

7 December 2022

**Minority Shareholders Watch Group (MSWG)**

Level 23, Unit 23-3  
Menara AIA Sentral  
No. 30, Jalan Sultan Ismail  
50250 Kuala Lumpur

Attention: Mr Devanesan Evanson, Chief Executive Officer

Dear Sir,

**RE: Reply to the MSWG questions for the 25<sup>th</sup> Annual General Meeting of Reneuco Berhad (formerly known as KPower Berhad) (“Reneuco”)**

Reference is made to the above matter and your letter dated 25 November 2022. We append below our response to your queries as follows:-

**Operational & Financial Matters**

1. The Group’s orderbook exceeded RM1 billion in FY2021. However, construction related activities recorded a 67% decline in revenue to RM118.32 million in FY2022. (page 41 and 46 of Annual Report (AR) 2022)

- a) What were the reasons for the decline in revenue despite the strong orderbook?

Reneuco’s Response

Construction activities recorded lower revenue due to slower progress work of the contracted projects which involve, among others, work done, certification works and billing process, mainly due to;

- i. Government policies and restrictions during Covid period; and
- ii. Limited access to funding.

- b) What is the outstanding orderbook as at 30 June 2022?

Reneuco’s Response

RM1.282 billion

- c) What is your target orderbook replenishment for FY2023?

Reneuco’s Response

Approximately RM500 million, due to high interest rates, increasing material cost and uncertainty in global economy we are currently looking to focus primarily only in Malaysia and Indonesia.

2. In FY2021, the Group was awarded RM73 million worth of contracts for healthcare related products in Indonesia. The healthcare segment recorded revenue of only RM0.95 million in FY2022, down 82.8% from RM5.5 million in FY2021. (page 41 and 153 of AR 2022)

a) How much of the RM73 million contracts have been recognised so far?

Reneuco's Response

We recorded RM4.7 million based on Purchase Order procured under the contracts.

b) What were the reasons for the significant decline in revenue for the healthcare segment?

Reneuco's Response

The decline in revenue for healthcare segment is due to:

- i. The requirement from customers for the contracts obtained in terms of product specifications and processes were difficult to be complied with.
- ii. The Covid situation had improved and as such the demand for Covid related products has dwindled.
- iii. Contracts obtained had a maximum period of 12 months which have ended.
- iv. As for current products under Granulab (M) Sdn Bhd - the products are at initial stage and require time to build adequate level of acceptance in the medical fraternity on top of the regulatory requirements for new market such as in Indonesia which take time to be complied with.

3. To date, the Group has a dual portfolio of a 50 MW solar power plant and a 40.4 MW hydro power plant under the asset ownership business model. (page 8 of AR 2022)

a) What is the total investment for the 50MW solar power plant and 40.4 MW hydro power plant?

Reneuco's Response

- **50MW Solar Power Plant**  
Estimated total investment: RM199 million.
- **40.4MW Hydro Power Plant**  
Estimated total investment: RM406.5 million.

b) What is the expected IRR for these plants?

Reneuco's Response

- **50MW Solar Power Plant**  
The indicative IRR is 4.69%.
- **40.4MW Hydro Power Plant**  
The indicative IRR is 7.74%.

### Corporate Governance Matters

4. Practice 5.8 of Malaysian Code on Corporate Governance (MCCG) stipulates that the Nominating Committee (NC) should be chaired by an Independent Director or the Senior Independent Director. For FY2022, the Company did not apply Practice 5.8. The Chairman of the NC, Sarah Azreen binti Abdul Samat, is the Non-Independent Non-Executive Deputy Chairman of the Company. Does the Company intend to apply Practice 5.8, and if yes, by when?

#### Reneuco's Response

Currently, our NC comprises of three (3) Independent Non-Executive Directors, namely Ahmad Riza bin Mohd Saian, Ir. Ts. Dr. Muhammad Mahadi bin Mohamad and Tan Yee Hou, on top of Sarah Azreen binti Abdul Samat.

The committee is led by Sarah Azreen binti Abdul Samat and the Committee undertakes to discuss and deliberate on any matters presented thoroughly. Upon obtaining the majority votes, the NC will make a recommendation to the Board for consideration.

Based on Paragraph 15.08A(1) of Bursa Securities Listing Requirements, the Nomination Committee complies with the requirement of comprising exclusively of Non-Executive Directors.

However, the Company may consider applying Practice 5.8 of MCCG in due course.

For the information of MSWG, these information has been presented to our shareholders during our 25<sup>th</sup> Annual General Meeting held on 7 December 2022. It is also our intention to publish the said information on Reneuco's website accordingly.

Thank you.

Yours sincerely,

For and on behalf of  
**Reneuco Berhad**  
(Formerly known as KPower Berhad)

**Amirul Afif bin Abd Aziz**  
Group Chief Executive Officer