

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, banker or other professional adviser immediately.

Bursa Malaysia Securities Berhad has conducted a limited review on Part B of this Statement/Circular on the Proposed New Shareholders' Mandate (as defined below) and has not perused Part A of this Statement/Circular on the Proposed Share Buy-Back (as defined below) before its issuance as Part A is prescribed as an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.



Registration No. 199201005296 (236800-T)
(Incorporated in Malaysia)

PART A

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES ("PROPOSED SHARE BUY-BACK")

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

(COLLECTIVELY KNOWN AS THE "PROPOSALS")

The Proposals will be tabled as Special Businesses at ENRA Group Berhad's Twenty-Eighth Annual General Meeting (the "28th AGM") which will be conducted **fully virtual only and live-streamed** from the broadcast venue at **12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 September 2020 at 10:00 a.m.**

The Notice of the 28th AGM and the Form of Proxy are set out in the Annual Report of the Company for the financial year ended 31 March 2020. The Annual Report of the Company and this Circular/ Statement can be downloaded together at the website of the Company at www.enra.my or www.bursamalaysia.com/market_information/announcements/company_announcement.

A member is entitled to attend and vote at the virtual meeting and is also entitled to appoint a proxy to attend and vote on his behalf. The Form of Proxy must be either:

- (a) lodged at the office of Boardroom Share Registrars Sdn. Bhd, at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; or
- (b) lodged via electronic means through the Boardroom Smart Investor Online Portal at <http://www.boardroomlimited.my>

not less than 48 hours before the time appointed for the meeting.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting if you are subsequently able to do so. Please refer to the Form of Proxy for details.

Last day and time for lodging the Form of Proxy: Wednesday, 23 September 2020 at 10:00 a.m.
Date and Time of the 28th AGM: Friday, 25 September 2020 at 10:00 a.m. or at any adjournment thereof

Should you wish to personally participate at the 28th AGM (which can only be done remotely), please register electronically via the Boardroom Smart Investor Online Portal at <http://www.boardroomlimited.my> by 23 September 2020 at 10.00 a.m. which are the registration cut-off date and time, respectively.

This Statement/Circular is dated 27 August 2020

DEFINITIONS

For the purpose of this Statement/Circular and the accompanying appendices, except where the context otherwise requires, or where otherwise defined herein, the following words and abbreviations shall apply throughout this Statement/Circular and shall have the following meanings:

“Act”	: Companies Act 2016 of Malaysia, as amended from time to time
“AGM”	: Annual General Meeting
“Annual Report 2020”	: Annual Report of ENRA issued for FYE 31 March 2020
“Board”	: Board of Directors of ENRA (as defined below)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“Code”	: Malaysian Code on Take-Overs and Merger 2016, Rules on Take-Over, Merger and Compulsory Acquisition 2016, as amended from time to time
“Director(s)”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 (as amended from time to time) and, in relation to Related Party Transactions under the Proposed New Shareholders’ Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of ENRA, its subsidiary or holding company
“ENRA” or the “Company”	: ENRA Group Berhad (199201005296 (236800-T))
“ENRA Shares”	: Ordinary share(s) in ENRA
“EPS”	: Earnings per share
“FYE”	: Financial year ended/ ending, as the case may be
“Interested Director”	: A Director who is deemed to be a Related Party and is interested in the Proposed New Shareholders’ Mandate (as defined below)
“Interested Major Shareholder”	: Major Shareholder who is deemed to be a Related Party and is interested in the Proposed New Shareholders’ Mandate (as defined below)
“Interested Person Connected”	: In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories: <ul style="list-style-type: none">(a) a family member of the Director or Major Shareholder;(b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;(c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;(f) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or(g) a body corporate which is a related corporation.
“Interested Related Party(ies)”	: An Interested Director, Interested Major Shareholder, or Interested Person Connected
“LPD”	: 6 th August 2020, being the latest practicable date prior to the issuance of this Statement/Circular
“Main Market Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time

“Major Shareholder(s)”	: A person who has an interest or interests in one or more voting shares in ENRA, any of its subsidiary or holding company and the number or aggregate number of those shares, is:
	(a) equal to or more than 10% of the total number of voting shares in ENRA, any of its subsidiary or holding company; or
	(b) equal to or more than 5% of the total number of voting shares in ENRA, any of its subsidiary or holding company where such person is the largest shareholder in ENRA, any of its subsidiary or holding company.
	For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder (as defined above) of ENRA, any of its subsidiary or holding company.
“Market Day”	: A day on which the stock market of Bursa Securities is open for trading in securities
“NA”	: Net Assets
“Proposed New Shareholders’ Mandate”	: Proposed new shareholders’ mandate for the Recurrent Related Party Transactions to be entered by ENRA Group (as defined below)
“Proposed Share Buy-Back”	Proposed renewal of authority for ENRA to purchase and/or hold as Treasury Shares (as defined below) in aggregate of up to 10% of the total number of issued shares pursuant to Section 127 of the Act
“Purchased Shares”	: Shares purchased pursuant to the Proposed Share Buy Back
“Recurrent Related Party Transactions” or “RRPT”	: Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of ENRA or its subsidiaries
“Related Party Transactions”	: Transactions entered into by ENRA or its subsidiaries which involves the interest, direct or indirect, of a Related Party
“Related Party(ies)”	: Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Substantial Shareholder(s)”	: Has the meaning given in Section 136 of the Act
“Treasury Shares”	: The ENRA Shares purchased by ENRA which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act

In this Statement/Circular, unless there is something in the subject or context inconsistent herewith, the singular includes the plural, references to gender include both genders and the neuter.

