

**THIS 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 advisers immediately.

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**POWER ROOT BERHAD**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:**

- (I) PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF POWER ROOT BERHAD ("POWER ROOT") (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME FOR THE ELIGIBLE DIRECTORS AND KEY EMPLOYEES OF POWER ROOT AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS"); AND**
- (II) PROPOSED ALLOCATION OF ESOS OPTIONS UNDER THE PROPOSED ESOS TO THE DIRECTORS OF POWER ROOT**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**RHB INVESTMENT BANK BERHAD**

(Registration No. 197401002639 (19663-P))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") and the Proxy Form are enclosed in this Circular. As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and lodge the Proxy Form in accordance with the instructions contained therein at the Share Registrar of Power Root, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> 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 EGM or any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for : Saturday, 6 August 2022 at 2.00 p.m.  
lodging the Proxy Form

Date and time of the EGM : Monday, 8 August 2022 at 2.00 p.m.

Venue of the EGM : No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim

This Circular is dated 22 July 2022

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## DEFINITIONS

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

“Act”	: Companies Act 2016
“Board”	: Board of Directors of our Company
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“By-Laws”	: By-laws governing the Proposed ESOS, the draft of which is set out in <b>Appendix I</b> of this Circular
“Circular”	: This circular dated 22 July 2022 in relation to the Proposed ESOS
“Date of Offer”	: The date on which an offer is made by the ESOS Committee
“Directors”	: Director of our Company and within the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting
“Eligible Persons”	: Directors and key employees of our Group (excluding dormant subsidiaries) who are eligible to participate in the Proposed ESOS in accordance with the By-Laws
“EPS”	: Earnings per Share
“ESOS”	: Employees’ share option scheme
“ESOS 2012/2022”	: ESOS of up to 10% of the total number of issued shares of our Company (excluding treasury shares) at any point in time for the eligible Directors and employees of our Group, which was established on 23 July 2012 and will expire on 22 July 2022
“ESOS 2019/2029”	: ESOS of up to 20,000,000 new Shares for the eligible Executive Directors and key employees of our Group, which was established on 11 June 2019 and will expire on 10 June 2029
“ESOS Committee”	: A committee to be appointed and authorised by our Board to implement and administer the Proposed ESOS in accordance with the By-Laws
“ESOS Options”	: A right which the Grantee is required to pay to subscribe for new Shares at specified prices to be determined in accordance with the By-Laws
“Existing ESOS”	: Collectively, ESOS 2012/2022 and ESOS 2019/2029
“Grantees”	: Eligible Persons who have accepted the offer of ESOS Options
“Group”	: Collectively, Power Root and our subsidiaries
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 30 June 2022, being the latest practicable date prior to the printing of this Circular
“Maximum Scenario”	: Assuming all the Treasury Shares are resold in the open market and all the Outstanding Options and Outstanding Warrants are exercised

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## DEFINITIONS (CONT'D)

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“Maximum Scheme Size”	:	Maximum of 15% of the total number of issued shares of our Company (excluding treasury shares) at any one time during the duration of the Proposed ESOS and the Existing ESOS
“MFRS”	:	Malaysian Financial Reporting Standards
“Minimum Scenario”	:	Assuming none of the Treasury Shares are resold, and none of the Outstanding Options and the Outstanding Warrants are exercised
“NA”	:	Net assets
“Outstanding Options”	:	25,506,000 outstanding ESOS Options granted and accepted under the Existing ESOS as at the LPD
“Outstanding Warrants”	:	48,550,093 outstanding Warrants as at the LPD
“Power Root” or “Company”	:	Power Root Berhad
“Proposed ESOS”	:	Proposed establishment of an ESOS of up to 10% of the total number of issued shares of our Company (excluding treasury shares) at any point in time for the Eligible Persons
“RHB Investment Bank”	:	RHB Investment Bank Berhad
“RM”	:	Ringgit Malaysia
“Shares”	:	Ordinary shares in our Company
“Treasury Shares”	:	21,488,500 treasury shares held by our Company as at the LPD
“VWAP”	:	Volume weighted average price
“Warrants”	:	Warrants issued by our Company pursuant to the deed poll dated 29 June 2018 constituting the Warrants and will expire on 24 July 2023

All references to “**our Company**” in this Circular are to Power Root, references to “**our Group**” are to our Company and our subsidiaries, collectively, and references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires, shall include our subsidiaries. All references to “**you**” in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and/or neuter genders and vice versa. References to persons shall include corporations.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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

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**POWER ROOT BERHAD**  
(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

22 July 2022

**Board of Directors:**

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

**To: Our shareholders**

Dear Sir/Madam,

**PROPOSED ESOS**

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**1. INTRODUCTION**

On 8 July 2022, RHB Investment Bank announced, on behalf of our Board, that we proposed to undertake the Proposed ESOS.

On 18 July 2022, RHB Investment Bank announced, on behalf of our Board, that Bursa Securities had, vide its letter dated 15 July 2022, resolved to approve the listing of and quotation for such number of new Shares representing up to 10% of the total number of issued shares of our Company (excluding treasury shares) to be issued under the Proposed ESOS on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6(i) of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED ESOS AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR, TOGETHER WITH THE APPENDICES, BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT OUR FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSED ESOS

The Proposed ESOS involves the granting of ESOS Options to the Eligible Persons to subscribe for new Shares at specified prices to be determined in the manner as set out in Section 2.5 of this Circular.

The Proposed ESOS will be administered by the ESOS Committee.

### 2.1 Maximum number of new Shares available under the Proposed ESOS

As at the LPD, we have 2 subsisting ESOS, namely ESOS 2012/2022 and ESOS 2019/2029, which will be expiring on 22 July 2022 and 10 June 2029 respectively.

A summary of the aggregate number of ESOS options offered under the Existing ESOS since its commencement up to the LPD are as follows:

	<b>ESOS 2012/2022</b>	<b>ESOS 2019/2029</b>	<b>Total</b>
Total no. of ESOS options offered and accepted	42,215,000	20,000,000	62,215,000
Total no. of ESOS options exercised	29,323,000	-	29,323,000
Total no. of ESOS options lapsed	10,763,700	700,000	11,463,700
Additional ESOS options issued following a bonus issue exercise	4,077,700	-	4,077,700
Total no. of outstanding ESOS options	6,206,000	19,300,000	25,506,000

Please refer to **Appendix II** of this Circular for further information on the Existing ESOS, including the number of ESOS options granted and exercised under the schemes.

Pursuant to Paragraph 6.38(1) of Listing Requirements, a listed issuer must ensure that the total number of shares to be issued under a share issuance scheme is not more than 15% of its total number of issued shares (excluding treasury shares) at any one time.

In this regard, our Board will ensure that at any one time during the duration of the Proposed ESOS and the Existing ESOS, the aggregate number of new Shares which may be issued under these schemes (and any other ESOS which may be implemented from time to time) shall not exceed 15% of the total number of issued shares of our Company (excluding treasury shares).

In the event the total number of Shares comprised in the ESOS Options offered under the Proposed ESOS and the Existing ESOS exceeds the Maximum Scheme Size at any one time as a result of our Company purchasing or cancelling our Shares in accordance with the provisions of Section 127 of the Act, or we undertake any corporate proposal resulting in the reduction of the total number of issued shares of our Company, no further ESOS Options shall be offered by the ESOS Committee until such total number of Shares falls below the Maximum Scheme Size.

## **2.2 Basis of allocation and maximum allowable allocation**

The number of new Shares that may be offered and allocated pursuant to the Proposed ESOS to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, among others, the Eligible Person's performance, seniority and length of service in our Group (excluding dormant subsidiaries) subject to the following:

- (i) the decision of the ESOS Committee shall be final, conclusive and binding provided that the Eligible Person must not participate in the deliberation or discussion of the allocation of the ESOS Options under the Proposed ESOS to themselves or person connected with them;
- (ii) not more than 10% of the total number of new Shares to be made available under the Proposed ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of our Company (excluding treasury shares); and
- (iii) the aggregate maximum allocation to the Directors and senior management of our Group (excluding dormant subsidiaries) shall not be more than 70% of the total number of Shares (excluding treasury shares) to be made available under the Proposed ESOS,

provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

For the avoidance of doubt, the ESOS Committee will have the discretion to determine whether:

- (i) the ESOS Options will be offered in a single grant or staggered over the duration of the Proposed ESOS; and
- (ii) the vesting of the ESOS Options will be staggered and, if the vesting will be staggered, the timing for such vesting.

Each offer of the ESOS Options to the Eligible Persons and the vesting of such ESOS Options will be separate and independent from the others.

## **2.3 Eligibility**

Subject to the discretion of the ESOS Committee, an Eligible Person who is a director or key employee of our Group (excluding dormant subsidiaries) shall be eligible to participate in the Proposed ESOS if, as at the Date of Offer, they comply with the following:

- (i) has attained 18 years of age;
- (ii) must not be an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (iii) must have complied with any other criteria imposed by the ESOS Committee from time to time; and
- (iv) must be an existing Director or be a full time employee of our Group.

Notwithstanding the above, the selection of any Eligible Person for participation in the Proposed ESOS shall be at discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

The eligibility for the Eligible Person to participate in the Proposed ESOS does not confer an Eligible Person a claim or right to participate in, or a right to claim or any rights whatsoever under, the Proposed ESOS unless the offer has been made in writing by the ESOS Committee to the Eligible Person as set out in the By-Laws and the Eligible Person has accepted the offer in accordance with the terms of the offer and the By-Laws.

