

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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RENEUCO BERHAD
(FORMERLY KNOWN AS KPOWER BERHAD)
(Registration No.: 199701003731 (419227-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED ISSUANCE OF REDEEMABLE CONVERTIBLE BONDS (“RCB”) (CONVERTIBLE INTO UP TO 1,143,093,554 NEW ORDINARY SHARES OF RENEUCO BERHAD (“RENEUCO” OR “COMPANY”), BEING THE MAXIMUM PERMITTED NUMBER OF SHARES (AS DEFINED HEREIN)) WITH AN AGGREGATE NOMINAL VALUE OF UP TO RM350.0 MILLION (“PROPOSED RCB ISSUE” OR “PROPOSAL”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



MALACCA SECURITIES SDN. BHD.

Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of Reneuco (“**EGM**”) is scheduled to be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities (“**RPV**”) via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <https://member.arbwemeet.com> (Domain registration numbers with MYNIC: D1A457700) on Thursday, 13 July 2023 at 10.30 a.m., or at any adjournment thereof. The Notice of the EGM together with the Proxy Form are enclosed in this Circular. The Proxy Form should be deposited with the Company’s Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time stipulated for holding the meeting.

Last date and time for lodging the Proxy Form : Tuesday, 11 July 2023 at 10.30 a.m.

Date and time of the EGM : Thursday, 13 July 2023 at 10.30 a.m. or any adjournment thereof

This Circular is dated 28 June 2023

DEFINITIONS

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

- “10% Private Placement” : Private placement of up to 10% of the existing total number of issued Shares in the Company or equivalent up to 54,279,600 Shares which was announced on 12 January 2023 and approved by Bursa Securities on 19 January 2023. The 1st tranche of the 10% Private Placement comprising 28,750,000 Shares were listed on 14 March 2023
- “Act” : Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
- “Amirul” : Amirul Afif bin Abd Aziz
- “Approvals” : All necessary approvals, consents, certification and/or waiver of Bursa Securities or any other regulatory authorities or governmental bodies and any third party where required, including financier, counterparty to a contract to which the Company or its subsidiary is a party, for the issuance of the RCB, the allotment and issue of the Conversion Shares upon the exercise of the Conversion Rights, the listing of the Conversion Shares on the Main Market and such other relevant approvals in relation thereto and in connection therewith
- “ASSB” : Adat Sanjung Sdn Bhd (Registration No.: 201301027117 (1056945-V))
- “Board” : Board of Directors of Reneuco
- “Bursa Depository” : Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
- “Bursa Securities” : Bursa Malaysia Securities Berhad (Registration No.:200301033577 (635998-W))
- “Business Day” : A day on which banks are open for business in Kuala Lumpur, Malaysia and Singapore and Bursa Securities is open for trading, ending at 5.00 p.m. (Malaysia Standard Time or MST)
- “Circular” : This circular to Shareholders of the Company dated 28 June 2023 in relation to the Proposed RCB Issue
- “Closing Date” : In respect of each sub-tranche of the RCB, the date on which such sub-tranche of the RCB is subscribed for and issued pursuant to the Subscription Agreement
- “Closing Price” : In respect of a Share, on any particular Business Day, the closing price of the Shares on the Main Market for one Share on that day (as adjusted pursuant to the Subscription Agreement) provided that in the event that there has been no trading of the Shares on that day the “Closing Price” shall mean the closing price of one Share (as adjusted pursuant to Subscription Agreement) on the preceding Business Day on which there was trading of the Shares and provided further that in the event that trading of the Shares is suspended, the “Closing Price” means, in respect of a Share, the last reported trading price of one Share (as adjusted pursuant to Subscription Agreement) on the Business Day immediately prior to such suspension
- “CMSA” : Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof

DEFINITIONS (Cont'd)

- “Conversion Date” : The date on which the Conversion Notice is received by the Company via email, provided that if the Conversion Notice is received by the Company via email after 2.00 p.m. Malaysia time on such Business Day, the “Conversion Date” shall be the Business Day immediately after such Business Day
- “Conversion Notice” : A completed notice of conversion in the form as set out in Schedule 5 (Part B) of the Subscription Agreement
- “Conversion Price” : The price at which each Conversion Share shall be issued upon conversion of the RCB, being 80% of the average Closing Price per Share on any three (3) consecutive Business Days as selected by the RCB Holder during the forty (40) Business Days immediately preceding the relevant Conversion Date on which the Shares were traded on the Main Market provided that the Conversion Price for each Share shall not be less than the MCP. If the Conversion Price for each Share calculated is less than the MCP, the Conversion Price for each Share shall be equal to the MCP
- “Conversion Rights” : The right of a RCB Holder to convert any RCB
- “Conversion Share(s)” : New Reneuco Share(s) to be issued pursuant to the conversion of the RCB pursuant to and subject to the terms and conditions as set out in the Subscription Agreement
- “DMMN” : Datuk Mustakim Bin Mat Nun
- “Director(s)” : A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
- “E&E” : E&E Catalyst Sdn Bhd (Registration No. 201301013968 (1043806-U))
- “EGM” : Extraordinary General Meeting
- “EPS” : Earnings per Share
- “Exercise Notice” : Exercise notice in the form set out in Schedule 6 of the Subscription Agreement
- “Fulfilment Date” : The date falling five (5) calendar months from the date of the Subscription Agreement, or such other date as the Parties may agree in writing
- “FYE” : Financial year ended/ending, as the case may be
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities
- “LOLA Guidelines” : Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission
- “Lodgement” : The lodgement of all information and documents as may be specified in the LOLA Guidelines and in compliance with the Act, the CMSA, Listing Requirements, the LOLA Guidelines and such other applicable laws and regulations for the issuance of the RCB
- “LPD” : 31 May 2023, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (Cont'd)

“Main Market”	:	Main Market of Bursa Securities
“Main Tranche(s)”	:	The main tranche(s) of the Proposed RCB Issue comprising the Main Tranche 1 RCB, Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB
“Main Tranche 1 RCB”	:	Main tranche 1 RCB with an aggregate nominal value of up to RM50.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM2.0 million each
“Main Tranche 2 RCB”	:	Main tranche 2 RCB with an aggregate nominal value of up to RM75.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM2.0 million each
“Main Tranche 3 RCB”	:	Main tranche 3 RCB with an aggregate nominal value of up to RM100.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM2.0 million each
“Main Tranche 4 RCB”	:	Main tranche 4 RCB with an aggregate nominal value of up to RM125.0 million comprising multiple sub-tranches with a minimum sub-tranche size of RM2.0 million each
“Malacca Securities” or “Principal Adviser”	:	Malacca Securities Sdn. Bhd. (Registration No. 197301002760 (16121-H))
“Maturity Date”	:	The date falling 36 months (3 years) from the Closing Date of the first sub-tranche of Main Tranche 1 RCB
“Maximum Permitted Number of Shares”	:	Such maximum number of Shares which may be issued pursuant to the conversion of the RCB which shall be up to 1,143,093,554 Shares (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification* of the Shares) or any other number of Shares as may be approved by Bursa Securities and/or the Shareholders at general meeting
		<i>* Re-classification is the variation or conversion of a class of existing issued shares into another class, i.e. either ordinary shares being divided/categorised alphabetically (A, B) or preference shares being categorised with varying features, depending on the requirement of the company at that point of time. Re-classification of shares may happen in various situations, for example, when shares in a company are purchased by different or even similar shareholders.</i>
“MW”	:	Megawatt
“Minimum Conversion Price” or “MCP”	:	RM0.10, being the minimum Conversion Price for the RCB to be converted into Conversion Shares
“NA”	:	Net assets
“OHP”	:	OHP Capital Sdn Bhd (Registration No. 201801030466 (1292492-K))
“OVSB”	:	OHP Ventures Sdn Bhd (Registration No. 201801002542 (1264555-M))
“Parties”	:	Company and Subscriber, collectively

DEFINITIONS (Cont'd)

- “Proposed RCB Issue” or “Proposal” : Proposed issuance of RCB with an aggregate nominal value of up to RM350.0 million
- “Proposed ASSB Acquisition” : The proposed acquisition by Reneuco RE Sdn. Bhd. (formerly known as KPower RE Sdn. Bhd.) (“**RenRE**”), a wholly-owned subsidiary of Reneuco, of 10,000 ordinary shares in ASSB, representing the entire equity interest in ASSB from OHVP for a purchase consideration of RM90,000,000 to be satisfied via a combination of a cash payment of RM20 million and the allotment and issuance of 318,181,819 new Reneuco Shares at an issue price of RM0.22 per new Reneuco Share. Bursa Securities had on 5 April 2023, approved the listing of and quotation for the consideration shares to be issued pursuant to the Proposed ASSB Acquisition. The circular to Shareholders for the Proposed ASSB Acquisition has been issued by the Company on 12 April 2023 and the Shareholders’ approval was obtained at the EGM held on 27 April 2023
- “RCB” : 2% redeemable convertible bonds due in 2026 which comprise redeemable convertible commercial papers (“**CPs**”)* and/or redeemable convertible medium term notes (“**MTNs**”)* under a commercial paper programme and/or medium term notes programme of an aggregated nominal value of up to RM350,000,000.00 to be subscribed by the Subscriber under the Subscription Agreement
- * CP is defined as an instrument of security with tenure of less than twelve (12) months and MTN is defined as an instrument of security with tenure above one (1) year and up to three (3) years*
- “RCB Holder(s)” : RCB holder(s) who is(are) for the time being the beneficial owner(s) of the RCB
- “RCB Issue Price” : In relation to each RCB, the amount equivalent to 100% of the nominal value of the RCB
- “RCB Subscription Notice” : Notice to be issued by the Subscriber to the Company to request for the issuance of the RCB under the Subscription Agreement, the form of which is set out in Schedule 3 of the Subscription Agreement, subject to the terms of the Subscription Agreement
- “Record of Depositors” : A record of securities holders established and maintained by Bursa Depository
- “Reneuco” or “Company” : Reneuco Berhad (formerly known as KPower Berhad) (Registration No.: 199701003731 (419227-X))
- “Reneuco Group” or “Group” : Reneuco and its subsidiaries, collectively
- “Reneuco Share(s)” or “Share(s)” : Ordinary share(s) in Reneuco
- “RM and sen” : Ringgit Malaysia and sen, respectively
- “S\$” : Singapore Dollar
- “Securities Commission” : Securities Commission Malaysia

DEFINITIONS (Cont'd)

“Shareholder(s)”	:	Registered holder(s) of the Shares of the Company for the time being
“Shareholders’ Approval”	:	The approvals of the Shareholders for the invitation for subscription, or the issue, of the RCB and the allotment and the issue of the Conversion Shares in accordance with the terms and conditions of the Subscription Agreement and all other matters in relation to and in connection therewith
“Subscription Agreement”	:	The conditional subscription agreement dated 12 April 2023 entered into between Reneuco and the Subscriber in relation to the Proposed RCB Issue
“Titus”	:	Titus Investment Management Pte. Ltd.
“Triton” “Subscriber” “Investor”	or or	Triton Capital Fund VCC (Registration no.: T20VC0036F), acting on behalf of and for the account of TCF Fund A
“VWAP”	:	Volume weighted average market price
“Warranties”	:	All the representations, warranties, undertakings and covenants by the Company set out in Schedule 2 of the Subscription Agreement

Any reference to “we”, “us”, “our” and “ourselves” are to the Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to the Shareholders of the Company.

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

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed RCB Issue. Shareholders are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed RCB Issue before voting at the forthcoming EGM.

Key Information	Description	Reference to the Circular
<p>Summary of the Proposed RCB Issue</p>	<p>The Proposed RCB Issue entails the issuance of redeemable convertible bonds with an aggregate nominal value of up to RM350.0 million, which will mature on the Maturity Date.</p> <p>The number of Reneuco Shares to be issued upon conversion of the RCB, being 80% of the average Closing Price per Share on any three (3) consecutive Business Days as selected by the RCB Holder during the forty (40) Business Days immediately preceding the relevant Conversion Date on which the Shares were traded on the Main Market provided that the Conversion Price for each Share shall not be less than the MCP. If the Conversion Price for each Share calculated is less than the MCP, the Conversion Price for each Share shall be equal to the MCP.</p> <p>The maximum number of Shares which may be issued pursuant to the conversion of the RCB which shall be up to 1,143,093,554 Shares (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares) or any other number of Shares as may be approved by Bursa Securities and/or the Shareholders at general meeting.</p>	<p>Section 2</p>
<p>Rationale for the Proposed RCB Issue</p>	<p>The Board is of the view that the Proposed RCB Issue is the most appropriate avenue of raising funds for the proposed utilisations as set out in Section 2.9 of this Circular based on the following rationales:</p> <ul style="list-style-type: none"> (a) the Proposed RCB Issue will enable Reneuco to raise fund expeditiously and cost effectively as the Proposed RCB Issue has a pre-identified Investor, which allows the Company to save costs on road shows and marketing for potential investors; (b) the Proposed RCB Issue will enable Reneuco to raise funds via the hybrid market, that is between the debt market where gearing and security or rating may be an issue, and the equity market, where current market conditions may not be conducive, as it provides flexibility to raise funds in stages when the need for funds arise, considering that the Company has no intention to raise the entire RM350.0 million immediately; (c) the multiple tranches issuance provides Reneuco the flexibility to drawdown as and when the need for funds arises and dilution to the existing Shareholders' shareholdings will be progressively over the tenure of the RCB as compared to immediate full dilution effect through fund raising via issuance of new Shares, or any other convertible instruments such as redeemable convertible preference shares; 	<p>Section 5</p>

EXECUTIVE SUMMARY (Cont'd)

Key Information	Description	Reference to the Circular
Rationale for the Proposed RCB Issue (Cont'd)	<p>(d) the Proposed RCB Issue will increase the liquidity of Reneuco Shares upon conversion of the RCB and provides opportunity for new investors to participate in the equity of RCB; and</p> <p>(e) the Proposed RCB Issue will improve the NA of Reneuco upon conversion of the RCB</p>	
Approvals required	<p>The Proposed RCB Issue is subject to the following approvals being obtained:</p> <p>(a) Bursa Securities for the listing of and quotation for the Conversion Shares pursuant to the Proposed RCB issue on the Main Market, which was obtained vide its letter dated 23 June 2023 and is subject to the conditions as disclosed in Section 7 of this Circular;</p> <p>(b) the Shareholders of the Company at an EGM to be convened; and</p> <p>(c) any other approval(s), if required, to be obtained by the Company and/or the Subscriber.</p>	Section 7
Directors' statement and recommendation	<p>The Board, after having considered all aspects of the Proposed RCB Issue, including but not limited to the rationale and effects of the Proposed RCB Issue, is of the opinion that the Proposed RCB Issue is in the best interest of the Group and the Shareholders.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed RCB Issue to be tabled at the forthcoming EGM of the Company.</p>	Section 12

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RENEUCO BERHAD
(FORMERLY KNOWN AS KPOWER BERHAD)
(Registration No. 199701003731 (419227-X))
(Incorporated in Malaysia)

Registered office:
G-3AF-3, Level 3AF, Block G
Garden Office @ Encorp Strand
No. 12, Jalan PJU 5/1
Kota Damansara
47810 Petaling Jaya
Selangor
Malaysia

28 June 2023

Board of Directors

Datuk Mustakim Bin Mat Nun (Executive Chairman)
Sarah Azreen Binti Abdul Samat (Non-Independent Non-Executive Deputy Chairman)
Tan Yee Hou (Independent Non-Executive Director)
Ahmad Riza Bin Mohd Saian (Independent Non-Executive Director)
Ir. Ts. Dr. Muhammad Mahadi Bin Mohamad (Independent Non-Executive Director)

To: The Shareholders of Reneuco

Dear Sir/Madam,

Proposed RCB Issue

1. INTRODUCTION

On 12 April 2023, Malacca Securities had, on behalf of the Board, announced that Reneuco proposes to undertake the Proposed RCB Issue with an aggregate nominal value of up to RM350.0 million, which will mature on the Maturity Date.

On 23 June 2023, Malacca Securities, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 23 June 2023, resolved to approve the listing of and quotation for up to 1,143,093,554 Conversion Shares pursuant to the Proposed RCB Issue on the Main Market subject to conditions as set out in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED RCB ISSUE TOGETHER WITH BOARD'S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RCB ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RCB ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RCB ISSUE

2.1 Proposed RCB Issue

On 12 April 2023, Reneuco had entered into the Subscription Agreement with Triton, a variable capital company incorporated in Singapore, acting on behalf of and for the account of TCF Fund A, pursuant to which the RCB will be issued by the Company in 4 Main Tranches, subject to the terms and conditions of the Subscription Agreement.

The RCB are transferable and/or tradable in accordance with the terms and conditions of the Subscription Agreement. The RCB may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to a person to whom an offer or invitation to subscribe for the RCB and to whom the RCB are issued, which would fall within any one of the categories of persons specified in Part 1 of Schedule 6 (or Section 229(1)(b) of the CMSA) and Part 1 of Schedule 7 (or Section 230(1)(b) of the CMSA), read together with Schedule 9 (or Section 257(3) of the CMSA), and subject to the applicable law, order, regulation or official directive of the Securities Commission from time to time (including any amendments, supplementals and variation thereto).

The RCB will be privately placed to and purchased by the Investor. The RCB may be converted into Reneuco Shares which are unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank pari passu in all respects with all other existing Share(s) except that the Conversion Shares shall not be entitled to any dividends, rights and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Conversion Shares, in accordance with the provisions of the Subscription Agreement.

The RCB which are not redeemed, purchased, converted or cancelled by the Company will be redeemed by the Company, subject to there being no Event of Default (as defined in Section 2.2 of this Circular), at 100% of their nominal value on the Maturity Date. The Company shall at least one month prior to the Maturity Date, despatch to all the RCB Holders a notice of the Maturity Date, subject to the terms and conditions of the Subscription Agreement.

2.2 Salient terms of the RCB

Unless otherwise stated or defined in this Circular, the terms used in this Section shall have the same meanings as those defined in the Subscription Agreement.

The salient terms of the Subscription Agreement are as follows:

Issue instrument	:	2.0% redeemable convertible bonds due in 2026
Issue size	:	Up to RM350.0 million in aggregate nominal value, divided into 4 Main Tranches, wherein: (a) Main Tranche 1 RCB is of an aggregate nominal value of up to RM50,000,000.00, comprising multiple sub-tranches (collectively the " Sub-Tranche 1 RCB ", or each, a " Sub-Tranche 1 RCB ") each with a minimum nominal value of RM2,000,000.00; (b) Main Tranche 2 RCB is of an aggregate nominal value of up to RM75,000,000.00, comprising multiple sub-tranches (collectively the " Sub-Tranche 2 RCB ", or each, a " Sub-Tranche 2 RCB ") each with a minimum nominal value of RM2,000,000.00; (c) Main Tranche 3 RCB is of an aggregate nominal value of up to RM100,000,000.00, comprising multiple sub-tranches (collectively the " Sub-Tranche 3 RCB ", or each, a " Sub-Tranche 3 RCB ") each with a minimum nominal value of RM2,000,000.00; and (d) Main Tranche 4 RCB is of an aggregate nominal value of up to RM125,000,000.00, comprising multiple sub-tranches (collectively the " Sub-Tranche 4 RCB ", or each, a " Sub-Tranche 4 RCB ") each with a minimum nominal value of RM2,000,000.00;

		The issuance of Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB shall be at the discretion of the Company in accordance with the terms and conditions of the Subscription Agreement.
Tenure	:	36 months (3 years) from the Closing Date of the first sub-tranche of the Main Tranche 1 RCB.
Interest rate	:	The RCB shall bear interest from the respective dates on which they are issued and registered at the rate of 2.0% per annum, payable semi-annually in arrears on 30 January and 30 July in each year with the last payment of interest being made on the Maturity Date.
RCB Issue Price	:	In relation to each RCB, the amount equivalent to 100% of the nominal value of the RCB.
Issue and subscription of the sub-tranches of Main Tranche 1 RCB	:	<p>In respect of the first Sub-Tranche 1 RCB, the date falling 5 Business Days immediately after the fulfilment of the last condition precedent or such other date as the Parties may agree in writing, such date being the Closing Date for the first Sub-Tranche 1 RCB, in accordance with the RCB Subscription Notice issued by the Subscriber.</p> <p>Thereafter, in respect of each subsequent Sub-Tranche 1 RCB, on or before the 5th Business Day after the Conversion Date of the immediately preceding Sub-Tranche 1 RCB, or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche 1 RCB, in accordance with the RCB Subscription Notice issued by the Subscriber.</p>
Options in respect of Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB	:	<p>The Company may issue an Exercise Notice in the form set out in the Subscription Agreement at any time during the relevant Option Period (as defined hereafter) to require the Subscriber to subscribe for Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB, as set out below:</p> <p>(a) in respect of Main Tranche 2 RCB, the option shall be exercised by the Company during the period of 60 calendar days commencing from the Closing Date of the subscription of the last Sub-Tranche 1 RCB, or any other period to be mutually agreed by the Parties in writing in the event the Company does not require funding upon expiry of the said 60 calendar days;</p> <p>(b) in respect of Main Tranche 3 RCB, the option shall be exercised by the Company during the period of 60 calendar days commencing from the Closing Date of the subscription of the last Sub-Tranche 2 RCB, or any other period to be mutually agreed by the Parties in writing in the event the Company does not require funding upon expiry of the said 60 calendar days; and</p> <p>(c) in respect of Main Tranche 4 RCB, the option shall be exercised by the Company during the period of 60 calendar days commencing from the Closing Date of the subscription of the last Sub-Tranche 3 RCB, or any other period to be mutually agreed by the Parties in writing in the event the Company does not require funding upon expiry of the said 60 calendar days,</p> <p>(each an “Option Period”).</p> <p>Unless otherwise agreed by the Parties, if the Subscriber does not receive the Exercise Notice in respect of the Main Tranche 2 RCB, the Main Tranche 3 RCB or the Main Tranche 4 RCB within the respective prescribed Option Period (or any mutually agreed extension thereof), the options in respect of the Main Tranche 2 RCB, the Main Tranche 3 RCB or the Main Tranche 4 RCB, as the case may be, shall lapse and cease to have any force or effect whatsoever and the Subscriber will have no obligation to subscribe and pay for such Main Tranches that it does not subscribe for.</p>