Reference to persons shall include corporations.

All references to the time of the day in this Statement/Circular are referred to Malaysian time.

All references to “our Company” and “ENRA” in this Statement/Circular are references to ENRA Group Berhad, references to “our Group”, or the “ENRA Group” are references to ENRA and its subsidiaries, and references to “we”, “us”, “our” and “ourselves” are references to our Company, and save where the context otherwise requires, shall include our subsidiaries.

All references to “you” in this Statement/Circular are references to the shareholders of our Company.

CONTENTS

PART A

STATEMENT IN RELATION TO PROPOSED SHARE BUY-BACK

	Page
1. INTRODUCTION	2
2. DETAILS OF THE PROPOSED SHARE BUY-BACK	2
3. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	4
4. RISK FACTORS OF THE PROPOSED SHARE BUY-BACK	5
5. HISTORICAL SHARE PRICES	5
6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	5
7. EFFECTS OF THE PROPOSED SHARE BUY-BACK	6
8. SHAREHOLDINGS OF DIRECTORS	7
9. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS	7
10. IMPLICATIONS OF THE CODE	8
11. PURCHASE, RESALE AND/OR CANCELLATION OF THE SHARES MADE IN THE PRECEDING 12 MONTHS	8
12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS/MAJOR SHAREHOLDERS	8
13. APPROVALS REQUIRED	8
14. DIRECTORS' RECOMMENDATION	8
15. FORTHCOMING AGM	8
16. FURTHER INFORMATION	8

PART B

CIRCULAR SHAREHOLDERS IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE

	Page
1. INTRODUCTION	10
2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE	10
3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE	14
4. FINANCIAL EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE	14
5. VALIDITY PERIOD FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE	14
6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS/MAJOR SHAREHOLDERS	15
7. APPROVALS REQUIRED	15
8. DIRECTORS' RECOMMENDATION	15
9. FORTHCOMING AGM	15
10. FURTHER INFORMATION	15

APPENDIX I – FURTHER INFORMATION

16

APPENDIX II – EXTRACT OF NOTICE OF THE 28th AGM

18

PART A

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE
COMPANY OF ITS OWN SHARES**



Registration No. 199201005296 (236800-T)
(Incorporated in Malaysia)

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES

1. INTRODUCTION

At the 27th AGM of the Company held on 19 September 2019, approval was obtained from the shareholders for the renewal of the Company's authority to purchase up to 10% of the total number of the Company's issued shares. This authority will expire at the forthcoming 28th AGM unless a renewal is obtained from the shareholders.

On 27th July 2020, the Board announced ENRA's intention to seek its shareholders' approval for the renewal in authority of the Proposed Share Buy-Back at the forthcoming 28th AGM of the Company which will be held on 25 September 2020.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 28th AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Duration

The Board proposes to seek the approval of the shareholders of ENRA to authorise ENRA to purchase and/or hold from time to time and at any time up to 10% of the total number of issued ENRA Shares (including existing Treasury Shares). The renewal of the authority from shareholders, if granted, shall be effective upon passing of the ordinary resolution pertaining to the Proposed Share Buy-Back until:

- (a) the conclusion of the next AGM of ENRA following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of ENRA in a general meeting,
- whichever occurs first ("Proposed Authorised Period").

Shareholders' approval for the Proposed Share Buy-back does not impose an obligation on the Company to purchase its own shares on Bursa Securities. Rather, it will allow the Board to exercise the powers of the Company to purchase its own shares at any time within the Proposed Authorised Period.

2.2 Quantum

As at LPD, the total number of issued ENRA Shares is 136,207,943 shares (including 1,289,400 Treasury Shares). The number of ENRA Shares that may be purchased or held as Treasury Shares during the Proposed Authorised Period is up to 13,620,794 ENRA Shares in total, representing 10% of the total number of issued ENRA Shares. As 1,289,400 Treasury Shares are already held by the Company, a further 12,331,394 ENRA Shares may be purchased.

The actual number of ENRA Shares to be purchased by ENRA, the total amount of funds involved for each purchase and the timing of the purchases will depend on, inter-alia, the market conditions, sentiments of the share market, the availability of retained profits and the financial resources of ENRA as well as Bursa Securities' requirement to maintain the necessary public shareholding spread.

In the event that ENRA ceases to hold all or part of the Purchased Shares or Treasury Shares, ENRA may further purchase such additional ENRA Shares provided that the total Purchased Shares (including those Purchased

Shares held as Treasury Shares then) do not exceed 10% of the total number of issued shares of ENRA at the time of purchase.

2.3 Funding

In compliance with Paragraph 12.10(1) of the Main Market Listing Requirements, the maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the retained profits of ENRA based on the latest audited financial statements and/or the latest management accounts of ENRA (where applicable) available. Based on the audited financial statements for FYE 31 March 2020, the retained profits of the Company amounted to RM3.21 million.

Funding for the Proposed Share Buy-Back will be sourced from internally generated funds and/or external borrowings. The amount of the funds to be utilised would only be determined later depending on the availability of funds at the time of purchase(s), the actual number of ENRA Shares to be purchased and other relevant cost factors. Should the purchase of ENRA Shares be financed through bank borrowings, the Board will ensure that ENRA has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of ENRA.

In addition, the Board will ensure that ENRA satisfies the solvency test as stated in Section 112(2) of the Act before executing the Proposed Share Buy-Back.

2.4 Treatment of Shares Purchased

The Board may deal with the Purchased Shares in accordance with Section 127(4) of the Act in the following manner:

- (a) cancel the Purchased Shares; or
- (b) retain all or part of the Purchased Shares as Treasury Shares and cancel any Purchased Shares not retained as Treasury Shares.