## **2.4 Duration**

Subject to the By-Laws, the Proposed ESOS shall be in force for a period of 10 years commencing from the effective date of the Proposed ESOS, which shall be the date of full compliance with all relevant requirements of the Listing Requirements in relation to the Proposed ESOS.

## **2.5 Basis of determining the exercise price of the ESOS Options**

The exercise price for each new Share comprised in the ESOS Option will be determined by the ESOS Committee and shall not be more than 10% discount to the 5-day VWAP of our Shares immediately preceding the Date of Offer, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time.

## **2.6 Rights and ranking of the new Shares to be issued pursuant to the Proposed ESOS**

The Grantees will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such Grantees exercise their ESOS Options into new Shares.

The new Shares to be issued pursuant to the Proposed ESOS shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that they shall not be entitled to any dividend, rights, allotment, and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Shares to be issued pursuant to the Proposed ESOS.

All new Shares allotted and issued arising from the exercise of the ESOS Options shall be subject to the provisions of our Constitution and the Listing Requirements relating to transfer, transmission and otherwise of our Shares.

Our Shares to be issued and allotted to the Grantees pursuant to the exercise of ESOS Options will not be subject to any holding period or restriction on transfer, disposal and/or assignment, save for a Grantee who is a non-executive Director who must not sell, transfer or assign our Shares obtained through the exercise of the ESOS Options granted pursuant to the Proposed ESOS within 1 year from the Date of Offer or such period as may be prescribed by Bursa Securities.

## **2.7 Amendment and/or modification to the Proposed ESOS**

The terms and conditions of the By-Laws and the Proposed ESOS may be modified and/or amended from time to time by resolution of our Board, except that (unless expressly provided in the By-Laws), no such modification and/or amendment shall be made which would either prejudice the rights then accrued to any Grantee without his/her prior written consent, or which would alter to the advantage of the Grantee as provided under the By-Laws without the prior approval of our shareholders in a general meeting.

## **2.8 Listing of and quotation for the new Shares to be issued pursuant to the Proposed ESOS**

Bursa Securities had vide its letter dated 15 July 2022, approved the listing of and quotation for the new Shares to be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6(i) of this Circular.



### **3. UTILISATION OF PROCEEDS**

We will receive proceeds from the exercise of the ESOS Options by the Grantees under the Proposed ESOS. However, the actual amount of proceeds to be received cannot be determined at this juncture as it will depend on, among others, the number of ESOS Options granted and exercised at the relevant point in time and the exercise price payable upon exercise of the ESOS Options.

We will use the net proceeds from the exercise of the ESOS Options for the repayment of our bank borrowings and/or our working capital requirements to finance our day-to-day operations such as, among others, payment to suppliers and trade creditors, marketing and promotional expenses, staff costs and other general expenses. Such proceeds are expected to be utilised within a period of 12 months, as and when the proceeds are received throughout the duration of the Proposed ESOS.

### **4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED ESOS**

The Proposed ESOS is intended to replace the ESOS 2012/2022 which will expire on 22 July 2022, and serves to:

- (i) motivate, reward and retain the Eligible Persons who have contributed to our growth and performance;
- (ii) instil a greater sense of ownership and belonging in the Eligible Persons so as to enhance productivity and motivate them towards strategic business objectives as they will have an opportunity to participate directly in our future growth;
- (iii) increase the level of commitment, dedication and loyalty of the Eligible Persons by rewarding them for their contribution; and
- (iv) provide a more competitive remuneration package to attract prospective high calibre and experienced individuals to join our Group and contribute to our continued growth and profitability.

In addition, we will be able to utilise the proceeds from the exercise of ESOS Options for the purposes as set out in Section 3 of this Circular, which are expected to contribute positively to our Group.

The Proposed ESOS is also extended to eligible non-executive Directors as their services and contributions are valued by us. This initiative serves to:

- (i) recognise their contributions relating to their oversight responsibilities as independent members of the Board and Board committees which are considered vital to the governance of our Group; and
- (ii) provide an opportunity for them to participate in our future growth.

## 5. EFFECTS OF THE PROPOSED ESOS

### 5.1 Issued share capital

The Proposed ESOS will not have an immediate effect on our issued share capital until such time when the ESOS Options are granted and exercised. Our issued share capital will increase progressively as and when the new Shares are issued pursuant to the exercise of the ESOS Options under the Proposed ESOS, subject to the Maximum Scheme Size.

For illustration purposes, the pro forma effects of the Proposed ESOS on our issued share capital as at the LPD, are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares ('000)	Share capital (RM'000)	No. of Shares ('000)	Share capital (RM'000)
As at the LPD	(1)416,103	259,065	(1)416,103	259,065
Assuming:				
(a) all the Treasury Shares are resold	-	-	21,489	-
(b) full exercise of the Outstanding Options	-	-	25,506	(2)34,627
(c) full exercise of the Outstanding Warrants	-	-	48,550	(3)74,767
	<u>416,103</u>	<u>259,065</u>	<u>511,648</u>	<u>368,459</u>
New Shares to be issued assuming full exercise of the ESOS Options <sup>(4)</sup>	41,610	(5)63,664	51,165	(5)78,282
<b>Enlarged issued share capital</b>	<b><u>457,713</u></b>	<b><u>322,729</u></b>	<b><u>562,813</u></b>	<b><u>446,741</u></b>

#### Notes:

- (1) Excluding the Treasury Shares.
- (2) Based on the exercise prices of the Outstanding Options of between RM0.563 and RM1.74.
- (3) Based on the exercise price of the Outstanding Warrants of RM1.54.
- (4) Represents the maximum number of new Shares which may be issued pursuant to the Proposed ESOS, based on 10% of the prevailing total number of issued shares of our Company (excluding treasury shares).
- (5) Assuming the exercise price of RM1.53, representing a discount of approximately 9.5% to the 5-day VWAP of our Shares up to and including the LPD of RM1.6904.

## 5.2 Substantial shareholders' shareholdings

The Proposed ESOS is not expected to have any immediate effect on the shareholdings of our substantial shareholders until such time the new Shares are issued arising from the exercise of the ESOS Options at the relevant point in time. Any potential effect on our substantial shareholders' shareholdings will depend on the number of new Shares to be issued arising from the exercise of the ESOS Options at the relevant point in time.

For illustration purposes, the pro forma effects of the Proposed ESOS on the shareholdings of our substantial shareholders are as follows:

Substantial shareholder	As at the LPD		After the Proposed ESOS									
	Direct		Indirect		Minimum Scenario				Maximum Scenario			
	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(%)	No. of Shares ('000)	(%)
Dato' How Say Swee	76,807	18.5	(2)3,000	0.7	(6)76,807	16.8	(2)3,000	0.7	(6)(7)82,103	14.6	(2)3,000	0.5
Dato' Wong Fuei Boon	68,488	16.5	(3)10,000	2.4	(6)68,488	15.0	(3)10,000	2.2	(6)(7)75,035	13.3	(3)(7)11,000	2.0
Wong Tak Keong	32,546	7.8	(3)8,251	2.0	(6)32,546	7.1	(3)8,251	1.8	(6)(7)55,510	9.9	(3)(7)9,043	1.6
Low Jun Lee	-	-	(4)51,310	12.3	-	-	(4)51,310	11.2	-	-	(4)(7)58,692	10.4
Kumpulan Wang Persaraan (Diperbadankan)	25,527	6.1	(5)3,742	0.9	25,527	5.6	(5)3,742	0.8	25,527	4.5	(5)3,742	0.7

### Notes:

- (1) Excluding the Treasury Shares.
- (2) Deemed interested by virtue of shareholdings of his children pursuant to Section 59 of the Act.
- (3) Deemed interested by virtue of the shareholdings of his spouse and children pursuant to Section 59 of the Act.
- (4) Deemed interested by virtue of the shareholdings of his parents pursuant to Section 59 of the Act.

- (5) Deemed interested via fund managers of Kumpulan Wang Persaraan (Diperbadankan).
- (6) Assuming no ESOS Options have been allocated to Directors who are our substantial shareholders as the allocation of ESOS Options to Directors pursuant to the Proposed ESOS has not been determined at this juncture.
- (7) Assuming full exercise of the Outstanding Warrants and Outstanding Options held by them as at the LPD as follows:

	<b>No. of Outstanding Warrants</b>		<b>No. of Outstanding Options</b>		<b>Total</b>	
	<b>Direct (‘000)</b>	<b>Indirect (‘000)</b>	<b>Direct (‘000)</b>	<b>Indirect (‘000)</b>	<b>Direct (‘000)</b>	<b>Indirect (‘000)</b>
<b>Substantial shareholder</b>						
Dato’ How Say Swee	5,295	-	-	-	5,295	-
Dato’ Wong Fuei Boon	6,547	1,000	-	-	6,547	1,000
Wong Tak Keong	8,965	792	14,000	-	22,965	792
Low Jun Lee	-	7,383	-	-	-	7,383

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### **5.3 NA and gearing**

Save for the potential impact of MFRS 2 on Share-Based Payment issued by the Malaysian Accounting Standards Board as set out in Section 5.4 of this Circular, the Proposed ESOS is not expected to have an immediate effect on our NA, NA per Share and gearing until such time the ESOS Options are exercised. The effects will depend on, among others, the exercise price of the ESOS Options and the number of new Shares to be issued pursuant to the exercise of the ESOS Options.

For illustration purposes, upon exercise of the ESOS Options, the consolidated NA per Share is expected to:

- (i) increase if the exercise price of the ESOS Options is higher than the consolidated NA per Share; or
- (ii) decrease if the exercise price of the ESOS Options is lower than the consolidated NA per Share,

at such point of exercise of the ESOS Options.