<p>Issue and subscription of Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB</p>	<p>: Upon receipt of the Exercise Notice from the Company in respect of the Main Tranche 2 RCB within the prescribed Option Period (or any mutually agreed extension thereof), and subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber shall issue a RCB Subscription Notice within 10 Business Days from the Exercise Notice and the Company shall issue at the RCB Issue Price:</p> <ul style="list-style-type: none"> (a) the first Sub-Tranche 2 RCB (together with other Sub-Tranche(s) 2 RCB, if so requested by the Subscriber in the RCB Subscription Notice) on or before the 5th Business Day following the date of the RCB Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such Sub-Tranche(s) 2 RCB; (b) thereafter, in respect of subsequent Sub-Tranche(s) 2 RCB, on or before the 5th Business Day after the Conversion Date in respect of the immediately preceding Sub Tranche 2 RCB or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche(s) 2 RCB, in accordance with the RCB Subscription Notice issued by the Subscriber; and (c) in respect of subscription of subsequent Sub-Tranche(s) 2 RCB by the Subscriber, the Parties agree that the total nominal amount of the Sub-Tranches 2 RCB to be subscribed by the Subscriber shall not exceed the amount stated by the Company in the Exercise Notice ("Committed T2 Amount"), unless such amount is increased by the Company with a notice in writing to the Subscriber. <p>Upon receipt of the Exercise Notice from the Company in respect of the Main Tranche 3 RCB within the prescribed Option Period (or any mutually agreed extension thereof), and subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber shall issue a RCB Subscription Notice within 10 Business Days from the Exercise Notice and the Company shall issue at the RCB Issue Price:</p> <ul style="list-style-type: none"> (d) the first Sub-Tranche 3 RCB (together with other Sub-Tranche(s) 3 RCB, if so requested by the Subscriber in the RCB Subscription Notice) on or before the 5th Business Day following the date of the RCB Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such Sub-Tranche(s) 3 RCB; (e) thereafter, in respect of subsequent Sub-Tranche(s) 3 RCB, on or before the 5th Business Day after the Conversion Date in respect of the immediately preceding Sub Tranche 3 RCB or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche(s) 3 RCB, in accordance with the RCB Subscription Notice issued by the Subscriber; and (f) in respect of subscription of subsequent Sub-Tranche(s) 3 RCB by the Subscriber, the Parties agree that the total nominal amount of the Sub-Tranches 3 RCB to be subscribed by the Subscriber shall not exceed the committed amount stated by the Company in the Exercise Notice ("Committed T3 Amount"), unless such amount is increased by the Company with a notice in writing to the Subscriber. <p>Upon receipt of the Exercise Notice from the Company in respect of the Main Tranche 4 RCB within the prescribed Option Period (or any mutually agreed extension thereof), and subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Subscriber shall issue a RCB Subscription Notice within 10 Business Days from the Exercise Notice and the Company shall issue at the RCB Issue Price:</p> <ul style="list-style-type: none"> (g) the first Sub-Tranche 4 RCB (together with other Sub-Tranche(s) 4 RCB, if so requested by the Subscriber in the RCB Subscription Notice) on or before the 5th Business Day following the date of the RCB Subscription Notice or such other date as the Parties may agree in writing, such date being the Closing Date for such Sub-Tranche(s) 4 RCB;
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	<p>(h) thereafter, in respect of subsequent Sub-Tranche(s) 4 RCB, on or before the 5th Business Day after the Conversion Date in respect of the immediately preceding Sub Tranche 4 RCB or such other date as the Parties may agree in writing, such date being the Closing Date for such subsequent Sub-Tranche(s) 4 RCB, in accordance with the RCB Subscription Notice issued by the Subscriber; and</p> <p>(i) in respect of subscription of subsequent Sub-Tranche(s) 4 RCB by the Subscriber, the Parties agree that the total nominal amount of the committed amount stated by the Company in the Exercise Notice ("Committed T4 Amount"), unless such amount is increased by the Company with a notice in writing to the Subscriber.</p>
Concurrent subscription of sub-tranches	<p>: Other than the first Sub-Tranche 1 RCB, the first Sub-Tranche 2 RCB, the first Sub-Tranche 3 RCB and the first Sub-Tranche 4 RCB, in respect of each and all subsequent Sub-Tranche(s) 1 RCB, Sub-Tranche(s) 2 RCB, Sub-Tranche(s) 3 RCB and Sub-Tranche(s) 4 RCB:</p> <p>(a) the Subscriber shall be entitled (at its election) to subscribe for one or multiple of such subsequent sub-tranche(s) concurrently notwithstanding the last RCB comprised within the immediately preceding sub-tranche of the RCB subscribed by the Subscriber has yet to be converted, by stipulating such intention in the RCB Subscription Notice to be issued to the Company; and</p> <p>(b) the Company shall be obliged to issue such sub-tranche(s) of the RCB on or before the 5th Business Day on receipt of such RCB Subscription Notice issued by the Subscriber or such other date as the Parties may agree in writing, such date being the Closing Date of such subsequent sub-tranche(s) of the RCB,</p> <p>provided that in exercising its rights in respect of concurrent subscription of multiple sub-tranches, the Subscriber undertakes that where a Committed T2 Amount, Committed T3 Amount and Committed T4 Amount have been specified by the Company in the Exercise Notice in respect of Main Tranche 2 RCB, Main-Tranche 3 RCB and Main Tranche 4 RCB respectively, the total nominal amount of the RCB subscribed by the Subscriber shall not exceed the respective amounts, unless otherwise increased by the Company by a written notice to the Subscriber.</p>
Conversion terms	<p>: The RCB may be converted into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the RCB Holder thereof.</p> <p>The number of Shares arising from the conversion of the RCB to which a RCB Holder is entitled on conversion of the RCB shall be determined by dividing the aggregate nominal value of the RCB held by the RCB Holder with the applicable Conversion Price, in effect on the relevant Conversion Date. The applicable accrued interest thereon up to and including the Conversion Date will be payable to the RCB Holder in cash on the Conversion Date.</p> <p>Fractions of a Share will not be issued on conversion and no adjustment or cash payment will be made in respect thereof.</p>
Maximum Permitted Number of Shares	<p>: The Company shall not issue any RCB to the Subscriber pursuant to Relevant RCB Subscription Notice (the "Relevant RCB Subscription Notice") delivered by the Subscriber in accordance with the terms of the Subscription Agreement, if as of the date of the Company's receipt of the Relevant RCB Subscription Notice, the aggregate number of the Conversion Shares already issued and to be issued will exceed the Maximum Permitted Number of Shares, being the maximum number of the Shares which may be issued pursuant to the conversion of the RCB which shall be up to 1,143,093,554 number of Shares (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares) or any other number of Shares as may be approved by Bursa Securities and/or Shareholders at general meeting.</p>

Conversion Period	:	Any time, from and including the respective dates on which the RCB are issued and registered in accordance with the Subscription Agreement up to the close of business (at the place where the RCB is deposited for conversion, namely, Malaysia) on the day falling 7 calendar days prior to the Maturity Date.
Conversion price	:	The price at which each Share shall be issued upon conversion shall be 80% of the average Closing Price per Share on any three consecutive Business Days as selected by the RCB Holder during the 40 Business Days immediately preceding the relevant Conversion Date on which the Shares were traded on the Main Market provided that the Conversion Price for each Share shall not be less than the MCP. If the Conversion Price for each Share calculated is less than the MCP, the Conversion Price for each Share shall be equal to the MCP.
Conversion date	:	The date on which the Conversion Notice is received by the Company via email, provided that if the Conversion Notice is received by the Company via email after 2.00 p.m. Malaysia time on such Business Day, the Conversion Date shall be the Business Day immediately after such Business Day.
Conditions precedent to the closing of the first sub-tranche of Main Tranche 1 RCB	:	<p>Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for the first Sub-Tranche 1 RCB unless the following conditions precedent shall have been satisfied on or before the Fulfilment Date, or otherwise waived by the Subscriber, if capable of being waived:</p> <p>(a) on the date of the Subscription Agreement, there shall have been delivered to the Subscriber, a list setting out the names of the substantial shareholders of the Company and their respective shareholdings in the Company dated the date of the Subscription Agreement, which is certified to be true and accurate by a director or company secretary of the Company;</p> <p>(b) on or before the Closing Date of the first Sub-Tranche 1 RCB, the Shareholders' Approval shall have been obtained at a general meeting of the Company and, where such approvals are obtained subject to any conditions, such conditions being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 RCB, they are fulfilled. In addition, such approvals shall not be amended, withdrawn, revoked, rescinded or cancelled;</p> <p>(c) on or before the Closing Date of the first Sub-Tranche 1 RCB, all Approvals shall have been duly obtained and such Approvals shall not be amended withdrawn, revoked, rescinded or cancelled and, where such Approvals are obtained subject to any conditions, such conditions being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 RCB, they are fulfilled;</p> <p>(d) on or before the Closing Date of the first Sub-Tranche 1 RCB, the Lodgement shall have been duly performed and such Lodgement shall not be amended, withdrawn, revoked, rescinded or cancelled and, where such Lodgement is subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before the Closing Date of the first Sub-Tranche 1 RCB, they are fulfilled;</p> <p>(e) (i) all Warranties shall be accurate and correct in all respects at, and as if made on, the Closing Date of the Sub-Tranche 1 RCB; and (ii) the Company shall have performed all of its undertakings or obligations under the Subscription Agreement to be performed on or before the Closing Date of the first Sub-Tranche 1 RCB; and (iii) there shall have been delivered to the Subscriber a certificate, dated as at that Closing Date, duly signed by two directors or a director and the company secretary of the Company, affirming the compliance of the aforementioned;</p>

	<p>(f) all other necessary approvals, consents and waivers (including any governmental, regulatory and/or corporate approvals and consents), for the transactions contemplated under the Subscription Agreement (in particular but without limitation the issue by the Company and the subscription by the Subscriber of the RCB, including any Shareholders or directors' approval and other regulatory and/or corporate approvals and consents required by the Subscriber) having been obtained in such form and substance in line with market practice and reasonably satisfactory to the Subscriber and remaining valid and subsisting as at the Closing Date of the first Sub-Tranche 1 RCB; and</p> <p>(g) there shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber certified on or dated, as the case may be, on the Closing Date of the first Sub-Tranche 1 RCB:</p> <p>(i) the following documents:</p> <p>(aa) annual financial reports for the financial year immediately preceding the relevant Closing Date;</p> <p>(bb) annual financial reports in item (aa) above are dated more than 3 months preceding the relevant Closing Date, copies of the interim accounts of the Company as publicly released;</p> <p>(cc) in respect of the Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the announcements issued by the Company to Bursa Securities from the date of the Subscription Agreement up to the relevant Closing Date, and in respect of the Closing Date of the remaining sub-tranches, the announcements issued by the Company to Bursa Securities between the Closing Date of the immediately preceding sub-tranche up to the relevant Closing Date.</p> <p>(dd) a list setting out the outstanding term loans and other loans of the Company as at a date not earlier than 3 calendar days before the Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (whichever is applicable);</p> <p>(ee) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) setting out the names of the substantial shareholders of the Company and their respective shareholdings in the Company dated as at each relevant Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (whichever is applicable) and/or such other Closing Date of sub-tranche of the RCB as and when the Subscriber may require from time to time;</p> <p>(ff) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) disclosing all existing and outstanding securities convertible into securities of the same class as the new Shares arising from the conversion of the RCB by the Subscriber, securities substantially similar to the RCB that have been issued by the Company to other persons other than the Subscriber prior to the issuance of the RCB as at a date not earlier than 3 calendar days before each Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (where applicable);</p>
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	<p>(gg) a duly executed facility agreement entered into between the Company, the principal adviser/lead arranger/lead manager and the facility agent in respect of the RCB (as subsequently amended, modified and/or supplemented);</p> <p>(hh) a duly executed trust deed entered into between the Company and the trustee constituting the RCB issued thereunder (as subsequently amended, modified and/or supplemented);</p> <p>(ii) a duly executed securities lodgement form for the Central Securities Depository and Paying Agency Services as set out in Appendix 1 of the Central Securities Depository and Paying Agency Rules;</p> <p>(jj) a copy of the acknowledgement receipt from the Securities Commission on the Lodgement.</p> <p>(ii) a legal opinion (substantially in the form and substance as set out in the Subscription Agreement) of a firm of legal advisers to the Company in relation to Malaysian law, as shall be acceptable to the Subscriber;</p> <p>(iii) certified true copies of (aa) the resolutions of the directors of the Company; and (bb) the resolutions of the Shareholders (all duly certified by a director or a company secretary of the Company), approving the issuance of the RCB and the allotment and issue of the Conversion Shares in accordance with the terms of the Subscription Agreement; and</p> <p>(iv) certified true copies of the Approvals (all duly certified by a director or a company secretary of the Company).</p> <p>If any of the conditions precedent are not satisfied or waived by the Subscriber, if capable of being waived, on or before the Fulfilment Date in respect of the first Sub-Tranche 1 RCB, the Subscription Agreement shall cease and the Parties shall be released and discharged from their respective obligations under the Subscription Agreement except for (a) the liability of the costs and expenses of the Company or the Subscriber as set out in the Subscription Agreement; (b) the obligations of the Company to bear, liable to or reimburse the Subscriber of the reasonable losses, claims, liabilities, costs, charges, expenses, actions or demands (including reasonable legal costs) (“Losses”) in connection with the transactions contemplated in the Subscription Agreement which the Subscriber may suffer or incur exclusively and directly; and (c) any antecedent breaches.</p> <p>In the event the Company fails to fulfil the conditions precedent either for the first sub-tranche of Main Tranche 1 RCB or subsequent sub-tranches for Main Tranche 1 RCB, Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB, the Subscriber may terminate the Subscription Agreement pursuant to Clause 9.1 of the Subscription Agreement.</p> <p>Pursuant to such termination by the Subscriber, the Company shall pay:</p> <p>(i) all outstanding RCBs immediately become due and payable at 118%* of the principal amount together with all accrued interest (“Default Redemption Amount”);</p> <p>(ii) interest shall accrue on the Default Redemption Amount on a daily basis at the rate of 2.0%* per month up to and including the date on which the Subscriber receives full payment of the Default Redemption Amount, together with accrued default interest of 2.0% per month; and</p> <p>(iii) payment for all costs and expenses already incurred or incurred pursuant to such termination.</p>
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	<p><i>Note:</i></p> <p>* <i>The redemption rate of 118% and interest rate of 2% mentioned above are arrived at after taking into consideration, amongst others, the default redemption rates and default interest rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.</i></p>
<p>Conditions precedent to the closing of the Main Tranche 1 RCB, Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB (other than the first sub-tranche of Main Tranche 1 RCB)</p>	<p>Notwithstanding any other provisions in the Subscription Agreement, the Subscriber shall not be obliged to subscribe and pay for any of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (other than the first Sub-Tranche 1 RCB) unless the following conditions shall have been satisfied on or prior to each applicable Closing Date in respect of such remaining sub-tranches or otherwise waived by the Subscriber, if capable of being waived:-</p> <p>(a) the Shareholders' Approval shall remain effective and not have been amended, withdrawn, revoked, rescinded or cancelled and, where such approvals are obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;</p> <p>(b) all Approvals for the transactions contemplated under the Subscription Agreement, obtained by the Company shall not have been amended, withdrawn, revoked, rescinded or cancelled on or prior to each subsequent Closing Date and, where any of such Approvals were obtained subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;</p> <p>(c) the Lodgement performed by the Company shall not have been amended, withdrawn, revoked, rescinded or cancelled on or prior to each subsequent Closing Date and, where such Lodgement is subject to any conditions and/or amendments, such conditions and/or amendments being acceptable to the Subscriber, and to the extent that any such conditions are required to be fulfilled on or before each subsequent Closing Date, they are fulfilled;</p> <p>(d) at each subsequent Closing Date, (i) all the representations, warranties, undertakings and covenants of the Company including the Warranties set out in the Subscription Agreement shall be accurate and correct in all respects at, and as if made on, that Closing Date save as otherwise disclosed by the Company to the Subscriber prior to or on the date of the Subscription Agreement or prior to each subsequent Closing Date (provided that such additional disclosure is reasonably seen to not materially affect the Company's ability to observe its obligations and/or constitute a breach under the Subscription Agreement); (ii) the Company shall have performed all of its undertakings or obligations under the Subscription Agreement to be performed on or before that Closing Date; and (iii) there shall have been delivered to the Subscriber a certificate, dated as at that Closing Date, duly signed by 2 directors or a director and the company secretary of the Company, affirming the compliance of the aforementioned;</p> <p>(e) unless waived in writing by the Subscriber, there shall have been delivered to the Subscriber, each in form and substance satisfactory to the Subscriber certified on or dated, as the case may be, on that Closing Date the documents as follows:</p> <p>(i) the Company's annual financial reports for the financial year immediately preceding the relevant Closing Date (unless the same reports have already been delivered prior to any Closing Date of the preceding sub-tranches within the same Main Tranche during a period of three (3) months prior to the relevant Closing Date);</p>

	<ul style="list-style-type: none"> (ii) if the Company's annual financial reports in item (i) above are dated more than three (3) months preceding the relevant Closing Date, copies of the interim accounts of the Company as publicly released (unless the same accounts have already been delivered prior to any Closing Date of the preceding sub-tranches within the same Main Tranche during a period of three (3) months prior to the relevant Closing Date); (iii) in respect of the Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the announcements issued by the Company to Bursa Securities from the date of the Subscription Agreement up to the relevant Closing Date, and in respect of the Closing Date of the remaining sub-tranches, the announcements issued by the Company to Bursa Securities between the Closing Date of the immediately preceding sub-tranche up to the relevant Closing Date; (iv) a list setting out the outstanding term loans and other loans of the Company as at a date not earlier than three (3) calendar days before the Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (whichever is applicable), which is certified to be true and accurate in all material respects as at that date by a director of the Company. This list of outstanding term loans and other loans is to include such particulars of each loan including but not limited to, the name of the lender, the principal amount loaned, the maturity, the interest rate, the currency of loan, the major covenants and the details of any security provided in respect of the loan; (v) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) setting out the names of the substantial shareholders of the Company and their respective shareholdings in the Company dated as at each relevant Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (whichever is applicable) and/or such other Closing Date of sub-tranche of the RCB as and when the Subscriber may require from time to time, which is certified to be true and accurate in all material respects as at that date by a director of the Company; (vi) a list (substantially in the form and substance reasonably satisfactory to the Subscriber) disclosing all existing and outstanding securities convertible into securities of the same class as the new Shares arising from the conversion of the RCB by the Subscriber securities substantially similar to the RCB that have been issued by the Company to other persons other than the Subscriber prior to the issuance of the RCB as at a date not earlier than three (3) calendar days before each Closing Date of the first sub-tranche of the Main Tranche 1 RCB, the Main Tranche 2 RCB, the Main Tranche 3 RCB and the Main Tranche 4 RCB (where applicable), which is certified to be true and accurate in all material respects as at that date by a director of the Company; (vii) a duly executed facility agreement entered into between the Company, the principal adviser/lead arranger/lead manager and the facility agent in respect of the RCB (as subsequently amended, modified and/or supplemented); (viii) a duly executed trust deed; (ix) a duly executed securities lodgement form; and (x) a copy of the acknowledgement receipt from the Securities Commission on the Lodgement.
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	<p>If any of the conditions precedent above are not satisfied or waived by the Subscriber, if capable of being waived, on or before the applicable Closing Date in respect of such sub-tranche of the RCB, the Subscriber shall have the right to (a) fix a new Closing Date in respect of such sub-tranche of the RCB; or (b) elect not to proceed with completion of the Subscription Agreement, in which event, the Subscription Agreement shall cease and the Parties shall be released and discharged from their respective obligations under the Subscription Agreement, except for (i) the liability of the Company for the payment of costs and expenses as set out in the Subscription Agreement; (ii) any outstanding interest (if any); (iii) the obligations of the Company to bear, liable to or reimburse the Subscriber of the Losses in connection with the transactions contemplated in the Subscription Agreement which the Subscriber may suffer or incur exclusively and directly; and (iv) any antecedent breaches.</p> <p>In the event the Company fails to fulfil the conditions precedent either for the first sub-tranche of Main Tranche 1 RCB or subsequent sub-tranches for Main Tranche 1 RCB, Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB, the Subscriber may terminate the Subscription Agreement pursuant to Clause 9.1 of the Subscription Agreement.</p> <p>Pursuant to such termination by the Subscriber, the Company shall pay:</p> <ul style="list-style-type: none"> (i) all outstanding bonds immediately become due and payable at 118%* of the principal amount together with all accrued interest; (ii) interest shall accrue on the Default Redemption Amount on a daily basis at the rate of 2.0%* per month up to and including the date on which the Subscriber receives full payment of the Default Redemption Amount, together with accrued default interest of 2.0% per month; and (iii) payment for all costs and expenses already incurred or incurred pursuant to such termination. <p><i>Note:</i></p> <p>* <i>The redemption rate of 118% and interest rate of 2% mentioned above are arrived at after taking into consideration, amongst others, the default redemption rates and default interest rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.</i></p>
<p>Rights of RCB Holders to participate in securities of the Company :</p>	<p>The Company may offer and sell any securities convertible into securities of the same class as the Issued Shares (as hereinafter defined) or securities substantially similar to the RCB ("Equity-linked Securities") provided that, in respect of any proposed offer or sale of such Equity-linked Securities:</p> <ul style="list-style-type: none"> (a) the Company shall offer and sell such Equity-linked Securities to the RCB Holders prior to offering such Equity-linked Securities to any other person ("Right of First Refusal"); and (b) such Equity-linked Securities shall not be convertible into the Issued Shares at a price which is below the MCP, unless prior written consent of the RCB Holders have been obtained. <p>For the avoidance of doubt, the term "Equity-linked Securities" shall exclude (i) any Shares, warrants relating to the Shares, or convertible preference shares, issued to shareholders without preference among the shareholders (but so that the exclusion of shareholders who are overseas or on other grounds approved by Bursa Securities shall be deemed not to be a preference of the other shareholders); or (ii) any new securities convertible into securities of the same class as the Issued Shares or securities substantially similar to the RCB in respect of which the Company is restricted from doing all of the (a) and (b) provided above due to any restrictions or conditions imposed by law, the Listing Requirements or any other applicable regulations. For the purposes of this Subsection, "Issued Shares" shall mean Shares listed on the Main Market.</p>

