

**LIMITS AND GUIDELINES
FOR
INVESTMENT FUNDS**
(REVISION: MAY 2024)

POWER ROOT BERHAD
(Registration No. 200601013517 (733268-U))

**Duly approved by the Board of Directors of Power Root Berhad via Board of
Directors' Circular Resolutions dated 8 May 2024**

- 1.0** The basic underlying principal for the Proposed Investment(s) will be based on publicly traded stocks and shares that provide (i) capital protection, and (ii) have a track record of constant dividend payouts. Other criteria for selection would be based on the following:-
- 1.1 Market Capitalisation – To invest in counters whereby the market capitalisation exceeds RM 1.0 billion (or equivalent in USD). Generally, companies with such Market Capitalisation have strong transactional liquidity;
 - 1.2 Analyst Coverage – To invest in companies which are covered by at least 2 (two) reputable research houses. This is mainly to provide the company with additional insights into the potential investee companies by independent sources;
 - 1.3 Dividend yield - The selection of the stocks will also be based on its dividend yield which should have a trailing 12 months yield of at least 4.0% per annum;
 - 1.4 Stocks whereby announcements pertaining to privatization have been made. Generally, such counters trade at a discount to the general offer price. As such, the only risk that Power Root Group is exposed to is transactional risk;
 - 1.5 Other criteria that the company may use to evaluate suitable potential companies to invest include appropriate Price Earnings and Price to Book ratio for the particular industry;
 - 1.6 Investments shall not be for speculative purposes;
 - 1.7 Investments shall be Shariah compliant;
 - 1.8 Investments in IPO shares may be considered if it meets the above criteria;
 - 1.9 The Company may consider investment in companies listed overseas provided the above criteria are met and that investment and other country and market risks including political and economic risks have been properly assessed; and
 - 1.10 Any proposed investments that are more than RM1.5 million and exceed 20.0% of the paid-up capital of the investee company shall be approved by the Board prior to the investment.
- 2.0** The above Limits and Guidelines may be determined and/or varied by the Company's Board at any time and from time to time.