### **5.4 Earnings and EPS**

Save for the estimated expenses of approximately RM0.1 million to be incurred in relation to the Proposed ESOS, the Proposed ESOS is not expected to have any immediate effect on our consolidated earnings and EPS until such time when the ESOS Options are granted and exercised. Any potential effect on our consolidated EPS in the future would depend on the number of ESOS Options granted and exercised, and the exercise price payable upon exercise of the ESOS Options, as well as the impact of MFRS 2.

Under MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options which is expected to vest at each Date of Offer and is recognised as an expense in the statement of comprehensive income. The fair value of the ESOS Options is determined after taking into consideration, among others, the historical volatility of our Shares, the risk-free rate, the exercise price payable upon exercise of the ESOS Options and the time to maturity of the ESOS Options from the vesting date of the ESOS Options. As such, the potential effect of the recognition of the said cost on our consolidated EPS cannot be determined at this juncture. However, such expense recognised is merely an accounting treatment and does not represent a cash outflow.

We have taken note of the potential impact of MFRS 2 on our future earnings and will take into consideration such impact in the allocation and granting of ESOS Options to Eligible Persons.

### **5.5 Convertible securities**

As at the LPD, we have 25,506,000 Outstanding Options and 48,550,093 Outstanding Warrants in issue. The Proposed ESOS will not have any effect on the terms and conditions of the Outstanding Options and Outstanding Warrants.

## 6. APPROVALS REQUIRED

The Proposed ESOS is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for such number of new Shares representing up to 10% of the total number of issued shares of our Company (excluding treasury shares) to be issued under the Proposed ESOS on the Main Market of Bursa Securities, which was obtained vide its letter dated 15 July 2022, subject to the following conditions:

<b>Conditions imposed</b>	<b>Status of compliance</b>
(a) Power Root and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed ESOS;	To be complied
(b) the aggregate number of our Shares to be issued pursuant to the Proposed ESOS, together with any subsisting Share Issuance Scheme (as defined in Chapter 1 of the Listing Requirements), does not exceed 15% of our total number of issued shares (excluding treasury shares) at any one time pursuant to Paragraph 6.38 of the Listing Requirements;	To be complied
(c) Power Root is required to furnish Bursa Securities with certified true copy of the resolution passed by our shareholders at the EGM approving the Proposed ESOS;	To be complied
(d) Power Root and RHB Investment Bank are required to inform Bursa Securities upon completion of the Proposed ESOS;	To be complied
(e) Power Root is required to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval once the Proposed ESOS is completed;	To be complied
(f) Power Root is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation; and	To be complied
(g) payment of additional listing fees pertaining to the exercise of ESOS Options, if relevant. In this respect, Power Root is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new Shares listed pursuant to the exercise of ESOS Options as at the end of each quarter together with a detailed computation of the listing fees payable; and	To be complied

- (ii) our shareholders for the Proposed ESOS at our forthcoming EGM.

## 7. CONDITIONALITY OF THE PROPOSED ESOS

Save for the Proposed ESOS, there is no other intended corporate exercise/scheme which has been announced by our Company but not yet completed before the printing of this Circular.

The Proposed ESOS is not conditional upon any other corporate exercise/scheme of our Company.

## 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

All our Directors are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations, as well as allocations to persons connected with them (if any), under the Proposed ESOS. As such, our interested Directors have abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on their respective allocations, as well as allocations to persons connected with them (if any), under the Proposed ESOS.

Our Directors and interested major shareholders will also abstain and have undertaken to ensure that persons connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the ordinary resolutions pertaining to their respective allocations as well as allocations to persons connected with them (if any) under the Proposed ESOS at our forthcoming EGM.

As at the LPD, the direct and indirect shareholdings of the Directors in our Company are as follows:

	Direct		Indirect	
	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)
Dato' Afifuddin Bin Abdul Kadir	-	-	-	-
Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj	-	-	-	-
Dato' How Say Swee	76,807	18.5	(2)3,000	0.7
Dato' Wong Fuei Boon	68,488	16.5	(3)10,000	2.4
Wong Tak Keong	32,546	7.8	(3)8,251	2.0
See Thuan Po	4,578	1.1	(4)6,713	1.6
Low Jun Lee	-	-	(5)51,310	12.3
Ong Kheng Swee	235	0.1	(6)154	*
Azahar Bin Baharudin	*	*	-	-
Dato' Tea Choo Keng	3	*	-	-
Tan Lay Beng	-	-	-	-

### Notes:

\* Negligible.

(1) Excluding the Treasury Shares.

(2) Deemed interested by virtue of shareholdings of his children pursuant to Section 59 of the Act.

- (3) Deemed interested by virtue of the shareholdings of his spouse and children pursuant to Section 59 of the Act.
- (4) Deemed interested by virtue of the shareholdings in See Seang Huat & Company Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of the shareholdings of his parents pursuant to Section 59 of the Act.
- (6) Deemed interested by virtue of the shareholdings of his spouse pursuant to Section 59 of the Act.

Save as disclosed above, none of our Directors, major shareholders and/or chief executive, and/or persons connected with them have any interest, direct or indirect, in the Proposed ESOS.

## **9. DIRECTORS' RECOMMENDATION**

Our Board, after having considered all aspects of the Proposed ESOS, including the rationale and effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the ordinary resolution in relation to the Proposed ESOS to be tabled at our forthcoming EGM.

Our Board (save for the interested Directors who have abstained from expressing any recommendation in respect of the proposed allocations as well as the allocations to persons connected with them (if any), under the Proposed ESOS) having considered all aspects of the proposed allocations as well as allocation to persons connected with them (if any), is of the opinion that the proposed allocations of ESOS Options to the Directors as well as allocations to persons connected with them (if any) pursuant to the Proposed ESOS are in the best interest of our Company and recommends that you vote in favour of the ordinary resolutions pertaining to the proposed allocations of ESOS Options to the Directors as well as allocations to persons connected with them (if any) pursuant to the Proposed ESOS to be tabled at our forthcoming EGM.

## **10. ESTIMATED TIME FRAME FOR IMPLEMENTATION**

Barring any unforeseen circumstances, the Proposed ESOS is expected to be established by the 3<sup>rd</sup> quarter of 2022.

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## 11. HISTORICAL MARKET PRICES OF OUR SHARES AND WARRANTS

The monthly highest and lowest transacted market prices of our Shares and Warrants for the past 12 months from July 2021 to June 2022 are as follows:

	Shares		Warrants	
	High (RM)	Low (RM)	High (RM)	Low (RM)
<b><u>2021</u></b>				
July	1.380	1.300	0.265	0.245
August	1.400	1.290	0.265	0.210
September	1.390	1.300	0.270	0.230
October	1.560	1.300	0.465	0.250
November	1.530	1.320	0.370	0.270
December	1.400	1.330	0.285	0.250
<b><u>2022</u></b>				
January	1.370	1.300	0.280	0.200
February	1.360	1.310	0.215	0.180
March	1.390	1.240	0.195	0.110
April	1.580	1.340	0.265	0.165
May	1.690	1.420	0.265	0.140
June	1.810	1.560	0.315	0.220

The last transacted market price of our Shares/Warrants immediately before the announcement of the Proposed ESOS on 8 July 2022

RM1.850

RM0.370

The last transacted market price of our Shares/Warrants as at the LPD

RM1.670

RM0.290

(Source: Bloomberg)

## 12. EGM

Our forthcoming EGM, the notice of which is enclosed in this Circular, will be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim, on Monday, 8 August 2022 at 2.00 p.m. or at any adjournment thereof to consider and, if thought fit, passing with or without modifications the ordinary resolutions to give effect to the Proposed ESOS.

If you are unable to attend and vote at our forthcoming EGM, please complete and lodge the Proxy Form, which is attached in this Circular, in accordance with the instructions contained therein at our Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> 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 EGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending and voting in person at our forthcoming EGM should you subsequently wish to do so.

**13. FURTHER INFORMATION**

You are requested to refer to the enclosed appendices for further information.

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

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

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**DRAFT BY-LAWS**


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**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In this Scheme, the words herein shall bear the following meanings namely:

<b>“Act”</b>	: Companies Act 2016 and any amendments made to it from time to time
<b>“Adviser”</b>	: A recognised principal adviser under the Licensing Handbook issued by the Securities Commission Malaysia
<b>“Auditor”</b>	: The auditors for the time being of the Company or such other firm of accountants as may be nominated or appointed by the Company
<b>“Board”</b>	: Board of directors of the Company
<b>“Bursa Depository”</b>	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
<b>“Bursa Securities”</b>	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>“By-Laws”</b>	: These By-Laws of the Scheme which set out the terms and conditions of the Scheme and as amended from time to time
<b>“CDS Account”</b>	: Central Depository System account opened with Bursa Depository for the recording of dealings in securities by a depositor
<b>“Date of Offer”</b>	: The date on which an Offer (including subsequent offers) is made by the Option Committee in writing to any Eligible Person to participate in the Scheme
<b>“Director(s)”</b>	: Any director of the Eligible Companies
<b>“Eligible Company(ies)”</b>	: The Company and its Eligible Subsidiaries
<b>“Eligible Person(s)”</b>	: An eligible Director or Key Employee to be granted with Options under the Scheme being those satisfying the conditions stipulated in By-Law 3
<b>“Eligible Subsidiary(ies)”</b>	: Subsidiaries within the Group which are eligible to participate in the Scheme as determined by the Option Committee but excluding the subsidiaries which are dormant
<b>“Grantee”</b>	: Selected Employee who have accepted the Offer by the Option Committee in accordance with the provisions of By-Law 6
<b>“Key Employee”</b>	: Any employee who is the head of department or holds a managerial position in any of the Eligible Companies