	The Right of First Refusal is only exercisable by the RCB Holder(s) from and including the date of receipt by such RCB Holder(s) of a notice in writing from the Company setting out the details of such offer to and including the date falling 14 Business Days thereafter.
Ranking of the RCB Holders	The RCB rank at least pari passu in priority of payment with all other unsecured and unsubordinated indebtedness of the Company.
Events of default	<p>For so long as there are any RCB outstanding, if any of the following events (each, an “Event of Default”) occurs:</p> <p>(a) any of the licences, authorisations, approvals, consents and/or waivers required to be obtained by the Company under the Subscription Agreement are not obtained when it is required to be obtained or there is a revocation, withholding, invalidation or modification of any license, authorisation, approval, consent or waiver required to be obtained by the Company which may materially and adversely impair or prejudice the ability of the Company to comply with the terms and conditions of the RCB (“Conditions”);</p> <p>(b) where any of the approvals required to be obtained by the Company under the Subscription Agreement were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled when it is required to be fulfilled;</p> <p>(c) there is a default in any payment by the Company in relation to the terms of payment of interest, coupon and/or nominal value due in respect of the RCB set out in the Subscription Agreement and/or the Conditions;</p> <p>(d) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation contained in the Subscription Agreement and/or the Conditions and on its part to be performed or observed (other than the covenant to pay the nominal value and interest or coupon in respect of any of the RCB) which would result in a Material Adverse Effect (and such default continues for the period of 7 Business Days following the service of notice by any RCB Holder or the trustee of the RCB on the Company requiring the same to be remedied);</p> <p>(e) any other notes, debentures, bonds or other instruments of indebtedness or any other loan indebtedness (hereinafter collectively called “Indebtedness”) of the Company or any of its Material Subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of its Material Subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others given by the Company or any of its Material Subsidiaries shall not be honoured when due and called upon, and such default results in a Material Adverse Effect;</p> <p>(f) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved (otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation that is approved by the Shareholders, as the case may be, and upon which the continuing corporation effectively assumes the entire obligations of the Company, as the case may be, under the RCB);</p> <p>(g) a resolution is passed or an order of a court of competent jurisdiction is made that the Company or any of its Material Subsidiaries be wound up or dissolved (otherwise than (i) for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation (other than as described in (ii) below) the terms of which have previously been approved in writing by the Majority RCB Holders, (ii) for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction with or into the Company or any of its Material Subsidiaries, or (iii) by way</p>

	<p>of a voluntary winding up or dissolution where there are surplus assets in the Company or such Material Subsidiary and such surplus assets attributable to the Company and/or any of its Material Subsidiaries are distributed to the Company and/or such Material Subsidiary);</p> <p>(h) the Company or any of its Material Subsidiaries makes any scheme of arrangement with its creditors or where a scheme of arrangement under Section 366 of the Act (where applicable) has been instituted against the Company or any of its Material Subsidiaries (other than for the purposes of and followed by a reconstruction previously approved in writing by the trustee, of the RCB unless during or following such reconstruction the Company or such Material Subsidiary becomes or is declared to be insolvent);</p> <p>(i) an encumbrancer takes possession of or a receiver, receiver and manager, judicial manager or other officer acting in a similar capacity is appointed over the whole or a material part of the assets or undertaking of the Company or any of its Material Subsidiaries;</p> <p>(j) (i) the Company or any of its Material Subsidiaries without any lawful cause stops payment (within the meaning of any applicable bankruptcy or insolvency law) or is unable to pay its debts as and when they fall due (within the meaning of any applicable bankruptcy or insolvency law) or (ii) the Company or any of its Material Subsidiaries (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraphs (f) or (g) above) ceases or through an official action of the board of directors of the Company or any of its Material Subsidiaries, as the case may be, threatens to cease to carry on its business, and such action has a Material Adverse Effect;</p> <p>(k) proceedings shall have been initiated against the Company or any of its Material Subsidiaries under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 14 days;</p> <p>(l) the Company or any of its Material Subsidiaries shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or insolvency, or a decree of commencement of composition or reorganisation or other similar procedures, or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors, and such action has a Material Adverse Effect;</p> <p>(m) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Company or any of its Material Subsidiaries, which is material in its effect upon the operations of either the Company or such Material Subsidiary(ies), as the case may be, and is not discharged within 14 days thereof;</p> <p>(n) the delisting of the Shares on the Main Market or a suspension of trading of such Shares on the Main Market for a period of 5 consecutive Business Days or more save for trading halts made at the request of the Company for pending corporate announcements;</p> <p>(o) the ratio of Borrowings to the Company's and its Material Subsidiaries' working capital exceeds 1 time;</p> <p>(p) for so long as there are any RCB outstanding the Company engages in any transaction with any hedge fund operating or originating from any part of the world;</p> <p>(q) any credit facilities granted to the Company or any of its Material Subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a Material Adverse Effect;</p>
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- (r) an event of default shall have occurred in respect of any notes, debentures, bonds, redeemable preference shares or other similar securities, financing or credit facilities to which the Company or any of its Material Subsidiaries is a party;
- (s) there shall have been a delisting or an order for delisting or a threatened delisting of the Company from the Main Market; or
- (t) if there shall have been any change or any development involving a prospective change, in the condition or in the earnings, business or operations, or affecting the properties, of the Company or any of its Material Subsidiaries and which materially and adversely affects the Company or the Company and any of its Material Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement, these Conditions and the RCB,

then any RCB may, by notice in writing (the “**Default Notice**”) given to the Company at the Designated Office by the trustee of the RCB, be declared immediately due and payable whereupon it shall become immediately (or any other period to be mutually agreed by the Company and the trustee of the RCB) due and payable at the Default Redemption Amount, which is 118%* of the principal amount together with all accrued interest. Interests shall accrue on the Default Redemption Amount on a daily basis at the rate of 2.0%* per month (or such other rate as the Company and the trustee of the RCB (acting on the instructions of the RCB Holders) may mutually agree in writing) (the “**Default Interest**”) commencing from the Business Day immediately following the date of the Default Notice up to and including the date on which the RCB Holders receives full payment of the Default Redemption Amount, together with accrued Default Interest.

Notes:

* *The redemption rate of 118% and interest rate of 2% mentioned above are arrived at after taking into consideration, amongst others, the default redemption rates and default interest rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.*

1. *“Conditions” means the terms and conditions of the RCB set out in Schedule 4D of the Subscription Agreement (which are set out in Section 2.2 of this Circular) as may from time to time be modified in accordance with the provisions set out in the Subscription Agreement, and “Condition” followed by a number refers to the relative numbered paragraph of the Conditions.*
2. *“Material Adverse Effect” means an effect or circumstance that has or could reasonably be expected to have a material adverse effect on (i) the financial condition, assets or business of the Company and/or on the consolidated financial condition, assets or business of the Company and its Material Subsidiaries; and/or (ii) the ability of the Company to perform any of its obligations under the Subscription Agreement. There is no quantitative form to measure Material Adverse Effect on the financial condition, assets or business of the Company and/ or on the consolidated financial condition, assets or business of the Company and its Material Subsidiaries as it is not expressly stated in the Subscription Agreement.*
3. *“Material Subsidiaries” mean subsidiaries of the Company which may either positively or negatively impact 5% of the Company’s net tangible asset, which as at the date of the Subscription Agreement, are Reneuco Engineering Sdn. Bhd. (formerly known as KPower Engineering Sdn Bhd) (Registration No. 200401015917 (654420-H)) and Reneuco International (L) Ltd. (formerly known as KPower International (L) Ltd. (Registration No. LL16831)).*

	<p>4. <i>“Majority RCB Holders” means the RCB Holders in aggregate representing more than 50% of the total outstanding nominal value of the RCB at any time, and a “Majority RCB Holder” shall be construed accordingly.</i></p> <p>5. <i>“Borrowings” mean, without duplication, at any time, as stated in the audited consolidated accounts of the Company for the FYE 30 June 2022 and thereafter the most recent unaudited interim accounts of the Company as announced to Bursa Securities (“Accounts”) (i) all obligations of the Company and/or any of its Material Subsidiaries for borrowed money obtained for the purpose of working capital of the Company and its Material Subsidiaries to cover short terms operational needs and this shall exclude borrowings obtained for project financing purposes, (ii) all obligations of such person evidenced by the RCB, notes or other similar instruments excluding any outstanding RCB arising from the Subscription Agreement, (iii) all obligations of such person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such person as lessee which are capitalised in accordance with the accounting principles under which the Accounts are prepared, (v) all obligations of such person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (vi) all non-contingent obligations of such person to reimburse any bank or other person in respect of amounts paid under a letter of credit or similar instrument and (vii) all borrowings of others guaranteed by the Company and/or any of its Material Subsidiaries.</i></p> <p>6. <i>“Designated Office” means the principal place of business (or other office notified to the RCB Holders in accordance with the Subscription Agreement) of the Company which shall be in Malaysia.</i></p>
Redemption option	<p>The RCB which are not redeemed, purchased, converted or cancelled by the Company will be redeemed by the Company, subject to there being no Event of Default, at 100% of their nominal value on the Maturity Date. The Company shall at least one month prior to the Maturity Date, despatch to all the RCB Holders, a notice of the Maturity Date.</p> <p>Subject to there being no Event of Default, the Company may at any time and from time to time, purchase the RCB at 115%* of its nominal value, or such other amount as may be agreed between the Company and the relevant RCB Holder.</p> <p>* <i>The purchase of the RCB at 115% of its nominal value is arrived at after taking into consideration, amongst others, the purchase rates charged by the other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.</i></p> <p>If, on presentation of any RCB for conversion, the Conversion Price is less than or equal to 70% of the average of the daily traded VWAP per Share for a period of 40 consecutive Business Days prior to the relevant Closing Date in respect of each first sub-tranche of the respective tranches of the RCB, the Company may redeem such RCB (and only such RCB) presented by the RCB Holder to the Company for conversion in cash at an amount calculated in accordance with the formula set out below (the “Conversion Redemption Amount”) by giving notice of the same to the relevant RCB Holder.</p>

	<p>The Conversion Redemption Amount* shall be calculated in accordance with the following formula:</p> $R = N \times \{P + [8\% \times P \times (D/365)] + I\}$ <p>where:</p> <p>“R” : the Conversion Redemption Amount.</p> <p>“D” : the number of days elapsed since the relevant Closing Date in respect of each sub-tranche of the RCB.</p> <p>“N” : the number of RCB presented for conversion.</p> <p>“P” : the face value of the RCB presented for conversion.</p> <p>“I” : the remaining unpaid interest accrued on the RCB presented for conversion.</p> <p>* <i>The basis of the Conversion Redemption Amount was agreed by the Company and the Subscriber from a commercial perspective after taking into consideration the flexibility of drawdown, the funding requirement and cash flow position of the Group. The 8% interest pertaining to the Conversion Redemption Amount is arrived at after taking into consideration, amongst others, the interest rates charged by other relevant subscribers of similar products by other publicly listed companies in Malaysia. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.</i></p>
Form and denomination	: The RCB are issued in multiples of RM50,000.
Transferability	: The RCB will be transferable or tradable in accordance with the terms and conditions of the RCB.
Rating	: The RCB will not be rated.
Listing	: The RCB will not be listed on the Main Market. Note: Bursa Securities had, vide its letter dated 23 June 2023, resolved to approve the listing of and quotation for of up to 1,143,093,554 Conversion Shares pursuant to the Proposed RCB Issue on the Main Market subject to conditions as set out in Section 7 of this Circular. The Conversion Shares, as and when issued, will be listed on the Main Market.
Governing law	: The RCB and the trust deed to be entered into between the Company and the trustee of the RCB will be governed by and construed in accordance with the laws of Malaysia.

Further details and terms of the RCB in relation to the Proposed RCB Issue are set out in the Subscription Agreement that will be available for inspection as disclosed in Section 6 of Appendix I.

- (A) Notwithstanding any provisions in the Subscription Agreement, the Company shall not issue any RCB to the Subscriber pursuant to a Relevant RCB Subscription Notice delivered by the Subscriber in accordance with the terms of the Subscription Agreement, if as of the date of the Company’s receipt of the Relevant RCB Subscription Notice (“**Date of Receiving Relevant RCB Subscription Notice**”), the aggregate number of the Conversion Shares already issued and to be issued will exceed the Maximum Permitted Number of Shares.

The “aggregate number of Conversion Shares already issued and to be issued” shall mean the total of:

- (a) the number of Conversion Shares already issued by the Company prior to the Date of Receiving Relevant RCB Subscription Notice;
 - (b) the number of Conversion Shares which may arise from the conversion of the RCB already issued and remain outstanding as at the Date of Receiving Relevant RCB Subscription Notice, computed based on the Conversion Price representing the closing price of the Shares on the trading day immediately preceding the Date of Receiving Relevant RCB Subscription Notice; and
 - (c) the number of Conversion Shares which may arise from the conversion of such number of RCB stipulated in the Relevant RCB Subscription Notice, computed based on the Conversion Price representing the closing price of the Shares on the trading day immediately preceding the Date of Receiving Relevant RCB Subscription Notice.
- (B) For the avoidance of doubt, if a situation stipulated under Section 2.2(A) above occurs, the Company shall notify the Subscriber by a notice in writing on the Business Day immediately following the RCB Subscription Notice, pursuant to which the Subscriber shall be entitled to take one or more of the following options:
- (i) to withdraw the Relevant RCB Subscription Notice and to regard the Subscription Agreement as if it continues to be effective and the Subscriber shall be entitled to deliver the RCB Subscription Notice(s) to the Company subsequently at any time from time to time. Upon delivery of any subsequent RCB Subscription Notice(s), the Company shall be obliged to issue the RCB to the Subscriber in accordance with the relevant RCB Subscription Notice in accordance with the terms of the Subscription Agreement, unless the situation under Section 2.2(A) above occurs again during the date of the receipt of such subsequent RCB Subscription Notice(s), wherein upon each of such event, the Subscriber shall again be entitled to the options set out hereunder Section 2.2(B); or
 - (ii) to demand for the immediate redemption by the Company of such amount of outstanding RCB held by the Subscriber, pursuant to which the Company shall immediately redeem such outstanding RCB by paying a redemption amount of 112%* of the total nominal value of such outstanding RCB within 3 months (or any other period to be mutually agreed by the Parties in writing) from the date of the relevant notification from the Company. Failure to repay such amount will incur an interest of 1.5%* per month, to be computed from (and including) the expiry of the said 3 month period until the date of full repayment by the Company of such redemption amount, together with any interest incurred thereon; and/or
 - * *The basis for the redemption amount of 112% and interest rate of 1.5% is a commercial decision agreed upon between the Company and the Subscriber. The Board is of the view that the redemption amount of 112% and the interest rate of 1.5% above are fair and reasonable.*
 - (iii) to demand for the conversion by the Company of such number of outstanding RCB held by the Subscriber in accordance with the provisions of the Subscription Agreement. For avoidance of doubt, the demand for the conversion by the Company of such number of outstanding RCB will not exceed the Maximum Permitted Number of Shares as the total number of Conversion Shares that are already issued and may be issued arising from the conversion of outstanding RCB would have already been taken into account before the issuance of the RCB.

(C) In the event that pursuant to the delivery of a Conversion Notice, the conversion of the RCB will result in total number of the Conversion Shares arising from the conversion of such RCB, aggregated with the total Conversion Shares already issued by the Company to the Subscriber prior to such date of conversion, exceeding the Maximum Permitted Number of Shares, the Company shall with a notice in writing notify the Subscriber on the immediately next Business Day with regard to such situation, further to which the Subscriber shall be entitled to elect one or more of the following options:

- (i) for the immediate redemption of such amount of outstanding RCB by the Company, pursuant to which the Company shall immediately redeem such outstanding RCB by paying a redemption amount of 112%* of the total nominal value of such outstanding RCB within 3 months (or any other period to be mutually agreed by the Parties) from the date of the Company's written notification. Failure to repay such amount will incur an interest of 1.5%* per month, to be computed from (and including) the expiry of the said 3 months until the date of full repayment by the Company of such redemption amount, together with any interest incurred thereon; and/or

* *The basis for the redemption amount of 112% and interest rate of 1.5% is a commercial decision agreed upon between the Company and the Subscriber. The Board is of the view that the redemption amount of 112% and the interest rate of 1.5% above are fair and reasonable.*

- (ii) to withdraw the Conversion Notice and to regard the Subscription Agreement as if it continues to be effective, with liberty and right to deliver further Conversion Notice(s) at such time as it deems fit. Upon delivery of any subsequent Conversion Notice(s), the Company shall be obliged to issue the Conversion Shares to the Subscriber in accordance with the terms of the Subscription Agreement, unless the situation stipulated hereunder Section 2.2(C) occurs again during the date of the receipt of such subsequent Conversion Notice, wherein upon each of such event, the Subscriber shall again be entitled to the options set out hereunder Section 2.2(C).

For illustrative purpose, assuming the entire RCB of RM350.0 million are issued and 1,143,093,554 Conversion Shares are issued at the MCP of RM0.10 pursuant to the Maximum Permitted Number of Shares, the maximum redemption amount that shall be paid by the Company for the outstanding unconverted RCB is computed as follow:

Main Tranche	Sub-tranches	MCP (RM)	Nominal value of the RCB (RM)	Number of Conversion Shares
Converted RCB:				
1	1-25	0.10	50,000,000	500,000,000
2	1-32	0.10	64,309,355	643,093,554
Unconverted RCB:				
2	33-37	0.10	-	-
3	1-50	0.10	-	-
4	1-62	0.10	-	-

Details	RM
Aggregate nominal value of the entire RCB issued	350,000,000
Converted RCB	114,309,355 ⁽¹⁾
Outstanding unconverted RCB	235,690,645
Maximum redemption amount	263,973,522 ⁽²⁾

Notes:

(1) *Assuming 1,143,093,554 Conversion Shares are issued at RM0.10, being the MCP.*

(2) *Based on redemption rate of 112% of the nominal value of the outstanding unconverted RCB.*

Notwithstanding the above, the Company will not issue further RCB once the Maximum Permitted Number of Shares has been reached. Hence, the redemption amount to be paid by the Company for any outstanding unconverted RCB shall be minimal in the event the Maximum Permitted Number of Shares has been reached. The redemption amount for the outstanding unconverted RCB, if any, shall be funded by the Company via internally generated funds and/or bank borrowing, which will be determined at a later juncture.

For the avoidance of doubt, the RCB are neither guaranteed nor secured. In the event of default occurred on the part of the Company, all outstanding RCB will be immediately due and payable by the Company at 118% of its nominal value together with accrued interest at the rate of 2.0% per annum on the RCB. Further, interest shall accrue on the Default Redemption Amount on a daily basis at the Default Interest up to and including the date on which the RCB Holder receives full payment of the Default Redemption Amount, together with accrued Default Interest. For information purpose, assuming the outstanding unconverted RCB is RM235,690,645, the default interest of 2% would amount to RM4,713,812.90 per annum.

In addition to the above, the Company will bear and pay:

- (i) all costs and expenses incurred by the Company in connection with the preparation of the Subscription Agreement and any other related agreements, and any other document relating to the issue, subscription, offer, sale and delivery of the RCB pursuant to the terms and conditions of the Subscription Agreement;
- (ii) the fees and expenses of the Company's legal and other professional advisers (including auditors, if any) incurred in connection with the issuance of the RCB pursuant to the terms and conditions of the Subscription Agreement;
- (iii) all costs and expenses incurred in connection with the preparation, printing and authentication of the RCB and making the initial delivery of the RCB pursuant to the terms and conditions of the Subscription Agreement;
- (iv) an administrative fee of 5.0%* of the aggregate nominal value subscribed of each sub-tranche of the RCB ("**Administrative Fee**") is payable to the Subscriber or such other party as nominated in writing by the Subscriber on each closing date of each sub-tranche of the RCB. The Company agrees that to facilitate this payment, the Administrative Fee payable shall be deducted by the Subscriber directly from the subscription moneys payable to the Company for the subscription of each sub-tranche of the RCB;

** The Administrative Fee relates specifically to the process by the Subscriber for administering each sub-tranche and will only be payable upon the subscription by the Subscriber of the respective sub-tranches. The Administrative Fee of 5.0% is arrived at after taking into consideration, amongst others, the administrative fees charged by the other relevant subscribers of similar products issued by other publicly listed companies in Malaysia which range from 5% to 6%. Please refer to the table in Section 2.3 of this Circular for precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD.*

- (v) a cancellation fee of Singapore Dollar Fifty Thousand (S\$50,000) is payable to the Subscriber in the event that the Subscription Agreement is unilaterally terminated by the Company except in a case where the approval from Bursa Securities is not obtained prior to the Fulfilment Date resulting in the termination of the Subscription Agreement (provided that such failures are not attributable to the negligence or wilful default of the Company or its directors, employees or agents, in which event the cancellation fee shall apply). For the avoidance of doubt, the acceptance of the cancellation fee by the Subscriber is in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages which may have accrued prior to termination;
- (vi) all fees, costs and expenses incurred in connection with the continued listing or listing of the Conversion Shares on the Main Market;

- (vii) all other costs and expenses in connection with the performance by the Company of its obligations under the Subscription Agreement; and
- (viii) all costs and expenses (including any applicable tax) of the Subscriber reasonably incurred, including but not limited to the fees and all expenses and applicable tax of the Subscriber's legal advisers and/or professional advisers in connection with the preparation of the Subscription Agreement and the issuance of the RCB. The Subscriber shall be entitled to deduct all costs and expenses of the Subscriber as aforesaid from the subscription monies payable in Ringgit Malaysia to the Company for the subscription of the first sub-tranche of the Main Tranche 1 RCB.