The Board may then deal with the Treasury Shares in accordance with Section 127(7) of the Act in the following manner:

- (a) distribute the Treasury Shares as dividends to the shareholders;
- (b) resell the Treasury Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer all or any Treasury Shares for the purposes of or under an employees' share scheme;
- (d) transfer all or any Treasury Shares as purchase consideration;
- (e) cancel all or any Treasury Shares; or
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister (being the Minister charged with the responsibilities for companies) may, by order, prescribe.

If ENRA decides to purchase its own shares, ENRA will announce on the day the purchase is made providing details of the ENRA Shares purchased including the number of the ENRA Shares purchased, the price of each ENRA Share or, where relevant, the highest and lowest price paid, the total consideration paid and whether the ENRA Shares purchased are either held as Treasury Shares or proposed to be cancelled.

An immediate announcement will also be made to Bursa Securities of any resale or cancellation of Purchased Shares.

While the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in ENRA for any purposes including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.5 Pricing

Pursuant to the provisions of Paragraph 12.17 of the Main Market Listing Requirements, ENRA may only purchase its own shares at a price which is not more than 15% above the weighted average market price of ENRA Shares for the five (5) Market Days immediately preceding the date of any purchase(s).

Pursuant to the provisions of Paragraph 12.18 of the Main Market Listing Requirements, ENRA may only resell the Purchased Shares held as Treasury Shares on Bursa Securities at:

- (a) a price which is not less than the weighted average market price of ENRA Shares for the five (5) Market Days immediately before the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price of ENRA Shares for the five (5) Market Days immediately before the resale provided that:
 - (i) the resale takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the ENRA Shares being resold.

2.6 Public Shareholding Spread

As at the LPD, the public shareholding spread of ENRA was 37.05% based on ENRA's issued shares of 134,918,543 excluding Treasury Shares. Assuming the Proposed Share Buy-Back was carried out in full, the proforma public shareholding spread would be reduced to 30.72%.

ENRA will not undertake any purchase of ENRA Shares under the Proposed Share Buy-Back if it will result in the breach of Paragraph 8.02(1) of the Main Market Listing Requirements, which requires ENRA to maintain a public shareholding spread of at least 25% of its total listed shares (excluding Treasury Shares) or such lower percentage of public shareholding spread as may be allowed by Bursa Securities. The Board will be mindful of the public shareholding spread requirement when making any purchase of ENRA Shares by the Company.

3. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages of the Proposed Share Buy-Back to ENRA and its shareholders are as follows:

- (a) The EPS of ENRA would be enhanced (all things being equal);
- (b) ENRA may be able to reduce any unwarranted volatility of its shares and assist to stabilise the supply, demand and price of its shares in the open market, thereby supporting the fundamental value of ENRA Shares;
- (c) If the Purchased Shares are retained as Treasury Shares, it will provide the Board an option to sell the Treasury Shares at a higher price and therefore make an exceptional gain for ENRA. Alternatively, the Treasury Shares may be distributed as share dividends to shareholders;
- (d) ENRA will have flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (e) ENRA will be able to take preventive measures against speculation particularly when its shares are undervalued which would in turn, stabilise the market price of ENRA Shares and hence, enhance investors' confidence.

The potential disadvantages of the Proposed Share Buy-Back to ENRA and its shareholders are as follows:

- (a) it will reduce the financial resources of ENRA and may result in ENRA foregoing better investment opportunities in future or at least deprive ENRA of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back; and
- (b) as the Proposed Share Buy-Back can only be made out of the retained profits of ENRA, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

The Management will undertake an in-depth consideration of the financial resources of ENRA and of the resultant impact on its shareholders before undertaking the Proposed Share Buy-Back.

4. RISK FACTORS OF THE PROPOSED SHARE BUY-BACK

The Board is not aware of any risk factors relating to the Proposed Share Buy-Back which could have a material adverse effect on the business or financial position of ENRA.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of ENRA Shares as traded on Bursa Securities for the past 12 months from 1 August 2019 to 31 July 2020 are as follows:

Month	High (RM)	Low (RM)
August 2019	1.35	1.19
September 2019	1.28	1.09
October 2019	1.18	1.07
November 2019	1.20	1.13
December 2019	1.18	1.10
January 2020	1.18	1.12
February 2020	1.23	1.20
March 2020	1.18	1.06
April 2020	1.18	0.89
May 2020	1.01	0.95
June 2020	0.98	0.68
July 2020	0.73	0.69

The last transacted price of the Shares on the LPD RM0.74

(Source: Bursa Securities)

6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is expected to potentially benefit ENRA and its shareholders in the following manner:

- (a) ENRA is expected to stabilise the supply and demand of its shares in the open market and thereby support its fundamental values;
- (b) If the Purchased Shares are cancelled, it would enhance the EPS of ENRA and thereby long-term investors are expected to enjoy a corresponding increase in the value of their investments in ENRA; and
- (c) As permitted under Section 127 of the Act, the Purchased Shares may be held as Treasury Shares and/or resold on Bursa Securities with potential gain without affecting the total issued share capital of ENRA. Alternatively, the Treasury Shares may be distributed as share dividends to reward the shareholders of ENRA.

The Proposed Share Buy-Back is not expected to have any potential material disadvantages to ENRA and its shareholders as it will be exercised only after in-depth consideration of the financial resources of ENRA and of the resultant impact on its shareholders. The Board, in exercising any decision on the Proposed Share Buy-Back, will be mindful of the interest of ENRA and its shareholders.