## DRAFT BY-LAWS (CONT'D)

<b>“Listing Requirements”</b>	:	Main Market Listing Requirements of Bursa Securities and any amendments made to it from time to time
<b>“Market Day”</b>	:	Any day between Monday to Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
<b>“Maximum Allowable Allocation”</b>	:	The maximum number of new Shares that can be offered and allotted to a Selected Employee to be determined by the Option Committee in accordance with the provisions of By-Law 4
<b>“Notice of Allotment”</b>	:	A notice confirming the allotment of Shares to the Grantee in accordance with By-Law 9.6 hereof
<b>“Offer(s)”</b>	:	Offer made in writing by the Option Committee in accordance with the provisions or in the manner indicated in By-Law 5 to Selected Employee(s)
<b>“Option(s)”</b>	:	Right of a Grantee to subscribe for Shares pursuant to the contract constituted by acceptance in the manner indicated in By-Law 6 of any Offer made in accordance with the terms of the Scheme and where the context so requires, means any part of the Options as shall remain unexercised
<b>“Option Committee”</b>	:	The committee appointed by the Board to administer the Scheme
<b>“Option Period”</b>	:	A period commencing from the Date of Offer by the Option Committee to a Selected Employee pursuant to By-Law 5 hereof until the expiry date and/or termination of the Scheme or such date as may be specifically stated in such Offer for a Grantee to exercise the Options
<b>“Option Price”</b>	:	The price at which the Grantee shall be entitled to subscribe for new Shares as set out in By-Law 7
<b>“Power Root” or “Company”</b>	or	Power Root Berhad (Registration No. 200601013517 (733268-U))
<b>“Power Root Group” or “Group”</b>	or	Power Root and its subsidiaries as defined in Section 4 of the Act
<b>“Power Root Share(s)” or “Share(s)”</b>	:	Ordinary share(s) in the Company
<b>“Record of Depositors”</b>	:	A record of depositors provided by Bursa Depository to the Company
<b>“Scheme”</b>	:	The scheme for the grant of Options to Eligible Persons to subscribe for new Shares in accordance with these By-Laws and such Scheme to be known as “Power Root Employees’ Share Option Scheme 2022”

**DRAFT BY-LAWS (CONT'D)**

**“Selected Employee(s)”** : Eligible Persons who have been selected by the Option Committee and to whom Offers have been made by the Option Committee in accordance with the terms of the Scheme

In these By-Laws:

- (i) Words denoting the masculine gender shall include the feminine gender and vice-versa, and the singular includes the plural and vice-versa.
- (ii) The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- (iii) Any liberty or power which may be exercised or any determination which may be made hereunder by the Option Committee may be exercised at the Option Committee's discretion.

## **2. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME**

2.1 The maximum number of new Shares to be allotted and issued under the Scheme shall not exceed in aggregate ten percent (10%) of the total number of issued Shares of the Company (excluding treasury shares) at any point in time or any limit prescribed by any guidelines, rules and regulations of the relevant authorities during the duration of the Scheme as referred to in By-Law 20.

2.2 Notwithstanding the provisions of By-Law 2.1 or any other provision herein contained, in the event the total number of new Shares comprised in:

- (i) the Options granted under the Scheme including such number of new Shares comprised in the Options adjusted pursuant to By-Law 14; and
- (ii) any other schemes involving issuance of new Shares to eligible directors and employees of the Group which are still subsisting,

exceeds the aggregate of fifteen percent (15%) of the total number of issued Shares of the Company as a result of the Company purchasing or cancelling its Shares in accordance with the provisions of Section 127 of the Act, or the Company undertakes any corporate proposal and thereby diminishing its total number of issued Shares, then such Options granted prior to the reduction of the total number of issued Shares of the Company shall remain valid and exercisable in accordance with the provisions of the Scheme. However, in such a situation, the Company shall not make any more new Offers until the aggregate number of Shares comprised in exercised Options, unexercised Options and unexpired Offers pending acceptances under the Scheme and any other employees' share schemes which are still subsisting falls below fifteen percent (15%) of the Company's total number of issued Shares (excluding treasury shares).

## **3. ELIGIBILITY**

3.1 To be eligible for selection by the Option Committee for participation in the Scheme, a person of an Eligible Company as at the Date of Offer:

- (i) must have attained eighteen (18) years of age;
- (ii) not be an undischarged bankrupt nor subject to any bankruptcy proceedings;

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**DRAFT BY-LAWS (CONT'D)**

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- (iii) be an existing director of the Power Root Group (excluding dormant subsidiaries) or be a full time employee of the Power Root Group (excluding dormant subsidiaries); and
  - (iv) must have complied with any other criteria imposed by the Option Committee from time to time.
- 3.2 Notwithstanding By-Law 3.1, any employee of a company which subsequently becomes an Eligible Subsidiary as a result of an acquisition by the Company or its subsidiary shall be eligible to participate in the Scheme provided that the said employee complies with all criteria imposed by the Option Committee from time to time.
- 3.3 Provided always that the selection of any employee for participation in the Scheme shall be at the discretion of the Option Committee and the decision of the Option Committee shall be final and binding.
- 3.4 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in, or a right to claim or any rights whatsoever under the Scheme unless the Offer has been made in writing by the Option Committee to the Eligible Person under By-Law 5 and the Eligible Person has accepted the Offer in accordance with By-Law 6.

**4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES**

- 4.1 Subject to By-Law 4.3 and any adjustment which may be made under By-Law 14, the Option Committee shall be entitled at its sole and absolute discretion to determine the number of new Shares to be comprised in an Offer made to the Selected Employees under the Scheme, but the Option Committee shall not be obliged in any way to offer a Selected Employee an Option for all the specified maximum number of Shares.
- 4.2 Subject to By-Law 4.3 and any adjustment which may be made under By-Law 14, the number of new Shares that may be offered and allocated to any Selected Employee under the Scheme shall be at the sole and absolute discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the Selected Employees in the Eligible Company. The decision of the Option Committee shall be final, conclusive and binding provided that the Selected Employees must not participate in the deliberation or discussion of allocation of Options under the Scheme to themselves or any person connected with them.
- 4.3 Not more than ten percent (10%) of the Shares available under the Scheme shall be allocated to any Selected Employee, who either singly or collectively through persons connected with such Selected Employee, holds twenty percent (20%) or more of the total number of issued Shares of Power Root (excluding treasury shares).
- 4.4 The aggregate maximum allocation to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not be more than seventy percent (70%) of the total number of Shares of Power Root (excluding treasury shares) to be made available under the Scheme.
- 4.5 For the avoidance of doubt, the Option Committee will have the discretion to determine whether the Options will be offered in a single grant or staggered over the duration of the Scheme. The Option Committee will also have the discretion to determine whether the vesting of the Options will be staggered and, if the vesting will be staggered, the timing of such vesting. Each Offer to the Eligible Person and the vesting of the Options will be separate and independent from the others.

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**DRAFT BY-LAWS (CONT'D)**

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**5. OFFER**

- 5.1 The Option Committee may at its absolute discretion at any time and from time to time as it shall deem fit make an Offer to any Selected Employee, whom the Option Committee may in its absolute discretion select, to subscribe for new Shares, in accordance with the terms of the Scheme.
- 5.2 The actual number of new Shares which may be offered to a Selected Employee shall be at the absolute discretion of the Option Committee and shall not be less than one hundred (100) new Shares but no more than the Maximum Allowable Allocation. Such Offer is personal to the Selected Employee and is non-assignable and non-transferable.
- 5.3 No Option will be granted to any Director or to any Eligible Person who is a person connected with any Director unless the specific grant of Options to the Director or to any Eligible Person who is a person connected with such Director shall have previously been approved by the shareholders of the Company in a general meeting. Every Director shall only be allotted Shares in respect of only one (1) Eligible Company irrespective of his sitting on more than one (1) board.
- 5.4 The Option Committee will, in its offer letter ("**Offer Letter**") to a Selected Employees state, inter alia, the number of Shares that can be subscribed under the Offer, the Option Price determined in accordance with the provisions of By-Law 7, and the closing date for acceptance of the Offer. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Employee or the Selected Employee ceasing to be employed by an Eligible Company for any reason whatsoever prior to the acceptance of the Offer by the Selected Employee in the manner set out in By-Law 6 hereof.
- 5.5 Nothing herein shall prevent the Option Committee from making more than one (1) Offer during the duration of the Scheme to each Selected Employee after the first Offer was made provided always the aggregate Options offered to each Selected Employee (including Options already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allocation of such Selected Employee.
- 5.6 The Company shall keep and maintain at its expense a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered, the number of Options exercised, the Date of Offer and the Option Price.

**6. ACCEPTANCE OF OFFER**

- 6.1 An Offer made under By-Law 5 shall be valid for a period of forty-five (45) days from the Date of Offer or such longer period as may be determined by the Option Committee and may be accepted within this prescribed period by the Selected Employee by written notice to the Option Committee of such acceptance, accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the Option. The date of receipt by the Option Committee of such written notice(s) shall constitute the date of acceptance.
- 6.2 If the Offer is not accepted in the manner aforesaid, such Offer shall, upon the expiry of the aforesaid period be deemed rejected by the Eligible Person and shall automatically lapse and thereafter be null and void and of no further effect.
- 6.3 Within thirty (30) days of the date of acceptance of an Offer, the Option Committee shall issue to each of the Grantees, a certificate in such form as may be determined by the Option Committee, for all valid acceptances of the Offer in accordance with the provisions of this By-Law.