Upon termination of the Subscription Agreement, all fees, costs and expenses referred to in (i) to (viii) above shall be payable by the Company if incurred notwithstanding that:

- (a) the Subscription Agreement is terminated; or
- (b) the Company does not proceed with the allotment and issuance of the first Sub-Tranche 1 RCB for any reason whatsoever on or before the Fulfilment Date,

save in the event where such termination is solely due to the act of the Subscriber through no default or negligence of the Company, such fees, costs and expenses of the Subscriber under (viii) above shall be borne by the Subscriber.

No amendment or variation of the Subscription Agreement (including the terms of the RCB) shall be effective unless in writing and signed by or on behalf of the Company and the Subscriber.

The Proposed RCB Issue is expected to raise up to RM50.0 million through the issuance of Main Tranche 1 RCB. Further amount of up to RM300.0 million may be raised through the issuance of Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB, subject to the terms and conditions as set out in the Subscription Agreement.

For the avoidance of doubt, no funds will be raised upon conversion of the RCB into new Shares. The RCB will be constituted by a trust deed to be executed by the Company and the trustee of the RCB at a later date.

2.3 Basis of determining the Conversion Price of the RCB

The basis of setting the Conversion Price* for the RCB is a commercial decision agreed upon between the Company and the Subscriber after the Parties have taken into consideration their respective commercial and financial requirements including the funding needs of the Group as illustrated in Section 2.9 of this Circular.

* *The Conversion Price shall be 80% of the average Closing Price per Share on any three consecutive Business Days as selected by the RCB Holder during the 40 Business Days immediately preceding the relevant Conversion Date.*

The Conversion Price for the RCB was determined after taking into consideration:

- (i) the conversion price of other similar products issued by other publicly listed companies in Malaysia;
- (ii) the ability of Reneuco to have a standby facility for a period of 3 years to meet its equity requirements for its projects without the need to seek for other equity fundraisings as and when required, which can be costly to the Company; and
- (iii) conversion of the RCB will ease the Group's cashflow and allow the Group to deploy its resources to expand its businesses instead of repaying the RCB in cash.

An analysis of other precedent issuances of comparable redeemable convertible securities which were announced on Bursa Securities for the past 5 years up to the LPD are as follows:

Name of company	Date of announcement	Administrative fee payable to the subscriber	Conversion price	Conversion redemption amount	Default redemption amount	Non-default redemption amount
Impiana Hotels Berhad	7 June 2022	6% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 2% per month	115% of the aggregate principal amount of the notes
Priceworth International Berhad	30 April 2021	5% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes
XL Holdings Berhad	1 July 2021	5% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes
SMTTrack Berhad	20 October 2020	6% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	115% of the aggregate principal amount of the notes and accrued interest of 3% per month	110% of the aggregate principal amount of the notes

Name of company	Date of announcement	Administrative fee payable to the subscriber	Conversion price	Conversion redemption amount	Default redemption amount	Non-default redemption amount
Sino Hua-An International Berhad	14 June 2019	5% of the aggregate principal amount of notes subscribed	85%, 88% and 90% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date for the 1st, 2nd and 3rd tranches respectively	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes
XingHe Holdings Berhad	6 May 2019	6% of the aggregate principal amount of notes subscribed	80% of the average closing price per share on any 3 consecutive business days as selected by the noteholder during the 45 business days immediately preceding the relevant conversion date	100% of the principal amount of notes plus an additional 8% interest payable on the principal amount of the notes to be redeemed based on the number of days elapsed since the relevant issue date	118% of the aggregate principal amount of the notes and accrued interest of 3% per month	115% of the aggregate principal amount of the notes

(Source: The circulars issued by the above respective publicly listed companies as announced on Bursa Securities)

Based on the above, it is observed that:

- (i) the administrative fee of 5% of the aggregate principal amount subscribed, which is negotiated and accepted by the Company and the Subscriber is within the market range of 5% to 6%; and
- (ii) the conversion price of 80% of the average Closing Price per Share on any three consecutive Business Days as selected by the RCB Holder during the 40 Business Days immediately preceding the relevant Conversion Date is within the market range; and
- (iii) (a) the additional 8% interest in respect of the Conversion Redemption Amount; (b) the 18% premium in respect of the event of redemption due to default; and (c) the 15% premium in respect of redemption not due to default, are aligned with the market practice.

Premised on the above, the Board is of the opinion that the terms of the RCB in respect of the Administrative Fee, the Conversion Price for the RCB and the redemption amounts and interest rates are fair and reasonable.

MCP

For the avoidance of doubt, the Conversion Price for the RCB has yet to be determined. However, the Company and the Subscriber have agreed to set RM0.10 as the MCP after taking into consideration, amongst others, their commercial and financial requirements, the prevailing market price and trading history of Reneuco Shares. The MCP serves as a floor price (minimum issue price) to protect the interest of the Company in the event the Conversion Price falls below RM0.10.

For information purposes, the MCP represents the following discounts over the audited NA per Share as at 30 June 2022 and the following market price and VWAPs of Reneuco Shares up to and including the LPD:

	NA per Share/ Market price/ VWAP	Discount of the MCP	
		RM	%
Audited NA per Share as at 30 June 2022	0.3800	(0.2800)	(73.68)
Up to and including the LPD:			
Lowest closing price for the last 40 days	0.1950	(0.0950)	(48.72)
5-day VWAP	0.1990	(0.0990)	(49.75)
1-month VWAP	0.2092	(0.1092)	(52.20)
3-month VWAP	0.2260	(0.1260)	(55.75)
6-month VWAP	0.2776	(0.1776)	(63.98)
12-month VWAP	0.2716	(0.1716)	(63.18)

For clarity, the above only serves to illustrate the relative discounts of the MCP to the audited NA per Share as at 30 June 2022, the lowest share price in the last 40 days prior to the LPD and the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs up and including the LPD.

Notwithstanding the above, in accordance with the terms of the Subscription Agreement, the Conversion Price will be set at:

- (i) the MCP if the Conversion Price falls below the MCP; or
- (ii) 80% of the average Closing Price per Share on any 3 consecutive Business Days as selected by the RCB Holder during the 40 business days immediately preceding the relevant Conversion Date.

In determining the MCP, Reneuco had also considered the total amount of funds required to be channelled for the utilisations as described in Section 2.9 of this Circular. These funds are estimated to be RM50.0 million, RM114.3 million and RM350.0 million under the Scenario 1, Scenario 2 and Scenario 3 respectively (as illustrated under Section 2.9 of this Circular) and would be required over a period of 3 years.

Despite the discounts to the audited NA per Share as at 30 June 2022 and the current market prices of Reneuco Shares as shown in the table above, the Board considers that the MCP is set at a reasonable level such that it is not detrimental to the interests of the Group and Shareholders and at the same time facilitates the continued operation of the RCB programme over the tenure of the RCB as it has set a minimum conversion price that the RCB can be converted into Shares in the event market prices of Reneuco Shares dip further during the 3 years tenure of the RCB as observed in the table above.

2.4 Number of Conversion Shares to be issued

The number of Reneuco Shares to be issued upon conversion of the RCB shall depend on the Conversion Price which will be determined later, provided the Conversion Price is not less than RM0.10, being the MCP.

For illustrative purpose, assuming the RCB are converted at RM0.10 being the MCP, the number of Reneuco Shares that may be issued under Main Tranche 1 RCB, Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB are as follow:

Main Tranche	Conversion Shares	RM
Main Tranche 1 RCB	500,000,000	50,000,000
Main Tranche 2 RCB	643,093,554 ⁽¹⁾	64,309,355
Main Tranche 3 RCB	-(2)	-
Main Tranche 4 RCB	-(2)	-
Total	1,143,093,554	114,309,355

Notes:

- (1) Pursuant to the Maximum Permitted Number of Shares, the number of Conversion Shares allowed to be issued for Tranche 2 RCB is 643,093,554.
- (2) No Conversion Shares shall be issued in Tranche 3 RCB and Tranche 4 RCB as the Maximum Permitted Number of Shares has been reached.

For illustration purposes, assuming the RCB are converted at the Conversion Price of approximately RM0.3061* and taking into consideration of the Maximum Permitted Number of Shares, the Conversion Shares to be issued upon full conversion of the RCB are as follows:

Main Tranche	Conversion Shares	RM
Main Tranche 1 RCB	163,299,079	50,000,000
Main Tranche 2 RCB	244,948,619	75,000,000
Main Tranche 3 RCB	326,598,158	100,000,000
Main Tranche 4 RCB	408,247,698	125,000,000
Total	1,143,093,554	350,000,000

* For illustrative purposes, if the Maximum Permitted Number of Shares is issued, the Conversion Price is assumed to be RM0.3061 in order for the Company to raise proceeds of RM350 million from the Proposed RCB Issue.

Regardless of the Conversion Price, a maximum number of 1,143,093,554 Conversion Shares will be issued upon the full conversion of the RCB (subject to corresponding adjustments in the event of stock splits, consolidation and/or re-classification of the Shares or any other number of Shares as may be approved by Bursa Securities and/or the Shareholders at a general meeting).

The Proposed RCB Issue will result in the Shareholders' shareholdings in Reneuco to be proportionately diluted as a result of the increase in the number of new Reneuco Shares arising from the conversion of the RCB.

For illustration purposes, assuming a Shareholder holds 58,894,677 Reneuco Shares, representing 10% equity interest in Reneuco as at the LPD, the effect of conversion of the RCB on the said Shareholder's shareholdings will be as follows:

	Shareholdings as at the LPD		Assuming completion of the Proposed ASSB Acquisition		Assuming issuance of the Maximum Permitted Number of Shares	
	No. of Reneuco Shares	%	No. of Reneuco Shares	%	No. of Reneuco Shares	%
Shareholder	58,894,677	10.00	58,894,677	6.49	58,894,677	2.87

For illustration purposes, please refer to Sections 6.1, 6.2 and 6.3 for the impact of the Proposed RCB Issue to the issued ordinary share capital of the Company, net assets and gearing of the Company and the shareholdings of the substantial shareholders of the Company.

2.5 Ranking of the Conversion Shares

The Conversion Shares shall, upon allotment and issuance, rank equally in all aspects with the existing Reneuco Shares, save that such Conversion Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date is on or prior to the date of allotment and issuance of the Conversion Shares.

2.6 Background information on the Subscriber

Triton is an umbrella variable capital company* incorporated in Singapore under the laws of Singapore on 26 March 2020, acting on behalf of and for the account of TCF Fund A. TCF Fund A is a segregated portfolio of Triton set up in April 2020 to which all income, earnings, profits and proceeds from investments, liabilities and expenses are kept separate from all other monies, investment, assets, liabilities and expenses of Triton and any other portfolios of Triton. The investors of TCF Fund A are private investors who are qualified to invest in TCF Fund A under the Securities Futures Act 2001 of Singapore, such as accredited investors.

Triton has its registered office at 29 Media Circle, #02-13, Alice @ Mediapolis, Singapore 138565. Triton is principally involved in investment portfolios, and the investment objective of TCF Fund A in particular is to achieve medium to long term capital appreciation through investment in financial instruments that assist small and medium capitalisation, publicly-listed companies. The investment strategy of TCF Fund A is to provide funding solutions to companies that facilitate working capital requirements, business expansion, mergers and acquisitions, reverse takeovers, management by objective, debt restructuring, as well as capital market-sourced initial public offerings, secondary placements and arbitrage trades using a combination of debt and equity securities.

Note:

* *A variable capital company (“VCC”) is a Singapore legal entity constituted under the Variable Capital Companies Act 2018, which is a structure that can be standalone or constituted in an umbrella structure, wherein the latter enables a VCC to have multiple sub-funds, each holding a portfolio of segregated assets and liabilities.*

As of the LPD:

- (a) 100% of the voting shares in Triton are held by its founder, Ms. Ng Geok Tin; and
- (b) the directors of Triton are Ms. Ng Geok Tin and Mr. Ng Hwee.

Triton has appointed Titus, a capital markets services licence holder granted by the Monetary Authority of Singapore (“MAS”) to serve as the investment manager for Triton. Titus was incorporated on 8 October 2020 in Singapore and its business address is Suite 51, 11 Beach Road, #03-01, Singapore 189675. As of the LPD, the directors of Titus are Mr. Ng Hwee, Ms. Ng Geok Tin and Ms. Ong Mei Suet, Michele, whereas the sole shareholder of Titus is Mr. Ng Hwee.

The profiles of the directors of Titus are as follows:

- (i) Ng Hwee, 48

Ng Hwee is a director of Triton and the co-founder of Titus. He holds a bachelor's degree from London School of Economics and Political Science in Economics.

With banking and asset management experiences of over 20 years, he previously headed New Asia Ferrell Asset Management Ltd in Hong Kong and served as Executive Director Head of Greater China with Ferrell Asset Management in Singapore. His past positions include being the Chief Investment Officer of a private equity firm in Beijing and a senior investment consultant with UBS AG in Singapore and Hong Kong. He was also a portfolio manager with Temasek Holdings and Fullerton Fund Management, and a senior economist with the MAS where he conducted topical studies and participated in policy formation.

(ii) Ng Geok Tin, 51

Ng Geok Tin is a director of Triton and the co-founder of Titus. She holds a bachelor's degree from Singapore University of Social Science in Finance.

Prior to founding Triton and co-founding Titus, she was an executive director and chief investment officer of an asset manager who is a holder of capital market services licence granted by the MAS. Prior to that, she was a portfolio manager of a registered fund management company regulated by the MAS, where she managed funds in the hedge funds space, developed and implemented investment strategies and policies. Her financial experience spans across investment management, client relationship, business development, sales and trading encompassing equities, foreign exchange and financial futures in Asia, US and Europe markets.

(iii) Ong Mei Suet, Michele, 42

Ong Mei Suet, Michele is a director of Titus. She holds a bachelor's degree from Singapore Management University in Business Management.

With banking and relationship management experiences of over 10 years, she was previously a portfolio manager with Nanyang Investment Management Pte Ltd who advised ultra-high net worth (UNHW) clients on asset management and family office matters. Prior to that, she set up the external asset management office and established system and processes to ensure smooth workflow for a capital markets services licence holder granted by MAS. She had started her banking career with Indonesian clients and subsequently expanded her clientele to rest of the world with strategic partnerships with other family offices based on client needs.

(Source: Management of Triton)

2.7 Representations and Warranties of the Subscriber

- (a) The Subscriber represents and warrants to the Company that it has full legal rights, power, authority and capacity to enter into and perform the Subscription Agreement in accordance with its terms;
- (b) The Subscriber represents that it is subscribing for the RCB for investment purposes only and have no intention of influencing the management or exercising control over the Company; and
- (c) The Subscriber agrees that:
 - (i) there will be no conversion of the RCB by the Subscriber to transfer a controlling interest in the Company such that the Subscriber becomes a controlling shareholder of the Company within the ambit of the Listing Requirements without the prior approval of the shareholders of the Company at a general meeting; and
 - (ii) collectively, or together with their Affiliate* not to hold more than 10 % interest in the total number of issued Shares, at any time and from time to time without the prior written approval of the Company.

Note:

* "Affiliate" means with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with that person. For the purposes of this definition, the term "control" (including the terms "controlled by" and "under common control with") as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person whether through ownership of shares, voting securities or otherwise.

- (d) The Subscriber agrees that it will not enter into any negotiations, agreements or arrangements to sell, transfer or dispose any Shares arising from the conversion of the RCB to any substantial shareholder* of the Company.

Note:

* *Does not extend to Directors or persons connected to Directors or to substantial shareholders of the Company, unless any of them is a substantial shareholder of the Company.*

- (e) The Subscriber further represents and warrants as follows:
- (i) that the Subscriber is duly incorporated and validly existing under the laws of Singapore, with full power and authority to own its properties and to conduct its business as currently conducted;
 - (ii) that there is no litigation, arbitration, administrative or legal proceeding, suit or action, as the case may be, that are pending, threatened or has been instituted against the Subscriber, which might materially and adversely affect its solvency;
 - (iii) that there is no event, liability, development or circumstance has occurred, exists or is contemplated to occur, which would have a material adverse effect with respect to the Subscriber's business, properties, operations or financial condition which affects the Subscriber's performance or observance of any of the terms and conditions under the Subscription Agreement;
 - (iv) that there is no provision in the Subscriber's constitution and no provision of any existing contract, agreement or instrument binding on the Subscriber that has been or would have been contravened by the execution, delivery and performance of the Subscription Agreement; and
 - (v) the funds for the subscription of the RCB have been or will be obtained by the Subscriber through lawful means and sources, and are in compliance with the applicable laws of Malaysia and Singapore, including in relation to anti-bribery, anti-corruption, anti-money laundering, anti-terrorism financing and proceeds of unlawful activities, and sanctions.

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2.8 Underwriting

The Proposed RCB Issue will not be underwritten as the Subscriber has been identified and the Subscription Agreement has been entered into on 12 April 2023.

2.9 Utilisation of proceeds

Scenario 1 : Assuming only Main Tranche 1 RCB are issued and raises gross proceeds of RM50 million pursuant to the Proposed RCB Issue.

Scenario 2 : Assuming the RCB are being converted at RM0.10, being the MCP, taking into consideration of the Maximum Permitted Number of Shares and the Company raises gross proceeds of RM114.31 million pursuant to the Proposed RCB Issue.

Scenario 3 : Assuming all tranches of the RCB are issued and the Company raises gross proceeds of RM350.0 million pursuant to the Proposed RCB Issue.

The Proposed RCB Issue is expected to raise gross proceeds of up to RM350.0 million which shall be utilised in the following manner:

	Notes	Scenario 1 (RM'million)	Scenario 2 (RM'million)	Scenario 3 (RM'million)	Priority of utilisation	Estimated timeframe for utilisation*
Working capital for the following projects:						
(a)	Hydro projects located at Kota Marudu, Sabah ("Hydro Project")	10.00	10.00	21.00	3	Within 6 months
(b)	To partly fund the Proposed ASSB Acquisition	20.00	20.00	20.00	2	Within 6 months
(c)	Nenggiri Project (as defined hereunder)	1.00	15.00	100.00	5	Within 24 months
(d)	50-MW solar photovoltaic plant located at Pekan, Pahang ("LSS4")	10.00	30.00	40.00	4	Within 12 months
(e)	Kuala Nerus Project (as defined hereunder)	1.00	15.00	100.00	6	Within 36 months
	Working capital for other up-coming projects and/or investment opportunities	3.85	16.93	49.85	7	Within 24 months
	Estimated expenses in relation to the Proposal	4.15	7.37	19.15	1	Within 6 months
Total		50.00	114.30	350.00		

Notes:

- * Commencing from the date of issuance of the RCB.
- (i) On 21 February 2022, the Board had announced that its wholly-owned subsidiary, Reneuco Engineering Sdn Bhd (formerly known as KPower Engineering Sdn Bhd) ("**RenEng**"), together with Tellhow International Engineering & Contracting Co. Ltd ("**Tellhow**") had on 18 February 2022 received and accepted the letter of award from One River Power Sdn Bhd ("**ORP**") to take over and complete the engineering, design, procurement, construction, and commissioning of small hydro plants in Sg. Bengkoka Upper, Sg. Bengkoka Lower and Sg. Togohu in Kota Marudu, Sabah, with total capacity of 29.1 MW for a total contract price of RM70 million. Under this contract, RenEng shall be the lead partner in carrying out the engineering, procurement, construction and commissioning ("**EPCC**") works as well as manage and oversee the entire Hydro Project whilst Tellhow will provide the initial funding and technical expertise. For avoidance of doubt, the initial funding provided by Tellhow amounting to RM10.5 million (forming part of the total contract price of RM70 million and which has been fully repaid as at the LPD) is to kickstart the Hydro Project.

Based on the consortium agreement entered into between RenEng and Tellhow dated 17 May 2022, RenEng will be the main EPCC contractor for the Hydro Project to oversee and manage the project until commission of the project. The scope of work as per the letter of award comprises completing the EPCC for the Hydro Project and includes carrying out testing, commissioning and provision of all equipment, both permanent works and temporary works in connection with the Hydro Project.

Tellhow is a subsidiary of Tellhow Sci-Tech Co Ltd, a Shanghai Stock Exchange-listed company and is mainly involved in smart city and smart energy related projects by providing integrated energy solutions globally.

As at the LPD, the Hydro Project is approximately 17% complete and is expected to be completed by 2023. The proceeds from the Proposed RCB Issue of up to RM21 million shall be utilised to fund for the costs related to engineering, design, procurement, construction and commissioning. The estimated total cost for the Hydro Project is RM70 million.

