3) Directors are to retire in accordance with Clause 100 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

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

For the purpose of determining the eligibility of the Directors to stand for re-election at the 17th AGM, the Nominating Committee ("NC") has considered the following:

- The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- The level of independence demonstrated by each of the Independent Non-Executive Directors ("INEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance, the Board has conducted an assessment of independence of the INEDs, and also other criteria i.e., character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the INEDs has also provided his/her annual declaration/confirmation of independence.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Clauses 100 and 107 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

**4. Re-appointment of Auditors**

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

**EXPLANATORY NOTES TO SPECIAL BUSINESS:**

**5. Continuation in Office as Independent Non-Executive Director - Encik Azahar Bin Baharudin**

The Board of Directors via the Nominating Committee had assessed the independence of Encik Azahar Bin Baharudin, who has served on the Board as Independent Non-Executive Director of the Company for a cumulative of more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to retain Encik Azahar Bin Baharudin as Independent Non-Executive Director, based on the following justifications:

- He fulfilled the criteria under the definition of Independent Director as stated in Chapter 1 and Practice Note 13 of the MMLR of Bursa Malaysia Securities Berhad and therefore able to give independent opinion to the Board;
- Being director for more than nine (9) years has enabled him to contribute positively during deliberations/discussions at meetings as he is familiar with the operations of the Company and possess knowledge of the Company's operations;
- He has the calibre, qualifications, experiences and personal qualities to challenge management in an effective and constructive manner;
- He has demonstrated objectivity and independent judgement in Board Committee deliberations and decision making; and
- He actively participated in board discussion and provided an independent voice on the Board.

Encik Azahar Bin Baharudin shall be subjected to two tier voting in accordance with the Malaysian Code on Corporate Governance as he has served the Company for more than nine (9) years.

**6. Authority to Allot Shares**

The proposed Ordinary Resolution 9 is to obtain a general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

The proposed Ordinary Resolution 9, if passed, will provide flexibility to the Directors of the Company to issue and allot new shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) at the time of such allotment and issuance of ordinary shares and for such purposes as they consider would be in the best interest of the Company without having to convene a separate general meeting. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new ordinary shares including but not limited to placement of shares for future business opportunities for the purpose of funding investment project(s), working capital, acquisitions and such other purposes as the Directors consider would be in the best interest of the Company and thereby reducing administrative time and cost associated with the convening of such general meetings.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 63 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 16th AGM held on 29 August 2022 and which will lapse at the conclusion of the 17th AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

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

The Proposed Resolution 10 is for the purpose of granting a general mandate ("General Mandate for DRP") to provide the shareholders of Power Root the option to elect to reinvest their cash dividend in new ordinary shares in the Company. The General Mandate for DRP has been granted by the shareholders at the AGM of the Company held on 29 August 2022. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.

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

The Proposed Resolution 11 is for the purpose of granting a general mandate ("General Mandate for Share Buy-Back") to allow the Company to purchase its own shares. The total number of shares purchased shall not exceed ten percent (10%) of the total number of issued shares of the Company. The audited retained earnings of the Company stood at RM67.7 million as at 31 March 2023. The General Mandate for Share Buy-Back has been granted by the shareholders at the AGM of the Company held on 29 August 2022. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.

**9. Proposed Shareholders' Mandate**

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

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

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

**PERSONAL DATA PRIVACY**

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