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**DRAFT BY-LAWS (CONT'D)**

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**7. OPTION PRICE**

Subject to any adjustments in accordance with By-Law 14 hereof, the price at which a Grantee is entitled to subscribe for each new Share shall be determined by the Option Committee in a fair and equitable manner and such price shall not be more than ten percent (10%) discount to the five (5)-day volume weighted average market price of the Shares immediately preceding the Date of Offer of the Options or such other percentage of discount as may be permitted by Bursa Securities and any other relevant authorities from time to time.

**8. NON-ASSIGNABLE**

An Option is personal to the Grantee. Save and except as provided in By-Law 18.4, an Option shall be non-assignable and non-transferable.

**9. EXERCISE OF OPTION**

- 9.1 An Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 18, is exercisable only by the Grantee during his lifetime and whilst he is in the employment of the Group and within the Option Period.
- 9.2 Upon an acceptance of an Offer, the Grantee may during the Option Period exercise his Options in full or in part on such time and working days as the Option Committee may from time to time notify the Grantee. The Option Committee may, pursuant to By-Law 16 hereof, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new Shares and/or such percentage of total new Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option Committee in its sole discretion, including amending or varying any terms and conditions imposed earlier. The Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years, subject to the Option Period. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated without any claim against the Company.
- 9.3 The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the Option Committee from time to time.
- 9.4 The Grantee shall notify the Company in writing of his intention to exercise an Option in such form as the Option Committee may prescribe or approve ("**Notice of Exercise**"). An Option may be exercised in respect of such lesser number of new Shares as the Grantee may decide to exercise.
- 9.5 Every Notice of Exercise shall state the number of new Shares the Grantee intends to subscribe and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof.
- 9.6 The Grantee shall state his CDS Account number in the Notice of Exercise and the Company shall within eight (8) Market Days after the receipt of the Notice of Exercise and remittance from the Grantee or such other period as may be prescribed by Bursa Securities:
- (i) allot and/or issue the relevant number of Shares to the Grantee;
  - (ii) despatch a notice of allotment to the Grantee; and
  - (iii) make an application for the quotation of such number of Shares.



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**DRAFT BY-LAWS (CONT'D)**

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No share certificates will be delivered to the Grantee.

- 9.7 Any failure to comply with the foregoing provisions and/or to state his/her CDS Account number or the CDS Account number of his/her authorised nominee, as the case may be, in the Notice of Exercise or inaccuracy in the CDS Account number shall result in the Notice of Exercise being rejected. The Option Committee shall inform the Grantee of the rejection by notice in writing within fourteen (14) days from the date of rejection and the Grantee shall then be deemed not to have exercised his Options.
- 9.8 Notwithstanding anything to the contrary herein contained in these By-Laws, the Option Committee shall have the right in its absolute discretion by notice in writing to that effect:
- (i) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group (whether or not such contravention may give rise to a disciplinary proceeding being instituted) to exercise his Option. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its absolute discretion, on the right of exercise of the Option having regard to the nature of the contravention PROVIDED ALWAYS that in the event such contravention would result in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
  - (ii) to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his Option pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its absolute discretion, on the right of exercise of the Option having regard to the nature of the charges made or brought against such Grantee PROVIDED ALWAYS that:
    - (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his Option; or
    - (b) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice and become null and void, upon the pronouncement of such dismissal or termination of service of such Grantee; or
    - (c) in the event such Grantee is found guilty but is not dismissed or termination of service is not recommended, the Option Committee shall have the right to determine in its absolute discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such terms and conditions as it deems appropriate, upon such exercise.

**10. RIGHTS OF A GRANTEE**

- 10.1 The Options shall not carry any right to vote at any general meeting of the Company.
- 10.2 A Grantee shall not be entitled to any dividends, rights or other entitlements on his unexercised Options until and unless such Grantee exercises the Options into new Shares.

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**DRAFT BY-LAWS (CONT'D)**

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**11. RIGHTS ATTACHING TO SHARES**

The new Shares to be allotted and issued upon any exercise of the Options shall upon such allotment and issuance, rank pari passu in all respects with the then issued Shares, save and except that the Shares so issued will not be entitled to any dividends, rights, allotments and/or other form of distributions which may be declared, made or paid, for which the entitlement date (namely the date as at the close of business on which shareholders must be registered and/or whose names must be recorded in the Record of Depositors in order to be entitled to any dividends, rights, allotments and/or other distributions) is prior to the date of allotment of new Shares and will be subject to all the provisions of Power Root's Constitution and the Listing Requirements relating to transfer, transmission and otherwise of the Shares.

**12. HOLDING PERIOD**

The Shares to be issued and allotted to a Grantee pursuant to the exercise of an Option under the Scheme will not be subject to any holding period or restriction on transfer, disposal and/or assignment, save for a Grantee who is a non-executive Director who must not sell, transfer or assign the Shares obtained through the exercise of an Option under the Scheme within one (1) year from the Date of Offer or such period as may be prescribed by Bursa Securities.

**13. TAKEOVER AND COMPULSORY ACQUISITION AND SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION ETC**

13.1 In the event of a takeover offer being made for the Company by a general offer or otherwise and such offer becoming or being declared unconditional, notwithstanding By-Law 9.2, the Grantee shall also be entitled, within three (3) months of the date on which such offer becomes or is declared unconditional, to exercise in full or in part of any Option as yet unexercised within the Option Period.

13.2 In the event a person making the offer becomes entitled or bound to exercise rights of compulsory acquisition of the Shares of the Company under the provisions of the Act or the Capital Markets and Services Act 2007 and gives notice to the Grantee that it intends to exercise such rights on a specific date ("**Specific Date**"), the Option shall remain exercisable by the Grantee until the expiry of the Specific Date. In the foregoing circumstance, if the Grantee fails to exercise his Option or elects to exercise only in respect of a portion of such Shares by the Specific Date, then the Option, or as the case may be, the Option in relation to such balance Shares, shall automatically lapse after the Specific Date and be null and void.

13.3 In the event that the High Court sanctions a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme for reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act, any Option shall remain exercisable by the Grantee at any time and from time to time during the period commencing with the date upon which the compromise or arrangement is sanctioned by the court and up to but excluding the date upon which such compromise or arrangement becomes effective. Upon the aforesaid compromise or arrangement becoming effective, all Options, to the extent unexercised, shall automatically lapse and shall be null and void.

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**DRAFT BY-LAWS (CONT'D)**

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**14. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT**

14.1 Subject to By-Law 14.3, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

- (i) the number of Shares comprised in the Options or any portion thereof that is unexercised; and/or
- (ii) the Option Price,

as shall be necessary to give a Grantee the same proportion of the issued share capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment.

The computation for the adjustment to the number of Options granted to each Grantee and/or the Option Price is set out in Appendix A to these By-Laws.

14.2 By-Law 14.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (i) an issue of Shares upon the exercise of Options pursuant to the Scheme and any other schemes involving issuance of new Shares to eligible directors and employees which are still subsisting;
- (ii) an issue of Shares arising from the conversion of securities with a right of conversion into Shares;
- (iii) an issue of securities as consideration for an acquisition;
- (iv) an issue of securities as a private placement or restricted issue;
- (v) an issue of securities as a special issue approved by the relevant government authorities; or
- (vi) a purchase by the Company of its own Shares pursuant to Section 127 of the Act.

14.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III Division 7 Subdivision 2 of the Act, By-Law 14.1 shall be applicable in respect of such parts of the scheme which involves any alterations in the capital structure of the Company to which By-Law 14.1 is applicable, PROVIDED THAT By-Law 14.1 shall not be applicable in respect of such parts of the scheme which involves any alterations in the capital structure of the Company to which By-Law 14.2 is applicable.

14.4 An adjustment pursuant to By-Law 14.1 shall be made at the following times:

- (i) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
- (ii) in the case of a consolidation or subdivision of Shares or capital reduction or any other variation of capital, on the Market Day immediately following the date of entitlement in respect of such consolidation, subdivision or reduction.

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**DRAFT BY-LAWS (CONT'D)**

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Upon any adjustment being made, the Option Committee shall within thirty (30) days from the adjustment date give notice in writing to the Grantee or his legal or personal representatives where the Grantee is deceased, of the adjustment and the event giving rise thereto.

- 14.5 In the event of a fraction of a Share arising from the adjustments referred to in this By-Law would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number.
- 14.6 All adjustments, other than on a bonus issue, subdivision or consolidation must be confirmed in writing by the Auditor of the Company or such other persons as allowed by Bursa Securities (who shall act as an expert and not as an arbitrator), to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a copy of the certificate from the Auditor or such other persons as allowed by Bursa Securities to the effect that in the opinion of such auditor or persons, acting as an expert and not as an arbitrator, that the adjustment is fair and reasonable either generally or as regards such Grantee, and such certification shall be final and binding on all parties.

**15. LISTING AND QUOTATION OF SHARES**

- 15.1 The new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with the provisions of By-Law 9 whereupon the Company shall make an application to Bursa Securities for the quotation for such Shares and will use its best endeavours to obtain approval for such listing and quotation unless a blanket approval from all relevant authorities for the listing and quotation for the new Shares arising from the Scheme has been previously obtained.
- 15.2 The Company and the Option Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and howsoever relating to the delay on the part of the Company in allotting and issuing Shares or in procuring Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

**16. ADMINISTRATION OF THE SCHEME**

- 16.1 The Option Committee shall administer the Scheme in such manner as it shall in its absolute discretion deem fit and within such powers and duties as are conferred upon it by the Board including but not limited to the following:
- (i) subject to the provisions of the Scheme, construe and interpret the Scheme and Options granted under it, to define the terms therein and to recommend the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The Option Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
  - (ii) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

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**DRAFT BY-LAWS (CONT'D)**

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- 16.2 The Board shall have power from time to time to rescind the appointment of any person in the Option Committee and to appoint new members of the Option Committee as the Board deems fit.