- (ii) The Company had on 26 April 2022 announced that its wholly owned subsidiary, Reneuco RE Sdn. Bhd. (formerly known as KPower RE Sdn. Bhd.) ("**RenRE**") had entered into Heads of Agreement ("**HOA**") with Pristine Falcon Sdn. Bhd. ("**PFSB**") to acquire up to 5,000,000 ordinary shares in ORP, representing 100% equity interest in ORP for a total consideration of up to RM130,000,000 to be satisfied via a combination of cash and issuance of new Reneuco Shares ("**Proposed ORP Acquisition**"). Subsequent to the announcement of the HOA, the Company was made aware that Inno Hydropower (B) Sdn Bhd, being the beneficial owner of 30% equity interest in ORP may not have the intention to participate in the Proposed ORP Acquisition. Pursuant thereto, the Company had decided not to proceed with the acquisition of ORP and will instead, through RenRE, acquire the direct holding company of PFSB, namely ASSB.

On 19 October 2022, the Company had announced the Proposed ASSB Acquisition. Bursa Securities had on 5 April 2023, approved the listing of and quotation for the consideration shares to be issued pursuant to the Proposed ASSB Acquisition. The circular to Shareholders for the Proposed ASSB Acquisition has been issued by the Company on 12 April 2023 and the Shareholders' approval was obtained at the EGM held on 27 April 2023. The Company intends to utilise up to RM20 million from the Proposed RCB Issue to satisfy part of the purchase consideration for the Proposed ASSB Acquisition.

In the event the Proposed ASSB Acquisition cannot be completed due to any unforeseen circumstances, the proceeds allocated for the Proposed ASSB Allocation shall be used for working capital for other up-coming projects of the Group and/or any investment opportunities and the Company will make an immediate announcement on the breakdown of the intended utilisation of proceeds.

- (iii) On 11 May 2022, the Board has announced that Mikrogrid Lestari Sdn Bhd ("**MLSB**"), a 55%-owned subsidiary of Reneuco via RenRE, had on 10 May 2022, been selected as one of the successful bidders under the feed-in tariff ("**FiT**") e-bidding exercise conducted by Sustainable Energy Development Authority (SEDA) Malaysia for the development of small hydro power in Malaysia.

Terang Hijau Sdn Bhd (“**THSB**”), which owns 45% equity interest in MLSB was incorporated in Malaysia on 8 December 2020 and is principally engaged in activities of holding companies and investment trading services. In relation to the Nenggiri Project, THSB will secure the identified sites and procure all relevant licences and approvals required for the development and/or operation of the Nenggiri Project. The approvals required for the Nenggiri Project include, amongst others, water rights and development order from the State Government of Kelantan. As at the LPD, Kelulusan Dasar is still pending/ongoing where all the forms have been submitted to Unit Perancangan Ekonomi (UPEN) Kelantan on 12 April 2023. After Kelulusan Dasar is obtained from the state of Kelantan, only then can the water rights and development order for the Nenggiri Project be proceeded to be obtained.

Under the e-bidding exercise, MLSB shall develop small hydro power plants with a total capacity of 40.4 MW in Gua Musang, Kelantan with a basic FiT rate of RM0.2249 per kilowatt-hour. The power purchase agreement in relation to the Nenggiri Project has a tenure of 21 years. As at the LPD, the pre-development works for the Nenggiri Project has commenced. The pre-development works include the preliminaries such as submission to the relevant authorities and the establishment of project team for the Nenggiri Project. The Nenggiri Project is expected to be completed in the first half of 2027.

The proceeds of up to RM100 million from the Proposed RCB Issue shall be utilised to finance the construction costs of the project including but not limited to the cost for design works, mechanical and electrical works, civil works and professional fees and other related fees to the financiers which include administrative fees as well as other incidental costs payable to the financiers in relation to project funding for the balance of the project cost. The estimated total cost of the Nenggiri Project is expected to be up to RM450 million.

- (iv) On 20 August 2021, the Board had announced that PKNP Reneuco Suria Sdn Bhd (formerly known as PKNP KPower Suria Sdn Bhd) (“**PRSSB**”), a 95% owned subsidiary of Reneuco, will design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 50 MW, located in Mukim Kuala Pahang, Pekan, Pahang Darul Makmur. The development order for the LSS4 solar project was obtained on 27 July 2022 and the LSS4 solar project commenced in the same month. The LSS4 solar project is 46% complete as at the LPD. The power purchase agreement in relation to the LSS4 solar project has a tenure of 25 years as announced by the Company on 11 August 2022.

The Company intends to utilise up to RM40.0 million of the proceeds raised from the Proposed RCB Issue to fund the development of LSS4 solar project. The LSS4 solar project is expected to be completed by the end of 2023. The proceeds shall be utilised to finance the construction costs of the project including but not limited to the procurement of materials and equipment, professional fees and other related fees to the financiers which include administrative fees as well as other incidental costs payable to the financiers in relation to project funding for the balance of the project cost. The estimated total cost for the LSS4 solar project is expected to be up to RM200 million.

- (v) On 10 August 2022, the Board had announced that Reneuco Development Sdn Bhd (formerly known as KPower Development Sdn Bhd) (“**RenDev**”), a wholly-owned subsidiary of Reneuco, had received the approval from the State Government of Terengganu via Pejabat Setiausaha Kerajaan Terengganu (Bahagian Perumahan) (“**PSKT**”), to develop affordable and mixed housing development on government land located at Lot 100677 (8.963 hectares) and Lot 100678 (9.996 hectares) in Kawasan Pentadbiran Kuala Nerus, Mukim Batu Rakit, Daerah Kuala Nerus, Terengganu Darul Iman with a total gross development value (“**GDV**”) of approximately RM315.84 million (“**Kuala Nerus Project**”). On 8 December 2022, the Company had announced that RenDev had entered into a joint venture agreement with PSKT (acting on behalf of the State Government of Terengganu) and Perbadanan Memajukan Iktisad Negeri Terengganu (a corporation established under the Enakmen Perbadanan Memajukan Iktisad Negeri Terengganu) (“**PMINT**”) for the Kuala Nerus Project. RenDev will pay a cash consideration amounting to 4.8% of the GDV or approximately RM14.10 million, whichever is higher to the State Government of Terengganu (acknowledged and approved by PMINT). Please refer to the announcement dated 8 December 2022 by the Company for further details and salient terms of the joint venture agreement on the Kuala Nerus Project.

The Kuala Nerus Project is a mixed housing project comprising the following:

Type	Total units	Minimum floor area (Square feet)	Minimum land area (Feet)
Rumah Mampu Milik (“RMM”) Type A	276	800	22 x 65
RMM Type B	360	900	22 x 70
Commercial housing/ freehold that consist of:			
(1) Apartment Type C1	108	1,050	33 x 39
(2) Apartment Type C2	192	1,150	42 x 33
(3) 2-storey terrace house	259	1,400	22 x 70
(4) 2-storey commercial shops	6	3,080	22 x 70
(5) 3-storey commercial shops	2	4,620	22 x 70
Total	1,203		

The development of the affordable housing (RMM Type A and RMM Type B) will be carried out simultaneously with the commercial components of the mixed development.

As at LPD, the Company has commenced pre-development works for the Kuala Nerus Project. The pre-development works include the preliminaries such as submission to the relevant authorities, finalising the appointment of consultants and preparing for a site survey. The relevant approvals for the development including the planning consent have yet to be obtained. Once all relevant approval and permissions have been obtained, RenDev shall start the construction works 60 days from the approval date of the building plans and specifications that are accepted by RenDev. The Kuala Nerus Project shall be developed and completed within 60 months, or any extended period authorised in writing by PMINT effective from the date of the joint venture agreement.

The Kuala Nerus Project will be funded via part of the proceeds raised via the Proposed RCB Issue, internally generated funds and/or bank borrowings by the Company. The Company intends to utilise up to RM100 million of the proceeds raised from the Proposed RCB Issue to fund the Kuala Nerus Project. The estimated total development cost will be up to RM300 million.

- (vi) The Company intends to utilise up to RM49.85 million of the proceeds raised from the Proposed RCB Issue to fund its working capital requirements to facilitate the initial expenses for up-coming projects and/or investment opportunities, within 24 months from completion of the Proposed RCB Issue. In addition to that, Reneuco expects to secure new EPCC projects within the sustainable energy and utilities sectors and the Company has also been actively participating in several tendering process via its wholly owned subsidiary, Reneuco Digital Sdn Bhd. As such, the amount allocated is intended to serve as a “war-chest” or as standby funds for the Company to embark on future business project(s)/ investment(s).

The Group is in the midst of negotiating and/or bidding for EPCC contracts relating to energy and infrastructure related businesses. As at the LPD, save as disclosed below, there are no specific projects that have been identified and confirmed as up-coming projects. On 11 May 2023, the Company had announced that RenRE had entered into a memorandum of agreement with Pengurusan Murni Sdn Bhd (“PMSB”), a wholly-owned subsidiary of Perak Industrial Resources Sdn Bhd (“PIRSB”) and Aero Line Facilities & Engineering Services Sdn Bhd (“ALFES”) to explore a collaboration to venture into green energy business in Perak, including but not limited to award RenRE and ALFES with the supply of smart solar LED lighting to PIRSB/ PMSB for the smart solar project (“Purpose”). RenRE, ALFES and PMSB agree to enter into the discussion for the purpose of finalising terms and conditions of the definitive agreement(s) in connection with the Purpose and/or the smart solar project within a period of three (3) months from the date of the memorandum of agreement or such extended period as to be mutually agreed between them.

The Company shall make the requisite announcements and/or shall seek shareholders' approval in accordance with the Listing Requirements, if required, upon the finalisation of terms for such investment opportunities. However, in the event the Group is unable to identify any suitable and viable investment opportunities within the permitted timeframe, the proceeds earmarked for business projects/investment opportunities will continue to be placed as deposits with licensed financial institutions or short-term money market instruments, until such time when the management of the Company is able to identify suitable and viable investment(s) opportunity(ies). Any interest income earned from such deposits or instruments will be used to fund the working capital of the Group.

(vii) The details on the estimated expenses in relation to the Proposal are as follows:

<i>Description</i>	Scenario 1 (RM'000)	Scenario 2 (RM'000)	Scenario 3 (RM'000)
<i>Professional fees</i>	1,560	1,560	1,560
<i>Regulatory fees</i>	50	50	50
<i>Administrative fees</i>	2,500	5,715	17,500
<i>Printing costs</i>	20	20	20
<i>Other incidental costs</i>	20	20	20
Total	4,150	7,365	19,150

In the event the actual amount varies from the above estimated amounts during the point of utilisation or the drawdown, the excess or deficit, as the case may be, will be adjusted to/from the amount earmarked for working capital.

The Proposed RCB Issue comprises 4 tranches, of which Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB can be issued at the Company's option during the Option Period, subject to the terms and conditions of the Subscription Agreement. Thus, the Company will only exercise the said option if such funds are required for the purposes set out above.

Notwithstanding the proposed utilisation, the Company may determine and vary the proposed utilisation based on the requirements of the Group at the point of issuance as reflected in the utilisation of proceeds in the table above, subject to making the relevant announcements and in compliance with the Listing Requirements including obtaining Shareholders' approval, if required. Should there be a material change to the utilisation of proceeds, the Company is required to obtain Shareholders' approval pursuant to paragraph 8.22 of the Listing Requirements.

As the proceeds to be raised via the Proposed RCB Issue are capped by the Maximum Permitted Number of Shares and/or where the Company only raises funds under Scenario 1 and Scenario 2, the Company intends to fund the remaining funds required by each project through internally generated funds and/or bank borrowings, the exact quantum of which will be determined by the Board at a later date upon obtaining all the necessary approvals.

For the avoidance of doubt, no proceeds will be raised from the conversion of the RCB.

Pending utilisation of the proceeds from the Proposed RCB Issue for the abovementioned purposes, the proceeds will be placed in deposits with a financial institution or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as working capital of the Group.

3. RISK FACTORS

The risk factors in relation to the Proposed RCB Issue as follows:

(a) Dilution risk of the existing shareholders' shareholdings in Reneuco and impact on Reneuco share price

The existing shareholders' shareholdings in Reneuco will be diluted in the event the RM350.0 million RCB are converted into 1,143,093,554 Conversion Shares at the Minimum Conversion Price. Pursuant thereto, there will be a surge in the supply of Reneuco Shares in the market and the Subscriber might emerge as the substantial shareholder after the completion of the Proposed RCB Issue. Notwithstanding the above, as set out in the Subscription Agreement, the Subscriber has agreed that the Subscriber together with its Affiliate (as defined under Section 2.7 above), not to hold more than 10% interest of the enlarged total number of issued shares of the Company following the conversion of the RCB, at any time and from time to time without prior approval of the Company.

As the price of Reneuco Shares might be affected due to the disposal of Reneuco Shares by the Subscriber in order to maintain its shareholding of not more than 10% in Reneuco, the Board will ensure that the abovementioned risk will be mitigated through, amongst others, enhancing shareholders' and business value of the Proposed RCB Issue as described in Section 5 of this Circular.

(b) Delay, non-completion or non-subscription of the Proposed RCB Issue

There is a possibility that the Proposed RCB Issue may not be completed in time due to failure in fulfilling the conditions precedent as set out in the Subscription Agreement within the stipulated timeframe. In addition, the Proposed RCB Issue is also conditional upon the approval of the Company's Shareholders and other parties. There is no assurance that the Company will be able to obtain all the requisite approvals.

In the event the conditions precedent are not fulfilled and/or the Company is unable to obtain the requisite approvals for the Proposed RCB Issue, the Subscription Agreement will be terminated and the Company will be unable to obtain the funds for the purposes as set out in Section 2.9 of this Circular.

The Board will take all reasonable steps to ensure that the conditions precedent stated in the Subscription Agreement are met within the stipulated timeframe and to obtain all the requisite approvals for the Proposed RCB Issue in order to complete the Proposal.

Further, in the event that the price of the Reneuco Shares falls below or near the Minimum Conversion Price, the Subscriber may choose to delay or not to subscribe for subsequent sub tranches of the RCB. As a result, the Company will also not be able to raise the funds needed for the purposes as set out in Section 2.9 of this Circular.

Nonetheless, in the event of a delay or unsuccessful completion of the Proposed RCB Issue, even after obtaining all the requisite approvals, and/or in the event of non-subscription of the RCB by the Subscriber, Reneuco shall look at other fund raising options.

(c) Ranking of the Subscriber as a RCB Holder

The RCB constitute direct, unconditional, unsubordinated and unsecured obligation of the Company, ranking equally and rateably without any preference among themselves, and save as otherwise provided under any applicable laws or regulations, equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company from time to time. As such, the RCB will rank above Reneuco Shares in the ranking of securities of the Company.

Thus, in the event of liquidation and/or winding up of the Company, the Subscriber will be paid ahead of the Shareholders and the amount recovered by the Shareholders may not be sufficient to compensate the Shareholders' initial cost of investment.

Notwithstanding the above, the Board will take all reasonable steps to ensure that the Company will continue as a going concern and will not be wound up and/or liquidated.

4. INDUSTRY OVERVIEW

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a growth of 7.0% in the fourth quarter of 2022 compared to 14.2% in the third quarter, as support from the stimulus measures and low base effect waned. At 7.0%, the fourth quarter growth was still above the long-term average of 5.1%. On a quarter-to-quarter seasonally adjusted basis, the economy registered a decline of 2.6% (3Q 2022: 1.9%). For 2022 as a whole, the economy expanded by 8.7% (2021: 3.1%).

All economic sectors registered growth in the fourth quarter of 2022. The services sector expanded by 8.9% (3Q 2022: 16.7%), supported by consumer-related subsectors amid better labour market conditions and the continued recovery in tourism activities. The sector also benefitted from improvements in real estate and business services activities.

Domestic demand grew by 6.8% (3Q 2022: 13.1%), mainly supported by private sector expenditure. Private consumption expanded by 7.4% (3Q 2022: 15.1%), supported by improving labour market conditions and policy measures. Spending was driven by consumption of necessities, particularly for transport as well as housing and utilities, and selected discretionary components such as recreational services and culture. Public consumption grew by 2.4% (3Q 2022: 4.5%), reflecting continued support from Government spending on emolument and supplies and services.

The Malaysian economy further expanded by 5.6% in the first quarter of 2023 (4Q 2022: 7.1%; 1Q 2011 - 4Q 2019 average: 5.1%) driven mainly by domestic demand. Further improvements in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9%.

For 2023, the Malaysian economy is expected to continue to expand amid slower external demand. Growth in 2023 will be driven by domestic demand. Household spending remains resilient, underpinned by better labour market conditions as unemployment continues to decline to pre-pandemic levels. The slowdown in exports following weaker global demand is expected to be partially cushioned by higher tourism activity arising from the pickup in tourist arrivals. Meanwhile, capacity expansion and progress of multi-year infrastructure projects will support investment activity. On the supply side, the services and manufacturing sectors will continue to drive growth. Domestic financial conditions remain conducive to financial intermediation, with no signs of excessive tightening affecting consumption and investment activities. Risks to the domestic growth outlook are relatively balanced. Upside risks mainly emanate from domestic factors such as stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023, while downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

(Source: Developments in the Malaysian Economy, Quarterly Bulletin 4Q 2022 and 1Q 2023, Bank Negara Malaysia)

4.2 Overview and outlook of the energy sector

As the economy and population of Southeast Asia have grown, total energy supply expanded by around 80% between 2000 and 2020, even though demand fell temporarily in 2020 due to the Covid-19 pandemic.

Fossil fuels made up more than 90% of the growth in energy demand. Coal demand alone expanded by a factor of six, and its share of total energy supply increased from 8% to 26% between 2000 and 2020.

Oil demand has increased by more than 40% since 2000, though its share of total energy supply dropped from 40% to 32%. Most of the increase in oil use stemmed from an increase in passenger car ownership (which went from 27 vehicles per 1,000 inhabitants in 2000 to 59 per 1,000 in 2020) and truck freight activity, offset slightly by a fall in oil-fired power generation. Power generation comprised 12% of oil demand in 2000, but fell to less than 3% in 2020 (oil provides less than 2% of total power generation in Southeast Asia today, down from nearly 20% in 2000).

Natural gas consumption rose by more than 80% between 2000 and 2020, and has maintained around a 20% share of the total energy mix. The electricity and industry sectors collectively account for 70% of natural gas use today.

The energy supplied by modern renewable forms of energy more than doubled between 2000 and 2020. Solar PV and wind have increased rapidly in recent years, but modern bioenergy, geothermal energy and hydropower still comprise more than 98% of total modern renewable energy in Southeast Asia today. Geothermal resources are mainly located in Indonesia and the Philippines; Cambodia, Lao People's Democratic Republic and Myanmar have continued to develop domestic resources of hydropower, taking advantage of their hilly terrains and high precipitation.

The traditional use of biomass as a cooking fuel has decreased continuously over the past 20 years and total use halved over this period. This resulted from firm policy action to boost access to electricity and to shift to alternative, clean cooking fuels: the share of people with access to electricity increased by more than 35 percentage points in the last two decades, to reach 95% in 2020.

(Source: Southeast Asia Energy Outlook 2022, International Renewable Energy Agency)

The Southeast Asia region is expected to see rapid economic growth over the next few decades. Driven by this, as well as population growth, energy demand in the region will grow rapidly too. Today's energy supply, meanwhile, is dominated by fossil fuels, which make up over 85% of primary energy.

By the end of 2018, the total installed electricity generation capacity of all ten ASEAN member states was 252 gigawatts ("**GW**"), with 28% of that capacity coming from renewable sources, mostly hydropower. In 2020, that share had increased to 33.5%, due in part to the rapid expansion of solar photovoltaics (PVs). The power sector is one of the major sectors contributing to ASEAN's energy-related CO₂ emissions as a result of it being heavy reliant on fossil fuels.

Coal retirement, coupled with the continued expansion of renewables, is one important step in aligning with net-zero targets. Half of ASEAN member states are signatories to the international effort to end coal utilisation in the power sector. Brunei Darussalam, Indonesia, the Philippines, Singapore and Viet Nam signed on to the Global Coal to Clean Power Transition statement during the 26th United Nations Climate Change Conference (COP26). These commitments cover three-quarters of ASEAN's coal emissions. Many are also participating in an early coal retirement initiative under the leadership of the Asian Development Bank, which has signed up around 25 GW for early retirement.

Taking these efforts to achieve these commitments into account, renewable energy has never been so important, and the region has seen a growing deployment of renewable energy. Between 2015 and 2021, the total installed capacity from renewables jumped from 55 GW to 97 GW (IRENA, 2022a). By the end of 2021, Viet Nam, Thailand and Indonesia were leading the regional race with a total of 43 GW, 12 GW and 11 GW of installed renewable energy capacity, respectively.

The ASEAN region will be a key driver of global energy-demand growth over the next three decades. Projections under the planned energy scenario ("**PES**") show that total final consumption (TFC) will increase more than 2.5-fold by 2050. The region's demand will grow about 3% annually, driven by population and economic growth, reaching over 50 exajoules (EJ) by 2050, while an energy transition effort detailed by the 1.5-S will drive a slower demand growth of 2.4% annually and save 19% of total consumption compared to the PES in the same year.

The energy mix in ASEAN will transform significantly in the 1.5-S. Renewables, both direct-use and from renewable-based electrification, will make up two-thirds of energy demand. Electricity, which is largely renewable based in the 1.5-S by 2050, makes up 52% of final energy demand. Meanwhile, overall bioenergy use will need to more than double and will be crucial in some end-use sectors, such as industry.

Industry energy demand will increase 3.6% per year. In the 1.5-S, the sector will become considerably less reliant on fossil fuels, which currently dominate the sector's energy supply. Instead, industrial process heat will transition towards the use of electricity, biomass and green hydrogen. A wide mix of technologies are necessary for industry, which includes hard-to-electrify industrial processes and feedstock requirements. ASEAN industry can also benefit from the technologies found in the 1.5-S. With a significant supply of critical materials needed for many energy transition technologies, the region could become a powerhouse of manufacturing.