7. EFFECTS OF THE PROPOSED SHARE BUY-BACK

7.1 Share Capital

The effects of the Proposed Share Buy-Back are dependent on whether the Purchased Shares are cancelled or alternatively retained as Treasury Shares.

On the assumption that the maximum number of ENRA Shares authorised to be purchased or held as Treasury Shares under the Proposed Share Buy- Back are fully cancelled, this will reduce the total number of issued ENRA Shares to 122,587,149 as follows:

	<u>No. of Shares</u>
Total number of issued ENRA Shares as at LPD	136,207,943
Less: Number of ENRA Shares that are already held as Treasury Shares	-1,289,400
Less: Number of ENRA Shares that may be purchased	<u>-12,331,394</u>
Total number of issued ENRA Shares after the Proposed Share Buy-Back	<u>122,587,149</u>

However, the Proposed Share Buy-Back would have no effect on the total number of issued ENRA Shares if all the Purchased Shares are retained as Treasury Shares.

7.2 NA

The effects of the Proposed Share Buy-Back on the NA per share of ENRA are dependent on the number of ENRA Shares which the Company will buy-back, purchase prices of the ENRA Shares at the time of buy-back, the treatment of the ENRA Shares so purchased and the funding cost, if any. If all the ENRA Shares so purchased are cancelled, the NA per share of ENRA is likely to be reduced if the purchase price exceeds the NA per share of ENRA, whereas the NA per share of ENRA will increase if the purchase price is less than the NA per share of ENRA at the time of purchase.

For Purchased Shares which are kept as Treasury Shares, upon resale, the NA per share of ENRA would increase assuming that a gain has been realised or decrease if a loss is realised. If the Treasury Shares are distributed as share dividends, the NA of ENRA would decrease by the cost of the Treasury Shares.

7.3 Working Capital

The Proposed Share Buy-Back will reduce the working capital of ENRA, the quantum of which depends on the purchase prices and the number of ENRA Shares that would be purchased pursuant to the Proposed Share Buy-Back.

For Purchased Shares which are kept as Treasury Shares, upon their resale, the working capital of ENRA would increase, the quantum of the increase being dependent on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

7.4 EPS

Assuming that the Purchased Shares under the Proposed Share Buy-Back are cancelled, the Proposed Share Buy-Back may increase the EPS of ENRA. Similarly, on the assumption that the Purchased Shares are treated as Treasury Shares and subsequently resold, the extent of the effect on the earnings of ENRA will depend on the actual selling price, the number of Treasury Shares resold and the effective gain arising. In the event the Purchased Shares are held as Treasury Shares, i.e. neither cancelled nor resold, the effective reduction in the issued share capital of ENRA pursuant to the Proposed Share Buy-Back would generally, all things being equal, increase the EPS of ENRA.

7.5 Dividends

Assuming the Proposed Share Buy-Back is implemented in full and ENRA's quantum of dividends is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of ENRA as the shares repurchased would not be eligible for dividends whether they are cancelled or held as Treasury Shares.

The Proposed Share Buy-Back may have an adverse impact on the Company's payment of dividend, if any, as it would reduce the cash available, which may otherwise be used for such payment. Nonetheless, the Purchased Shares if retained in treasury may be distributed as dividends to shareholders of ENRA, if ENRA so decides.

8. SHAREHOLDINGS OF DIRECTORS

The effect of the full implementation of the Proposed Share Buy-Back on the shareholdings of Directors of ENRA based on their shareholdings as at the LPD are set out as follows:

	As at LPD ⁽¹⁾				After Proposed Share Buy-Back ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Ali bin Abdul Kadir	4,750,000	3.52	-	-	4,750,000	3.87	-	-
Tan Sri Dato' Kamaluddin bin Abdullah ⁽²⁾	5,357,629	3.97	35,362,000	26.21	5,357,629	4.37	35,362,000	28.85
Dato' Mazlin bin Md Junid ⁽³⁾	-	-	15,773,700	11.69	-	-	15,773,700	12.87
Kok Kong Chin	3,000,000	2.22	-	-	3,000,000	2.45	-	-
Tan Sri Dato' Seri Shamsul Azhar bin Abbas ⁽⁴⁾	-	-	2,000,000	1.48	-	-	2,000,000	1.63
Datuk Anuar bin Ahmad	1,000,000	0.74	-	-	1,000,000	0.82	-	-
Dato' Wee Yiau Hin	1,000,000	0.74	-	-	1,000,000	0.82	-	-
Loh Chen Yook	4,571,300	3.39	-	-	4,571,300	3.73	-	-

Notes:

(1) Based on issued share capital of 134,918,543 ENRA Shares (excluding Treasury Shares) as at LPD and 122,587,149 ENRA Shares after the Proposed Share Buy-Back.

(2) Indirect interest held through Trillion Icon Sdn. Bhd., Carrillo Capital Sdn Bhd, Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. pursuant to Section 8(4) of the Act.

(3) Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.

(4) Indirect interest held through his spouse, Puan Sri Sharifah Salwa binti Syed Kamaruddin's direct interest in ENRA by virtue of Section 59(11)(c) of the Act.

9. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

The effect of the full implementation of the Proposed Share Buy-Back on the shareholdings of Substantial Shareholders based on their shareholdings as at the LPD are set out as follows:

	As at LPD ⁽¹⁾				After Proposed Share Buy-Back ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Kamaluddin bin Abdullah ⁽²⁾	5,357,629	3.97	35,362,000	26.21	5,357,629	4.37	25,362,000	28.85
Trillion Icon Sdn Bhd	17,962,000	13.31	-	-	17,962,000	14.65	-	-
Carrillo Capital Sdn Bhd	10,000,000	7.41	-	-	10,000,000	8.16	-	-
Paling Terbilang Sdn Bhd	6,000,000	4.45	-	-	6,000,000	4.89	-	-
Intelek Kuasa Sdn Bhd	1,400,000	1.04	-	-	1,400,000	1.14	-	-
Dato' Mazlin bin Md Junid ⁽³⁾	-	-	15,773,700	11.69	-	-	15,773,700	12.87
Izreen Natalia binti Mazlin ⁽³⁾	-	-	15,773,700	11.69	-	-	15,773,700	12.87
Ikhmal Mirza bin Mazlin ⁽³⁾	-	-	15,773,700	11.69	-	-	15,773,700	12.87
Mizreen Capital Sdn Bhd	15,773,700	11.69	-	-	15,773,700	12.87	-	-
Luminor Pacific Fund 1 Ltd ⁽⁴⁾	-	-	19,000,000	14.08	-	-	19,000,000	15.50
Accentvest Sdn Bhd	9,500,000	7.04	-	-	9,500,000	7.75	-	-
Amira Properties Sdn Bhd	9,500,000	7.04	-	-	9,500,000	7.75	-	-
Chua Ming Huat ⁽⁵⁾	6,157,400	4.56	3,682,600	2.73	6,157,400	5.02	3,682,600	3.00

Notes:

(1) Based on issued share capital of 134,918,543 ENRA Shares (excluding Treasury Shares) as at LPD and 122,587,149 ENRA Shares after the Proposed Share Buy-Back.

(2) Indirect interest held through Trillion Icon Sdn. Bhd., Carrillo Capital Sdn Bhd, Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. pursuant to Section 8(4) of the Act.

(3) Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.

(4) Indirect interest held through Amira Properties Sdn. Bhd. and Accentvest Sdn. Bhd. pursuant to Section 8 (4) of the Act.

(5) Indirect interest held through KCT Investments, Inc., Summit Investment Partners Limited and New Lake Investments Limited.

10. IMPLICATIONS OF THE CODE

In the event the number of ENRA Shares bought back subsequent to the date of this Statement result in any substantial shareholder(s) and/or parties acting in concert triggering the Code, such substantial shareholder(s) and/or parties acting in concert may consider seeking an exemption from the obligation to undertake a mandatory offer under the Code.

It is the intention of ENRA to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders of ENRA having to undertake a mandatory offer pursuant to the Code. In this connection, the Board is mindful of the requirements under the Code when making any purchase of ENRA Shares pursuant to the Proposed Share Buy-Back.

11. PURCHASE, RESALE AND/OR CANCELLATION OF THE SHARES MADE IN THE PRECEDING 12 MONTHS

There has not been any purchase of ENRA Shares made by ENRA in the preceding 12 months up to the date of this Statement. As at the LPD, ENRA has 1,289,400 Treasury Shares and has not resold or cancelled any Treasury Shares.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS/MAJOR SHAREHOLDERS

None of the Directors and/or major shareholders of ENRA and/or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.

13. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of ENRA at the forthcoming 28th AGM or at any adjournment thereof.

14. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that Proposed Share Buy-Back is in the best interest of ENRA and the Board therefore recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 28th AGM.

15. FORTHCOMING AGM

The 28th AGM of ENRA will be held on a fully virtual basis only and live-streamed from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan at on Friday, 25 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed Share Buy-Back. The ordinary resolution on the Proposed Share Buy-Back is set out in the Notice of Annual General Meeting contained in the Annual Report 2020.

16. FURTHER INFORMATION

You are advised to refer to the attached Appendices for further information.

PART B

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



Registration No. 199201005296 (236800-T)
(Incorporated in Malaysia)

Registered Office:

D2-U3-10, Block D2
Solaris Dutamas
No.1, Jalan Dutamas 1
50480 Kuala Lumpur Malaysia

27 August 2020

The Board of Directors:

Datuk Ali bin Abdul Kadir (Independent Non-Executive Chairman)
Tan Sri Dato' Kamaluddin bin Abdullah (Executive Deputy Chairman)
Dato' Mazlin bin Md Junid (President & Group Chief Executive Officer)
Kok Kong Chin (Executive Director)
Tan Sri Dato' Seri Shamsul Azhar bin Abbas (Senior Independent Non-Executive Director)
Datuk Anuar bin Ahmad (Independent Non-Executive Director)
Dato' Wee Yiau Hin (Independent Non-Executive Director)
Loh Chen Yook (Independent Non-Executive Director)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 27th July 2020, our Company announced that it intends to seek your approval for the Proposed New Shareholders' Mandate at the forthcoming 28th AGM, which will be conducted fully virtual and live-streamed from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on 25 September 2020, at 10:00 a.m.

The purpose of this Circular is to provide you with the relevant details of the Proposed New Shareholders' Mandate and to seek your approval for the proposed ordinary resolution to be tabled at the forthcoming 28th AGM.

The Notice of the AGM and the Form of Proxy are incorporated in the Annual Report of our Company for the financial year ended 31 March 2020.