**17. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

- 17.1 Any subsequent modifications and/or changes to the Scheme or the By-Laws shall not require the approvals of any regulatory authority. However, such changes may only be effected upon recommendation by the Option Committee to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the provisions of the Scheme subject to By-Law 17.2 below.
- 17.2 The approval of the shareholders of the Company in general meeting shall be required if such amendment and/or modification:
- (i) would prejudice the rights then accrued to any Grantee without his prior written consent; or
  - (ii) would alter to the advantage of the Grantee the matters as provided in By-Laws 2.1, 3, 4.3, 6.1, 7, 9.5, 10, 11, 12, 13, 14, 19 and 20.1.

**18. TERMINATION OF OPTIONS**

- 18.1 In the event of cessation or termination of employment or appointment of a Grantee with the Group for whatever reason prior to the exercise, or full exercise, of his Options, as the case may be (where upon such cessation, the Grantee is no longer an Eligible Person), such Option shall cease immediately on the date of such cessation or termination without any claim against the Company provided always that, subject to the written approval of the Option Committee in its absolute discretion, where the Grantee ceases his employment or appointment with an Eligible Company by reason of:
- (i) his retirement at or after attaining normal retirement age;
  - (ii) retirement before the normal retirement age with the consent of the Option Committee;
  - (iii) ill-health, injury or disability;
  - (iv) redundancy; or
  - (v) any other reasons which are acceptable to the Option Committee,
- a Grantee may exercise his unexercised Options within the relevant Option Period subject to any conditions imposed by the Option Committee.
- 18.2 If a Grantee ceases his employment or appointment with an Eligible Company by reason of his resignation or for reasons other than those stated in By-Law 18.1, his remaining unexercised Options shall cease with immediate effect on the date of such cessation. For the avoidance of any doubt, the date of termination of employment of the Grantee or tender by the Grantee of his resignation, shall be deemed to be the date on which a Grantee ceases his employment or appointment with such Eligible Company unless approval was given by the Option Committee to extend the Options for a predefined period of time or before the expiration of the Options, whichever is earlier.

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**DRAFT BY-LAWS (CONT'D)**

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- 18.3 An Option shall immediately become void and of no further force and effect upon the Grantee being adjudicated a bankrupt.
- 18.4 (i) In the event where a Grantee dies before the expiration of the Option Period and at the time of his death holds unexercised Options, such Options shall cease immediately on the date of his death without any claim against the Company PROVIDED ALWAYS that subject to the written approval of the Option Committee in its absolute discretion, such unexercised Options may be exercised in full by the legal or personal representatives of the Grantee after the date of his death within the Option Period.
- (ii) Notwithstanding By-Law 18.4(i), the Grantee may, during his lifetime, nominate any of his immediate family members who have attained the age of eighteen (18) years at the time of nomination to exercise the Option or Options (which are unexercised at the time of the death of the deceased Grantee) after the death of the deceased Grantee but in any event during the Option Period. The Options exercised pursuant to the provision of this By-Law may be for the benefit of the estate of the Grantee or for the personal benefit of the nominated person. The nomination as aforesaid shall be made by the Grantee during his lifetime and shall be in the prescribed form approved by the Option Committee and the Shares to be allotted and issued will be in the name of the deceased Grantee's estate or in the name of the nominated person as the Grantee shall elect in his lifetime. In the event no nomination is made by the Grantee during his lifetime, his unexercised Options shall only be exercised by his legal personal representatives pursuant to By-Law 18.4(i) above.
- (iii) For the purposes of By-Law 18.4(ii) above, the term "immediate family members" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the Grantee.
- 18.5 Any Options which have been offered by the Option Committee but have not been accepted in the manner prescribed in By-Law 6.1 arising from an Eligible Person's death or the cessation or termination of his employment with an Eligible Company, as the case may be, shall become null and void and of no further force and effect.

**19. LIQUIDATION OF THE COMPANY**

Upon commencement of winding-up of the Company, all unexercised or partially exercised Options shall cease and be null and void.

**20. DURATION & TERMINATION OF THE SCHEME**

- 20.1 The scheme shall be in force for a period of ten (10) years commencing from the effective date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements including the following:
- (i) submission of the final copy of the By-Laws to Bursa Securities;
  - (ii) receipt of approval-in-principle for the listing of the Power Root Shares to be issued under the Scheme from Bursa Securities;
  - (iii) procurement of shareholders' approval for the Scheme;
  - (iv) receipt of approval of any other relevant authorities, where applicable; and
  - (v) fulfilment of all conditions attached to the above approvals, if any.

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**DRAFT BY-LAWS (CONT'D)**

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20.2 The Company may at any time terminate the Scheme provided that the announcement to Bursa Securities by the Company must include the following info:

- (i) the effective date of termination;
- (ii) the number of options exercised or shares vested; and
- (iii) the reason for termination,

whereupon with effect on and from the termination date:

- (i) no further Offers shall be made by the Option Committee;
- (ii) all Offers which have yet to be accepted by Eligible Person shall automatically lapse; and
- (iii) all unexercised or partially exercised Options shall automatically lapse.

**21. DISPUTES/DIFFERENCES**

In the case of any dispute or difference that may arise between the Option Committee and Grantee as to any provisions contained in the By-Laws, the Option Committee shall determine such dispute or difference by a written decision given to the Eligible Person. The said decision shall be final and binding on the parties.

**22. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to preparation and/or operation of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of any Option shall be borne by the Company save and except for any taxes (including income tax) and stamp duty, if any, arising from the exercise of any Options under the Scheme.

**23. TRANSFERS FROM OTHER COMPANIES TO ELIGIBLE COMPANIES**

In the event an employee who was in the employment of a company which subsequently becomes an Eligible Company as a result of a restructuring or divestment exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company:

(The first mentioned company above is hereinafter referred to as the “**Previous Company**”), such an employee of the Previous Company (the “**Affected Employee**”) shall, if the Affected Employee satisfies all the conditions of the By-Laws hereunder, be eligible to participate in the Scheme on the following conditions:

- (a) the Affected Employee shall be entitled to continue to exercise all such unexercised options which were granted to him under the employees’ share option scheme (if any) in which he was participating (the “**Previous ESOS**”) whilst the Affected Employee was in the employment of the Previous Company in accordance with the By-Laws of such Previous ESOS but he shall not, upon such restructuring or divestment as the case may be, be eligible to participate for further options of such Previous ESOS;
- (b) the Affected Employee shall only be eligible to participate in the Scheme for its remaining duration thereof; and

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**DRAFT BY-LAWS (CONT'D)**

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- (c) if the Affected Employee has participated in the Previous ESOS, the number of Shares to be offered to such Affected Employee under the Scheme shall be in the absolute discretion of the Option Committee.

**24. DIVESTMENT FROM THE GROUP**

If a Grantee who was in the employment of a company within the Group which was subsequently divested from the Group, then such employee will notwithstanding such divestment and subject to the provisions of By-Laws 9 and 18, be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a period of three (3) months from the date of completion of such divestment and within the Option Period, failing which the right of such employee to subscribe for the number of new Shares or any part thereof granted under such unexercised Options shall automatically lapse upon the expiration of the said three (3) month period and be null and void and of no further force and effect.

For the purpose of the above, a company shall be deemed to be divested from the Group in the event such company is no longer a subsidiary pursuant to Section 4 of the Act.

**25. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme does not form part of or constitute and shall not in any way be construed as a term or condition of employment of an Eligible Person.

**26. COMPENSATION**

26.1 Notwithstanding any provisions of these By-Laws, this Scheme shall not:

- (i) form part of any contract of employment between an Eligible Company of the Group and any employee and/or Director of the Eligible Company or afford such Grantee any rights to compensation or damages in consequence of the termination of office or employment for any reason and the rights of any Grantee under the terms of his office and employment with the Eligible Company shall not be affected by his participation in the Scheme; or
- (ii) confer on any person any legal or equitable rights (other than those constituting the Option themselves) against the Eligible Company directly or indirectly or give rise to any cause of action at law or in equity against the Eligible Company or the Group.

26.2 No Grantee or his legal or personal representatives shall bring any claim, action or proceedings against the Company or the Option Committee or any party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws as may be amended from time to time in accordance with By-Law 17.

**27. CONSTITUTION OF THE COMPANY**

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Constitution of the Company, the provisions of the Constitution shall at all times prevail.



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**DRAFT BY-LAWS (CONT'D)**

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**28. INSPECTION OF THE AUDITED ACCOUNTS**

All Grantees are entitled to inspect, during normal office hours on any working day of the Company or as otherwise specified by the Option Committee, the latest audited accounts of the Company at the registered office of the Company for the time being.

**29. NOTICE**

Each employee and/or Director will be notified of the Scheme either in writing or through posting on the Company's notice board.