(Source: Renewable Energy Outlook For ASEAN, 2nd Edition, International Renewable Energy Agency)

Malaysia's final energy demand has been growing at an average of six per cent per annum between 2010 and 2018 and at four per cent per annum over a longer time period between 2000 and 2018. The transport, power and industry sectors represent the largest components of energy demand and collectively constitute approximately 75 per cent of total final energy demand. Energy demand from these sectors has been growing at a rate of four per cent per annum. Non-energy use, which comprises primarily of feedstock for the petrochemical industry, has been the largest driver of energy demand growth, with a growth rate of 15 per cent per annum between 2010 and 2018.

Final energy demand is expected to grow albeit at a slower pace. Lower correlations are typically observed between energy demand growth and GDP growth as economies mature and evolve from manufacturing-focused to service-based economies. Enhanced demand-side management and energy efficiency will also reduce the intensity of final energy demand across various sectors.

On the supply-side, four energy sources dominate the national total primary energy supply (TPES) mix. Natural gas constitutes the largest portion of primary energy supply at 41 per cent of TPES, followed by crude oil and petroleum products and coal which constitute 29 per cent and 22 per cent respectively. Renewables, comprising mainly of hydroelectric, solar and bioenergy constitute seven per cent of TPES. Coal has experienced the highest rate of growth at 11 per cent per annum, driven primarily by demand from the power sector in Peninsular Malaysia. The increase in coal as a portion of the primary energy mix is mainly driven by energy security and affordability objectives.

Hydroelectric will be a key technology focus area, driven not only by its potential as an electricity generation source but also as a key enabler towards increasing green hydrogen competitiveness. This includes continuous technology development to improve the operational efficiency of power generation from hydroelectric such as technologies to improve electro-mechanical component efficiency, enhance generator design, adopt digital technologies and enhance flow stability. In addition, technologies to enhance hydro resources as a source of energy storage will be explored, which includes increasing the flexibility of hydraulic turbines and enhancing variable speed hydroelectric generation in areas such as pumped hydro. Meanwhile, technologies to improve the efficiency and uptime of mini-hydro resources will be critical to enhance cost-competitiveness and economic feasibility of the project. Technology developments on potential breakthrough including Restoration Hydro Turbine (RHT) will also be explored for its cost-competitiveness and applicability.

Solar energy has high potential to increase its share in the installed capacity of renewable energy in line with rapidly decreasing levelised cost of energy (LCOE). One key focus area of technology is to further increase environmental sustainability and reduce the environmental impact of large-scale solar farms. In addition, suitable crops and other methods will be identified to enhance dual-use of land on solar farms, based on the local characteristics. This will enable further increase in competitiveness with alternate revenue streams, while improving the utilisation and quality of land throughout the lifespan of solar electricity generation. Efforts to ensure continued preservation of biodiversity will also be promoted to further complement the environmental sustainability through contribution of solar resources. Investments to develop and adopt technologies in areas such as floating solar will be further explored given the large complementary synergies between solar and hydroelectric resources. Technology development and adoption to harness potentials of rooftop solar and other solar-related technologies should also be focused on, in accordance with local characteristics.

Based on forward-looking plans, the primary energy supply is expected to evolve to enable enhanced environmental sustainability. Measures to promote and increase the share of renewable energy in line with the Five-Fuel Diversification Policy have been developed in 2000. These measures will collectively reduce overall energy sector emissions intensity and enhance domestic energy self-sufficiency as imported non-renewable sources of energy are substituted with indigenous sources of renewable energy in the primary energy mix. Trends in fuel switching, such as the transition from internal combustion engine (ICE) vehicles to electric vehicles (EVs) which will result in decreased demand for petroleum products and increased demand for electricity, are also expected to influence the primary energy mix and contribute to enhanced environmental sustainability of the energy sector.

(Source: National Energy Policy 2022-2040, Economic Planning Unit Prime Minister's Department, Malaysia)

4.3 Overview and outlook of the construction industry

The construction sector expanded by 10.1% (3Q 2022: 15.3%). Of significance, civil engineering and non-residential subsectors were lifted by continued progress of large infrastructure, commercial and industrial projects.

The construction sector further expanded by 7.4% (4Q 2022: 10.1%) which was mainly attributable to continued progress of large transportation and utility projects as well as higher end-works in nearly-completed projects.

(Source: Developments in the Malaysian Economy, Quarterly Bulletin 4Q 2022 and 1Q 2023, Bank Negara Malaysia)

The value of work done in the construction sector continued to increase by 15.7 per cent in the fourth quarter after expanding strongly by 23.2 per cent in the third quarter of 2022. The growth momentum in this quarter was driven by the double-digit growth in the civil engineering sub-sector (20.8%); non-residential buildings (19.0%); and special trade activities (12.7%). Meanwhile, the sub-sector of residential buildings increased 5.3 per cent as compared to a year ago.

Out of RM32.0 billion of work done value recorded in the fourth quarter of 2022, RM12.1 billion or 37.9 per cent was in civil engineering and followed by non-residential buildings with a share of 30.1 per cent or amounted to RM9.6 billion. In the meantime, the work done value in residential buildings and special trade activities encompassing 21.8 per cent and 10.2 per cent respectively.

The private sector continued to provide the main impetus to the growth of the construction sector in this quarter which augmented by 23.5 per cent (Q3 2022: 31.8%). The value of work done by the private sector amounted to RM20.0 billion or comprised 62.6 per cent of the total value of construction work done. Meanwhile, the public sector with a share of 37.4 per cent or equivalent to RM12.0 billion, grew by 4.7 per cent during the quarter (Q3 2022: 12.6%).

More than 60 per cent of the work done value in Q4 2022 was concentrated in Selangor which amounted to RM7.7 billion or 24.2 per cent; Wilayah Persekutuan (RM4.7 billion or 14.7%); Sarawak (RM3.7 billion or 11.7%); and Johor (RM3.4 billion or 10.7%).

Summarising the construction sector performance for 2022, the construction sector posted a rebound of 8.8 per cent in 2022 after two years in the declining trend. All sub-sectors picked up during the year with double-digit growth recorded in special trade activities (19.6%); and non-residential buildings (18.7%). In the meantime, the civil engineering and residential buildings sub-sectors turned around to positive growth of 2.7 per cent and 3.4 per cent respectively. The total value of work done in construction in 2022 amounted to RM121.9 billion, however, it remained lower than the pre-pandemic period which was RM146.4 billion in 2019.

(Source: Quarterly Construction Statistics, Fourth Quarter 2022, Department of Statistics Malaysia)

The sector is expected to turn around in the second half of 2022 with an expansion rate of 6.9%, supported by positive growth in all subsectors. Improvement in private investment and robust domestic economic activities are anticipated to increase demand for more industrial buildings. In addition, the acceleration of major infrastructure projects will continue to drive the sector's performance.

The construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors. Civil engineering subsector is anticipated to rebound buoyed by implementation of new projects such as Mass Rapid Transit Line 3 (MRT3) Circle Line and acceleration of ongoing infrastructure projects which include, Rapid Transit System (RTS) Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3).

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the Twelfth Malaysia Plan. In addition, incentive offered by the Government of Malaysia to encourage home ownership through the i-MILIKI programme is expected to spur demand for residential buildings while addressing the property overhang issue.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

4.4 Overview and outlook of the property sector

The property market recorded a total of 389,107 transactions worth RM179.07 billion for 2022. This indicated an increase of 29.5% in volume and 23.6% in value compared to 2021. Of the total transactions recorded in the review year, 20.7% (80,373) and 76.5% (297,700) were transfers dated 2021 and 2022 respectively while the remaining percentage share was for prior years' transfer. Primary market formed 13.8% (53,698 transactions) of the total transactions (purchase from developers) while secondary market took up the remaining 86.2% (335,409 transactions).

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial and industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.3%, 46.3%, 44.5%, 44.6% and 35.7% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded an increase of 22.6%, 16.7%, 24.8%, 50.5% and 16.6% respectively.

The residential sub-sector led the overall property market, with 62.5% contribution in volume. This was followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value, residential led with 52.6% share, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) and development land and others (7.4%).

According to the Ministry of Finance (MoF), Malaysia's economy is expected to grow moderately between four to five percent in 2023, backed by strong fundamentals and diversified economic structure, coupled with ongoing policy support to cushion the impact of the rising cost of living and mitigate the downside risk stemming from the prolonged geopolitical uncertainties and tightening global financial conditions. Bank Negara Malaysia (BNM) also anticipated domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects.

(Source: Annual Property Market Report 2022, Valuation and Property Services Department of Ministry of Finance of Malaysia)

The development of residential property is expected to remain active supported by continuous implementation of measures under the Budget 2022 including a total government guarantee of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan (SJKP) as well as housing projects for low-income group with an allocation of RM1.5 billion. In 2022, the sector is projected to rebound by 2.3%.

(Source: Economic Outlook 2023, Ministry of Finance of Malaysia)

4.5 Prospect of Reneuco Group

Reneuco Group has plans which include integrating the renewable energy segment across all of its business segments as part of its efforts to offer one-stop, wide-ranging solutions to cater increasing demands for environmental compliance while simultaneously solidifying its positioning in the sustainable space. Reneuco Group intends to grow its renewable energy segment in three specific areas which are engineering, procurement, construction and commissioning including project management consultancy, asset ownership and renewable energy technology as well as products in the near future.

The Group has begun to make significant moves towards turning this goal into a reality by forging partnerships with Smart Sabah RE Sdn. Bhd., Menteri Besar Kedah Incorporated, Pengurusan Murni Sdn Bhd, (a wholly owned subsidiary of Perak Industrial Resources Sdn Bhd) and other technology partners which paved ways for the Group to further advance in the sustainable space. The Group has also made significant progress in expanding its asset ownership portfolio to approximately 120 MW through the development of a 50 MW solar power plant under the LSS4 solar project, development of small hydro power plants with a combined capacity of 40.4 MW in Gua Musang, Kelantan, and the Proposed ASSB Acquisition, which involves the addition of 29.1 MW small hydro plants in Kota Marudu, Sabah. The Group expects to benefit from the future concession-based recurring income and thus, ensuring long-term sustainability in addition to its existing EPC contracts.

The Group firmly believes that the renewable energy industry will remain lucrative backed by the concern for climate change and support for environmental, social and governance policies, the accelerating demand for cleaner energy sources from most market segments and the support from regulators as well as investors. The transition to a cleaner energy future is underway compounded by the strong renewable energy industry value chain in Malaysia, from the manufacturing stage to the service supply stage.

Government initiatives such as the National Energy Policy (“**NEP**”) 2022-2040 continue to be the driving force behind renewable energy uptake in Malaysia. The NEP which was launched in September 2022 charts a course for the country to meet the growing energy demand while ensuring a cleaner and more resilient economy to achieve a net zero pathway. The NEP has further enhanced the Fifth Fuel Policy initiated under the Eight Malaysia Plan (2001-2005), which included renewable energy as the fifth fuel strategy in the national energy mix.

Based on the energy mix in Malaysia, hydropower is currently the highest contributor to the total renewable energy use. On the other hand, despite Malaysia being one of the main suppliers of solar photovoltaic panels, the local solar power uptake leaves much to be desired. This translates to many untapped potentials which the Group believes is being addressed through the net energy metering (“**NEM**”) system. The NEM system allows for excess energy produced from solar panels fixed on private or commercial buildings to be sold back to the grid based on the Feed-in-Tariff and Large-scale Solar systems thus creating a new economic market ecosystem.

Given this scenario, the Group stands in good stead of capitalising on the numerous opportunities that lie ahead within the renewable energy industry.

Notwithstanding the foregoing, the Board intends to continue and make efforts in expanding other segments of the Group to diversify the Group’s sources of revenue and earnings, instead of relying on a single business segment (i.e. construction related activities for the renewable energy sector) as set out below:

Logistics segment

The Group, through its logistic arm, Chemtrax Sdn Bhd ("**Chemtrax**"), a 55%-owned subsidiary of Reneuco Logistics Sdn Bhd remains active in the Malaysia logistics industry and is confident in its long-term growth. Chemtrax is one of the leading transportation companies in Malaysia with more than 20 years of transporting hazardous chemicals and gas within Malaysia and Singapore. Chemtrax currently manages a fleet of 64 trucks, 16 international organization for standardisation tanks, and 7 other units consisting of barrels and trailers. The Group believes that Chemtrax's extensive experience and track record in the logistics industry with a strong clientele base will continue to contribute positively to the Group's earnings.

Chemtrax has been on an asset refresher programme and is reducing the average age of its fleet since 2021. Moving forward, the Group intends to expand the logistic segment via the acquisition of new businesses in other segments as well as shift its logistic fleet towards electric vehicles as an effort to further advance the Group's green and sustainable agenda.

Healthcare segment

The Group remains optimistic of its participation in the healthcare segment through the Group's 70%-owned subsidiary, Granulab (M) Sdn Bhd ("**Granulab**"). Granulab, a Bio-Nexus company, is the manufacturer of the Halal synthetic bone graft product, GranuMas, and Prosteomax, a Halal-certified synthetic bone cement.

By utilising Granulab's various patents, licenses, and certifications which complies with the international healthcare standards and backed by its technological capabilities, the Group is in line with the Malaysian Government's initiatives outlined under the Malaysia Healthcare Travel Industry Blueprint 2021-2025 by Malaysia Healthcare Travel Council (MHTC). The Malaysian Government plans to create the best Malaysia healthcare travel experience by 2025 based on three strategic pillars which are the Healthcare Travel Ecosystem, the Malaysia Healthcare Brand, and the Markets for Malaysia Healthcare.

Further, the Group would remain focused on the initial marketing efforts of the Halal-certified products in Muslim-majority countries and looks forward to strengthening its presence within the non-Muslim consumer market in the foreseeable future. The Group is confident that the healthcare segment has the potential to contribute to the Group's earnings in the long term by leveraging on its technical know-how, license, and certifications and it would emerge as a main driver for this segment.

Property development and investment segment

The Group had recently formed a joint venture in the property development segment with PSKT and PMINT through the Kuala Nerus Project. As part of the Group's commitment to promote sustainable development, the Group aims to integrate Reneuco's energy products specifically solar photovoltaic panels on each building to generate long term income under the net energy metering programme for the Kuala Nerus Project.

Kuala Nerus is in one of the Kuala Terengganu Growth Triangle of the East Coast Economic Region Developments ("**ECER**"). Based on the ECER Master Plan 2.0, the Federal Government through the East Coast Economic Region Development Council (ECERDC) and the Terengganu State Government had indicated that the socio-economic growth in Terengganu will be driven by its existing key economic clusters, particularly manufacturing, tourism, agribusiness, and human capital development and attract a targeted RM26 billion in private investments by 2025. These private investments are projected to create 36,600 job opportunities and 15,550 new entrepreneurs among the locals.

Notwithstanding the above, the Group will remain cautious in growing its businesses in view of the current uncertainties in the overall global and local economies and it will take into consideration, amongst others, the financial requirements of the Group. With the right vision and strategies, the Group is confident that it can attain better earnings visibility, thus enhancing its long-term shareholders' value.

(Source: Management of Reneuco)

5. RATIONALE FOR THE PROPOSED RCB ISSUE

After due consideration of the various fund-raising options, the Board is of the view that the Proposed RCB Issue is the most appropriate avenue of raising funds for the proposed utilisations as set out in Section 2.9 of this Circular based on the following rationales:

- (a) the Proposed RCB Issue will enable Reneuco to raise fund expeditiously and cost effectively as the Proposed RCB Issue has a pre-identified Investor, which allows the Company to save costs on road shows and marketing for potential investors;
- (b) the Proposed RCB Issue will enable Reneuco to raise funds via the hybrid market, that is between the debt market where gearing and security or rating may be an issue, and the equity market, where current market conditions may not be conducive, as it provides flexibility to raise funds in stages when the need for funds arise, considering that the Company has no intention to raise the entire RM350.0 million immediately;
- (c) the multiple tranches issuance provides Reneuco the flexibility to drawdown as and when the need for funds arises and dilution to the existing Shareholders' shareholdings will be progressively over the tenure of the RCB as compared to immediate full dilution effect through fund raising via issuance of new Shares, or any other convertible instruments such as redeemable convertible preference shares;
- (d) the Proposed RCB Issue will increase the liquidity of Reneuco Shares upon conversion of the RCB and provides opportunity for new investors to participate in the equity of RCB; and
- (e) the Proposed RCB Issue will improve the NA of Reneuco upon conversion of the RCB.

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Save as disclosed below, the Company has not undertaken any other equity fundraising exercise in the past 12 months prior to the date of this Circular:

(i) 10% Private Placement

On 12 January 2023, the Company had announced the proposed 10% Private Placement which involved the issuance of 54,729,600 new Shares.

On 6 March 2023, the Company announced the issuance of 28,750,000 new Shares, being the first tranche of the 10% Private Placement at an issue price of RM0.23, raising total proceeds of RM6.61 million. On 10 May 2023, the Company announced the issuance of 17,400,000 new Shares, being the second tranche of the 10% Private Placement at an issue price of RM0.20, raising total proceeds of RM3.48 million.

As at the LPD, the Company had raised a total of RM10.09 million from the 10% Private Placement. The breakdown of the utilisation of proceeds raised from the 10% Private Placement as at the LPD is as follows:

Details of utilisation of proceeds	Proposed utilisation (as announced) (RM'million)	Actual utilisation up to the LPD (RM'million)	Balance available for utilisation on full completion of 10% Private Placement (RM'million)
Working capital requirements for the following on-going projects:			
(a) East Coast Rail Link ("ECRL") independent power producer project #	4.94	1.64	3.30
(b) Kuala Nerus Project (details as provided in Section 2.9, Note (v) of this Circular)	4.94	2.10	2.84
Working capital requirements for existing operations	5.00	1.43	3.57
Business expansion through the future investments and/or acquisitions	1.00	0.07	0.93
Expenses for the 10% Private Placement	0.40	0.31	0.09
Total	16.28	5.55	10.73

Note:

Reneuco together with Citaglobal Berhad (formerly known as WZ Satu Berhad) had on 21 December 2022 received and accepted a letter of intent from Malaysia Rail Link Sdn Bhd as the independent power producer for undertaking the planning, design, financing, development, construction, installation, completion, commissioning, and operation of the ECRL project which includes amongst others, the supply of power to commercial/ industrial parks along the ECRL alignment.

The Company intends to utilise approximately RM4.94 million of the proceeds to be raised from the 10% Private Placement to fund the preliminary development costs of the ECRL project. The breakdown of the estimated preliminary development costs are as follows:

Description	Amount (RM'million)
Establishment of the project team and setting up project sites	1,642
Fees payable to authorities such as payment to local council and development charges	2,600
Land surveyor fees	700
Total	4,942

(ii) Private Placement I

On 21 February 2020, the Company completed a private placement of 7,614,994 new Shares, which raised total proceeds of RM13.33 million ("Private Placement I"). The proceeds raised from the Private Placement I have been fully utilised as follows:

Details of utilisation of proceeds	Notes	Proposed utilisation (RM'million)	Actual utilisation up to the LPD (RM'million)
Working capital	(i)	7.18	7.21*
Business expansion through the future investments and/or acquisitions	(ii)	6.00	6.00
Expenses for the Private Placement I	(iii)	0.15	0.12*
Total		13.33	13.33

Notes:

- * The estimated expenses in relation to the Private Placement I was RM150,000, of which RM18,000 was utilised for the intended purpose. The remaining amount of RM32,000 has been channelled to finance the general working capital of the Company.
- (i) The proceeds of RM7.21 million were utilised to finance the construction and completion of sewerage treatment facilities and upgrading works as well as the construction of a green building index (GBI) certified building of twelve (12) floors in Wilayah Persekutuan Kuala Lumpur. The salient details of the project were announced by the Company on 28 November 2019.
- (ii) The proceeds of RM6.00 million were utilised to partially finance the acquisition of 2,193,000 ordinary shares in Chemtrax Sdn Bhd, by Reneuco for a total cash consideration of RM10 million, from Sabaka Group Sdn Bhd. The acquisition was completed in January 2021
- (iii) The expenses comprise, amongst others, the professional fees payable to professional advisers and fees payable to the relevant authorities as well as other miscellaneous changes to be incurred for the Private Placement I.