SHAREHOLDERS OF ENRA ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED NEW SHAREHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Main Market Listing Requirements

Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Main Market Listing Requirements, a listed issuer may seek a shareholders' mandate to enter into RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more, or
 - (ii) the percentage ratio of such RRPT is 1% or more,
- whichever is the higher;
- (c) the Company's circular to shareholders for the shareholders' mandate shall include the information set out in Annexure PN12-A of the Main Market Listing Requirements;
- (d) in a meeting to obtain the shareholders' mandate, the Interested Directors, Interested Major Shareholders and Interested Person Connected must not vote on the resolution in respect of the related party transaction; and where it involves the interest of an Interested Person Connected, such Director and Major Shareholder must not vote on the resolution approving the transactions. An Interested Director or Interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Transactions entered into between a listed issuer (or any of its wholly-owned subsidiary) and another of its wholly-owned subsidiary are excluded from the requirements of related party transactions of Chapter 10 of the Main Market Listing Requirements.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed New Shareholders' Mandate which will allow the ENRA Group enter into the RRPTs referred to in Section 2.3 with the Related Parties in the ordinary course of business, provided that such transactions are made at arm's length, on the ENRA Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of ENRA.

2.2 Companies within the ENRA Group to which the Proposed New Shareholders' Mandate is applicable

The principal activity of the Company is property development and investment holding whilst the principal activities of the subsidiaries which are involved in the RRPTs set out in Section 2.3 are as follows:

Company(ies)	ENRA's Effective Equity Interest (%)	Principal Activity(ies)/ Nature of Business
ENRA SPM Sdn Bhd ("ENRA SPM")	60	Provision of engineering design, fabrication & construction, installation, leasing and refurbishment of single point mooring systems, floating production storage & offloading (FPSO) units and floating storage & offloading (FSO) units for the oil and gas industry.
ENRA IOL Sdn Bhd ("ENRA IOL")	51	Designer, supplier, dealer and installation of smart lighting products and systems

These companies enter into transactions in the ordinary course of business with the Related Parties as set out in Section 2.3 below.

2.3 Information on Related Parties and Nature of Transactions

The classes of Related Parties and nature of the RRPT(s) for which approval is now being sought in relation to the Proposed New Shareholders' Mandate for transactions to be entered between the transacting parties are as follows:

Related Party	Interested Related Parties	Nature of Transaction(s)	Estimated and Approximate Transaction Value from this AGM to the next AGM ^(a)
SPM Terminals Pty Ltd ("SPMT")	Sin Wai Ling, a Director of ENRA SPM, is a Director representing Tan Kee Ju. Tan Kee Ju, is a Major Shareholder and Director of SPMT. SPMT owns a 40% equity stake in ENRA SPM.	Operation & maintenance fees for the single point mooring system ("SPM") that is owned by ENRA SPM.	USD1,900,000 (RM7,956,250 ⁽¹⁾)
Ozlux Sdn Bhd ("Ozlux")	Dato' Yau Kok Seng is a Major Shareholder ⁽²⁾ and Director of Ozlux as well as a Director of ENRA IOL. Chuah Seong Teik is a Major Shareholder and Director of Ozlux as well as a Director and the CEO of ENRA IOL. Ozlux owns a 49% equity stake in ENRA IOL.	Purchase of lighting products and installation services at ENRA IOL's customers' premises.	RM36,000,000

Note:

- (1) Based on RM4.1875 to USD1.00 being Bank Negara Malaysia's Interbank Foreign Exchange Market middle rate on 6 August 2020.
(2) Dato' Yau Kok Seng has an indirect interest in Witpro Sdn. Bhd., through his spouse, Datin Choong Mei Ling, and son, Yau Kin Nam. Witpro Sdn. Bhd. in turn owns a 50% equity stake in Ozlux.

The above transactions are necessary for the ENRA Group's day-to-day operations and are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the ENRA Group.

The basis of arriving at the estimated value as indicated above is based on value transacted during the financial year ended 31 March 2020 as well as latest available information relating to these transactions. The value of these transactions may be subject to changes in the financial year ending 31 March 2021.

As at the LPD, the Related Parties, namely SPMT and Ozlux, do not have any amounts due and owing to ENRA Group pursuant to the RRPTs set out above.

2.4 Review Procedures for the RRPTs

The Group has established the following procedures and guidelines to ensure that the RRPTs are undertaken on transaction prices on arm's length basis and on normal commercial terms that are not more favourable to the related parties than those normally available to the public and are not to the detriment of the minority shareholders:

- The Directors of the Company have been notified of the Related Parties and that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders;
- RRPTs are monitored and recorded by management which will be reported to the ENRA audit and risk management committee ("ARMC") for review on a quarterly basis. Any member of the ARMC and Board may, as he/she deems fit, request for additional information pertaining to the RRPTs;
- Disclosure on all material RRPTs will be made in the Annual Report of the Company;
- Where any Director has interest, direct or indirect, in any RRPT, such Director shall abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings; and
- The transactions with a Related Party will only be entered into after taking into account the pricing, quality, delivery schedules, the demand and supply of the products, level of service (which may take into account the Related Party's familiarity or track record with the subject matter of the transaction(s)) and other related factors (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) which are determined in accordance to the Group's business practices and policies, such

as calling for tenders, quotations, so as to ensure that the prices and terms and conditions are based on competitive prices of similar products and services in line with industry norms.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by or to other unrelated third parties for the same or substantially similar type of transaction to ensure that the RRPTs are entered into on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

2.5 Threshold for Authority

There are no specific thresholds for approval of RRPT within the Group. However, all RRPTs are subject to the approval of the appropriate levels of authority as determined by senior management and/or the Board from time to time, subject to the provisions in the Main Market Listing Requirements and/or the Act, where necessary.

In compliance with Paragraph 10.09(1)(a) of the Main Market Listing Requirements, ENRA shall immediately announce a RRPT where:

- (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more, or
- (b) the percentage ratio of such RRPT is 1% or more,

whichever is the higher.