**30. TAXES**

All taxes (including income tax) if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

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## DRAFT BY-LAWS (CONT'D)

## APPENDIX A

The Option Price and/or the number of Shares to be comprised in the Options in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled from time to time be adjusted, calculated or determined by the Option Committee and certified by the Auditor or such other persons allowed by Bursa Securities in accordance with the following relevant provisions in consultation with the Auditor or such other persons as allowed by Bursa Securities:

- (a) If and wherever the Company shall implement any consolidation or subdivision (including bonus issue without capitalisation) of Shares, the Option Price and/or the additional Shares comprised in the Options so far as unexercised ("**Additional Shares Under Option**") shall be adjusted, calculated or determined in the following manner:

$$\text{New Option Price} = \frac{S \times A}{B}$$

$$\text{Additional Shares Under Option} = \frac{T \times B}{A} - T$$

Where:

S = Existing Option Price;

A = The aggregate number of issued Shares immediately before such consolidation or subdivision;

B = The aggregate number of new Shares after such consolidation or subdivision; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Each such adjustment will be effective from the Market Day immediately following the date of entitlement in respect of such consolidation or subdivision.

- (b) If and whenever the Company shall make an issue of new Shares credited by way of capitalisation of profits or reserves (whether of a capital or income nature), the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times A}{A + B}$$

Whilst the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times (A + B)}{A} - T$$

Where:

A = The aggregate number of issued Shares immediately before such capitalisation issue;

B = The aggregate number of new Shares to be issued pursuant to any allotment credited by way of capitalisation of profits or reserves (whether of a capital or income nature);

S = Existing Option Price; and

**DRAFT BY-LAWS (CONT'D)**

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

(c) If and whenever the Company shall make:

- (i) A Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (ii) Any offer or invitation to ordinary shareholders where they may acquire or subscribe Shares by way of rights; or
- (iii) Any offer or invitation to ordinary shareholders by way of rights where they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares;

then and in any such case, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times (C - D)}{C}$$

Where:

S = Existing Option Price;

C = The Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (A) In the case of an offer or invitation to acquire or subscribe for Shares under paragraph (c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under paragraph (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

(B) In the case of any other transaction falling within this paragraph (c), the fair market value, as determined by the Company in consultation with the Adviser and certified by the Auditor, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (A) of "D" above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = C in this paragraph (c);

E = The subscription price of one (1) additional Share under the terms of such offer or invitation to acquire or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares;

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**DRAFT BY-LAWS (CONT'D)**


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F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or right to acquire or subscribe for Shares; and

1 = One (1).

In the case of paragraphs (c)(ii) and (c)(iii) above, the Additional Shares Under Option shall be calculated as follows:

$$\text{Additional Shares Under Option} = T \times \frac{(C)}{(C - D^*)} - T$$

Where:

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised;

C = C in this paragraph (c); and

D\* = The "value of the rights attributable to one (1) Share" (as defined below).

For the purpose of D\* above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = C in this paragraph (c);

E\* = The subscription consideration of one (1) new Share under the terms of such offer or invitation to acquire or subscribe for one (1) Share;

F\* = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share; and

1 = One (1).

For the purpose of this paragraph (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature). Any dividend charged or provided for in the accounts of any period or made shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(ii) or paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Option Price shall be adjusted in the following manner:

**DRAFT BY-LAWS (CONT'D)**

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I)]}{(G + H + B) \times C}$$

and in respect of each case referred to in paragraph (a) and paragraph (b)(ii) above, the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:

- G = The aggregate number of issued Shares on the entitlement date;
- C = C in paragraph (c) above;
- H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as the case may be;
- H\* = The aggregate number of shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = The subscription price of one (1) additional Share under an offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of securities or exercise of such rights to acquire or subscribe for one (1) additional Share as the case may be;
- I\* = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;
- B = B in paragraph (b) above;
- S = Existing Option Price; and
- T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for such issues.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in paragraph (c)(ii) above together with an offer or invitation to acquire or subscribe securities convertible into shares or securities with rights to acquire or subscribe for Shares as provided in paragraph (c)(iii) above, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J) \times C}$$

and the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

**DRAFT BY-LAWS (CONT'D)**

Where:

G	=	G as in paragraph (d) above;
C	=	C as in paragraph (c) above;
H	=	H as in paragraph (d) above;
H*	=	H* as in paragraph (d) above;
I	=	I as in paragraph (d) above;
I*	=	I* as in paragraph (d) above;
J	=	The aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such exercise of such rights to subscribe for Shares by the ordinary shareholders;
K	=	The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share;
S	=	Existing Option Price; and
T	=	Existing number of Shares comprised in the Option in respect of the rights to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for above transaction.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in paragraph (c)(ii) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J + B) \times C}$$

and the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:

G	=	G as in paragraph (d) above;
C	=	C as in paragraph (c) above;
H	=	H as in paragraph (d) above;
H*	=	H* as in paragraph (d) above;
I	=	I as in paragraph (d) above;
I*	=	I* as in paragraph (d) above;

**DRAFT BY-LAWS (CONT'D)**

J	=	J as in paragraph (e) above;
K	=	K as in paragraph (e) above;
B	=	B as in paragraph (b) above;
S	=	Existing Option Price; and
T	=	Existing number of shares comprised in the Option in respect of the right to subscribe for new shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the entitlement date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders alike and requiring an adjustment under paragraphs (c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into shares or with rights to acquire or subscribe for Shares, and in any such case the Total Effective Consideration per Share (as defined below) is less than ninety per centum (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times (L + M)}{L + N}$$

Where:

L	=	The number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
M	=	The number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (exclusive of expenses);
N	=	The aggregate number of Shares which so issued or in the case of securities convertible into Shares or with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights; and
S	=	Existing Option Price.

For the purposes of this paragraph (g) the "Total Effective Consideration" shall be determined by the Board with the concurrence of the Auditor and shall be:

- In the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
- In the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- In the case of the issue by the Company of securities with rights to acquire or subscribe Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights,

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**DRAFT BY-LAWS (CONT'D)**

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in each case without any deduction of any commission, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of this paragraph (g), the Average Price of a Share shall be the average price of one (1) Share as derived from either the last transacted price or average transacted price for one (1) or more board lots of the Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business of Bursa Securities on the next Market Day following the date on which the issue is announced, or (failing any such announcement) on the next Market Day following the date on which the Company determined the offering price of such shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the completion of the above transaction.

- (h) For the purpose of paragraphs (c), (d), (e) and (f), the "Current Market Price" in relation to one (1) Share for any relevant day shall be the volume weighted average price for the five (5) consecutive Market Days before such date or other period as many be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

The foregoing provisions on adjustment of the Option Price shall be subject to the following:

- (a) On any such adjustment the resultant Option Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Option Price or reduce the number of Shares comprised in the Option so far as unexercised to which the Grantee is already entitled to;
- (b) No adjustment shall be made to the Option Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Shares comprised in the Option so far as unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;
- (c) If an event giving rise to any such adjustment shall be capable of falling within any of the paragraphs (i) to (ii) of By-Law 14.1 (both inclusive), the adjustment shall be made in such manner as the directors of the Company and the Auditor or the Company may agree;
- (d) If for any reason an event giving rise to an adjustment to the Option Price and/or the number of Shares comprised in the Option so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the directors of the Company and the Auditor or the Company may agree; and
- (e) In determining a Grantee's entitlements to subscribe for Shares, any fractional entitlements will be disregarded.



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**INFORMATION ON THE EXISTING ESOS**


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**ESOS 2012/2022**

<b>Implementation date</b>	:	23 July 2012
<b>Duration of scheme</b>	:	10 years
<b>Expiry date</b>	:	22 July 2022
<b>Eligibility</b>	:	The eligibility for the participation in ESOS 2012/2022 is determined at the discretion of the ESOS committee appointed by our Board. ESOS 2012/2022 is extended to eligible Directors and employees of our Group (excluding dormant subsidiaries) who have fulfilled the criteria as stated in the by-laws dated 23 July 2012 and any other criteria imposed by the ESOS committee.
<b>Maximum number of Shares that may be issued</b>	:	Such number of Shares representing 10% of the total number of issued shares of our Company (excluding treasury shares) at any point of time during the duration of ESOS 2012/2022.

**Number of ESOS options offered since the commencement of ESOS 2012/2022**

<b>As at the LPD</b>	<b>Employees of our Group</b>	<b>Directors of our Group</b>	<b>Senior management of our Group</b>	<b>Total</b>
No. of ESOS options offered and accepted	21,465,000	19,050,000	1,700,000	42,215,000
No. of ESOS options exercised	7,384,000	21,120,000	819,000	29,323,000
No. of ESOS options lapsed	9,580,700	300,000	883,000	10,763,700
Additional ESOS options issued <sup>(1)</sup>	1,437,700	2,370,000	270,000	4,077,700
No. of outstanding ESOS options	5,938,000	-	268,000	6,206,000
No. of Shares issued and as a percentage of the total number of issued shares of our Company as at the LPD <sup>(2)</sup>	7,384,000 / 1.8%	21,120,000 / 5.1%	819,000 / 0.2%	29,323,000 / 7.1%

**Notes:**

- (1) After taking into consideration the adjustment to the outstanding options of ESOS 2012/2022 following a bonus issue exercise which was completed on 23 July 2018.
- (2) Excluding Treasury Shares.

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**INFORMATION ON THE EXISTING ESOS (CONT'D)**


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**Maximum allocation to Directors and senior management since the commencement of ESOS 2012/2022** : As at the LPD, ESOS options representing approximately 50.5% of the total number of Shares available under ESOS 2012/2022 have been offered to and accepted by the Directors and senior management of our Group since the commencement of ESOS 2012/2022.