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(iii) **Private Placement II**

On 30 June 2020, the Company completed a private placement of 29,317,727 new Shares, which raised total proceeds of RM55.41 million ("Private Placement II"). The proceeds raised from the Private Placement II have been fully utilised as follows:

Details of utilisation of proceeds	Notes	Proposed utilisation (RM'million)	Actual utilisation up to the LPD (RM'million)
Working capital for construction business	(i)	48.39	48.39
General working capital	(ii)	5.82	5.82
Expenses for the Private Placement II	(iii)	1.20	1.20
Total		55.41	55.41

Notes:

(i) The proceeds of RM48.39 million were utilised to finance the construction costs of its construction business projects, including but not limited to the cost for design works, mechanical and electrical works, civil works and professional fees for the following projects:

Projects	Amount (RM'million)
The preliminary study, design, supply, construction, commissioning and completion of five mini hydropower plants with total capacity of 32.47MW in the state of Perak Darul Ridzuan for a contract sum of RM354.00 million awarded by Kangsar Hidro Sdn Bhd.	27.00
The design, supply, construction, commissioning and completion of an eight MW small hydropower plant Nam Samoy, Kasi District in Vientiane Province of the Laos for a contract sum of United State Dollar 15.88 million awarded by Zhenghong Building Road & Bridge Construction Co., Ltd.	6.39
The construction and completion of sewerage treatment facilities and upgrading works as well as the construction of a Green Building Index certified building of twelve (12) floors in Wilayah Persekutuan Kuala Lumpur for a contract sum of RM254.32 million awarded by Signvest Sdn Bhd.	2.00
Other construction related projects within the energy & utilities sector.	13.00
Total	48.39

(ii) The proceeds of RM5.82 million earmarked for general working capital have been utilised as follows:

Working capital for	Sub-notes	Amount (RM'million)
Property development project	(a)	2.29
Manufacturing business	(b)	3.53
Total		5.82

- (a) *Financing the property development project located in Sentul comprising two units of 6-storey shop offices and four units of five storey shop-offices on a parcel of commercial development land.*
- (b) *Financing the working capital of the manufacturing segment which includes purchasing of stocks and inventories as well as payment of outstanding debts to its trade creditors.*
- (iii) *The expenses comprise, amongst others, the professional fees, placement fees and fees payable to the relevant authorities, printing cost of circular, advertising and miscellaneous expenses.*

(iv) Private Placement III

On 5 October 2021, the Company completed a private placement of 90,466,129 new Shares, which raised total proceeds of RM61.52 million (“**Private Placement III**”). The proceeds raised from the Private Placement III have been fully utilised as follows:

Details of utilisation of proceeds	Notes	Proposed utilisation (RM'million)	Actual utilisation up to the LPD (RM'million)
Working capital for the following projects:			
(a) LSS4 Project (details as provided in Section 2.9, Note (iv) of this Circular)		19.69	19.69
(b) Mini hydro power plants	(i)	24.61	20.18
(c) Other up-coming projects and/or investment opportunities	(ii)	16.11	16.11
Expenses for the Private Placement III	(iii)	1.11	1.11
Working capital for solar photovoltaic plant at Ladang Bikam Perak	(iv)	-	4.43
Total		61.52	61.52

Notes:

- (i) *The proceeds of RM20.18 million were utilised to partly fund the total construction costs, amongst others, the cost for design work, mechanical and electrical work, civil work as well as professional fees for the preliminary study, design, supply, construction, commissioning and completion of the mini hydro power plants with total capacity of 44.60 MW in the state of Perak Darul Ridzuan.*
- (ii) *The proceeds of RM16.11 million were utilised to fund the working capital requirements to facilitate the initial expenses such as tender consultations and feasibility studies for up-coming projects and/or investment opportunities as well as working capital for construction related projects in Malaysia and Indonesia.*
- (iii) *The expenses comprise, amongst others, the professional fees payable to professional advisers and fees payable to the relevant authorities as well as other miscellaneous changes to be incurred for the Private Placement III.*
- (iv) *Approximately RM4.43 million has been reallocated to perform and undertake the procurement of equipment materials, provision of logistics works, testing works and maintenance of the equipment materials of the solar photovoltaic plant located at Ladang Bikam, Perak.*

6. EFFECTS OF THE PROPOSED RCB ISSUE

The Proposed RCB Issue is expected to raise up to RM50.0 million through the issuance of Main Tranche 1 RCB. Further amount of up to RM300.0 million may be raised through the issuance of Main Tranche 2 RCB, Main Tranche 3 RCB and Main Tranche 4 RCB at the Company's discretion, subject to the terms and conditions as set out in the Subscription Agreement.

As at the LPD, the Conversion Price for the RCB has yet to be determined. It is thus not possible, as at the LPD, to ascertain the effects of the Proposed RCB Issue until the RCB have been issued, converted and/or otherwise redeemed.

For illustrative purposes, the pro forma effects of the Proposed RCB Issue shall be based on the following scenarios:

- Scenario 1 : Assuming only Main Tranche 1 RCB are issued and the Company raises gross proceeds of RM50 million pursuant to the Proposed RCB Issue
- Scenario 2 : Assuming the RCB are being converted at RM0.10, being the MCP, taking into consideration of the Maximum Permitted Number of Shares and the Company raises gross proceeds of RM114.31 million pursuant to the Proposed RCB Issue
- Scenario 3 : Assuming all tranches of the RCB are issued and the Company raises gross proceeds of RM350.0 million pursuant to the Proposed RCB Issue

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6.1 Issued share capital

The pro forma effects of the Proposed RCB Issue on the Company's issued share capital are as follows:

	Scenario 1		Scenario 2		Scenario 3	
	No. of Reneuco Shares	RM	No. of Reneuco Shares	RM	No. of Reneuco Shares	RM
As at the LPD	588,946,777	169,339,874 ⁽¹⁾	588,946,777	169,339,874 ⁽¹⁾	588,946,777	169,339,874 ⁽¹⁾
To be issued pursuant to the Proposed ASSB Acquisition	318,181,819	70,000,000	318,181,819	70,000,000	318,181,819	70,000,000
To be issued pursuant to the Proposed RCB Issue	907,128,596	239,339,874	907,128,596	239,339,874	907,128,596	239,339,874
Enlarged issued share capital	1,070,427,675	289,339,874	2,050,222,150	353,649,229	2,050,222,150	589,339,874

Notes:

- (1) Based on the Company's additional listing announcement dated 18 May 2023 which excludes the capitalisation of share issue expenses amounting to RM2.87 million as set out in the Company's Annual Report 2022.
- (2) Assuming conversion of the RCB at the illustrative conversion price of approximately RM0.3061 ("Illustrative Conversion Price").
- (3) On conversion of the RCB at maturity, the liability component carried at the amortised cost effective interest method for Scenarios 1, 2 and 3 of RM0.98 million, RM2.22 million and RM6.66 million, respectively, together with the equity component of RM49.02 million, RM112.09 million and RM343.34 million, respectively would be derecognised and recognised in equity as issued share capital (converted from RCB to share capital).

The RCB consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the RCB is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the RCB at the interest rate. The equity component of the RCB is the difference between the total proceeds received from the RCB and the liability component.

The liability component represents the dividend that is payable to the holders of the convertible bonds as agreed in the salient terms of the convertible bonds. The amount is discounted based on the tranches that will be subscribed by the holder where the interest rate used is 2%. For Scenario 1, as only Main Tranche 1 is issued, the dividend is discounted to consider the time value of money on the first year. For Scenario 2, as only Main Tranches 1 & 2 will be issued, the dividend is discounted to consider the time value of money on the first year and second year. For Scenario 3, as all Main Tranches 1, 2 & 3 will be issued, the dividend is discounted to consider the time value of money on the first, second and third year.
- (4) Assuming conversion of the RCB at MCP of RM0.10.

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6.2 NA, NA per Share and gearing

The pro forma effects of the Proposed RCB Issue on the NA per Share and gearing of the Group based on the audited financial statements of the Group for the FYE 30 June 2022 are set out below:

Scenario 1

	Audited as at 30 June 2022 (RM'000)	(I) Subsequent events up to the LPD ⁽¹⁾ (RM'000)	(II) After (I) and assuming completion of the Proposed ASSB Acquisition (RM'000)	(III) After (II) and full issuance of Main Tranche 1 RCB (RM'000)	After (III) and full conversion of Main Tranche 1 RCB (RM'000)
Share capital	156,379	169,340	239,340 ⁽³⁾	239,340	289,340 ⁽⁷⁾
Reserves	84	84	84	84	84
Estimated equity component of the RCB	-	-	-	49,020 ⁽⁶⁾	-
Retained earnings	49,278	48,878 ⁽²⁾	48,378 ⁽⁴⁾	48,378	44,228 ⁽⁸⁾
Shareholders' equity/NA	205,741	218,302	287,802	336,822	333,652
No. of Shares ('000)	542,797	588,947	907,129	907,129	1,070,428
NA per Share (RM)	0.38	0.37	0.32	0.37	0.31
Borrowings (RM'000)	24,948	24,948	207,289 ⁽⁵⁾	207,289	207,289
Gearing (times)	0.12	0.11	0.72	0.62	0.62

Notes:

- (1) After adjusting for the allotment and issuance of 28,750,000 new Shares at an issue price of RM0.23 per Share on 14 March 2023 and 17,400,000 new Shares at an issue price of RM0.20 per Share on 10 May 2023 pursuant to the 10% Private Placement.
- (2) After taking into consideration the estimated expenses for the 10% Private Placement of approximately RM0.40 million.
- (3) Computed based on 318,181,819 consideration shares to be issued pursuant to the Proposed ASSB Acquisition at an issue price of RM0.22 per consideration share.
- (4) After deducting the estimated expenses in relation to the Proposed ASSB Acquisition of RM0.50 million.
- (5) After consolidating the total borrowings of ASSB amounting to RM182.34 million, based on its audited accounts as at 31 December 2021.
- (6) Being the estimated equity component of the RCB of RM49.02 million based on Malaysian Financial Reporting Standards (MFRS) 132. The RCB consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the RCB is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the RCB at the interest rate. The equity component of the RCB is the difference between the total proceeds received from the RCB and the liability component.

- (7) On conversion of the RCB at maturity, the liability component carried at the amortised cost effective interest method of RM0.98 million together with the equity component of RM49.02 million would be derecognised and recognised in equity as issued share capital.
- (8) After deducting the estimated expenses in relation to the Proposal of RM4.15 million as set out in Section 2.9, Note (vii) of this Circular.

Scenario 2

	Audited as at 30 June 2022	(I) Subsequent events up to the LPD⁽¹⁾	(II) After (I) and completion of the Proposed ASSB Acquisition	(III) After (II) and full issuance of Main Tranche 1 RCB and partial issuance of Main Tranche 2 RCB up to the Maximum Permitted Number of Shares	After (III) and full conversion of the issued Main Tranche 1 RCB and partially issued Main Tranche 2 RCB
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	156,379	169,340	239,340 ⁽³⁾	239,340	353,649 ⁽⁷⁾
Reserves	84	84	84	84	84
Estimated equity component of the RCB	-	-	-	112,093 ⁽⁶⁾	-
Retained earnings	49,278	48,878 ⁽²⁾	48,378 ⁽⁴⁾	48,378	41,008 ⁽⁸⁾
Shareholders' equity/NA	205,741	218,302	287,802	399,895	394,741
No. of Shares ('000)	542,797	588,947	907,129	907,129	2,050,222
NA per Share (RM)	0.38	0.37	0.32	0.44	0.19
Borrowings (RM'000)	24,948	24,948	207,289 ⁽⁵⁾	207,289	207,289
Gearing (times)	0.12	0.11	0.72	0.52	0.53

Notes:

- (1) After adjusting for the allotment and Issuance of 28,750,000 new Shares at an issue price of RM0.23 per Share on 14 March 2023 and 17,400,000 new Shares at an issue price of RM0.20 per Share on 10 May 2023 pursuant to the 10% Private Placement.
- (2) After taking into consideration the estimated expenses for the 10% Private Placement of approximately RM0.40 million.
- (3) Computed based on 318,181,819 consideration shares to be issued pursuant to the Proposed ASSB Acquisition at an issue price of RM0.22 per consideration share.
- (4) After deducting the estimated expenses in relation to the Proposed ASSB Acquisition of RM0.50 million.
- (5) After consolidating the total borrowings of ASSB amounting to RM182.34 million, based on its audited accounts as at 31 December 2021.

- (6) Being the estimated equity component of the RCB of RM112.09 million based on MFRS 132. The RCB consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the RCB is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the RCB at the interest rate. The equity component of the RCB is the difference between the total proceeds received from the RCB and the liability component.
- (7) On conversion of the RCB at maturity, the liability component carried at the amortised cost-effective interest method of RM2.22 million together with the equity component of RM112.09 million would be derecognised and recognised in equity as issued share capital.
- (8) After deducting the estimated expenses in relation to the Proposal of RM7.37 million as set out in Section 2.9, Note (vii) of this Circular.

Scenario 3

	Audited as at 30 June 2022 (RM'000)	(I) Subsequent events up to the LPD ⁽¹⁾ (RM'000)	(II) After (I) and assuming completion of the Proposed ASSB Acquisition (RM'000)	(III) After (II) and full issuance of all Tranches of RCB (RM'000)	After (III) and full conversion of all Tranches of RCB (RM'000)
Share capital	156,379	169,340	239,340 ⁽³⁾	239,340	589,340 ⁽⁷⁾
Reserves	84	84	84	84	84
Estimated equity component of the RCB	-	-	-	343,337 ⁽⁶⁾	-
Retained earnings	49,278	48,878 ⁽²⁾	48,378 ⁽⁴⁾	48,378	29,228 ⁽⁸⁾
Shareholders' equity/NA	205,741	218,302	287,802	631,139	618,652
No. of Shares ('000)	542,797	588,947	907,129	907,129	2,050,222
NA per Share (RM)	0.38	0.37	0.32	0.70	0.30
Borrowings (RM'000)	24,948	24,948	207,289 ⁽⁵⁾	207,289	207,289
Gearing (times)	0.12	0.11	0.72	0.33	0.34

Notes:

- (1) After adjusting for the allotment and Issuance of 28,750,000 new Shares at an issue price of RM0.23 per Share on 14 March 2023 and 17,400,000 new Shares at an issue price of RM0.20 per Share on 10 May 2023 pursuant to the 10% Private Placement.
- (2) After taking into consideration the estimated expenses for the 10% Private Placement of approximately RM0.40 million.
- (3) Computed based on 318,181,819 consideration shares to be issued pursuant to the Proposed ASSB Acquisition at an issue price of RM0.22 per consideration share.
- (4) After deducting the estimated expenses in relation to the Proposed ASSB Acquisition of RM0.50 million.
- (5) After consolidating the total borrowings of ASSB amounting to RM182.34 million, based on its audited accounts as at 31 December 2021.
- (6) Being the estimated equity component of the RCB of RM343.34 million based on MFRS 132. The RCB consist of 2 components with regard to the recognition in the financial statements which are, as equity and as liability. The liability component of the RCB is the present value of the future cash flows (interest payments), calculated by discounting the future cash flows of the RCB at the interest rate. The equity component of the RCB is the difference between the total proceeds received from the RCB and the liability component.

- (7) On conversion of the RCB at maturity, the liability component carried at the amortised cost effective interest method of RM6.66 million together with the equity component of RM343.34 million would be derecognised and recognised in equity as issued share capital.
- (8) After deducting the estimated expenses in relation to the Proposal of RM19.15 million as set out in Section 2.9, Note (vii) of this Circular.

6.3 Substantial shareholder's shareholdings

Scenario 1

	As at the LPD						(i) After assuming completion of the Proposed ASSB Acquisition						After (I) and full conversion of Main Tranche 1 RCB							
	Direct			Indirect			Direct			Indirect			Direct			Indirect				
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
DMMN	38,509,600	6.54	1,440,080 ⁽¹⁾	0.24	38,509,600	4.25	231,959,561 ⁽¹⁾⁽²⁾	25.57	38,509,600	3.60	231,959,561 ⁽¹⁾⁽²⁾	21.67	38,509,600	3.60	231,959,561 ⁽¹⁾⁽²⁾	21.67	38,509,600	3.60	231,959,561 ⁽¹⁾⁽²⁾	21.67
OVSB	-	-	-	-	230,519,481	25.41	-	-	230,519,481	21.54	-	-	230,519,481 ⁽³⁾	25.41	230,519,481	21.54	230,519,481 ⁽³⁾	21.54	230,519,481	21.54
OHP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amirul	20	-*	-	-	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41
E&E	-	-	-	-	87,662,338	9.66	-	-	87,662,338	8.19	-	-	87,662,338	8.19	87,662,338	8.19	87,662,338	8.19	87,662,338	8.19

Note:

* Negligible.

- (1) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Grand Deal Vision Sdn Bhd.
- (2) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in OHP.
- (3) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in OVSB.
- (4) Based on 1,053,027,675 Shares after taking into consideration the 163,299,079 Shares issued pursuant to the conversion of Main Tranche 1 RCB.

Scenario 2

	As at the LPD						(i) After assuming completion of the Proposed ASSB Acquisition						After (I) and full conversion of issued Main Tranche 1 RCB and Main Tranche 2 RCB up to the Maximum Permitted Number of Shares							
	Direct			Indirect			Direct			Indirect			Direct			Indirect				
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
DMMN	38,509,600	6.54	1,440,080 ⁽¹⁾	0.24	38,509,600	4.25	231,959,561 ⁽¹⁾⁽²⁾	25.57	38,509,600	1.88	231,959,561 ⁽¹⁾⁽²⁾	11.31	38,509,600	1.88	231,959,561 ⁽¹⁾⁽²⁾	11.31	38,509,600	1.88	231,959,561 ⁽¹⁾⁽²⁾	11.31
OVSB	-	-	-	-	230,519,481	25.41	-	-	230,519,481	11.24	-	-	230,519,481 ⁽³⁾	11.24	230,519,481	11.24	230,519,481 ⁽³⁾	11.24	230,519,481	11.24
OHP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amirul	20	-*	-	-	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	25.41
E&E	-	-	-	-	87,662,338	9.66	-	-	87,662,338	4.28	-	-	87,662,338	4.28	87,662,338	4.28	87,662,338	4.28	87,662,338	4.28

Note:

* Negligible.

(1) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Grand Deal Vision Sdn Bhd.

(2) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in OHP.

(3) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in OVSB.

(4) Based on 2,032,822,150 Shares after taking into consideration the 1,143,093,554 Shares issued pursuant to the conversion of Main Tranche 1 RCB and part of Main Tranche 2 RCB up to the Maximum Permitted Number of Shares.

Scenario 3

	As at the LPD						(I)					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DMMN	38,509,600	6.54	1,440,080 ⁽¹⁾	0.24	38,509,600	4.25	231,959,561 ⁽¹⁾⁽²⁾	25.57	38,509,600	1.88	231,959,561 ⁽¹⁾⁽²⁾	11.31
OVSB	-	-	-	-	230,519,481	25.41	-	-	230,519,481	11.24	-	-
OHP	-	-	-	-	-	-	230,519,481 ⁽³⁾	25.41	-	-	230,519,481 ⁽³⁾	11.24
Amirul E&E	20	-*	-	-	20	-*	230,519,481 ⁽²⁾	25.41	20	-*	230,519,481 ⁽²⁾	11.24
	-	-	-	-	87,662,338	9.66	-	-	87,662,338	4.28	-	-

Note:

* Negligible.

(1) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in Grand Deal Vision Sdn Bhd.

(2) Deemed interest pursuant to Section 8 of the Act by virtue of his shareholding in OHP.

(3) Deemed interest pursuant to Section 8 of the Act by virtue of its shareholding in OVSB.

(4) Based on 2,032,822,150 Shares after taking into consideration the 1,143,093,554 Shares issued pursuant to the conversion of all tranches of RCB.

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6.4 Earnings and EPS

The Proposed RCB Issue is not expected to have a material effect on the earnings of the Reneuco Group for the FYE 30 June 2023.

Notwithstanding the above, the Proposed RCB Issue is expected to contribute positively to the earnings of the Group in the future financial years when the benefits of the utilisation of proceeds from the Proposed RCB Issue are realised.

Subject to the future earnings of the Group, its EPS may be diluted in the future financial years as a result of the increase in its issued Shares arising from the conversion of the RCB into Conversion Shares.

6.5 Convertible Securities

Save for the 150,774,529 outstanding warrants 2021/2026, the Company does not have any other outstanding convertible securities as at the LPD. In accordance with the provisions of the deed poll for the warrants 2021/2026, the implementation of the Proposed RCB Issue will not give rise to any adjustments to the warrants 2021/2026.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed RCB Issue is subject to the following approvals being obtained:

- (a) Bursa Securities for the listing of and quotation for the Conversion Shares pursuant to the Proposed RCB issue on the Main Market, which was obtained vide its letter dated 23 June 2023 and is subject to the following conditions:

No.	Condition	Status of compliance
(1)	Reneuco and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed RCB Issue;	To be complied
(2)	Reneuco is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed RCB Issue;	To be complied
(3)	Reneuco and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed RCB Issue;	To be complied
(4)	Reneuco and Malacca Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed RCB Issue is completed;	To be complied
(5)	Payment of additional listing fee pertaining to the conversion of RCB, if relevant. In this respect, Reneuco is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the conversion of the RCB as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied

No.	Condition	Status of compliance
(6)	<p>Reneuco is required to provide quarterly updates via Bursa LINK. (simultaneous with the submission of quarterly report), the following:-</p> <p>(a) the status of each of the event, project or purpose for which the total proceeds raised from the Proposed RCB Issue are utilised for, including but not limited to, the percentages of completion of the projects/initiatives and the detailed breakdown/nature of the amount utilised;</p> <p>(b) where relevant, details on where the balance of proceeds raised is being placed (pending utilisation). If it is parked with asset management company/fund manager, to disclose the name of the asset management company / fund manager; and</p> <p>(c) the summary of RCB subscribed and new Reneuco Shares arising from the conversion of the RCB</p>	To be complied

(b) the Shareholders of the Company at an EGM to be convened; and

(c) any other approval(s), if required, to be obtained by the Company and/or the Subscriber.

The Proposed RCB Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As the LPD, save for the 10% Private Placement and Proposed ASSB Acquisition, the Company does not have any other outstanding proposals that have been announced but pending completion.

9. TENTATIVE TIMETABLE FOR THE IMPLEMENTATION OF THE PROPOSED RCB ISSUE

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the first sub-tranche of Main Tranche 1 RCB should be available for issuance by the 3rd quarter of 2023.

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10. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Reneuco Shares as traded on Bursa Securities for the past 12 months up to and including the LPD are as follows:

	Highest (RM)	Lowest (RM)
<u>2022</u>		
June	0.455	0.280
July	0.290	0.215
August	0.320	0.240
September	0.265	0.200
October	0.245	0.210
November	0.255	0.210
December	0.380	0.220
<u>2023</u>		
January	0.375	0.260
February	0.310	0.255
March	0.280	0.200
April	0.240	0.200
May	0.235	0.190
The last transacted market price of Reneuco Shares on 11 April 2023 (being the last trading day prior to the announcement of the Proposal) (RM)		0.225
Last transacted market price as at the LPD (RM)		0.200

(Source: Bloomberg)

11. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or any persons connected with them have any interest, direct or indirect, in the Proposed RCB Issue.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed RCB Issue, including but not limited to the rationale and effects of the Proposed RCB Issue, is of the opinion that the Proposed RCB Issue is in the best interest of the Group and the Shareholders.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed RCB Issue to be tabled at the forthcoming EGM of the Company.