2.6 Statement by the Audit Committee

The Audit Committee has reviewed the procedures set out in the Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the RRPT are conducted on arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Any member of the Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee's review procedures will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the Audit Committee considers appropriate having regard to the value and the frequency of the RRPT.

2.7 Disclosure of RRPTs

Disclosure will be made in accordance with the Practice Note 12 of the Main Market Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year, including amongst others, the following information:

- (a) the types of RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with the ENRA Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Shareholders' Mandate has been obtained.

3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The RRPTs that are set out in Section 2.3 of this Circular are in the ordinary course of the ENRA Group's day-to-day operations. As such the Proposed New Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the ENRA Group which are transacted from time to time with the Related Parties set out in Section 2.3 above, provided that they are consistent with the ENRA Group's normal business practices and policies and are on terms which are not more favourable to these Related Parties than those extended to the other unrelated third party of the ENRA Group.

Specific benefits that arise from the RRPTs set out above entail:

- SPMT – SPMT is the manufacturer of the SPM that is owned and operated by ENRA SPM. As such, SPMT has the most familiarity with this asset. The quality, consistency and stability of the SPM's operations are a key part of ENRA SPM's business.
- Ozlux – ENRA IOL's business propositions and contracts are designed based on Ozlux's product lines as well as the quality and reliability of Ozlux's lighting products and systems. ENRA IOL imposes warranties and service level requirements on Ozlux. Furthermore, ENRA IOL only orders the lighting products and systems if awarded with a proof of concept opportunity or contract.

The Proposed New Shareholders' Mandate (if approved at our forthcoming AGM) shall continue to be in force until the next AGM following the forthcoming AGM and shall be renewable at each AGM of our Company thereafter. Disclosure will be made in our annual report of the aggregate value of Recurrent Transactions conducted pursuant to your mandate during each financial year.

The obtaining of your mandate and the renewal thereof on an annual basis would dispense with the need to announce and/or convene separate general meetings from time to time to seek your approval as and when the percentage ratio for the Recurrent Transactions exceeds one percent (1%) as prescribed in Chapter 10 of the Main Market LR, thereby reducing substantially the expenses and administrative time in convening such meetings. This will not only allow the ENRA Group to pursue business opportunities which are time sensitive in nature but enable resources and time to be channelled towards achieving other objectives.

4. FINANCIAL EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will have no effect on the issued and paid-up share capital and Substantial Shareholder's shareholdings of ENRA and it is also not expected to have any material effect on the net assets per share and earnings per share of ENRA.

5. VALIDITY PERIOD FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The authority to be conferred pursuant to the Proposed New Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming 28th AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever is the earlier.

Thereafter, shareholders' approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the Audit Committee and continuing application of RRPT review procedures.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTORS/MAJOR SHAREHOLDERS

Save as disclosed below, none of the Directors and/or Major Shareholders of ENRA Group and/or persons connected to them has any interest, direct or indirect, in the Proposed New Shareholders' Mandate.

The direct and indirect shareholdings of the Interested Related Parties in the Company as the LPD are set out below:

	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Yau Kok Seng	2,022,600	1.50	250,200	0.19

(1) Dato' Yau Kok Seng has an indirect interest in Witpro Sdn. Bhd., through his spouse, Datin Choong Mei Ling, and son, Yau Kin Nam. Witpro Sdn. Bhd. in turn owns 250,200 ENRA Shares.

Accordingly, the abovementioned Interested Director of ENRA IOL, a subsidiary of ENRA, who being an Interested Related Party in a RRPT has abstained and/or will abstain from voting on the resolution pertaining to the Proposed New Shareholders' Mandate.

This Interested Director has also undertaken to ensure that Interested Persons Connected with him will abstain from voting in respect of his direct and/or indirect shareholdings on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate at the forthcoming AGM.

7. APPROVALS REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of ENRA at the forthcoming 28th AGM or at any adjournment thereof.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that Proposed New Shareholders' Mandate is in the best interest of ENRA and the Board therefore recommends that you vote in favour of the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 28th AGM.

9. FORTHCOMING AGM

The 28th AGM of ENRA will be held on a fully virtual basis only and live-streamed from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the Proposed New Shareholders' Mandate. The ordinary resolution on the Proposed New Shareholders' Mandate is set out in the Notice of Annual General Meeting contained in the Annual Report 2020.

10. FURTHER INFORMATION

You are advised to refer to the attached Appendices for further information.

Yours faithfully,
for and on behalf of the Board of Directors of
ENRA GROUP BERHAD

DATUK ALI BIN ABDUL KADIR
Independent Non-Executive Chairman

APPENDIX I

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Statement/Circular and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no misleading information or other facts which, if omitted, would make any statement herein misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries within the past two (2) years preceding the LPD.

3. MATERIAL LITIGATION

Saved as disclosed below, as at the LPD, neither ENRA nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Directors have no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of the Company and/or its subsidiaries:

On 22 July 2020, ENRA SPM Labuan Limited ("ESPML") ("Respondent") (a wholly-owned subsidiary of ENRA SPM Sdn Bhd ("ESPM")), which in turn is a 60%-owned subsidiary of ENRA), received a notice of arbitration in respect of an arbitration commenced by PT Cakra Manunggal Semesta ("PT CMS") ("Claimant") against ESPML ("Notice of Arbitration").

The Claimant allegedly claimed that the Respondent is in breach and/or repudiatory breach and/or anticipatory repudiatory breach of the following:

- (a) the BIMCO Standard Bareboat Charter "BARECON 2001" agreement dated 16 October 2017 between the Claimant and the Respondent for the vessel known as MT. BRATASENA ("Vessel") ("Contract"); and
- (b) the mutual agreement on exit terms dated 9 December 2019 between the Claimant, Respondent, ESPM and Sea Trust Marine Pte Ltd, a related company to the Claimant ("Settlement Agreement").