**ESOS 2019/2029**

**Implementation date** : 11 June 2019

**Duration of scheme** : 10 years

**Expiry date** : 10 June 2029

**Eligibility** : The eligibility for the participation in ESOS 2019/2029 is determined at the discretion of the ESOS committee appointed by our Board. ESOS 2019/2029 is extended to eligible executive Directors and key employees of our Group (excluding dormant subsidiaries) who have fulfilled the criteria as stated in the by-laws dated 11 June 2019 and any other criteria imposed by the ESOS committee.

**Maximum number of Shares that may be issued** : Up to 20,000,000 Shares

**Number of ESOS options offered since the commencement of ESOS 2019/2029** :

<b>As at the LPD</b>	<b>Employees of our Group</b>	<b>Directors of our Group</b>	<b>Senior management of our Group</b>	<b>Total</b>
No. of ESOS options offered and accepted	3,300,000	16,000,000	700,000	20,000,000
No. of ESOS options exercised	-	-	-	-
No. of ESOS options lapsed	450,000	-	250,000	700,000
No. of outstanding ESOS options	2,850,000	16,000,000	450,000	19,300,000

**Maximum allocation to Directors and senior management since the commencement of ESOS 2019/2029** : As at the LPD, ESOS options representing approximately 83.5% of the total number of Shares available under ESOS 2019/2029 have been offered to and accepted by the Directors and senior management of our Group since the commencement of ESOS 2019/2029.

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**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

Our Board has seen and approved this Circular and it collectively and individually accepts full responsibility for the accuracy of the information given in this Circular and confirms that, after having made all reasonable enquiries and to the best of its knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

RHB Investment Bank, being our Principal Adviser for the Proposed ESOS, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

RHB Investment Bank and its related and associated companies ("**RHB Banking Group**") engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, advisory on mergers and acquisitions, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for our Group, in addition to the roles set out in this Circular.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our Directors, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group.

Notwithstanding the above, RHB Investment Bank is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser for the Proposed ESOS due to the following reasons:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser is in the ordinary course of its business. RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to the aforesaid appointment;
- (ii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, Capital Markets and Services Act 2007 and the RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

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**FURTHER INFORMATION (CONT'D)**


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As at the LPD, save as disclosed above, RHB Investment Bank has confirmed that no conflict of interest exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed ESOS.

**3. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitments incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on our profits or NA:

	<u>RM'000</u>
Contracted but not provided for:	
- Purchase of property, plant and equipment	8,270

**4. CONTINGENT LIABILITIES**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by us which, upon becoming enforceable, may have a material impact on our profits or NA.

**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, we are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against us or of any facts likely to give rise to any proceedings which might materially and adversely affect our business or financial position.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our Registered Office at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) our Constitution;
- (ii) our audited consolidated financial statements for the past 2 financial years ended 31 March 2020 and 31 March 2021, as well as our latest unaudited consolidated financial statements for the financial year ended 31 March 2022;
- (iii) the letter of consent and conflict of interest referred to in Section 2 of this Appendix; and
- (iv) the draft By-Laws as set out in Appendix I of this Circular.



**POWER ROOT BERHAD**  
(Registration No. 200601013517 (733268-U))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) 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 Darul Takzim on Monday, 8 August 2022 at 2.00 p.m. or at any adjournment thereof to consider and, if thought fit, passing with or without modifications the following ordinary resolutions:

### **ORDINARY RESOLUTION 1**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF POWER ROOT (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME FOR THE ELIGIBLE DIRECTORS AND KEY EMPLOYEES OF POWER ROOT AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) (“PROPOSED ESOS”)**

“**THAT** subject to the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board of Directors of Power Root (“**Board**”) to:

- (i) establish, implement and administer the Proposed ESOS, for the benefit of the eligible directors and key employees of Power Root and its subsidiaries (excluding dormant subsidiaries) who fulfil the eligibility criteria for participation in the Proposed ESOS (collectively, the “**Eligible Persons**”), under which offer comprising such number of options to subscribe for ordinary shares in Power Root (“**Shares**”) (“**ESOS Options**”) shall be made, which shall be administered by a committee to be appointed by the Board (“**ESOS Committee**”) in accordance with the by-laws governing the Proposed ESOS (“**By-Laws**”), a draft of which is set out in Appendix I of the Circular to the shareholders of Power Root dated 22 July 2022;
- (ii) allot and issue such number of new Shares from time to time to the Eligible Persons upon the exercise of the ESOS Options, provided that the aggregate number of Shares which may be issued under the Proposed ESOS and any other employees’ share schemes which may be implemented from time to time by the Company, shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point in time throughout the duration of the Proposed ESOS, and that such new Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares in issue, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of such new Shares;
- (iii) modify and/or amend the Proposed ESOS and/or the By-Laws from time to time, provided that such modifications and/or amendments are permitted and are effected in accordance with the provisions of the By-Laws relating to modifications and/or amendments;
- (iv) make necessary applications to Bursa Malaysia Securities Berhad and do all things necessary at the appropriate time or times for the listing of and quotation for the new Shares that may hereafter or from time to time be allotted and issued pursuant to the Proposed ESOS; and

- (v) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreement, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and the terms of the By-Laws;

**AND THAT** the Board be and is hereby authorised and empowered to take all such steps and enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as it deems fit, necessary, expedient and/or appropriate and in the best interest of the Company in order to implement, finalise, complete and give full effect to the Proposed ESOS with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities as the Board deems fit, appropriate and in the best interest of the Company.”

## **ORDINARY RESOLUTIONS 2 TO 12**

### **PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF POWER ROOT**

“**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of the relevant authorities and/or parties (where applicable) being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer, from time to time, throughout the duration of the Proposed ESOS, ESOS Options to subscribe for new Shares under the Proposed ESOS to the following directors of Power Root, provided that not more than 10% of the Shares made available under the Proposed ESOS is allocated to them if they, either singly or collectively through persons connected to them, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares), subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws and the Main Market Listing Requirements of Bursa Securities or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time:

<b>Ordinary Resolution</b>	<b>Directors</b>	<b>No. of ESOS Options</b>
2	Dato' Afifuddin Bin Abdul Kadir	Up to 200,000
3	Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj	Up to 200,000
4	Wong Tak Keong	Up to 15,000,000
5	Dato' How Say Swee	Up to 2,000,000
6	Dato' Wong Fuei Boon	Up to 2,000,000
7	See Thuan Po	Up to 5,000,000
8	Low Jun Lee	Up to 100,000
9	Ong Kheng Swee	Up to 100,000
10	Azahar Bin Baharudin	Up to 100,000
11	Dato' Tea Choo Keng	Up to 100,000
12	Tan Lay Beng	Up to 100,000

#### **By Order of the Board**

**Tai Yit Chan (SSM PC No. 202008001023) (MAICSA 7009143)**  
**Zuriati Binti Yaacob (SSM PC No. 202008003191) (LS 0009971)**  
**Santhi A/P Saminathan (SSM PC No. 201908002933) (MAICSA 7069709)**  
Company Secretaries

Johor Bahru  
22 July 2022

## Notes:

1. Only depositors whose name appears in the Record of Depositors as at 1 August 2022 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.
2. 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.
3. A member may appoint not more than 2 proxies to attend and vote at the same meeting.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> 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.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.



**POWER ROOT BERHAD**  
 (Registration No. 200601013517 (733268-U))  
 (Incorporated in Malaysia)

**PROXY FORM**

<b>CDS Account No.</b>	
<b>No. of Shares held</b>	

I/We, \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
*(full name in block letters)*

of \_\_\_\_\_  
*(full address)*

Tel. No. \_\_\_\_\_ Email address \_\_\_\_\_

being a member of Power Root Berhad ("**Company**") hereby appoint:

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholding to be Represented	
		No. of Shares	Percentage (%)
Address:			
Tel. No.:			
Email address:			

\*and/or

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholding to be Represented	
		No. of Shares	Percentage (%)
Address:			
Tel. No.:			
Email address:			

or failing him/her, the Chairman of the meeting as \*my/our proxy to attend and vote for \*me/us and on \*my/our behalf at the Extraordinary General Meeting of the Company to be held at No. 1, Jalan Sri Plentong, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim on Monday, 8 August 2022 at 2.00 p.m., or at any adjournment thereof.

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

My/our proxy/proxies is/are to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Proposed ESOS		
2.	Proposed allocation of ESOS Options to Dato' Affuddin Bin Abdul Kadir		
3.	Proposed allocation of ESOS Options to Y.A.D. Tengku Dato' Setia Putra Alhaj Bin Tengku Azman Shah Alhaj		
4.	Proposed allocation of ESOS Options to Wong Tak Keong		
5.	Proposed allocation of ESOS Options to Dato' How Say Swee		
6.	Proposed allocation of ESOS Options to Dato' Wong Fuei Boon		
7.	Proposed allocation of ESOS Options to See Thuan Po		
8.	Proposed allocation of ESOS Options to Low Jun Lee		
9.	Proposed allocation of ESOS Options to Ong Kheng Swee		
10.	Proposed allocation of ESOS Options to Azahar Bin Baharudin		
11.	Proposed allocation of ESOS Options to Dato' Tea Choo Keng		
12.	Proposed allocation of ESOS Options to Tan Lay Beng		

\* Delete if inapplicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature of Member/Common Seal



Fold this flap for sealing

**Notes:**

1. Only depositors whose name appears in the Record of Depositors as at 1 August 2022 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.
2. 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.
3. A member may appoint not more than 2 proxies to attend and vote at the same meeting.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> 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.

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AFFIX  
STAMP

The Share Registrar  
**POWER ROOT BERHAD**  
(Registration No. 200601013517 (733268-U))

**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor

1<sup>st</sup> fold here

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 22 July 2022.