13. IMPLICATIONS FOR VOTING IN FAVOUR OF THE PROPOSED RCB ISSUE

Section 85(1) of the Act provides that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 12(3) of the Constitution states that:

- "(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled;*
- (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company; and*
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."*

Section 85(1) of the Act, when read together with Clause 12(3) of the Constitution, may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

Accordingly, in conjunction with the Proposed RCB Issue, we wish to seek the Shareholders' approval for an express waiver of their Pre-emptive Rights in respect of the Conversion Shares. Such waiver has been incorporated in the ordinary resolution pertaining to the Proposed RCB Issue to be tabled at the forthcoming EGM and set out in the Notice of EGM which is enclosed in this Circular. Should the ordinary resolution pertaining to the Proposed RCB Issue be approved by the Shareholders at the forthcoming EGM, such approval is also tantamount to the Shareholders agreeing to waive their Pre-emptive Rights in respect of the new Conversion Shares to be allotted and issued by the Company pursuant to the Proposed RCB Issue.

14. EGM

The Company's forthcoming EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting facilities ("**RPV**") via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <http://member.arbwemeet.com>] (Domain registration numbers with MYNIC: D1A457700) on Thursday, 13 July 2023 at 10.30 a.m., for the purpose of considering and, if thought fit, passing, inter alia, the Ordinary Resolution, with or without modifications, to approve the Proposed RCB Issue.

A member entitled to attend, participate and vote remotely at the EGM using RPV facilities via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <https://member.arbwemeet.com> (Domain registration numbers with MYNIC: D1A457700). If you are unable to attend and vote remotely at the EGM, you are entitled to appoint proxy(ies) by completing and lodging the Proxy Form enclosed in this Circular in accordance with the instructions therein to the Company's Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof.

15. FURTHER INFORMATION

You are advised to refer to Appendix I for further information.

Yours faithfully
For and on behalf of our Board
Reneuco Berhad
(formerly known as KPower Berhad)

Sarah Azreen binti Abdul Samat
Non-Independent Non-Executive Deputy Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

Malacca Securities, being the Principal Adviser for the Proposed RCB Issue, has given and has not subsequently withdrawn its written consent for the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposed RCB Issue.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Reneuco Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceeding which is pending or threatened against the Reneuco Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

As at the LPD, there are no material commitments incurred or known to be incurred by Reneuco Group, which upon becoming due and enforceable, may have a material impact on the financial position or business of Reneuco Group.

4.2 Contingent Liabilities

As at the LPD, there are no other contingent liabilities incurred or known to be incurred by Reneuco Group, which upon becoming due and enforceable, may have a material impact on the financial position of the Reneuco Group.

5. OTHER MATTERS

For information purposes, the Group is engaged in the following litigations, claims or arbitrations, either as plaintiff or defendant:

(a) Golden Wheel Credit Sdn Bhd ("GWCSB") v Powernet Industries Sdn Bhd ("PISB")

On 18 March 2019, 26 March 2019 and 4 April 2019, GWCSB filed three separate suits against PISB for the respective sum of RM526,809.58, RM325,677.77 and RM32,940.26 purportedly due and owing by PISB to GWCSB under the terms of moneylending agreements dated 29 December 2017, 21 November 2017 and 5 March 2018.

FURTHER INFORMATION (Cont'd)

The first two suits were filed in the Sessions Court. PISB made applications to the Sessions Court to strike out GWCSB's claims on the grounds that, amongst others, the moneylending agreements entered into by the parties were unenforceable for breach of Sections 16, 21, 23 and 27 of the Moneylenders Act 1951. On 19 September 2019, the applications to strike out GWCSB's claims were dismissed with costs by the Sessions Court. Subsequently on 2 October 2019, PISB appealed to the High Court against the decisions of the Sessions Court. On 3 December 2019, the High Court allowed PISB's appeal with costs and struck out GWCSB's claim with leave to GWCSB to file a fresh claim against PISB. Pursuant to the leave granted by the High Court, on 11 December 2019, GWCSB filed two fresh suits against PISB in the Sessions Court respectively for the sum of RM338,374.39 and RM539,056.11 being the amount purportedly due and owing under the terms of the moneylending agreements dated 21 November 2017 and 29 December 2017 respectively.

On 24 December 2019, PISB appealed to the Court of Appeal against part of the decisions of the High Court dated 3 December 2019 granting leave to GWCSB to file its claims afresh against PISB. On 10 June 2020, the Court of Appeal allowed PISB's appeals and set aside the leave to GWCSB file afresh granted by the High Court. Accordingly, on 11 June 2020, the Sessions Court struck out the new suits filed by GWCSB.

By a notice of motion dated 10 August 2020, GWCSB applied to the Court of Appeal to review its decision on 10 June 2020. The motion has been fixed for hearing on 8 December 2020. Subsequently on 19 November 2020, GWCSB has withdrawn its review application.

The third suit, on the other hand, was filed in the Magistrate's Court. PISB made a similar application to strike out GWCSB's claim. On 31 October 2019, the Magistrate's Court allowed PISB's application and struck out GWCSB's claim with costs. Subsequently on 12 November 2019, GWCSB appealed to the High Court against the decision of the Magistrate's Court. On 18 February 2020, the High Court dismissed GWCSB's appeal with costs.

By a notice of motion dated 17 March 2020, GWCSB applied to the Court of Appeal for leave to appeal against the decision of the High Court. The motion has been fixed for hearing on 7 December 2020. Subsequently on 19 November 2020, GWCSB has withdrawn its leave application.

On 27 January 2021, GWCSB again filed a new suit in the Sessions Court against PISB claiming for an amount of RM616,704.84 being the total outstanding sum owing under the three moneylending agreements dated 21 November 2017, 29 December 2017 and 5 March 2018 through causes of action of money had and received and unjust enrichment.

On 18 February 2021 PISB filed an application to strike out GWCSB's claim on the ground among others that the matter is *res judicata*, thus such action cannot be relitigated as it has been judged on the merits (i.e. *res judicata* is a decision given by a judge with jurisdiction over the cause of action and the parties, which disposes, with finality, of a matter decided so that it cannot be re-litigated by those bound by the judgment, except on appeal) and GWCSB is estopped and precluded from taking this action against PISB.

The Sessions Court on 19 April 2021 had allowed PISB's application with costs of RM5,000.00. GWCSB on 28 April 2021 filed an appeal to the High Court against the Sessions Court decision dated 19 April 2021. On 22 October 2021, the High Court dismissed GWCSB's appeal with costs of RM5,000.00.

FURTHER INFORMATION (Cont'd)

On 17 December 2021, GWCSB filed an appeal to the Court of Appeal against the High Court decision dated 22 October 2021. The appeal was fixed for hearing on 19 January 2023.

The Court of Appeal on 19 January 2023 then dismissed the appeal by GWCSB with costs of RM5,000.00.

(b) Woo Wai Mun ("WWM") v PISB

On 22 March 2019, WWM filed a Writ of Summons against PISB, a former director of PISB suing in his personal capacity. WWM claimed that between the year 2016 to 2018, WWM had purportedly lent an amount of RM5,670,968.07 to PISB at PISB's request and that PISB had repaid a sum of RM980,968.07 to WWM. As at the date of the suit, WWM claimed for the balance in the amount of RM4,690,000 and interest at the rate of 5% per annum of the sums claimed from the date of the suit until the date of full payment.

On 23 April 2019, PISB filed its defence to the claim and counterclaimed against WWM for breach of his duty as a director of PISB by amongst others, failing to prepare or cause to be prepared and/or keep accurate and true accounts and financial statements of PISB and approving or causing PISB to make payments or enter in its books and accounts unsubstantiated and/or unauthorised payments, claims and/or expenses.

Additionally, PISB in its defence stated that the alleged amount owing by PISB to WWM comprises unsubstantiated and/or unauthorised payments, claims, advancements and/or expenses made by WWM and/or his wife, Nicole Wong Yuet Wan ("**Nicole Wong**") which was wrongly approved by WWM, who was the managing director and/or the director primarily responsible for the financial management of PISB at all material times.

The Court proceeded with the full trial on 3 to 6 August 2020 and after hearing the evidence from the witnesses, the Court had on 4 November 2020 allowed WWM's claim amounting to RM3,217,141.10 and disallowed WWM's other claims amounting to RM1,472,858.90. Subsequently on 24 November 2020, PISB filed an appeal to the Court of Appeal appealing against part of the decision of the High Court in allowing WWM's claim of RM3,217,141.10 with interest and costs of RM35,000.00 ("**PISB's Appeal**"). On 30 November 2020, WWM has also appealed with the Court of Appeal against part of the decision of the High Court in disallowing his claim of RM1,472,858.90 ("**WWM's Appeal**").

PISB's solicitors are of the view that PISB has an arguable case for the following reasons (1) the RM1,000,000 claim is in relation to the loan extended in 2015, which is not within WWM's pleaded case as per his statement of claim and WWM pleaded that his claim is for loans provided to PISB from 2016-2018, (2) the sum of RM400,000 ought to be disallowed as WWM failed to prove that the payments were made by WWM, and (3) the sum of RM8,109.17 ought to be disallowed as its nexus with WWM's purported loans to PISB is not established.

In respect of WWM's appeal, PISB's solicitors are of the view that there is no merit in WWM's appeal for the following reasons (1) the sum of RM1,181,940.48 being claims or advancements made by Nicole Wong respectively were correctly disallowed, (2) the sum of RM188,060.54 being a claim unsupported by any supporting documents was correctly disallowed, (3) the sum of RM2,857.88 being claims and not loans by WWM was correctly dismissed and (4) the sum of RM100,000 being capital injection and not loan was correctly being dismissed.

On 2 December 2020, PISB filed an application in the High Court for stay of execution of the judgment pending disposal of PISB's appeal. On 21 April 2021, the High Court dismissed PISB's application with costs of RM3,000.00.

FURTHER INFORMATION (Cont'd)

Meanwhile on 2 March 2021, WWM proceeded to execute the judgment dated 4 November 2020 by way of garnishee proceedings against United Overseas Bank (Malaysia) Berhad ("**UOB Bank**"), AmBank (M) Berhad, Malayan Banking Berhad ("**Maybank**") and RHB Bank Berhad ("**RHB Bank**") ("**Garnishee**"). On 5 April 2021, WWM obtained a garnishee order to show cause. In response, PISB on 5 May 2021 had filed an application to set aside the garnishee order. At the hearing on 28 May 2021, the High Court had dismissed PISB's application to set aside the garnishee order and made the garnishee order absolute with total costs of RM1,350.00. Consequently, a total sum of RM98,488.62 and United States Dollar ("**USD**") 40.54 in PISB's account with the UOB Bank, Maybank and RHB Bank had been garnished in favour of WWM.

On 23 July 2021, PISB filed an application in the Court of Appeal for stay of execution of the High Court judgment dated 4 November 2020 and the Court of Appeal on 30 September 2021 had dismissed the application with costs of RM5,000.00. The Court of Appeal was of the view that there is no special circumstance in this case warranting a stay of execution of the High Court judgment which is monetary in nature.

On 16 November 2021, the Court of Appeal has allowed PISB's Appeal with costs of RM8,000.00 and the sum of RM1,000,000.00 was disallowed as it was not within WWM's pleaded case. Meanwhile, WWM's Appeal was dismissed with costs of RM15,000.00 on even date.

Subsequently, on 23 September 2022, PISB has been served with a statutory notice of demand pursuant to Section 466(1)(a) of the Act (the "**466 Notice**"). The 466 Notice has been issued to recover the outstanding judgment sum of RM2,515,286.14 against PISB, inclusive of interest of 5% per annum from 22 March 2019 until full payment and costs in the net sum of RM12,480.00. Reneuco and PISB had then filed an application for an injunction to restrain WWM from taking further steps to file a winding up petition pursuant to the 466 Notice through Originating Summons No. WA-22NCC-946-10/2022 and an ex-parte Notice of Application ("**Fortuna Injunction Application**"). The ex-parte Fortuna Injunction Application was been fixed for a hearing via Zoom on an urgent basis on 13 October 2022 whereby the ex-parte hearing had been converted into an inter-parte hearing as WWM's solicitors were also present. YA Puan Adlin binti Abdul Majid (or the High Court) then granted an interim order for a Fortuna Injunction against WWM. A case management by way of e-review has been fixed on 9 November 2022 for parties to obtain further directions from the High Court.

On 31 October 2022, Reneuco and PISB filed a transfer application to transfer the Fortuna Injunction Application to the Court of YA Puan Liza Chan Sow Keng ("**Transfer Application**"), then, the High Court has fixed the Hearing for the Fortuna Injunction Application and Transfer Application on 22 February 2023. On the said hearing date on 22 February 2023, the parties were still in discussion for an alternative to the Fortuna Injunction, thus, the High Court had fixed a case management on 1 March 2023 for the parties to update the High Court on the status of such discussion.

On 1 March 2023, the solicitors for Reneuco and PISB had further informed the High Court that more time is required to obtain further instructions on whether Reneuco and PISB were agreeable to WWM's proposal of depositing the demanded sum of RM2,515,286.14 into a fixed deposit account pending the full and final disposal of the cross claim i.e. Kuala Lumpur High Court Suit No.: WA-22NCC-327-07/2020. The High Court then fixed another case management date on 14 March 2023. On 14 March 2023, the parties informed the High Court that the parties were unable to reach a consensus in respect of the settlement of the matter. The High Court then fixed the date for the hearing of the Transfer Application and the Fortuna Injunction Application on 11 April 2023 before YA Puan Adlin Binti Abdul Majid.

FURTHER INFORMATION (Cont'd)

On 11 April 2023, YA Puan Adlin Binti Abdul Majid heard and dismissed the Transfer Application and awarded costs in the sum of RM5,000.00 to WWM. The High Court has allowed for parties to file any further affidavit in respect of the originating summons. The High Court also directed parties to file a further submission in respect of the originating summons by 30 May 2023. The originating summons has been fixed for hearing on 26 June 2023 before YA Puan Adlin Binti Abdul Majid and the originating summons is fixed for a decision on 27 June 2023.

(c) WWM v Reneuco

On 4 April 2019, WWM filed a writ of summons at High Court against Reneuco, a former director of Reneuco, suing in his personal capacity. WWM claimed that in the year 2016, WWM had purportedly lent an amount of RM346,214.54 to Reneuco when he was the director of Reneuco.

On 6 May 2019, Reneuco filed its defence to the claim and counterclaimed against WWM for breach of his duty as a director of Reneuco.

The parties have since filed the bundle of pleadings, common bundle of documents, agreed facts, agreed issues, summary of case, list of witnesses and witness statements. The High Court has proceeded with the trial on 22 August 2022, 25 August 2022, 29 August 2022 and 20 October 2022.

On 1 November 2022, the learned Judicial Commissioner allowed WWM's claim against Reneuco for the sum of RM250,000.00 and costs RM25,000.00 and judgement was then served on Reneuco to pay the sum of RM322,833.56 as at on 3 January 2023 and the payment was made by Reneuco to WWM on 23 February 2023.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the business address of Reneuco at D2-3-1, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Malaysia, during normal business hours (from 9.00 a.m. to 5.00 p.m.) from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM of our Company:

- (a) Constitution of the Company;
- (b) Audited Consolidated Financial Statements of Reneuco for the past 2 financial years up to FYE 30 June 2022 as well as the latest unaudited quarterly report on consolidated results for the FYE 31 December 2022;
- (c) the letter of consent and declaration of conflict of interest referred to in Section 2 of Appendix I;
- (d) draft trust deed in relation to the RCB; and
- (e) the Subscription Agreement.



RENEUCO BERHAD
(FORMERLY KNOWN AS KPOWER BERHAD)
(Registration No. 199701003731 (419227-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Reneuco Berhad (formerly known as KPower Berhad) (“Reneuco” or the “Company”) will be held on fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting facilities (“RPV”) via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <https://member.arbwemeet.com> (Domain registration numbers with MYNIC: D1A457700) on **Thursday, 13 July 2023 at 10.30 a.m.** or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF REDEEMABLE CONVERTIBLE BONDS (“RCB”) (CONVERTIBLE INTO UP TO 1,143,093,554 NEW ORDINARY SHARES OF THE COMPANY (“RENEUCO SHARES”), BEING THE MAXIMUM PERMITTED NUMBER OF SHARES IN RENEUCO BERHAD (“RENEUCO” OR “COMPANY”)) WITH AN AGGREGATE NOMINAL VALUE OF UP TO RM350.0 MILLION (“PROPOSED RCB ISSUE” OR “PROPOSAL”)

“**THAT**, subject to the approval of all relevant authorities, approval be and is hereby given to the Company to:

- (i) issue up to RM350 million nominal value of RCB, convertible into Reneuco Shares at a conversion price to be determined in accordance with the terms and conditions of the subscription agreement dated 12 April 2023 entered into between the Company and Triton Capital Fund VCC as a subscriber in relation to the Proposed RCB Issue (“**Subscription Agreement**”); and
- (ii) allot and issue such number of new Reneuco Shares pursuant to the conversion of the RCB, from time to time during the tenure of the RCB, credited as fully paid-up in accordance with the terms and conditions of the Subscription Agreement.

THAT such new Reneuco Shares to be issued arising from the conversion of the RCB, shall, upon allotment and issuance, be listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and rank equally in all respects with the then existing Reneuco Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the relevant date of allotment of the Reneuco Shares.

THAT pursuant to Section 85(1) of the Companies Act 2016 (“**Act**”) to be read together with Clause 12(3) of the Constitution of the Company, should the resolution on Proposed RCB Issue be passed by the shareholders of the Company, such resolution shall have the effect that the shareholders of the Company having agreed to irrevocably waive their pre-emptive rights to be offered in proportion to their shareholdings in the Company new Reneuco Shares to be allotted and issued by the Company pursuant to conversion of the RCB.

AND THAT the Board of Directors of Reneuco (“**Board**”) be and is hereby authorised to take all such steps and to enter into all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, assignments and guarantees with any party or parties and to do all acts and things, as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed RCB Issue with full powers to sign and execute all documents, make applications to authorities and regulatory bodies for any approvals and consents required and assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things in any manner as they may deem necessary or expedient and/or appropriate to implement, finalise and give full effect to the Proposed RCB Issue.”

BY ORDER OF THE BOARD

NG LAI YEE
SSM PC No. 202008000977
MAICSA 7031768
Company Secretary

Petaling Jaya, Selangor
28 June 2023

Notes:

1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the EGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, participate (including posing questions to the Board via real time submission of type texts) and vote (collectively, "**participate**") remotely at the EGM using the RPV via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <https://member.arbwemeet.com> (Domain registration numbers with MYNIC: D1A457700).

Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 5 July 2023**. Only a member whose name appears on the Record of Depositors as at 5 July 2023 shall be entitled to participate in this EGM via RPV.
3. A member who is entitled to participate in this EGM via RPV is entitled to appoint a proxy or attorney or in the case of corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the EGM via RPV.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (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 of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. Members who appoint proxies to participate via RPV in the EGM must ensure that the duly executed proxy forms are deposited in a hard copy form to the Company's Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote.
9. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is **Tuesday, 11 July 2023 at 10.30 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

13. The Ordinary Resolution set out in this Notice of EGM will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Explanatory Notes to Ordinary Resolution:

Section 85(1) of the Act provides that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 12(3) of the Constitution of the Company states that:-

- "(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled;
- (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company; and
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

By voting in favour of the proposed Ordinary Resolution, the shareholders of the Company are deemed to have waived their preemptive rights pursuant to Section 85(1) of the Act and Clause 12(3) of the Constitution of the Company to be first offered the Reneuco Shares which will result in a dilution of their shareholding percentage in the Company.

RENEUCO BERHAD

(Formerly known as KPower Berhad)
(Registration No. 199701003731 (419227-X))
(Incorporated in Malaysia)

No. of Shares Held	:	
CDS Account No.	:	

*I/We _____
(Full name in Capital Letters)

NRIC/Passport/Registration No. _____

of _____
(Full address)

with email address _____ mobile phone no. _____

being a member/members* of RENEUCO BERHAD (formerly known as KPower Berhad), hereby appoint(s):

Full Name(in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or*

Full Name(in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairperson of the Meeting, as *my/our proxy/proxies to attend, speak and vote for *me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via Cloud AGM Platform operated by ARB WeMeet Sdn Bhd at <https://member.arbwemeet.com> (Domain registration numbers with MYNIC: D1A457700) on **Thursday, 13 July 2023 at 10.30 a.m.** and any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the proxy will vote or abstain from voting at his/her discretion.

ORDINARY RESOLUTION	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
PROPOSED RCB ISSUE				

Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

Signature/Common Seal of Shareholder

Signed this _____ day of _____ 2023

Notes:

- Shareholders who wish to participate in the EGM will therefore have to register via <https://member.arbwemeet.com>. Kindly refer to the annexure of the Administrative Guides for further information.
- For the purpose of determining a member who shall be entitled to attend, participate and vote at the EGM, the Company shall be requesting the **Record of Depositors as at 5 July 2023**. Only a depositor whose name appears on the Record of Depositors as at 5 July 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
- A member may appoint up to two (2) proxies who need not be members of the Company to attend, participate and vote at the same EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.



4. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (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.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorized in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorized.
7. The Proxy Form or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Company's Registered Office at G-3AF-3, Level 3AF, Block G, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof.
8. The Ordinary Resolution set out in this Notice of EGM will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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AFFIX
STAMP

RENEUCO BERHAD
(Formerly known as KPower Berhad)
[Registration No. 199701003731 (419227-X)]

G-3AF-3, Level 3AF, Block G
Garden Office @ Encorp Strand
No. 12, Jalan PJU 5/1, Kota Damansara
47810 Petaling Jaya, Selangor
Malaysia

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Fold This Flap For Sealing