Notwithstanding the above, the Claimant's claim for damages is currently unspecified. As such, the Company is unable to estimate the potential financial impact of the above at this juncture.

On 25 July 2020, ESPML and ESPM (collectively known as "Plaintiffs"), through their solicitors, filed a Writ of Summons (in rem) at the High Court of the Republic of Singapore and filed a Writ in Action in rem at the High Court of Malaya at Kuala Lumpur and at the High Court of Sabah & Sarawak at Kota Kinabalu on 27 July 2020 and at the High Court of Sabah & Sarawak at Kuching on 28 July 2020 (collectively known as "Writs"), against the owner and/or demise charterer of the Vessel ("Defendant").

The details of the Writs are as follows:

- (i) ESPML's claim against the Defendant is for damages (to be assessed), together with interest and costs, for various breaches and/or repudiatory breach of the Contract and the Settlement Agreement for the unlawful detention and/or conversion of the Vessel and/or various property on board the said Vessel that ESPML has ownership of and/or right of immediate possession to; and
- (ii) ESPM's claim against the Defendant is for damages (to be assessed), together with interest and costs, for the unlawful detention and/or conversion of the Vessel and/or various property on board the said Vessel that ESPM has ownership of and/or right of immediate possession to.

The Writ filed in Kuala Lumpur has been fixed for case management on 10 August 2020, the Writs filed in Kuching and Kota Kinabalu have been fixed for case management and e-review, respectively on 28 August 2020, and the Writ filed in Singapore has been fixed for a hearing on 10 September 2020.

The solicitors of the Plaintiffs is of the view that the Notice of Arbitration is prima facie premature because the Contract provides for the parties, namely ESPML and PT CMS, to refer the dispute to their higher management for settlement prior to commencing arbitration.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at D2-U3-10, Block D2, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular until the date of the forthcoming AGM:

- (a) our Constitution;
- (b) our audited consolidated financial statements for the financial years ended 31 March 2019 and 31 March 2020 and the latest unaudited results since the last audited financial statements; and
- (c) the relevant cause papers in respect of material litigation referred to in Appendix I, Section 3 above.

APPENDIX II

EXTRACT OF NOTICE OF THE 28th AGM

NOTICE IS HEREBY GIVEN that the Twenty-Eighth (28th) Annual General Meeting of ENRA Group Berhad ("Company") will be conducted **fully virtual only and live-streamed** for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Meeting Platform : <https://web.lumiagm.com/>
Day and Date : Friday, 25 September 2020
Time : 10.00 a.m.
Broadcast Venue : 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Mode of Communication : 1) Typed text in the Meeting Platform
2) Alternatively, you may submit your questions to ir@enra.my by 10.00 a.m. on 23 September 2020 (48 hours before the commencement of the 28th AGM) and the Board will endeavour to respond to the questions submitted during the 28th AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions, with or without modifications:

8. Proposed renewal of authority for the purchase by the Company of its own shares

Ordinary
Resolution
7

"THAT subject always to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:-

- (a) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of the purchase(s) and if the Company ceases to hold all or part of such shares purchased as a result of, amongst others, cancellation, re-sale and/or distribution of the shares purchased, the Company may further purchase such additional shares provided that the total number of additional shares purchased together with such shares still held/retained as treasury shares (if any) does not, in aggregate, exceed ten per centum (10%) of the total number of issued shares of the Company at the time of the purchase(s); and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

THAT the Directors of the Company be and are hereby authorised, at their absolute discretion, to deal with the shares so purchased by retaining the shares purchased as treasury shares or cancelling the shares or retaining part of the shares so purchased as treasury shares and cancelling the remainder or such other manner as allowed under the Companies Act 2016.

THAT the authority conferred by this resolution shall commence upon the passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT authority be and is hereby given to the Directors of the Company to do all acts and things as are necessary to give full effect to the purchase by the Company of its own shares with full powers to assent to any conditions, modifications, variations and/or amendments as the Directors may deem fit and expedient in the interests of the Company or as may be imposed by the relevant authorities."

9. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary
Resolution
8

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Constitution of the Company, approval be and is hereby given to ENRA Group Berhad and its subsidiary companies to enter into the Recurrent Related Party Transactions as described in the Circular to Shareholders dated 27 August 2020 with the related parties mentioned therein PROVIDED THAT:

- (a) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (b) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

AND THAT the authority conferred by such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting, at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

CHIN SOO CHING (MAICSA 7042265 / SSM Practicing Certificate No. 202008002101)
TAI YIT CHAN (MAICSA 7009143 / SSM Practicing Certificate No. 202008001023)
TAN LAI HONG (MAICSA 7057707 / SSM Practicing Certificate No. 202008002309)
Company Secretaries

Kuala Lumpur
27 August 2020

EXPLANATORY NOTES ON SPECIAL BUSINESS:

5. Proposed Share Buy-Back Authority

The proposed Ordinary Resolution 7, if passed, would empower the Directors of the Company to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

This authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the 29th AGM of the Company or the expiration of the period within which the 29th AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Share Buy-Back Authority is set out in the Circular to Shareholders that will be delivered in due course.

6. Proposed Shareholders' Mandate

The proposed adoption of Resolution 8 is to obtain new Shareholders' Mandate for Recurrent Related Party Transactions. The New Shareholders' Mandate will enable the Group to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Further information on the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders of the Company that will be delivered in due course.